NASD FILING
Changes Made in Response to 08/28/06 NASD Review Letter

Prospectus Offer Statement Change:

Title	Pg. No.	NASD Comment:	Content Wording Changed	
			From:	To:
Variable product (insurance and annuity) disclosure statement ("prospectus offer statement")	2	The prospectus offer does not offer a prospectus for the variable insurance product as required by SEC Rule 482 and, hence, the material must be revise to direct investors to both the contract prospectus and the underlying fund prospectuses. Currently, the prospectus offering suggests that the reader only consider the investment objectives, risks, charges, and expenses of the underlying investment option, not the *variable product*. The prospectus offer is incomplete contrary to SEC Rule 482(b)(1)(i), as it does not identify a source from which an investor may obtain a prospectus. Please revise accordingly.	Before purchasing a variable life insurance policy or a variable annuity, carefully consider the underlying funds' investment objectives, risks, charges and expenses. Both the policy prospectus and the underlying funds' prospectuses contain this and other important information. You should read them carefully before purchasing a variable life insurance or annuity policy. Your licensed financial adviser will also provide you with fees and charges associated with these contracts.	Before purchasing a variable life insurance or variable annuity contract, carefully consider the contract and the underlying funds' investment objectives, risks, charges and expenses. Both the contract prospectus and the underlying fund prospectuses contain information relating to investment objectives, risks, charges and expenses, as well as other important information. The prospectuses are available from your licensed financial adviser or the insurance company. You should read them carefully before purchasing a variable life insurance or variable annuity contract.
Variable product (insurance only) disclosure statement ("prospectus offer statement")	2		Before purchasing a variable life insurance policy, carefully consider the underlying funds' investment objectives, risks, charges and expenses. Both the policy prospectus and the underlying funds' prospectuses contain this and other important information. You should read them carefully before purchasing a variable life insurance policy. Your licensed financial adviser will also provide you with fees and charges associated with these contracts.	Before purchasing a variable life insurance policy, carefully consider the contract and the underlying funds' investment objectives, risks, charges and expenses. Both the contract prospectus and the underlying fund prospectuses contain information relating to investment objectives, risks, charges and expenses, as well as other important information. The prospectuses are available from your licensed financial adviser or the insurance company. You should read them carefully before purchasing a variable life insurance policy.

Variable product (annuity only) disclosure statement ("prospectus offer statement")	2		Before purchasing a variable annuity contract, carefully consider the underlying funds' investment objectives, risks, charges and expenses. Both the policy prospectus and the underlying funds' prospectuses contain this and other important information. You should read them carefully before purchasing a variable annuity contract. Your licensed financial adviser will also provide you with fees and charges associated with these contracts.	Before purchasing a variable annuity contract, carefully consider the contract and the underlying funds' investment objectives, risks, charges and expenses. Both the contract prospectus and the underlying fund prospectuses contain information relating to investment objectives, risks, charges and expenses, as well as other important information. The prospectuses are available from your licensed financial adviser or the insurance company. You should read them carefully before purchasing a variable annuity contract.

Sales Presentations:

Form No.	Title	Pg. No.	NASD Comment:	Content Wording Changed From:	Content Wording Changed To:
1A1.02	**A Retirement Planning Review**	11	1. Given that the presentation emphasizes and highlights the concept of tax-deferred investing and solicits interest in variable annuities, to provide a fair and balanced presentation, the material must be revised to disclose that annuities do not provide any tax deferral advantage over other types of investments offered through qualified plans or IRAs.	Annuities: An annuity can be used to accumulate funds on a tax-deferred basis. Then, at retirement, the value of the annuity can be converted to an income that you cannot outlive.	Annuities: An annuity can be used to accumulate funds on a tax-deferred basis. Then, at retirement, the value of the annuity can be converted to an income that you cannot outlive. An annuity does not provide any tax deferral advantage over other types of investments offered through qualified plans or IRAs. If, however, you are already contributing the maximum to an employer-sponsored qualified retirement plan or an IRA, an annuity can be an attractive way to save for retirement.
		4	2. The data regarding the odds of living to retirement age and life expectancy is sourced to a 2001 CSO Table and thus, appears to be outdated.	No change - 2001 CSO Table is the most recent mortality table available in the public domain.	
		7	3. The table on page 7 does not provide the length of time on which the calculations are based. Thus, the material must be revised to address this concern.	Table Heading: Monthly Retirement Income Needed Table Heading: Capital Required at Various Interest Rates	Table Heading: For each year that you need this much monthly retirement income: Table Heading: This is the amount of capital required to provide that monthly income, assuming your capital earns an interest rate of:

Form No.	Title	Pg. No.	NASD Comment:	Content Wording Changed From:	Content Wording Changed To:
1A1.02	**A Retirement Planning Review**	8, 9	4. To provide a sound basis for evaluation, the hypothetical illustrations on pages 8 and 9 should be revised to disclose that (i) rates will vary over time, particularly for long-term investments; and (ii) the illustrations do not take into consideration any investment fees or expenses, which would lower performance.	* This is a hypothetical illustration only and is not indicative of any particular investment or investment performance.	* This is a hypothetical illustration only and is not indicative of any particular investment or investment performance. It does not reflect the fees and expenses associated with any particular investment, which would reduce the performance shown in this hypothetical illustration if they were included. In addition, rates of return will vary over time, particularly for long-term investments.
		11	5. We note that the entire section on page 11 omits material information regarding the features of these products. For example, regarding annuities there is no discussion of the different types of annuities or death benefits. In addition, there is no discussion of fees or charges for any product. Therefore, the material must be revised to include this information.		Added wording: One or more of the following retirement planning options may be of interest to you in saving for retirement. Your licensed financial adviser will discuss with you how specific products may work for you in your particular situation, including the product's features, benefits, risks, charges and expenses. NOTE: Life insurance and annuity contracts contain exclusions, limitations, reductions of benefits and terms for keeping them in force. Your licensed financial adviser will provide you with costs and complete details about any specific life insurance or annuity contracts recommended to meet your specific needs and financial objectives.

Form No.	Title	Pg. No.	NASD Comment:	Content Wording Changed From:	Content Wording Changed To:
1A2.01	**A Lesson in Life Insurance (with variable products)**	8	1. We note that the material regarding Equity Indexed Universal Life Insurance, Variable Life Insurance, and Variable Universal Life Insurance, is incomplete, as material information is omitted from the presentation. For example, there is no disclosure of fees and charges. In addition, the repeated references to "strong markets" and "positive market performance" are not balanced with the risks associated with poor market performance. Therefore, the material must be revised to address these concerns.	The terms "strong markets" and "positive market performance" are not used repeatedly in the presentation…in fact, they're not used at all. Since the presentation doesn't discuss specific products, we can't disclose fees and charges. Wording to the effect that there are fees and charges, however, has been added to page 8 and the equity market wording strengthened on pages 11, 12 and 13.	Page 8 addition: NOTE: Your licensed financial adviser will discuss with you how specific cash value life insurance products may work for you in your particular situation, including the product's features, benefits, risks, charges and expenses.
		11		➢ Cash value growth may be disappointing during a market downturn.	➢ Cash value growth may be disappointing during a downturn in the equity markets.
		12		➢ Cash values can decrease as well as increase.	➢ Cash values can decrease during times of poor market performance, possibly resulting in a loss of principal.
		13		➢ Cash values can decrease as well as increase.	➢ Cash values can decrease during times of poor market performance, possibly resulting in a loss of principal.

Form No.	Title	Pg. No.	NASD Comment:	Content Wording Changed	
				From:	To:
1A2.09	**A Lesson in Life Insurance (without variable products)**	8	1. We note that the material regarding Equity Indexed Universal Life Insurance, Variable Life Insurance, and Variable Universal Life Insurance, is incomplete, as material information is omitted from the presentation. For example, there is no disclosure of fees and charges. In addition, the repeated references to "strong markets" and "positive market performance" are not balanced with the risks associated with poor market performance. Therefore, the material must be revised to address these concerns.	The terms "strong markets" and "positive market performance" are not used repeatedly in the presentation…in fact, they're not used at all. Since the presentation doesn't discuss specific products, we can't disclose fees and charges. Wording to the effect that there are fees and charges, however, has been added to page 8 and the equity market wording strengthened on pages 11, 12 and 13.	Page 8 addition: NOTE: Your licensed financial adviser will discuss with you how specific cash value life insurance products may work for you in your particular situation, including the product's features, benefits, risks, charges and expenses.
		11		➢ Cash value growth may be disappointing during a market downturn.	➢ Cash value growth may be disappointing during a downturn in the equity markets.
1A2.02	**The Role of Life Insurance in Retirement Planning**	10	As presented, the comparison between Regular IRAs, Roth IRAs and Cash Value Life Insurance on page 10 is incomplete and oversimplified, as it omits material information pertaining to the investment characteristics and risk of the different options (including associated fees and charges).		Cash Value Life Insurance and IRA Comparison on page 10 deleted.
			1. The material discusses "cash value life insurance" without identifying or explaining any specific product that would be available to an investor. Therefore, pursuant to Rule 2210 (d)(1)(A) to provide a sound basis for evaluation, the material must be revised to address these concerns.		Page 10 replaced with page 8, Types of Cash Value Life Insurance, from 1A2.01 (A Lesson in Life Insurance with variable products)

Form No.	Title	Pg. No.	NASD Comment:	Content Wording Changed From:	To:
1A2.03	**A Retirement Income Protection Review**	5	1. We note that the "Cost to You in Lost Pension Benefits" section of the hypothetical example on page 5 is potentially misleading given that (i) only one "cost" scenario is highlighted; (ii) the "cost" is based only on the earner's life expectancy; and (iii) the section does not factor in the additional benefits to the spouse. Thus, the "Cost" section must be revised or deleted.		Page 5 has been revised to include only a discussion of the three most common pension benefit options and a hypothetical example of the monthly income provided by each benefit option. Mention of the "cost" of providing a joint and survivor option has been deleted.
		6	2. The statement "Retirement Income Protection Is the Answer!" is exaggerated and unwarranted and must be revised or deleted.		Section has been deleted.
		6	The overall suggestion that life insurance is the answer for every investor without regard to suitability or an investor's overall financial situation is misleading and contrary to Rule 2210 (d)(1)(B).	New wording added to page 6.	In making this important decision, you should evaluate the risks associated with retirement income protection funded with life insurance: ➢ Your income after retirement must be sufficient to ensure that the life insurance policy premiums can be paid and coverage stay in force for your lifetime. Otherwise, your spouse may be without sufficient income after your death. ➢ If your pension plan provides cost-of-living adjustments, will upward adjustments in the amount of life insurance be needed to replace lost cost-of-living adjustments after your death? ➢ Does your company pension plan continue health insurance benefits to a surviving spouse and, if so, will it do so if you elect the life income option?

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				From:	**To:**
1A2.03	**A Retirement Income Protection Review**	7	As presented, the comparison Joint and Survivor Annuity Payout Option and Retirement Income Protection Funded with Life Insurance on page 7 is incomplete, unbalanced and oversimplified, as it omits material information pertaining to the investment characteristics and risks of the different options.	There really aren't any investment characteristics or risks associated with a pension benefit.	Additional wording added to the comparison on page 7 regarding the life insurance option. In addition, a new page 8 added - Types of Cash Value Life Insurance, from 1A2.01 (A Lesson in Life Insurance with variable products) - in order to provide additional information on the life insurance option.
		8	The material discusses "life insurance" without identifying or explaining the different types of life insurance. Furthermore, the discussion of life insurance is incomplete, as the material does not provide any overall explanation of the characteristics, benefits, fees or risks.		New page 8 added - Types of Cash Value Life Insurance, from 1A2.01 (A Lesson in Life Insurance with variable products) - in order to provide additional information on life insurance.

Form No.	Title	Pg. No.	NASD Comment:	Content Wording Changed From:	Content Wording Changed To:
1A2.04	**A Deferred Annuity Review (with variable products)**	9	Chart must be revised to include: 1. The existence of mortality and expense charges, sales charges, and administrative fees typically found in variable annuities. 2. Withdrawals prior to age 59-1/2 are subject to a 10% tax penalty. 3. Rates will vary over time, particularly for long-term investments.	(1) This is a hypothetical illustration only and is not indicative of any actual performance of any particular investment. It does not reflect the fees and expenses associated with any particular investment, which would reduce the performance shown in this hypothetical illustration if they were included. Before purchasing a variable annuity, carefully consider the underlying funds' investment objectives, risks, charges and expenses. Both the policy prospectus and the underlying funds' prospectuses contain this and other important information. You should read them carefully before purchasing a variable annuity contract. Your licensed financial adviser will also provide you with fees and charges associated with these contracts. (2) If the annuity is surrendered at the end of the 20th year, the principal amount remaining after payment of income taxes is $84,134 at a 25% rate.	(1) This is a hypothetical illustration only and is not indicative of the actual performance of any particular annuity. It does not reflect the mortality and expense charges, sales charges and administrative fees typically associated with an annuity, which would reduce the performance shown in this hypothetical illustration if they were included. In addition, rates of return will vary over time, particularly for longer-term investments. Before purchasing a variable annuity, carefully consider the contract and the underlying funds' investment objectives, risks, charges and expenses. Both the contract prospectus and the underlying fund prospectuses contain this and other important information. You should read them carefully before purchasing a variable annuity contract. (2) This is a hypothetical illustration only and is not indicative of the actual performance of any particular investment. It does not reflect the fees and expenses associated with any particular investment, which would reduce the performance shown in this hypothetical illustration if they were included. In addition, rates of return will vary over time, particularly for longer-term investments. (3) If the annuity is surrendered at the end of the 20th year, the principal amount remaining after payment of income taxes is $84,134 at a 25% rate. Withdrawals from or surrender of an annuity prior to age 59-1/2 are subject to a 10% tax penalty.

Form No.	Title	Pg. No.	NASD Comment:	Content Wording Changed From:	Content Wording Changed To:
1A2.04	**A Deferred Annuity Review (with variable products)**	10	Material information regarding Equity Indexed Annuities is omitted from the presentation on page 10. Specifically, to provide a fair and balanced presentation, the discussion must be revised to explain the risks associated with an equity indexed annuity. Furthermore, the following material information should be disclosed (i) an investment in an indexed annuity is not a stock market investment; and (ii) it is possible for an individual to lose money.	Indexed Annuities An indexed annuity has characteristics of both a fixed interest annuity and a variable annuity. Similar to a variable annuity, the insurance company pays a rate of return on annuity premiums that is tied to a stock market index, such as the Standard & Poor's 500 Composite Stock Price Index. Similar to fixed interest annuities, indexed annuities also provide a minimum guaranteed interest rate, meaning that they have less market risk than variable annuities. Since the minimum guaranteed interest rate is, however, combined with the interest rate linked to a market index, indexed annuities have the potential to earn returns better than fixed interest annuities when the stock market is rising.	Indexed Annuities An indexed annuity has characteristics of both a fixed interest annuity and a variable annuity. Similar to a variable annuity, the insurance company pays a rate of return on annuity premiums that is tied to a stock market index, such as the Standard & Poor's 500 Composite Stock Price Index. Similar to fixed interest annuities, indexed annuities also provide a minimum guaranteed interest rate, meaning that they have less market risk than variable annuities. An investment in an indexed annuity is not a stock market investment. Instead, the rate of return is linked to the performance of a market index that tracks the performance of a specific group of stocks. Since the minimum guaranteed interest rate is combined with this interest rate linked to a market index, indexed annuities have the potential to earn returns better than fixed interest annuities when the stock market is rising. You could, however, lose money on your investment if you receive no index-linked interest due to a decline in the market index linked to your annuity, or if you surrender your indexed annuity prior to maturity.
		11		➢ Understand that equity investments provide the potential for higher returns than fixed interest investments	➢ Understand that a rate of return linked to stock market performance provides the potential for higher returns than fixed interest investments, together with the risk of losing money if no index-linked interest is credited

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				From:	To:
1A2.04	**A Deferred Annuity Review (with variable products)**	7	We note the statement on page 7, "An annuity provides financial protection against the odds of living too long or of being without sufficient assets during retirement." While an annuity may guarantee lifetime income, there is no guarantee that it will provide sufficient assets during retirement. Thus, to avoid a misleading presentation, the sentence must be revised or deleted.	➢ An annuity provides financial protection against the risk of living too long or of being without sufficient assets during retirement.	➢ An annuity provides financial protection against the risk of living too long and being without income during retirement.
1A2.05	**An Immediate Income Annuity Review (with variable products)**	8	1. The descriptions of the different annuities in the "Types of Income Annuities" are incomplete, as material information is omitted from the presentation. Specifically, there is no mention of any death benefit.	Wording added to page 8	NOTE: See page 9 for a discussion of the various annuity payout options available, some of which contain a death benefit feature.
		11	2. To provide balance, the presentation must be expanded to include the insurance-related fees and charges associated with investing in annuities on page 11.	Wording added to page 11	**Mortality or insurance charges** for a death benefit feature
		2	3. Given that the presentation illustrates the concept of tax-deferred investing and solicits interest in variable annuities, to provide a fair and balanced presentation, the material must be revised to disclose that annuities do not provide any tax deferral advantage over other types of investments offered through qualified plans or IRAs.	Disclaimer added to page 2	**IMPORTANT NOTE:** The annuity discussion that follows is intended primarily to provide information on immediate income annuities. An income annuity purchased in an IRA or qualified employer-sponsored retirement plan does not provide any additional tax deferral, since tax deferral is provided by the IRA or qualified plan itself. If an income annuity is used to provide income from an IRA or qualified employer-sponsored retirement plan, it should be purchased for the annuity features and benefits other than tax deferral.

Form No.	Title	Pg. No.	NASD Comment:	Content Wording Changed	
				From:	To:
1A2.06	**A Traditional IRA/Roth IRA Review**	6, 7, 9	1. The hypothetical illustrations on pages 6, 7 and 9 should be revised to disclose that rates will vary over time, particularly for long-term investments.	Wording added to pages 6, 7 and 9	In addition, rates of return will vary over time, particularly for longer-term investments.
		9	The underlying assumptions used to calculate the "Annual After-Tax Distributions" in the chart on page 9 must be provided.	The chart discloses the assumed interest and tax rates and Footnote (3) further states:	(3) Assumes that principal and interest are distributed in equal annual installments over 20 years.
			The material must be revised to include the risks of investing. Specifically, the material should disclose that an investor may lose money.	Wording added to pages 7 and 9	Depending on the performance of your IRA investment, it is also possible to lose money.
		2	Finally, we note that the material includes a prospectus offer for a variable annuity on page 2. Given that the material does not discuss variable annuities, the prospectus offer should be deleted from the presentation.	Prospectus offer deleted.	
1A2.07	**A Tax-Deferred Annuity (TDA) Review**	6, 8	1. The hypothetical illustrations on pages 6 and 8 should be revised to disclose that rates will vary over time, particularly for long-term investments.	Wording added to pages 6 and 8	In addition, rates of return will vary over time, particularly for longer-term investments.
			The material must be revised to include the risks of investing. Specifically, the material should disclose that an investor may lose money.	Wording added to page 8	Depending on the performance of your investments, it is also possible to lose money.
		2	Finally, we note that the material includes a prospectus offer for a variable annuity on page 2. Given that the material does not discuss variable annuities, the prospectus offer should be deleted from the presentation.	Prospectus offer deleted.	

Form No.	Title	Pg. No.	NASD Comment:	Content Wording Changed	
				From:	To:
1A2.12	**Understanding Annuities - A Lesson in Annuities (with variable products)**	5	1. We note the statement on page 5, "An annuity provides financial protection against the odds of living too long or of being without sufficient assets during retirement." While an annuity may guarantee lifetime income, there is no guarantee that it will provide "sufficient" assets during retirement. Thus, to avoid a misleading presentation, the sentence must be revised or deleted.	➢ An annuity provides financial protection against the risk of living too long or of being without sufficient assets during retirement.	➢ An annuity provides financial protection against the risk of living too long and being without income during retirement.
1A2.13	**A Lesson in Variable Annuities**	5	1. We note the statement on page 5, "An annuity provides financial protection against the odds of living too long or of being without sufficient assets during retirement." While an annuity may guarantee lifetime income, there is no guarantee that it will provide "sufficient" assets during retirement. Thus, pursuant to Rule 2210(d)(1)(B), to avoid a misleading presentation the sentence must be revised or deleted.	➢ An annuity provides financial protection against the risk of living too long or of being without sufficient assets during retirement.	➢ An annuity provides financial protection against the risk of living too long and being without income during retirement.

Form No.	Title	Pg. No.	NASD Comment:	Content Wording Changed	
				From:	To:
1A2.14	**A Lesson in Fixed Interest and Indexed Annuities (without variable products)**	11	None; change made as a result of comments on other presentations	➢ Understand that equity investments provide the potential for higher returns than fixed interest investments	➢ Understand that a rate of return linked to stock market performance provides the potential for higher returns than fixed interest investments, together with the risk of losing money if no index-linked interest is credited
		5	None; change made as a result of comments on other presentations	➢ An annuity provides financial protection against the risk of living too long or of being without sufficient assets during retirement.	➢ An annuity provides financial protection against the risk of living too long and being without income during retirement.

Form No.	Title	Pg. No.	NASD Comment:	Content Wording Changed	
				From:	To:
1A2.15	**A Deferred Fixed Interest and Indexed Annuity Review (without variable products)**	9	Chart must be revised to include: 1. The existence of mortality and expense charges, sales charges, and administrative fees typically found in variable annuities. 2. Withdrawals prior to age 59-1/2 are subject to a 10% tax penalty. 3. Rates will vary over time, particularly for long-term investments.	(1) This is a hypothetical illustration only and is not indicative of any actual performance of any particular investment. It does not reflect the fees and expenses associated with any particular investment, which would reduce the performance shown in this hypothetical illustration if they were included. Before purchasing a variable annuity, carefully consider the underlying funds' investment objectives, risks, charges and expenses. Both the policy prospectus and the underlying funds' prospectuses contain this and other important information. You should read them carefully before purchasing a variable annuity contract. Your licensed financial adviser will also provide you with fees and charges associated with these contracts. (2) If the annuity is surrendered at the end of the 20th year, the principal amount remaining after payment of income taxes is $84,134 at a 25% rate.	(1) This is a hypothetical illustration only and is not indicative of the actual performance of any particular annuity. It does not reflect the mortality and expense charges, sales charges and administrative fees typically associated with an annuity, which would reduce the performance shown in this hypothetical illustration if they were included. In addition, rates of return will vary over time, particularly for longer-term investments. Before purchasing a variable annuity, carefully consider the contract and the underlying funds' investment objectives, risks, charges and expenses. Both the contract prospectus and the underlying fund prospectuses contain this and other important information. You should read them carefully before purchasing a variable annuity contract. (2) This is a hypothetical illustration only and is not indicative of the actual performance of any particular investment. It does not reflect the fees and expenses associated with any particular investment, which would reduce the performance shown in this hypothetical illustration if they were included. In addition, rates of return will vary over time, particularly for longer-term investments. (3) If the annuity is surrendered at the end of the 20th year, the principal amount remaining after payment of income taxes is $84,134 at a 25% rate. Withdrawals from or surrender of an annuity prior to age 59-1/2 are subject to a 10% tax penalty.

Form No.	Title	Pg. No.	NASD Comment:	Content Wording Changed From:	Content Wording Changed To:
1A2.15	**A Deferred Fixed Interest and Indexed Annuity Review (without variable products)**	10	Material information regarding Equity Indexed Annuities is omitted from the presentation on page 10. Specifically, to provide a fair and balanced presentation, the discussion must be revised to explain the risks associated with an equity indexed annuity. Furthermore, the following material information should be disclosed (i) an investment in an indexed annuity is not a stock market investment; and (ii) it is possible for an individual to lose money.	Indexed Annuities An indexed annuity has characteristics of both a fixed interest annuity and a variable annuity. Similar to a variable annuity, the insurance company pays a rate of return on annuity premiums that is tied to a stock market index, such as the Standard & Poor's 500 Composite Stock Price Index. Similar to fixed interest annuities, indexed annuities also provide a minimum guaranteed interest rate, meaning that they have less market risk than variable annuities. Since the minimum guaranteed interest rate is, however, combined with the interest rate linked to a market index, indexed annuities have the potential to earn returns better than fixed interest annuities when the stock market is rising.	Indexed Annuities An indexed annuity has characteristics of both a fixed interest annuity and a variable annuity. Similar to a variable annuity, the insurance company pays a rate of return on annuity premiums that is tied to a stock market index, such as the Standard & Poor's 500 Composite Stock Price Index. Similar to fixed interest annuities, indexed annuities also provide a minimum guaranteed interest rate, meaning that they have less market risk than variable annuities. An investment in an indexed annuity is not a stock market investment. Instead, the rate of return is linked to the performance of a market index that tracks the performance of a specific group of stocks. Since the minimum guaranteed interest rate is combined with this interest rate linked to a market index, indexed annuities have the potential to earn returns better than fixed interest annuities when the stock market is rising. You could, however, lose money on your investment if you receive no index-linked interest due to a decline in the market index linked to your annuity, or if you surrender your indexed annuity prior to maturity.
		11		➢ Understand that equity investments provide the potential for higher returns than fixed interest investments	➢ Understand that a rate of return linked to stock market performance provides the potential for higher returns than fixed interest investments, together with the risk of losing money if no index-linked interest is credited

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1A2.15	**A Deferred Fixed Interest and Indexed Annuity Review (without variable products)**	7	In addition, we note the statement on page 7, "An annuity provides financial protection against the odds of living too long or of being without sufficient assets during retirement." While an annuity may guarantee lifetime income, there is no guarantee that it will provide "sufficient" assets during retirement. Thus, pursuant to Rule 2210(d)(1)(B), to avoid a misleading presentation the sentence must be revised or deleted.	➢ An annuity provides financial protection against the risk of living too long or of being without sufficient assets during retirement.	➢ An annuity provides financial protection against the risk of living too long and being without income during retirement.
		2	Finally, we note that the material includes a prospectus offer for a variable annuity on page 2. Given that the material does not discuss variable annuities, to avoid a misunderstanding pursuant to IM-2210-1 (3), the prospectus offer should be deleted from the presentation.		Prospectus offer deleted.

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				From:	To:
1A2.16	**An Immediate Income Annuity Review (without variable products)**	11	None; change made as a result of comments on 1A2.05	Wording added to page 11	**Mortality or insurance charges** for a death benefit feature
		2	None; change made as a result of comments on 1A2.05	Disclaimer added to page 2	**IMPORTANT NOTE:** The annuity discussion that follows is intended primarily to provide information on immediate income annuities. An income annuity purchased in an IRA or qualified employer-sponsored retirement plan does not provide any additional tax deferral, since tax deferral is provided by the IRA or qualified plan itself. If an income annuity is used to provide income from an IRA or qualified employer-sponsored retirement plan, it should be purchased for the annuity features and benefits other than tax deferral.

Form No.	Title	Pg. No.	NASD Comment:	Content Wording Changed From:	Content Wording Changed To:
1A2.17	**A Lesson in Indexed Annuities**	5	1. We note that the material overwhelmingly emphasizes the benefits of equity indexed annuities, without discussing the risks associated with the product. Specifically, the material does not explain that an individual may lose money. Therefore, pursuant to Rule 2210 (d)(1)(A), to provide a fair and balanced presentation, the material must be revised to include the associated risks.	Indexed Annuities An indexed annuity has characteristics of both a fixed interest annuity and a variable annuity. Similar to a variable annuity, the insurance company pays a rate of return on annuity premiums that is tied to a stock market index, such as the Standard & Poor's 500 Composite Stock Price Index. Similar to fixed interest annuities, indexed annuities also provide a minimum guaranteed interest rate, meaning that they have less market risk than variable annuities. Since the minimum guaranteed interest rate is, however, combined with the interest rate linked to a market index, indexed annuities have the potential to earn returns better than fixed interest annuities when the stock market is rising.	Indexed Annuities An indexed annuity has characteristics of both a fixed interest annuity and a variable annuity. Similar to a variable annuity, the insurance company pays a rate of return on annuity premiums that is tied to a stock market index, such as the Standard & Poor's 500 Composite Stock Price Index. Similar to fixed interest annuities, indexed annuities also provide a minimum guaranteed interest rate, meaning that they have less market risk than variable annuities. An investment in an indexed annuity is not a stock market investment. Instead, the rate of return is linked to the performance of a market index that tracks the performance of a specific group of stocks. Since the minimum guaranteed interest rate is combined with this interest rate linked to a market index, indexed annuities have the potential to earn returns better than fixed interest annuities when the stock market is rising. You could, however, lose money on your investment if you receive no index-linked interest due to a decline in the market index linked to your annuity, or if you surrender your indexed annuity prior to maturity.
		7		➢ Understand that equity investments provide the potential for higher returns than fixed interest investments	➢ Understand that a rate of return linked to stock market performance provides the potential for higher returns than fixed interest investments, together with the risk of losing money if no index-linked interest is credited

Form No.	Title	Pg. No.	NASD Comment:	Content Wording Changed	
				From:	To:
1A2.17	**A Lesson in Indexed Annuities**	7	2. Pursuant to Rule 2210(d)(1)(B) and IM-2210-1(3), the unqualified reference to "protecting" in the statement on page 7, "An indexed annuity provides the opportunity to benefit from potential gains in the equity markets, while protecting your investment from loss of principal if equity market performance falls below a stated minimum interest rate" must be revised or deleted, as it is unwarranted and fails to reflect the inherent risks of investing.	An indexed annuity provides the opportunity to benefit from potential gains in the equity markets, while protecting your investment from loss of principal if equity market performance falls below a stated minimum interest rate.	An indexed annuity provides the opportunity to benefit from potential gains in the equity markets, while paying a stated minimum interest rate during market downturns.
		4	3. In addition, we note the statement on page 5, "An annuity provides financial protection against the odds of living too long or of being without sufficient assets during retirement." While an annuity may guarantee lifetime income, there is no guarantee that it will provide "sufficient" assets during retirement. Thus, pursuant to Rule 2210(d)(1)(B), to avoid a misleading presentation the sentence must be revised or deleted.	➢ An annuity provides financial protection against the risk of living too long or of being without sufficient assets during retirement.	➢ An annuity provides financial protection against the risk of living too long and being without income during retirement.
		2	4. We note that the material includes a prospectus offer for a variable annuity on page 2. Given that the material does not discuss variable annuities, to avoid a misunderstanding pursuant to IM-2210-1 (3), the prospectus offer should be deleted from the presentation.		Prospectus offer deleted.

Form No.	Title	Pg. No.	NASD Comment:	Content Wording Changed From:	Content Wording Changed To:
1A2.19	**A "Stretch" IRA Review**		The discussion of "Stretch IRAs" is incomplete, as it does not provide the reader with a sound basis for evaluating the strategy. Specifically, the IRS program under which designated beneficiaries are able to inherit or "stretch" distributions is complex. We note that the discussion does not (i) explain all of the factors that may impact the ability to "stretch" funds; (ii) disclose that the investment used to fund the IRA may also have certain tax limitations or withdrawal restrictions; (iii) discuss any eligibility requirements, additional costs, or timing factors that may affect the ability to stretch or liquidate an account; (iv) disclose the tax assumptions (i.e., "Stretching" is based upon current tax law. If these laws change in the future, an investor's ability to maintain estimated distributions may be effected); or (v) provide language to the effect that lengthy distribution periods expose an investor to significant market risk. Therefore, pursuant to Rule 2210(d)(1)(A), the material must be revised to address these concerns. For additional guidance regarding Stretch IRAs, please refer to the Regulatory and Compliance Alert (RCA), "Compliance Focus: Disclosure in "Stretch IRA" Sales Material" Summer 2001, and the NASD Investor Alert "Stretch IRAs - Too Much of a Stretch for You?" August, 2001.	Page 3: If the owner of a traditional IRA has sufficient retirement income without the need to take IRA distributions, a "stretch" IRA might be the answer. Page 6: While this is a hypothetical example, it does illustrate how a traditional IRA can continue to grow in value, despite the payment of required minimum distributions. In our example, the IRA owner receives over $392,000 in distributions through age 85, at which point the IRA value first drops below its original value of $500,000. Page 12: New wording added at top of page.	Page 3: If the owner of a traditional IRA has sufficient retirement income **without the need to take IRA distributions above the required minimum distributions**, a "stretch" IRA might be the answer. Page 6: While this is a hypothetical example, it does illustrate how a traditional IRA can continue to grow in value, despite the payment of required minimum distributions. In our example, the IRA owner receives over $392,000 in distributions through age 85, at which point the IRA value first drops below its original value of $500,000. It is important to understand, however, that IRA income and growth is dependent on the actual rate of return of the underlying investments that fund the IRA, as well as the length of time the money is invested…rates of return vary over time, particularly for long-term investments. Page 12: If you will have no need to take money from your IRA above and beyond the required minimum distributions, evaluate these advantages and disadvantages in deciding if a "stretch" IRA is right for you.

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				From:	To:
1A2.19	**A "Stretch" IRA Review**			Existing wording on Page 12 under Disadvantages: ➢ Future tax laws and/or regulations may make IRA growth and/or taxation less advantageous to the beneficiaries. ➢ Inflation and/or poor investment returns may erode the value of future IRA distributions. Page 12: It is strongly recommended that you obtain professional tax and legal guidance in structuring a "stretch" IRA in order to avoid unforeseen and/or negative tax consequences, including an evaluation of the estate tax implications in the naming of IRA beneficiaries.	No change; appears that this wording already addresses several of the NASD concerns raised. Page 12: It is strongly recommended that you obtain professional tax and legal guidance in structuring a "stretch" IRA in order to fully evaluate: ➢ The fees and expenses associated with a "stretch" IRA and its underlying investments. ➢ Any tax limitations or withdrawal restrictions in the investment(s) used to fund the IRA. ➢ The possibility that future changes in tax laws and/or IRS rules may impact required IRA distributions and/or IRA taxation. ➢ The impact of inflation, which will erode the future purchasing power of an IRA. ➢ The inability to accurately project future investment results over a long period of time, as well as the market risk inherent in exposing IRA assets to a lengthy distribution period. ➢ The impact of a "stretch" IRA on your overall estate plan, including the inability to predict when IRA beneficiaries will die.

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1A2.19	**A "Stretch" IRA Review**	2	Finally, we note that the material includes a prospectus offer for a variable annuity on page 2. Given that the material does not discuss variable annuities, to avoid a misunderstanding pursuant to IM-2210-1 (3), the prospectus offer should be deleted from the presentation.		Prospectus offer deleted.
1A2.20	**A Reverse Mortgage Review**	5	We note the repeated statement, "Reverse mortgages are expensive if the loan is repaid within a few years of closing" is not clearly explained. Thus, pursuant to IM-2210-1(3), the material must be revised to address this concern.	Reverse mortgages are expensive if the loan is repaid within a few years of closing. As a result, if you anticipate moving within a few years, you should explore another alternative, such as a home equity loan.	The upfront costs associated with a reverse mortgage, such as an origination fee, closing costs and mortgage insurance premium (more fully described on page 9), can be significant. This means that a reverse mortgage may be expensive if the loan is repaid within a few years of closing. As a result, if you anticipate moving within a few years, you should explore another alternative, such as a home equity loan.
		10		Reverse mortgages are expensive if repaid within a few years of closing, so carefully consider your other housing options, together with possible future plans to relocate.	Since the upfront costs associated with a reverse mortgage, as described on page 9, can be significant, reverse mortgages may be expensive if repaid within a few years of closing, so carefully consider your other housing options, together with possible future plans to relocate.

Form No.	Title	Pg. No.	NASD Comment:	Content Wording Changed	
				From:	To:
1B1.07 **1B1.09** **1B3.10** **1C2.01** **1C2.02** **1C2.03** **3A.14**	**Corporate Insured Stock Redemption Plan** **Insured Section 303 Stock Redemption Plan** **Business Split-Dollar Life Insurance Plan** **Charitable Trust Review** **Lesson in Charitable Giving** **Charitable Gifts of Life Insurance** **Do You Still Have Enough Life Insurance?**	2	If variable life insurance is not a product targeted with this presentation, to avoid a misunderstanding pursuant to IM-2210-1(3), the prospectus offer should be deleted.		Prospectus offer deleted.