January 22, 2010

Via Email: <u>director@fasb.org</u> and Federal Express

Mr. Russell Golden Technical Director Financial Accounting Standards Board 401 Merritt 7 P.O. Box 5116 Norwalk, CT 06856-5116

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

Dear Mr. Golden:

As long-time investors in Erie Indemnity Company ("Erie Indemnity"), we would like to share our perspective on the impact of Statement 167 on our ability to analyze and evaluate the financial results of Erie Indemnity, and provide our support for Erie Indemnity's request to defer the implementation of Statement 167 consistent with the proposed deferral for Certain Investment Funds.

We believe the consolidation required under Statement 167 will result in financial statements that are less meaningful, more difficult to analyze and potentially misleading to financial statement users of Erie Indemnity. A clear example of this is the fact that the management fee arrangement that is the main source of revenue for Erie Indemnity will be eliminated upon consolidation. Additionally, the consolidated balance sheet and statement of cash flows would overstate the Erie Indemnity's financial position and liquidity.

In addition to eliminating or masking financial information that is essential to an investor's evaluation of Erie Indemnity, Statement 167 would require that Erie Indemnity provide information, such as investment disclosures on Erie Exchange, which have no bearing on the financial results of Erie Indemnity. As a result of both the elimination/masking of information and the inclusion of irrelevant information, Erie Indemnity would need to expand its disclosures, potentially including additional non-GAAP information, in order to provide the same level of transparency in its financial statements that analysts and investors, such as us, are provided today.

We welcome the opportunity to further discuss our comments in this letter. If you have any questions or would like any additional information on the comments we have provided herein, please do not hesitate to contact me at (201) 592-6700.

Sincerely,

Donald G. Taylor Sr. Vice President/Portfolio Manager FRANKLIN ADVISORY SERVICES, LLC