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April 26, 2007

VIA FEDEX OVERNIGHT

Mr. Bryan J. Lantagne
Director, Massachusetts Securities Division
One Ashburton Place, Room 1701
Boston MA 02108

Re: Proposed Regulations on Senior Financial Designations

Dear Mr. Lantagne:

The Northwestern Mutual Life Insurance Company would like to comment on the proposal to adopt regulations on professional designations and credentials relating to selling to or advising senior citizens. It was not possible for us to attend the hearing held on April 24. We appreciate the Division's consideration of these written comments.

Northwestern Mutual is not a broker-dealer or an investment advisor, but has subsidiaries which are, and most of our insurance producers are also registered representatives of a broker-dealer, or investment advisor representatives, or both. The proposal would affect designations used by a great many insurance producers.

One distinction between the investment and advisory worlds and the insurance world is that there are insurance products intended primarily, and sometimes solely, for senior purchasers. Designations and credentials have developed around these products and markets in the insurance field. For these reasons and others, the insurance industry has a considerable stake in the proposal, and we hope the Division will consider coordinating its evaluation of designations and accreditation with the Division of Insurance.

We support the testimony presented by Dr. Walt Woerheide, Vice President and Dean of the American College, relating to credentials and designations which are legitimate indicia of merit and achievement and which should be permitted.

We have additional comments of our own. First, the words which indicate a given designation is aimed at seniors are "senior," "retirement," "elder," and what are called "like words." The three listed words appear to be "per se" indications of a senior consumer emphasis. With the exception of "elder," however, this may not be the case. For example, most product sales and planning have, by necessity, to take place well before age 60 to be meaningful preparations for retirement. A bona fide "Retirement Adviser" may well have few clients over 50, much less 60 and over. Likewise, within a given sales organization, "senior" may be indicative merely of seniority or success within a sales system, not a target market of older consumers. A "per se" test involving these words may have unfair results. In addition, given the stakes involved, we would like clarity as to what the Division might consider to be "like words."

We feel the proposed regulations need “safety valve” provisions so that given designations, which might inadvertently seem to be addressed by the regulations, can be reviewed and approved for use regardless of accreditation, if the Division can be satisfied that it is not in fact a senior consumer designation.

As to 950 CMR 12.205(9){c}(15), if a designation contains the word combinations mentioned above, the organization that confers the designation or credential needs to be accredited in some acceptable manner. This is one rational way to proceed with regulating the use of credentials and designations. We second Dr. Woerheide’s point that accrediting of genuine educational institutions such as the American College is a different matter than accrediting credentialing organizations.

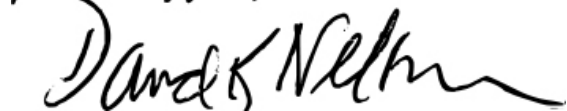
We have two concerns with this focus on accreditation. First, there may be organizations which do not regard it as their role, or lack the resources, to submit themselves to the Securities Division for review and approval. Although this is not clear from the proposal as currently drafted, we hope it will be possible for individuals and entities to submit the required information and get an organization approved by the Division even if the organization itself does not do so.

Our second concern is that here, too, we feel a need for some sort of “safety valve” provision to avoid arbitrary results, so that a process exists under which a given designation, which perhaps lacks the sort of accreditation the Division prefers, can nonetheless be individually submitted to the Division for review, using criteria relating to hours of study, content of materials and classes, status of the conferring organization, and other factors that the Division finds to be a reasonable surrogate for formal accreditation.

Stated another way, while the Division is on solid ground for its position that there are questionable designations being used, we also feel it is highly likely that there are legitimate designations that are bona fide recognitions of genuine attainment which might not be able to meet the criteria established by the proposed regulation in its current rather mechanistic form.

Thank you for your consideration of these comments. We would be pleased to try to respond to any questions the Division may have for us.

Sincerely yours,



David K. Nelson
Assistant General Counsel

cc: Steven M. Radke
Michael Bartholomew (ACLI)