

While I am not a legal expert, the current regulatory environment presents some challenges for non-commission annuities. Over the past several years, lower expense, non-commission variable annuities have become more prevalent in the market. Oftentimes, these products provide both improved choices and decreased costs for investors.

I want to address several key points as to why change is needed and will improve investor options.

- 1.) Fee only annuities often have lower expenses than traditional commission based annuity products.
- 2.) Fee only annuities may offer improved investment options for subaccounts.
- 3.) Not being able to draw fees directly from the annuity may unnecessarily result in ordinary income tax.
- 4.) Charging an ongoing fee rather than a commission incentivizes ongoing advice.