

December 30, 2009

Financial Accounting Standards Board Attention: Mr. Russell Golden Technical Director File Reference No. 1750-100 401 Merritt 7 P.O. Box 5116 Norwalk, CT 06856-5116

Via Email: director@fasb.org

RE: Erie Indemnity Company
File Reference No. 1750-100
Consolidation (Topic 810) Amendments to Statement 167 for Certain Investment Funds

Dear Mr. Golden:

This letter is submitted in connection with the request by Erie Indemnity Company ("Erie Indemnity") that the Financial Accounting Standards Board (the "Board") expand the definition of the entities under consideration by the Board as eligible for a deferral of the effective date of Statement 167 to include entities organized and operating as an "attorney-in-fact" or "agent", as more fully described in Erie Indemnity's draft comment letter to the Board dated December 22, 2009 (the "Comment Letter").

As described in the Comment Letter, Erie Indemnity is a publicly held Pennsylvania corporation that is the managing attorney-in-fact for the subscribers of Erie Insurance Exchange (the "Exchange"), which is a subscriber (policyholder) owned Pennsylvania-domiciled reciprocal insurer. The Pennsylvania Insurance Department (the "Department") has jurisdiction over the Exchange as a domestic insurer and over both the Exchange and Erie Indemnity under Pennsylvania's Insurance Holding Companies Act.

The Exchange and Erie Indemnity are also subject to the specific provisions of Pennsylvania's insurance laws that regulate a reciprocal insurer and its "attorney, agent, or other representative" (Title 40 P.S. Sections 961-971) which is designated in our statute as the "attorney" for the reciprocal insurer (Section 963).

Given Pennsylvania's statutory requirements for both a reciprocal insurer and its "attorney", and the organization and operations of Erie Indemnity and the Exchange, the Department hereby advises the Board that it deems Erie Indemnity to be the "attorney-in-fact" or "agent" of the

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Exchange for all purposes associated with Exchange's organization and operations. The Department also advises the Board that under Pennsylvania's insurance statutes that govern an "attorney-in-fact" or "agent" of a reciprocal insurer, Erie Indemnity:

- Has a statutory duty to act in the best interests of the subscribers (policyholders) of the Exchange;
- Has no right or claim to any of the assets or benefits of the Exchange, other than its management fee provided for in the Subscribers Agreement with each subscriber (policyholder);
- Has no obligation to assume any of the Exchange's losses or liabilities; and
- Has no obligation to provide any financial support to the Exchange.

Please contact me if you have any questions or would like additional information on this matter.

Sincerely,

Stephen J. Johnson, CPA

Deputy Insurance Commissioner

cc: Marcia Dall, Erie Indemnity Company

Gregory Gutting, Erie Indemnity Company

Michael Kelly, Pennsylvania Insurance Department