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February 23, 2007

Office of the Secretary  
PCAOB  
1666 K St. N.W.  
Washington, D.C. 20006-2803

Re: PCAOB Rule Making Docket Matter No. 021

The Assurant organization extends its gratitude to the PCAOB for undertaking the task of eliminating unnecessary requirements of the existing standard on Auditing Internal Controls over Financial Reporting. Assurant believes it has incurred substantial costs associated with these unnecessary requirements and with little or no corresponding benefit received.

Assurant believes a new standard would create a more manageable integrated audit process which should ultimately result in lower costs to our organization without sacrificing quality results. We further believe that some changes could be made to the proposed standard that would enable it to be even more effective.

1. Rotational Testing – under the proposed standard, rotational testing is not allowed. We support an approach to testing that would allow the auditor to rely on the procedures that were performed and the knowledge gained in prior years, refreshing the testing every few years to insure nothing has changed and that controls continue to be effective. Since walkthroughs will be done annually, it should be very apparent when changes have been made in a process that necessitate updated testing. For those processes that have not changed, rotational testing should be an acceptable practice.
2. Principal Evidence - We support providing more definition and examples for the term “principal evidence”. We believe there is a lack of definition that promotes an environment that leads to meeting a given desired numerical coverage by the external auditor, rather than an environment where the auditor can gain greater leverage from the work of others in meeting the principal evidence goal. Companies have invested huge sums in testing key controls and companies should be able to gain substantial benefit in reduced audit hours by having auditors use the work of the companies in meeting their principal evidence requirement.
3. Benchmarking - benchmarking is another area where we request more guidance. With good change management controls in place, re-benchmarking should not be needed; the proposed guidance suggests a company is not required to retest after benchmarking

In New York state, Assurant, Inc. does business under the name Assurant Group.

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unless the company has made changes to the process/control being tested. This seems to defeat having good change management controls which should have been tested and shown to provide adequate controls in and of themselves.

Thank you for considering these changes to the proposed standard. Please feel free to contact me if you have questions regarding our suggested changes.

Sincerely,

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