

July 27, 2015

VIA ELECTRONIC MAIL

Marcia E. Asquith
Office of the Corporate Secretary
FINRA
1735 K Street, NW
Washington, DC 20006-1506

**Re: FINRA Regulatory Notice 15-20
Qualification Examinations Restructuring: FINRA Requests Comment on
a Concept Proposal to Restructure the Representative-Level Qualification
Examination Program**

Dear Ms. Asquith:

We are submitting this letter on behalf of the Committee of Annuity Insurers (the “Committee”),¹ in response to Regulatory Notice 15-20, *Qualification Examinations Restructuring: FINRA Requests Comment on a Concept Proposal to Restructure the Representative-Level Qualification Examination Program* (the “Notice”), issued by the Financial Industry Regulatory Authority, Inc. (“FINRA”) on May 27, 2015.²

The Notice requests comment on a concept proposal to restructure the current representative-level qualification examination program into a more efficient format under which all potential representative-level registrants would take a general knowledge examination and also a specialized knowledge examination for their particular registered role. More specifically, the examination structure proposed by FINRA in the Notice would allow individuals who are not associated with member firms, including members of the general public, to take the general

¹ The Committee was formed in 1982 to address legislative and regulatory issues relevant to the annuity industry and to participate in the development of securities, banking, and tax policies regarding annuities. For three decades, the Committee has played a prominent role in shaping government and regulatory policies with respect to annuities, working with and advocating before the SEC, CFTC, FINRA, IRS, Treasury, Department of Labor, as well as the NAIC and relevant Congressional committees. Today the Committee is a coalition of many of the largest and most prominent issuers of annuity contracts. The Committee’s member companies represent more than 80% of the annuity business in the United States. A list of the Committee’s member companies is attached as Appendix A.

² FINRA Regulatory Notice 15-20, available at https://www.finra.org/sites/default/files/notice_doc_file_ref/Notice_Regulatory_15-20.pdf.

knowledge examination, the Securities Industry Essentials Examination (“SIE”). In addition, the concept proposal would, among other things, permit an individual to rely on a passing result on the SIE for four years without re-taking the examination, and sets forth a series of rules transitioning to the new registration qualification structure for registered representatives who may become re-registered after the effective date of the new rules. Under the concept proposal, certain registration categories as well as their associated qualification examinations will be eliminated, such as the Order Processing Assistant Representative Examination (Series 11), Options Representative Examination (Series 42), and Corporate Securities Representative Examination (Series 62). The concept proposal would allow for registered representatives that currently hold those registration categories to continue to be so-registered after the effective date.

The Committee supports FINRA’s consideration of possible ways to reduce redundancy of subject matter content across examinations, simplify the qualification examination requirements, expand the pool of potential employee candidates for FINRA member firms, and eliminate outdated registration categories and their accompanying qualification examinations. At the same time, we ask FINRA to further evaluate whether, practically speaking, the proposal could result in additional costs and inefficiencies. In particular, the Committee is concerned that creating a requirement for a Series 6 or 7 representative to take two exams could impose additional burdens and costs that may not necessarily achieve the desired regulatory purpose.

COMMITTEE COMMENTS

The Committee appreciates the opportunity to submit its comments in response to the Notice. The paragraphs below offer the Committee’s specific comments in connection with the Notice’s concept proposal to restructure the current representative-level qualification examination program.

Qualification Examinations as Training Tools. The Committee supports FINRA’s efforts to streamline and simplify the qualification examinations by separating the general knowledge SIE from the specialized knowledge examinations. One benefit of doing so will be to allow member firms to use the SIE as a training tool with non-registered personnel. By leveraging the use of these exams as training tools, FINRA would allow member firms to educate personnel about the securities industry, but in order to do so, it is imperative that the cost of the SIE not be prohibitive.

Expiration of SIE Results. The Notice proposes that a passing result on the SIE would expire after four years if the individual does not associate with a FINRA member firm and pass a specialized knowledge examination, or terminates an association with a member firm after the effective date of the rules. As this proposal advances, the Committee requests FINRA to provide further opportunity for comment on the appropriate period after which the SIE expires. If the SIE tests fundamental concepts we believe that four years or perhaps even longer may be appropriate. On the other hand, if the subject matter of the SIE is more likely to change or be updated, perhaps a shorter period such as three years may be more appropriate. The Committee would look forward to the opportunity to provide further input on this and other issues as this rulemaking advances.

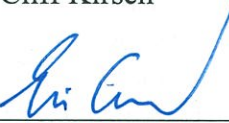
CONCLUSION

The Committee appreciates the opportunity to offer these comments on the Notice. Please do not hesitate to contact Eric Arnold (202-383-0741, eric.arnold@sutherland.com) or Clifford Kirsch (212.389.5052, clifford.kirsch@sutherland.com) if you have any questions regarding this letter.

Respectfully submitted,

SUTHERLAND ASBILL & BRENNAN LLP

BY:  FAA
Cliff Kirsch

BY: 
Eric Arnold

FOR THE COMMITTEE OF ANNUITY INSURERS

Appendix A

THE COMMITTEE OF ANNUITY INSURERS

AIG Life & Retirement
Allianz Life
Allstate Financial
Ameriprise Financial
Athene USA
AXA Equitable Life Insurance Company
Fidelity Investments Life Insurance Company
Genworth Financial
Global Atlantic Life and Annuity Companies
Great American Life Insurance Co.
Guardian Insurance & Annuity Co., Inc.
Jackson National Life Insurance Company
John Hancock Life Insurance Company
Life Insurance Company of the Southwest
Lincoln Financial Group
MassMutual Financial Group
Metropolitan Life Insurance Company
Nationwide Life Insurance Companies
New York Life Insurance Company
Northwestern Mutual Life Insurance Company
Ohio National Financial Services
Pacific Life Insurance Company
Protective Life Insurance Company
Prudential Insurance Company of America
Symetra Financial Corporation
The Transamerica companies
TIAA-CREF
USAA Life Insurance Company
Voya Financial, Inc.