

January 3, 2012

Office of the Secretary  
Public Company Accounting Oversight Board  
1666 K Street, N.W.  
Washington, DC 20006-2803

Re: PCAOB Rulemaking Docket Matter No. 37: Concept Release on Auditor Independence and Audit Firm Rotation

Dear Board Members:

The Audit and Enterprise Risk Committee of CNO Financial Group, Inc. (“CNO” or the “Company”) appreciates the opportunity to comment on the PCAOB’s Concept Release on Auditor Independence and Audit Firm Rotation (the “Concept Release”). We acknowledge that the deadline for comments has passed, but it is our understanding that you are continuing to accept comment letters.

CNO is a holding company with total assets in excess of \$32 billion. Our insurance subsidiaries – principally Bankers Life and Casualty Company, Colonial Penn Life Insurance Company and Washington National Insurance Company – serve working American families and seniors by helping them protect against financial adversity and provide for a more secure retirement.

We understand the PCAOB is charged with ensuring auditor independence and objectivity and support its efforts in that regard. However, we believe that mandatory audit rotation would not result in improvement in these areas and would come with significant cost and risk. Our concerns regarding mandatory rotation are listed below.

Mandatory audit firm rotation may result in less effective audits. In today’s complex business, regulatory and accounting environment, a deep level of knowledge about a company’s industry, its operations and financial history is required to conduct an effective audit. The institutional

knowledge, which is developed over time, is essential to the proper and timely completion of an audit and would be significantly impacted by implementing mandatory auditor rotation.

The ability of the auditors to obtain an in-depth knowledge of a company's business and industry is critical to produce an effective and independent audit. This is paramount for the specialized and highly regulated insurance industry, where financial reporting is dependent on internally developed actuarial, investment and tax models. Only a few audit firms specialize in insurance. The periodic elimination of one of those firms will substantially reduce viable options. Mandatory auditor rotation could force the selection of a sub-optimal firm and, ironically, the quality of the audit would suffer.

The Sarbanes-Oxley Act requires certain audit rotations which address concerns over the objectivity of firms that have a long tenure with a company. Mandatory partner rotation brings a fresh perspective on accounting matters, while maintaining the benefit of company and industry knowledge obtained by the firm.

Mandatory auditor rotation will limit the pool of qualified providers for non-audit services. CNO relies on the limited number of larger accounting firms that do not perform the Company's audit to provide services that the audit committee has otherwise determined should not be provided by the auditor. As a result of mandatory auditor rotation, the audit committee would need to consider the implications of such rotation on non-audit services, potentially limiting the pool of qualified service providers.

Mandatory auditor rotation would result in higher audit costs. As noted in the Concept Release, mandatory audit firm rotation would significantly increase audit fees and related expenses. These increased costs would result from the extensive effort needed to assemble and relocate new audit teams and then train and familiarize them with the Company, its business and its financial operations.

In addition, Company personnel would spend a significant amount of time and effort in training the employees of the new audit firm – time that would be better spent focusing on the Company's business. Audit firms recognize the additional time and cost associated with a change and frequently absorb this additional time spent in the early years after their appointment as an "investment" in the long-term client relationship. With frequent mandatory rotation, these costs will likely be passed on to the companies.

With mandatory auditor rotation, audit firms will be continuously working to replace revenue streams lost because of rotation. The pressure to replace lost clients will result in significant time being spent in marketing efforts. The cost of these efforts will likely be passed on to the companies.

Additionally, companies will be required to go to multiple auditing firms to obtain required consents and comfort letters in order to incorporate historical financial statements into securities offering documents.

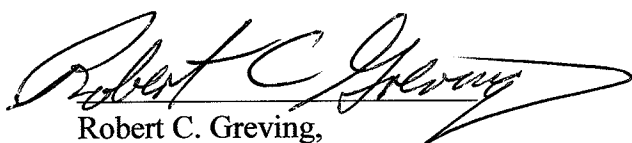
If we determined the Company needed a new audit firm after the consideration of numerous factors, these additional costs would be warranted. However, mandatory auditor rotation that is not justified by our periodic assessment would not be in the best interest of the Company's shareholders.

The audit committee is in the best position to evaluate auditor independence. The rules put in place by the Sarbanes-Oxley Act charge the audit committee with the selection and oversight of the audit firm. Like other audit committees, we regularly review and appraise the qualifications, independence and performance of the Company's independent auditors. We believe the audit committee is in the best position to evaluate whether the auditors are independent and objective and whether it is in the best interests of the shareholders to initiate the process of selecting a new audit firm.

In summary, the costs of mandatory audit rotation would outweigh any perceived benefits in increased auditor independence, objectivity and professional skepticism and may result in a decline in audit quality and diminish the benefits of the audit committee's oversight role.

Again, we thank you for the opportunity to provide comments and appreciate the PCAOB's consideration of these matters.

Sincerely,



Robert C. Greving,

Chairman of the Audit and Enterprise Risk Committee  
CNO Financial Group, Inc.