

Subject: Old Mutual - Rule 151A Update

Old Mutual thanks all of our producers, agencies and their employees for taking the time to urge their Senate and Congressional Representative to Co-sponsor Bills pending in Congress to overturn Rule 151A: S1389 and HR 2733. Old Mutual also would like to update you on recent court developments in Old Mutual's fight to have the D.C. Circuit Court of Appeals vacate Rule 151A.

Recent Court Developments:

On Tuesday, December 8th, the SEC responded to Old Mutual's Petition for Rehearing where Old Mutual asked the Court to vacate Rule 151A or, in the alternative, impose a 2-year implementation period if the SEC goes forward with the Rule. We are pleased to share that the SEC committed to a 2-year stay – or implementation period – for Rule 151A to commence if and when the SEC reissues the Rule and subjects the Rule to a Comment Period. This is a very positive outcome because it basically means:

- That the January 2011 Effective Date for the Rule is off-the-table and, instead,
- The Rule will not become effective, most likely, until January 2013 – if at all.

This development is a result of the leadership Old Mutual has demonstrated in the fight to defeat Rule 151A and has a positive impact on the entire Fixed Indexed Annuity (FIA) industry.

Unfortunately, the SEC also indicated in response to Old Mutual that even though they agreed to the 2-year stay from the date that the Rule is reissued, their current plans appear to be to proceed with the adoption of the Rule.

It should be noted that the Court of Appeals may still void ("vacate") the rule and we should hear on that in a few weeks. However, even if the Rule is vacated, the SEC may re-introduce the Rule once the SEC conducts additional analysis. What this means for Old Mutual and others in the FIA industry, is that we must continue our active support of the legislation currently pending before congress to overturn Rule 151A.

Legislative Developments:

Support continues to build for the Bills pending in Congress – S 1389 (12 Sponsors) and HR 2733(61 Sponsors) – and Old Mutual is an active part of efforts to continue this expansion of support. Most particularly, we continue to partner with Blair O'Connor and the National Association for Fixed Annuities to support these Bills.

In regard to your local efforts, we can update you to say that support continues to grow in Congress! Not only are the numbers as noted above impressive – 73 combined sponsors in both Houses – key House Subcommittee Members such as Representative Childers of Mississippi just recently agreed to Co-sponsor; as well as 'swing votes' in the Senate such as Senator Pryor of Arkansas.

We will continue to monitor and keep you apprised of the situation as it develops – and ask you to continue your grassroots efforts to urge Congress to pass these Bills!

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