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November 12, 2007

Nancy M. Morris, Secretary  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090



**File No.:** S7-20-07  
**Release No.:** 33-8831

Dear Ms. Morris

This letter is to provide our opinions on certain questions presented in Release No. 33-8831 "Concept Release on Allowing U.S. Issuers To Prepare Financial Statements in Accordance With International Financial Reporting Standards; Proposed Rule."

We appreciate the opportunity to respond to the questions raised by this concept release. We do support the convergence of U.S. and international accounting standards in the near future to support U.S. capital markets. However, we believe that a single set of accounting standards should be used when filing with the Commission rather than having the option of filing under one of two methods as we believe that investors would not be able to accurately analyze and compare U.S. issuers' financial statements if filed using different accounting methods. We support continuation of the convergence between U.S. GAAP and IFRS and would like to see the U.S. accounting standards setters actively and constructively contribute to forming and updating IFRS.

We have included our response to certain questions raised by this concept release below:

**1. Do investors, U.S. issuers, and market participants believe the Commission should allow U.S. issuers to prepare financial statements in accordance with IFRS as published by the IASB?**

We believe that a single set of accounting standards should be used when filing with the Commission. One of the primary purposes of Commission filings is to protect investors. We believe that investors would not be able to accurately analyze and compare U.S. stock market company financial statements if issuers file statements prepared in accordance with two different accounting methods. If the Commission adopts provisions to require the use of IFRS by U.S. registrants, we believe that a significant amount of implementation time should be allowed (a minimum of five years) as we estimate that a considerable amount of resources, both in terms of personnel and information systems, would be required to change our accounting basis.

**6. What immediate, short-term or long-term barriers would a U.S. issuer encounter in seeking to prepare IFRS financial statements? For example, would the U.S. issuer's other regulatory (e.g., banking, insurance, taxation) or contractual (e.g., loan covenants) financial reporting requirements present a barrier to moving to IFRS, and if so, to what degree?**

The primary barriers that we believe would be encountered in changing our financial accounting basis would include: 1) education of our accounting personnel, senior management and board of directors regarding IFRS and the differences compared to U.S. GAAP in order to assess the impact on our company's financial statements from changing to IFRS, 2) impact on existing financial systems that support U.S. GAAP such as the general ledger, insurance liability valuation systems, investment accounting systems, etc., and 3) being able to balance the assessment / implementation of changing to IFRS along with continuing to report under U.S. GAAP and maintaining our internal control structure as required by the provisions of the Sarbanes-Oxley Act.

**20. What issues would be encountered by U.S. issuers and auditors in the application of IFRS in practice within the context of the U.S. financial reporting environment?**

In addition to the response included above to #6, U.S. GAAP standard setters are issuing new accounting pronouncements, positions, and proposals at a record pace. It is a current challenge for most U.S. reporting companies to implement all of these new requirements and track all new proposals with existing staffing levels. Continuing to keep pace with the current standard setting environment while implementing IFRS would certainly be a challenge that could impair the quality of reporting under U.S. GAAP in the interim time period until IFRS is fully implemented.

**21. How do differences between IFRS and U.S. GAAP bear on whether U.S. issuers, including investment companies, should be given the choice of preparing financial statements in accordance with IFRS?**

As we are an insurance company in the life/health insurance sector that currently reports financial statements in accordance with U.S. GAAP, our response to the questions raised by this concept release is drafted from that perspective. Insurance companies under the IASB are currently governed by IFRS 4 "Insurance Contracts" which is an interim standard that permits a wide variety of accounting practices for insurance contracts. The final IASB standard for insurance contracts is not expected to be issued until 2009 or 2010. It is our opinion that insurance companies should not be given the option to file under IFRS until the time this standard is adopted at a minimum as the preliminary views document regarding insurance accounting issued by the IASB in May 2007 will dramatically change insurance accounting for IFRS filers. Furthermore, we believe that insurance companies should only be allowed to file under a single set of standards, either U.S. GAAP or IFRS, as the differences between the two standards (once the IFRS adopts its final insurance accounting standard) are dramatically different.

For example, under the IASB "Preliminary Views on Insurance Contracts" discussion paper, paragraph 165 states that policy acquisition costs should be recognized as an expense and not as the cost of an asset. Under U.S. GAAP, insurance companies are

required to defer policy acquisition costs. For most insurance companies, deferred acquisition costs are a substantial percentage of total assets, and the capitalization and amortization of these costs are significant components of the income statement. If insurance companies were allowed to choose between U.S. GAAP and IFRS, investors would need to conform each insurance company's financial statements (both consolidated and by segment) for this difference in order to meaningfully compare the companies.

Also, under the IASB preliminary views on insurance contracts, insurance liabilities would be presented at market value with changes in the market value reported in the income statement. This represents a significant departure from current U.S. GAAP reporting. Again, for insurance companies, insurance liabilities are the major portion of the liabilities section of the balance sheet.

**22. What do issuers believe the cost of converting from U.S. GAAP to IFRS would be? How would one conclude that the benefits of converting justify those costs?**

The cost of converting to IFRS, as discussed in responses to questions # 1 and #6 above, would involve significant resources both in terms of personnel and information systems as well as possible reduction in quality of filings under U.S. GAAP in the interim period until IFRS is fully implemented. We do not believe that the benefit of filing under IFRS on an optional basis would outweigh these costs. We do, however, support the convergence of U.S. GAAP and IFRS and believe that the long-term benefits would outweigh the short-term conversion costs.

**30. Who do commenters think should make the decision as to whether a U.S. issuer should switch to reporting in IFRS: a company's management, its board of directors or its shareholders? What, if any, disclosure would be warranted to inform investors of the reasons for and the timing to implement such a decision? If management were to make the decision to switch to IFRS, do investors and market participants have any concerns with respect to management's reasons for that decision?**

We believe that the decision to switch to IFRS should be made by a combination of the company's management and board of directors. We would support disclosure sufficient to inform investors as to the reasons for making the switch and the differences between U.S. GAAP and IFRS in order to fully understand the impact on the company's financial statements.

**32. Should the Commission establish the timing for when particular U.S. issuers could have the option to switch from preparing U.S. GAAP to IFRS financial statements? Should market forces dictate when a U.S. issuer would make the choice to switch from U.S. GAAP to IFRS financial statement reporting? If the former, what would be the best basis for the Commission's determination about timing?**

As stated above, we believe that there should not be an option to file under either method. We believe that one method should be required and if that method is IFRS, then timing for filing under that method by insurance company registrants should be aligned with the IASB's adoption of its proposed insurance accounting model

expected in 2009 or 2010. We believe that sufficient time to implement (a minimum of 5 years) should be granted.

Sincerely,

A handwritten signature in black ink that reads "W. Lynn Rice". The signature is written in a cursive style with a large, prominent "W" and "R".

W. Lynn Rice  
Vice President, Financial Resources