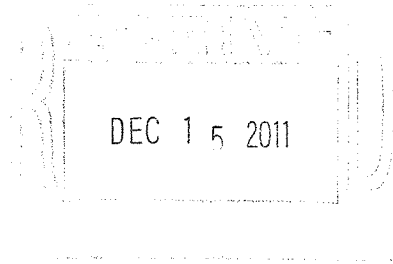




Great American Insurance Group Tower
301 E Fourth Street
Cincinnati, OH 45202-4201

AFGinc.com



December 9, 2011

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

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

Dear Sirs:

We recognize the importance of auditor independence in ensuring the efficient operation of our capital markets and its value to our investors and stakeholders. Accordingly, we welcome the opportunity to comment on the issue of auditor independence and audit firm rotation in the PCAOB's concept release on this topic.

We believe that the right to determine the tenure of auditors should be retained by a company's audit committee. We strongly believe that audit firm rotation should not be mandated for the following reasons:

- Audit quality would be impaired due to the audit firm's learning curve and lack of familiarity with the client's environment, high risk issues and the capabilities of the client's people in the early years of a new engagement. Audit quality could also suffer at the end of a rotation period as the auditor focuses on its next assignment and the client becomes distracted with planning for the transition to a new audit firm.
- An audit firm's lack of familiarity with a new client could be detrimental to the client if the timing coincides with a significant transaction such as a merger or acquisition.
- One of the audit committee's duties is to select the independent audit firm that it believes is best suited to meet the needs of the company and its shareholders. This selection may include criteria such as industry expertise or geographical reach of the audit firm. Mandatory firm rotation would limit the authority of the audit committee to carry out this duty by automatically disqualifying the current audit firm.

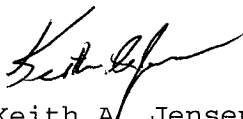
- The cost (in time and dollars) of first year audits for both the audit firm and the client are significantly higher as the new auditor learns the client's business and its processes and the client spends time educating the audit firm on its operations and accounting processes. These costs are magnified for clients with many locations, including those with foreign operations. We believe these added costs out-weigh any perceived benefit. In addition, these added costs would make U.S. public companies less competitive with their global rivals.
- We believe mandatory rotation may make external auditing a less attractive profession due to the disruptions faced in new engagements (including a likely increase in relocations) and the difficulty audit firms will have in maintaining adequate staffing levels and giving their personnel career-enhancing assignments.
- We are unaware of any evidence linking audit firm tenure to audit failures. To the contrary, we believe that the knowledge and understanding an audit firm gains over time enhances audit quality.
- We believe that the requirement for mandatory engagement partner rotation and the audit committee practices imposed by the Sarbanes-Oxley Act are sufficient to maintain auditor independence, objectivity, and professional skepticism.

In summary, we question the link between audit tenure and audit failures. We believe that mandatory audit firm rotation will lesson audit quality, increase the risk of audit failure, and is not cost-justified. Accordingly, we recommend that the PCAOB not require public companies rotate their audit firm.

Sincerely,



Theodore H. Emmerich
Audit Committee Chairman
American Financial Group, Inc.



Keith A. Jensen
Senior Vice President
American Financial Group, Inc.