Northwestern Mutual
FINANCIAL NETWORK®

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Office of the Corporate Secretary
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Notice To Members

July 30, 2004

Barbara Z. Sweeney
NASD
Office of the Corp Secretary
1735 K Street NW
Washington, DC 20006-1500

Dear Ms. Sweeney,

I am the Managing Partner for Northwestern Mutual Financial Network in South Dakota. I manage approximately 45 licensed insurance professionals and variable product sales people. We serve 48,000 policyowners in South Dakota and Northwestern Iowa. I am writing to you because the redundant disclosure and suitability standards contained in the NASD proposal to impose specific suitability and disclosure requirements on the sale of variable annuities are unnecessary, will provide no meaningful protection to consumers and will have a negative impact on my business. I urge you to withdraw the proposal.

I have no problem with the NASD vigorously and aggressively prosecuting those who engage in misleading sales practices. I do believe that your proposal would duplicate requirements that are already in place. As you know, NASD rules already contain a general suitability rule that applies to all sales of securities, including variable annuities. If the NASD really wants to protect consumers, appropriate enforcement of the existing suitability rule is a much better choice. Likewise, I believe that variable annuity prospectuses, which are already reviewed by the NASD, disclose the fees, risks, and expenses associated with variable annuities. I believe that requiring a separate risk disclosure document would duplicate information already found in the prospectus and reduce the likelihood that consumers would read the most important source of information on the product, the prospectus. It would certainly make more sense to me, that the NASD should focus its efforts on getting consumers to carefully read the prospectus they receive.

I believe that the proposal is a solution in search of a problem. I do not think that the available data supports the NASD claim that the level of sales problems in the variable annuity marketplace calls for the adoption of such stringent rules. For these reasons I urge the NASD to withdraw the proposed rule. Thank you for the consideration of my views on this matter.

Sincerely,

Robert D. Lowrey, CLU, ChFC
Managing Partner

MEMBER NAIFA