LOEWS
CORPORATION

Peter W. Keegan
Senior Vice President
and Chief Financial Officer

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

RE: PCAOB Rulemaking Docket Matter No. 37

Dear Members of the Board:

Loews Corporation welcomes the opportunity to provide comments on the Public Company Accounting Oversight Board ("PCAOB") Release No. 2011-006. Our comments are focused on the consideration of mandatory auditor rotation.

The concept release on auditor independence and audit firm rotation emphasizes the need for auditor independence, objectivity and professional skepticism. These qualities have been the standard bearer of the public accounting profession for many years. While we fully support these qualities in any audit, we believe that mandatory auditor rotation does not provide any significant improvement to the performance of a quality audit. In addition, rotation also extends a certain number of risks to the execution of a quality audit along with substantial costs. Therefore, we believe that mandatory rotation should not be implemented due to the lack of any clear evidence that the associated costs would improve financial reporting.

Legislating mandatory auditor rotation conceptually provides a "fresh perspective" of a company's accounting policies and practices but at considerable cost without a measurable benefit. Any accounting firm conducting a first year audit will lack the institutional knowledge and insight derived from prior years' involvement in reviewing a company's operations. A first year auditor will compensate by investing significantly more time to understand and identify key exposure areas. There is no guarantee that all areas will be identified or properly evaluated during the audit. In addition, there will be a greater amount of company management time required to support the auditors' increased investment. As a result, a company will incur the added cost of higher professional fees in addition to increased internal costs to support the transition process. These added costs would be incurred on a periodic basis under a mandatory rotation regime.

667 Madison Avenue, New York, New York 10065-8068 voice: 212-521-2950 fax: 212-521-2329 e-mail: pkeegan@loews.com

The internal costs a company incurs to support the transition process can be very significant. While not necessarily quantifiable, the organizational distraction that will occur will impact management at critical times during the close process. Auditor rotation coupled with ongoing requirements to assess and implement new accounting standards will result in a significant strain to financial reporting teams. The resulting increase and compression of workload may create risks to the accuracy and timeliness of the reporting process. Again, while these costs may not be quantifiable it is clear that they are significant. It is also clear to us that the benefit of auditor rotation does not provide enough of a measurable value to justify the increased costs and risks.

A complexity of mandatory rotation specific to Loews Corporation is that we partially own three subsidiaries that are public registrants. In order to implement a change in auditors, we would need to evaluate and engage a new auditor with specific industry expertise across three separate disciplines for four public registrants at the same time. Many Fortune 500 companies also operate in very complex industries and require focused technical expertise. In selecting an auditor, there may only be four firms of sufficient size and stature to choose from. One or more of these firms may be precluded from performing attest services due to independence concerns regarding certain professional relationships. As a result, a company may be left with the choice between two or even only one firm when faced with a mandatory rotation of auditors.

We believe the Sarbanes-Oxley Act, including the auditor review functions performed by the PCAOB, provide the appropriate regulatory environment for monitoring auditors' independence, objectivity and professional skepticism. If the inspection process identifies areas of concern related to audit quality, then the PCAOB has an enforcement issue related to that firm's practices. The standards for ensuring a quality audit already exist and will not be improved by simply requiring auditor rotation. The requirement of audit partner rotation already provides a mechanism to obtain a fresh perspective of a company's accounting policies and practices. Partner rotation however, does not entail the increased costs associated with audit firm rotation since professional staff provides the continuity of institutional knowledge and understanding of key risks and exposure areas.

Sincerely,

/s/ Peter W. Keegan