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Notice To Members

CONTRACTORS INSURANCE SERVICES

Insurance Leader for the Building Industry

August 2, 2004

Barbara Sweeney, NASD
Office of the Corporate Secretary
1735 K. Street, NW
Washingtonm D.C. 20006-1500

RE : Imposition of new suitability standards on sales of deferred variable annuities.

Ms. Sweeney,

Would you reconsider and permanently defer the imposition of these new standards...they are not likely to improve the condition you hope to correct.

If you initiate a practice of isolating one product which may have evidence of marketing abuses, you're setting a precedent which has onerous consequences in the future. New reporting and compliance requirements is costly for all parties concerned...new forms, new monitoring and specific penalties for abuses identified is another time consuming unnecessary exercise in futility.

We already have a general suitability rule in place which, if vigorously enforced, should effectively deal with this problem. We can help.

15555 S.W. Bangy Road, Suite 203 P.O. Box 2267 Lake Oswego, OR 97035
503-639-8432 800-848-4125 fax 503-624-9225 postoffice@cisiins.com

I am a Senior Financial Advisor with over 42 years experience in selling life insurance products including, of course, deferred variable annuities.

We do not need more onerous reporting requirements...the applications are now averaging 12 pages in length.

Thank you for reconsidering your proposal.

Sincerely,

Robert H. Carey, Senior Financial Advisor