

November 28, 2011

Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street, N.W.
Washington, D.C. 2006-2803
Via e-mail: comments@pcaobus.org

Re: Docket 037: Concept Release on Auditor Independence and Audit Firm Rotation

Dear Board Members and Staff of the PCAOB:

We are very supportive of the Board's efforts to address the financial reporting concerns of all parties that use financial statements, given the financial meltdown that occurred in 2008, the current financial crisis in Europe and recent events involving MF Global. However, we are strongly opposed to an audit standard being issued that mandates audit firm rotation.

Current rules already have significant independence built in to them. For example, the audit partner rotates every five years and the review partner also rotates. The audit team is required to vary the timing, nature and scope of its audit procedures and last but not least, the PCAOB inspects audit firms.

If audit firms had to rotate after a period of years, we believe that audit quality would decline in the early years of an engagement. Business models, even within the same industry, can vary significantly from one company to another. These models can be quite complex and the proper application of the myriad of accounting rules and the interpretation of those rules require that the auditing firm be intimately familiar with a company's processes and fully understand the business model. The aforementioned involves a process that takes considerable time and hands-on experience. There is no simple way to impart that knowledge and experience.

Under mandatory firm rotation, audit costs would rise significantly due to the new firm's additional time billed to gain knowledge about the "new client." The audit firm would also incur costs in going through the process of bidding for new clients who have to rotate.

From the client company's point of view, there would also be additional management costs related to the request-for-proposal for a new audit firm and a myriad of personnel expenses that would be incurred as company personnel help the new audit entity understand the company's operations. All of this further begs the question of limited viable rotation alternatives that presently exist within the accounting profession.

Significant improvements have already been made to audit quality as a result of the implementation of the Sarbanes-Oxley Act. Furthermore, auditor independence and expertise is constantly scrutinized by the audit committee at each regular committee meeting. Audit committees are very important in enhancing auditor independence and quality. However, a company's audit committee does not receive

a direct copy of the specific results of the PCAOB's review of that company's auditor. This should be corrected.

It appears to be highly unlikely that the proposed rotation of audit firms would result in any enhancement to auditor independence.

For the above noted reasons and the fact that a company's independent audit committee is in a position to monitor the service and objectiveness by the auditor, we urge you to withdraw your proposal on mandatory audit firm rotation.

Respectfully submitted,

Mr. Ronald I. Simon
Chairman, Audit Committee of the Board of Directors of
American Independence Corp. [NASDAQ: AMIC]

Mr. Myron M. Picoult
Member, Audit Committee of the Board of Directors of
American Independence Corp. [NASDAQ: AMIC]