

UNITRIN

March 27, 2009

Elizabeth M. Murphy
Secretary
U.S. Securities and Exchange Commission
100 F. Street, NE
Washington, D.C. 20549

Scott Renwick
Senior Vice President,
General Counsel and Secretary

SUBJECT: Proposed Rule Change to NYSE Rule 452, File No. SR-NYSE-2006-92

Dear Ms. Murphy:

On behalf of Unitrin, Inc. (NYSE: UTR), I am writing to comment on the proposal by the New York Stock Exchange to eliminate broker discretionary voting in the election of directors by amending NYSE Rule 452.

Broker discretionary voting is just one issue of many in the integrated and overly complicated proxy voting and shareholder communications system in the United States. The SEC should not take action on any changes to Rule 452 without also analyzing needed reforms in the other components of this outdated system. The current system, involving intermediaries, single service providers and unnecessary communication barriers between public companies and their shareholders, is costly, inefficient and non-transparent, and contributes to the erosion of trust and confidence in the system by individual shareholders, companies and other market participants.

As a public company, we have several specific concerns with respect to the proposed change to Rule 452, which are listed below.

- The principal rationale for the proposed change seems to be that Rule 452 currently draws the line between “routine” and “non-routine” elections of directors based on whether or not there is a full blown proxy contest and, in so doing, many other quasi-contested elections (e.g., “just say no” campaigns) are inappropriately treated as routine, thereby allowing brokers to wield an inordinate influence in the outcome of such elections. However, the proposed change would result in an equally arbitrary and opposite result: i.e., that all elections of directors, no matter how benign, would effectively be treated as “contested” for purposes of broker votes. For a variety of reasons (some of which are summarized below), this cannot be a preferred result. We strongly urge the Commission and NYSE to find a more measured, middle-ground solution that avoids the “one size fits all” approach embodied in both the current and proposed rule. For example, the following two refinements to Rule 452 might be considered:
 - Create more comprehensive, yet flexible, definitions of “routine” and “non-routine” that would categorize elections in which at least a threshold percentage of “withhold” votes are received by the tenth day before the shareholder meeting as non-routine, while elections with de minimus numbers of withheld votes could continue to be treated as routine for quorum and broker voting purposes.

Unitrin, Inc.

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- Consider allowing brokers to continue to vote in uncontested elections (however that might ultimately be defined), but require that such votes be cast by brokers in the same proportion for each candidate as the votes that are actually cast by such broker's clients. We understand that some brokers have already adopted this protocol as a matter of policy and that the NYSE Proxy Working Group did consider this approach though it did not ultimately recommend it. We strongly urge that more serious consideration be given to proportional voting.
- The change may result in difficulty obtaining a quorum at shareholder meetings where all items are non-routine.
- For companies who employ majority voting for the election of directors, it may be difficult to achieve majority support for director nominees.
- As a result of the on-going NOBO/OBO distinction, companies are not currently able to communicate directly with all of their shareholders. Therefore, many companies are likely to find it difficult to overcome these challenges related to quorum and majority voting.
- This proposed rule change does not fully address the ongoing issues of stock lending, over-voting and "empty voting" that affect the integrity of the voting process, nor the significant growth and influence of unregulated proxy advisory firms.

For these reasons, Unitrin, Inc. urges the SEC to undertake a comprehensive review and reform of the proxy solicitation system rather than approve ad hoc changes, such as the proposed amendment to Rule 452, and to identify a measured and balance approach in all cases that fairly reflects the various competing interests and stakeholders in this crucial aspect of corporate governance.

Sincerely,



Scott Renwick
Senior Vice President and General Counsel