



January 11, 2007

Mr. Robert H. Herz Chairman, Financial Accounting Standards Board 401 Merritt 7 P.O. Box 5116 Norwalk, CT 06856-5116

Re: Proposal to Delay Effective Date for FIN 48

Dear Chairman Herz:

UnumProvident Corporation would like to request that the Financial Accounting Standards Board delay the effective date of FIN48, Accounting for Uncertainty in Income Taxes.

The Tax Executive Institute and other parties have written you about common problems that companies are facing in the implementation of FIN48 and asked for an extension for adopting the standard. We are in agreement with the Institute and, without repeating the common issues facing all taxpayers, wish to add points that are specific to the insurance industry.

The pronouncement is silent on the application to the unique income tax issues that face the life insurance industry. Although it clearly spells out the treatment of uncertainties and their impact to net operating losses (NOL's) in a C Corporation context, it does not explain how to apply the rules in the case of a consolidated entity that has nonlife insurance NOL's. These NOL's can only offset life insurance income to the extent of 35% of life income or 35% of eligible NOL's, whichever is smaller. For example, a tax uncertainty in 1999 will change an NOL for 1999 and its future utilization in 2000, 2001, 2002, 2003, 2004, 2005, 2006, and 2007 depending upon which formula comes into play. Each item or each uncertain tax position changes the overall calculation and possibly the 35% formula which is required to be used. Are we required to do a "with and without" calculation for each item separately for each open year which would produce a harsh administrative burden? Should we use a first in, first out convention? As you can see, the calculation for only one item of tax uncertainty might span a decade of tax years and is extremely complicated and detailed. The Company needs time to discern answers to these questions and develop systems that can handle the difficult calculations which can also pass Sarbanes-Oxley and external audit requirements.

The Company is supportive of the FASB and its concern about inconsistency of tax balances shown on companies' financial statements. The short time frame of adoption, however, could possibly lead to even further inconsistencies among tax payers as we quickly try to comply with the rules of FIN48. Given that

we have been faced with this daunting task in a six month period when we were also facing the challenges of accurately complying with new IRS M-3 and e-file requirements (extremely time consuming projects unto themselves), it is exceptionally difficult for us to compile all of the necessary information that will be required in a manner that will produce a quality product. Unfortunately, there has been little guidance available for us by either industry or the Big 4 Accounting Firms to aid us with the questions above. Shareholders would be better served if the FASB delayed the implementation by one year to allow for the thoughtful and careful analysis that is necessary. The additional time will allow for questions to be debated and answered and more consistent approaches to be used not only for the insurance industry, but the entire marketplace as questions are aired and common solutions are sought. Accordingly, the Company joins with other taxpayers to seek additional time to implement FIN48.

Thank you for your thoughtful consideration and sensitivity to the challenges that companies are facing as they seek to comply with this new interpretation. We appreciate the opportunity to share our views with you.

Respectfully submitted,

Robert C. Greving

Executive Vice-President, Chief Financial Officer & Chief Actuary

UnumProvident Corporation