



December 14, 2011

Mr. J. Gordon Seymour, Secretary
Public Company Accounting Oversight Board
1666 K Street, N.W.
Washington, D.C. 20006-2803

**PCAOB Rulemaking Docket Matter No. 37
Concept Release on Auditor Independence and Audit Firm Rotation**

Dear Mr. Seymour,

Assured Guaranty Ltd. (“Assured Guaranty” or the “Company”) is pleased to submit its comments to the Public Accounting Oversight Board (“PCAOB”) on its concept release No. 2011-006: *Concept Release on Auditor Independence and Audit Firm Rotation*. We support the PCAOB’s objective of ensuring auditor independence, objectivity and professional skepticism. We believe that the provisions of the Sarbanes-Oxley Act of 2002 (“SOX”), namely putting the responsibility of hiring the auditor in the Audit Committee’s hands instead of management’s, the prohibition of auditors from performing certain non-audit services for audit clients, and mandating audit partner rotation, provide key elements toward the objectives sought by the PCAOB. Coupled with the PCAOB’s independent oversight of the auditing profession, we believe that the audit profession’s independence, objectivity and professional skepticism have improved considerably since 2002.

Based on the positive results seen from the aforementioned actions, we believe that mandatory audit firm rotation would not result in meaningful improvements in auditor independence, objectivity or professional skepticism. In fact, we believe that mandatory audit firm rotation would have a negative impact on the quality of audit work performed and would come with significant cost and risk.

Our primary concerns with mandatory audit firm rotation include, but are not limited to: 1) reduced audit quality, 2) reduced audit efficiency, and 3) reduced Audit Committee authority.

1) Reduced Audit Quality:

- There is a loss of detailed knowledge and insight into a company’s business activities and operations that occurs when a new auditor is retained. Specific knowledge of a

company's processes and procedures and familiarity with its detailed accounting practices is not something that can be obtained overnight but rather must be accumulated through years of experience. Having this experience, we believe, helps auditors identify and focus their audit to ensure the most complete and effective use of their time as well as the most efficient use of management's time in dealing with issues as they arise.

- Assured Guaranty is in a highly specialized industry with only a handful of companies using our accounting model. There are a very limited number of PCAOB member firms that have the technical expertise to audit a financial guaranty insurance company. We are aware of a financial guarantor who attempted to solicit bids from independent auditors several years ago and was unable to obtain a bid from anyone except the Big Four firms, due to the other accounting firm's lack of experience in this industry. Extending the implications of this to Assured Guaranty, if we were forced to rotate audit firms, and chose not to include the firm we use for consulting work due to the additional disruptions this would cause us, we would be left with only two accounting firms from which to choose. Only one of these firms has a financial guaranty audit client who prepares GAAP financial statements. We do not believe this would lead to improvements in the quality of the audit work performed. Furthermore, a mandated auditor rotation would lead to a regular loss of auditor understanding of our business, leading to a higher risk of audit failures.
- We have reservations about the level of service that we would receive in the last year or two prior to the mandatory rotation of a firm. Towards the end of a firm's rotation, logic dictates that the audit firms would not dedicate their best and brightest resources to an audit client that will not be associated with the firm in the next year or two. Assigning auditors to these types of engagements could also present problems at the audit firms as these "dead end" engagements could be viewed negatively by auditors looking to advance their careers as quickly as possible.

2) Reduced Audit Efficiency

- We have limited resources and rotating audit firms would consume significant amounts of senior and executive management's time to hire and educate a new audit firm on the Company's operations. We have a relatively small accounting and finance department who are responsible for the Company's accounting and financial reporting in various international jurisdictions under several different accounting bases. Therefore, there would be a significant disruption to our accounting and finance department if we were required to rotate audit firms. Additionally, a new audit firm would need to spend a significant amount of additional time in the first year or two of a new audit engagement to overcome its inexperience, resulting in higher audit fees.
- We believe that audit firms will need to dedicate valuable resources to obtaining new clients that could be better spent on servicing their existing clients, which could impact the amount of audit fees we pay. Audit firms would need to build up their engagement bidding process by dedicating personnel to this function to ensure a continual flow of new clients to replace their current clients who would be required to rotate audit firms.

This represents additional costs that would be passed on to a firm's audit clients to ensure the continued profitability of PCAOB member firms.

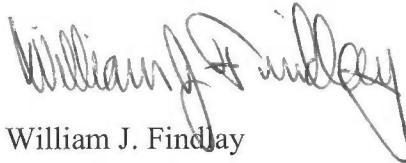
3) Reduced Audit Committee Authority:

- We believe that the ultimate decision to retain or replace Assured Guaranty's audit firm should rest with the Company's independent Audit Committee. The Audit Committee works directly with the Company's independent auditors and is best positioned to evaluate the quality of its work, independence, objectivity and professional skepticism. A mandatory rotation requirement would override the Audit Committee's knowledge and usurp part of its responsibility.

Based on our concerns, we believe that mandatory firm rotation is not in either the public's, the audit firms' nor Assured Guaranty's best interests. We strongly urge the PCAOB to not press forward with their proposal in this area. We believe that the independence changes mandated by SOX, coupled with the PCAOB's oversight of member firms, has resulted in improvements to the audit process and that mandatory rotation of audit firms would be a step in the wrong direction.

Thank you for the opportunity to comment on the PCAOB's proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. Findlay". The signature is fluid and cursive, with a large, sweeping flourish at the end.

William J. Findlay
Managing Director
Accounting Policy and Controls