

# **ERIE INDEMNITY COMPANY**

## **Investor Supplement Third Quarter 2009**

The quarterly consolidated financial statements and financial exhibits herein are unaudited. These consolidated financial statements and exhibits should be read in conjunction with the consolidated financial statements and notes thereto included in the Annual Report on Form 10-K for 2008.

The cumulative sum of quarterly basic and diluted earnings per share amounts may not equal year-to-date net income per share amounts due to differences in weighted-average shares and equivalent shares outstanding for each of the periods presented. The cumulative sum of quarterly income and expenses may not equal year-to-date amounts due to rounding.

**Erie Indemnity Company**  
**Investor Supplement - Third Quarter 2009**  
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**Erie Indemnity Company**  
**Consolidated Statements of Operations**  
(in thousands, except per share data)

	Three months ended						Nine months ended	
	Sept. 30, 2009	Jun. 30, 2009	Mar. 31, 2009	Dec. 31, 2008	Sept. 30, 2008	Jun. 30, 2008	Sept. 30, 2009	Sept. 30, 2008
<b>Operating revenue</b>								
Management fee revenue, net	\$238,752	\$245,412	\$217,105	\$204,790	\$234,120	\$241,646	\$701,270	\$692,737
Premiums earned	52,989	52,110	51,750	51,688	52,057	51,736	156,849	155,719
Service agreement revenue	8,730	8,604	8,578	8,817	8,340	7,748	25,911	23,480
<b>Total operating revenue</b>	<b>300,471</b>	<b>306,126</b>	<b>277,433</b>	<b>265,295</b>	<b>294,517</b>	<b>301,130</b>	<b>884,030</b>	<b>871,936</b>
<b>Operating expenses</b>								
Cost of management operations	202,412	196,609	182,627	187,258	195,297	201,338	581,648	577,754
Losses and loss adjustment expenses incurred	33,746	35,084	43,004	32,399	37,185	33,823	111,834	104,768
Policy acquisition and other underwriting expenses	16,146	12,381	12,529	12,626	12,311	12,281	41,056	36,592
<b>Total operating expenses</b>	<b>252,304</b>	<b>244,074</b>	<b>238,160</b>	<b>232,283</b>	<b>244,793</b>	<b>247,442</b>	<b>734,538</b>	<b>719,114</b>
<b>Investment income (loss) - unaffiliated</b>								
Investment income, net of expenses	9,466	9,548	12,511	10,823	10,218	11,467	31,526	33,357
Net realized gains (losses) on investments	5,453	3,467	(3,834)	(25,146)	(3,925)	(1,818)	5,086	(18,368)
Net impairment losses recognized in earnings	(3,232)	(2,544)	(4,608)	(7,670)	(37,431)	(12,449)	(10,384)	(61,834)
Equity in (losses) earnings of limited partnerships	(8,752)	(26,798)	(28,030)	(14,600)	1,057	11,275	(63,581)	20,310
<b>Total investment income (loss) - unaffiliated</b>	<b>2,935</b>	<b>(16,327)</b>	<b>(23,961)</b>	<b>(36,593)</b>	<b>(30,081)</b>	<b>8,475</b>	<b>(37,353)</b>	<b>(26,535)</b>
<b>Income (loss) before income taxes and equity in earnings (losses) of Erie Family Life Insurance</b>	<b>51,102</b>	<b>45,725</b>	<b>15,312</b>	<b>(3,581)</b>	<b>19,643</b>	<b>62,163</b>	<b>112,139</b>	<b>126,287</b>
Provision for income taxes	16,440	14,855	2,623	(685)	6,011	20,288	33,918	40,550
Equity in earnings (losses) of Erie Family Life Insurance, net of tax	5,024	1,864	(1,560)	(3,406)	(9,384)	(560)	5,328	(10,197)
<b>Net income (loss)</b>	<b>\$39,686</b>	<b>\$32,734</b>	<b>\$11,129</b>	<b>(\$6,302)</b>	<b>\$4,248</b>	<b>\$41,315</b>	<b>\$83,549</b>	<b>\$75,540</b>
<b>Net income (loss) per Class A share - diluted</b>	<b>\$0.69</b>	<b>\$0.57</b>	<b>\$0.19</b>	<b>(\$0.12)</b>	<b>\$0.07</b>	<b>\$0.71</b>	<b>\$1.46</b>	<b>\$1.30</b>
<b>Dividends declared per share:</b>								
Class A common stock	\$0.45	\$0.45	\$0.45	\$0.45	\$0.44	\$0.44	\$1.35	\$1.32
Class B common stock	67.50	67.50	67.50	67.50	66.00	66.00	202.50	198.00

**Erie Indemnity Company**  
**Consolidated Statements of Operations - Segment Basis**  
(amounts in thousands, except per share data)

	Three months ended						Nine months ended	
	Sept. 30, 2009	Jun. 30, 2009	Mar. 31, 2009	Dec. 31, 2008	Sept. 30, 2008	Jun. 30, 2008	Sept. 30, 2009	Sept. 30, 2008
<b>Management operations</b>								
Management fee revenue	\$252,624	\$259,771	\$229,769	\$216,644	\$247,723	\$255,809	\$742,166	\$733,131
Service agreement revenue	8,730	8,604	8,578	8,817	8,340	7,748	25,911	23,480
Total revenue from management operations	261,354	268,375	238,347	225,461	256,063	263,557	768,077	756,611
Cost of management operations	214,175	208,093	193,273	198,121	206,652	213,114	615,541	611,426
<b>Income from management operations</b>	<b>47,179</b>	<b>60,282</b>	<b>45,074</b>	<b>27,340</b>	<b>49,411</b>	<b>50,443</b>	<b>152,536</b>	<b>145,185</b>
<b>Management fee rate</b>	<b>25.00%</b>	<b>25.00%</b>	<b>25.00%</b>	<b>25.00%</b>	<b>25.00%</b>	<b>25.00%</b>	<b>25.00%</b>	<b>25.00%</b>
<b>Insurance underwriting operations</b>								
Premiums earned	52,989	52,110	51,750	51,688	52,057	51,736	156,849	155,719
Losses and loss adjustment expenses incurred	33,746	35,084	43,004	32,399	37,185	33,823	111,834	104,768
Policy acquisition and other underwriting expenses	18,255	15,256	14,547	13,618	14,559	14,668	48,059	43,313
Total losses and expenses	52,001	50,340	57,551	46,017	51,744	48,491	159,893	148,081
<b>Underwriting income (loss)</b>	<b>988</b>	<b>1,770</b>	<b>(5,801)</b>	<b>5,671</b>	<b>313</b>	<b>3,245</b>	<b>(3,044)</b>	<b>7,638</b>
<b>GAAP operating ratios:</b>								
Loss and loss adjustment expense ratio	63.7	67.3	83.1	62.7	71.4	65.4	71.3	67.3
Underwriting expense ratio	34.5	29.3	28.1	26.3	28.0	28.3	30.6	27.8
GAAP Combined ratio	98.1	96.6	111.2	89.0	99.4	93.7	101.9	95.1
<b>Investment operations</b>								
Investment income, net of expenses	9,466	9,548	12,511	10,823	10,218	11,467	31,526	33,357
Net realized gains (losses) on investments	5,453	3,467	(3,834)	(25,146)	(3,925)	(1,818)	5,086	(18,368)
Net impairment losses recognized in earnings	(3,232)	(2,544)	(4,608)	(7,670)	(37,431)	(12,449)	(10,384)	(61,834)
Equity in (losses) earnings of limited partnerships	(8,752)	(26,798)	(28,030)	(14,600)	1,057	11,275	(63,581)	20,310
Equity in earnings (losses) of Erie Family Life Insurance	5,402	2,005	(1,678)	(3,662)	(10,090)	(602)	5,729	(10,965)
<b>Net revenue (loss) from investment operations</b>	<b>8,337</b>	<b>(14,322)</b>	<b>(25,639)</b>	<b>(40,255)</b>	<b>(40,171)</b>	<b>7,873</b>	<b>(31,624)</b>	<b>(37,500)</b>
Income (loss) before income taxes	56,504	47,730	13,634	(7,244)	9,553	61,561	117,868	115,323
Provision for income taxes	16,818	14,996	2,505	(942)	5,305	20,246	34,319	39,783
<b>Net income (loss)</b>	<b>\$39,686</b>	<b>\$32,734</b>	<b>\$11,129</b>	<b>(\$6,302)</b>	<b>\$4,248</b>	<b>\$41,315</b>	<b>\$83,549</b>	<b>\$75,540</b>
<b>Net income (loss) per Class A share - diluted</b>	<b>\$0.69</b>	<b>\$0.57</b>	<b>\$0.19</b>	<b>(\$0.12)</b>	<b>\$0.07</b>	<b>\$0.71</b>	<b>\$1.46</b>	<b>\$1.30</b>

**Erie Indemnity Company**  
**Consolidated Statements of Financial Position**  
(amounts in thousands, except per share data)

	As of					
	Sept. 30, 2009	Jun. 30, 2009	Mar. 31, 2009	Dec. 31, 2008	Sept. 30, 2008	Jun. 30, 2008
<b>ASSETS</b>						
<b>Investments</b>						
Available-for-sale securities, at fair value:						
Fixed maturities	\$646,908	\$601,971	\$573,107	\$563,429	\$596,728	\$630,116
Equity securities	40,499	46,491	45,158	55,281	68,868	99,754
Trading securities, at fair value	41,072	36,125	29,732	33,338	74,506	91,133
Other invested assets	249,266	255,876	275,182	300,391	313,206	313,905
<b>Total investments</b>	<b>977,745</b>	<b>940,463</b>	<b>923,179</b>	<b>952,439</b>	<b>1,053,308</b>	<b>1,134,908</b>
Cash and cash equivalents	36,872	26,417	77,588	61,073	18,158	16,201
Equity in Erie Family Life Insurance Company	71,006	57,476	29,887	29,236	42,264	56,540
Premiums receivable from policyholders	251,784	257,049	241,314	244,760	261,020	257,658
Receivables from affiliates	1,194,373	1,144,086	1,064,418	1,130,610	1,185,975	1,170,534
Other assets	177,700	210,237	206,048	195,268	174,201	168,911
<b>Total assets</b>	<b>\$2,709,480</b>	<b>\$2,635,728</b>	<b>\$2,542,434</b>	<b>\$2,613,386</b>	<b>\$2,734,926</b>	<b>\$2,804,752</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>Liabilities</b>						
Unpaid losses and loss adjustment expenses	\$982,972	\$979,869	\$979,794	\$965,081	\$995,603	\$1,004,553
Unearned premiums	452,815	442,579	420,508	424,370	445,831	437,094
Other liabilities	395,578	384,164	365,184	432,060	359,709	391,571
<b>Total liabilities</b>	<b>1,831,365</b>	<b>1,806,612</b>	<b>1,765,486</b>	<b>1,821,511</b>	<b>1,801,143</b>	<b>1,833,218</b>
<b>Total shareholders' equity</b>	<b>878,115</b>	<b>829,116</b>	<b>776,948</b>	<b>791,875</b>	<b>933,783</b>	<b>971,534</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$2,709,480</b>	<b>\$2,635,728</b>	<b>\$2,542,434</b>	<b>\$2,613,386</b>	<b>\$2,734,926</b>	<b>\$2,804,752</b>
<b>Book value per share</b>	\$15.31	\$14.45	\$13.54	\$13.79	\$16.24	\$16.89
<b>Return on average equity</b>	9.2%	5.2%	6.3%	7.5%	10.7%	14.9%
<b>Shares outstanding</b>	57,363	57,363	57,363	57,405	57,499	57,519

**Erie Indemnity Company**  
**Supplemental Third Quarter Information**  
**(in thousands)**

<b>Cost of management operations-segment basis</b>	Three months ended		
	September 30,		
	2009	2008	% Change
Commissions	\$ 146,553	\$ 143,306	2.3%
Personnel costs	37,395	36,907	1.3%
Survey and underwriting costs	6,832	6,047	13.0%
Sales and policy issuance costs	7,113	6,146	15.7%
All other operating costs	16,282	14,246	14.3%
All other non-commission expense	67,622	63,346	6.8%
Total cost of management operations	<u>\$214,175</u>	<u>\$206,652</u>	<u>3.6%</u>

<b>Equity in (losses) earnings of limited partnerships</b>	Three months ended		
	September 30,		
	2009	2008	% Change
Private equity	\$2,090	\$712	NM
Mezzanine debt	381	(1,481)	NM
Real estate	(11,223)	1,826	NM
Equity in (losses) earnings of limited partnerships	<u>(\$8,752)</u>	<u>\$1,057</u>	<u>NM</u>

NM = Not meaningful

**Erie Indemnity Company**  
**Management Fee Revenue by Major Lines of Business - Segment Basis**  
(in thousands)

	Three months ended						Nine months ended	
	Sept. 30, 2009	Jun. 30, 2009	Mar. 31, 2009	Dec. 31, 2008	Sept. 30, 2008	Jun. 30, 2008	Sept. 30, 2009	Sept. 30, 2008
<b><u>Direct written premium of the Property and Casualty Group</u></b>								
Private passenger auto	\$500,195	\$491,865	\$441,483	\$417,884	\$488,043	\$483,217	\$1,433,543	\$1,408,259
Homeowners	223,827	221,218	158,724	176,101	209,065	207,022	603,769	567,224
Commercial multi-peril	104,604	120,020	116,067	97,485	103,507	119,800	340,691	338,282
Commercial auto	71,565	84,010	79,003	68,264	73,404	86,552	234,579	242,827
Workers compensation	54,800	68,554	75,634	54,601	63,325	77,960	198,989	226,142
All other lines of business	53,910	58,618	50,166	47,842	51,947	55,485	162,694	154,990
Property and Casualty Group direct written premiums	1,008,901	1,044,285	921,077	862,177	989,291	1,030,036	2,974,265	2,937,724
Management fee rate	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Management fee revenue, gross	252,224	261,071	230,269	215,544	247,323	257,509	743,566	734,431
Change in allowance for management fee returned on cancelled policies	400	(1,300)	(500)	1,100	400	(1,700)	(1,400)	(1,300)
<b>Management fee revenue, net of allowance</b>	<b>\$252,624</b>	<b>\$259,771</b>	<b>\$229,769</b>	<b>\$216,644</b>	<b>\$247,723</b>	<b>\$255,809</b>	<b>\$742,166</b>	<b>\$733,131</b>

**Property and Casualty Group  
Direct Written Premiums by State**

	Three months ended						Nine months ended	
	Sept. 30, 2009	Jun. 30, 2009	Mar. 31, 2008	Dec. 31, 2008	Sept. 30, 2008	Jun. 30, 2008	Sept. 30, 2009	Sept. 30, 2008
Pennsylvania	43.4 %	44.1 %	43.3 %	43.2 %	43.9 %	44.7 %	43.6 %	44.2 %
Maryland	11.9	12.0	12.5	12.5	11.9	12.2	12.1	12.3
Virginia	9.0	8.5	9.1	8.7	9.0	8.6	8.9	8.9
North Carolina	7.4	7.3	7.6	7.4	7.5	7.2	7.4	7.3
Ohio	7.4	7.8	7.4	7.7	7.5	7.8	7.5	7.6
West Virginia	5.2	5.3	4.8	4.8	5.2	5.2	5.1	5.0
New York	4.6	4.5	4.2	4.5	4.3	4.3	4.4	4.2
Indiana	4.1	3.7	3.9	4.0	4.1	3.7	3.9	3.9
Illinois	2.9	2.9	3.0	3.0	2.7	2.6	3.0	2.7
Tennessee	1.9	1.8	2.1	2.0	1.9	1.8	1.9	2.0
Wisconsin	1.8	1.6	1.6	1.7	1.6	1.4	1.7	1.4
District of Columbia	0.4	0.5	0.5	0.5	0.4	0.5	0.5	0.5
<b>Total direct written premiums</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>

**Erie Indemnity Company**  
**Reconciliation of Property and Casualty Group to**  
**Indemnity Results**

(dollars in thousands)

	Three months ended						Nine months ended	
	Sept. 30, 2009	Jun. 30, 2009	Mar. 31, 2009	Dec. 31, 2008	Sept. 30, 2008	Jun. 30, 2008	Sept. 30, 2009	Sept. 30, 2008
<b>Property &amp; Casualty Group insurance underwriting operations (SAP basis)</b>								
<b>Direct underwriting results</b>								
Direct written premium	\$ 1,008,901	\$1,044,285	\$921,077	\$862,177	\$989,291	\$1,030,036	\$ 2,974,265	\$2,937,724
Premiums earned	965,100	966,493	938,694	929,576	956,771	962,466	2,870,287	2,857,056
Loss and loss adjustment expenses incurred	622,297	626,620	778,846	608,514	695,208	602,238	2,027,762	1,900,836
Policy acquisition and other underwriting expenses incurred	266,974	291,232	257,712	236,106	267,587	281,827	815,918	800,792
Dividends to policyholders	219	141	618	662	515	472	978	1,755
Other expense	10,639	3,404	3,469	3,709	3,038	1,956	17,512	7,709
Direct underwriting income (loss)	64,971	45,096	(101,951)	80,585	(9,577)	75,973	8,117	145,964
<b>Nonaffiliated reinsurance underwriting results</b>								
Assumed voluntary-less ceded retrocessions	3,212	800	(836)	16,014	831	(555)	3,176	486
Assumed involuntary	(42,680)	3,066	111	12,218	15,497	(1,614)	(39,503)	13,092
Less: Ceded	5,743	7,266	14,171	13,495	(3,313)	9,253	27,181	14,984
Nonaffiliated reinsurance underwriting income (loss)	(45,211)	(3,400)	(14,896)	14,737	19,641	(11,422)	(63,508)	(1,406)
<b>Net underwriting income (SAP basis)</b>	<b>\$19,760</b>	<b>\$41,696</b>	<b>(\$116,847)</b>	<b>\$95,322</b>	<b>\$10,064</b>	<b>\$64,551</b>	<b>(\$55,391)</b>	<b>\$144,558</b>
<b>Erie Indemnity insurance underwriting operations (SAP to GAAP basis)</b>								
Percent of pool assumed by the Indemnity Company	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Indemnity preliminary underwriting income (SAP basis)	\$1,087	\$2,293	(\$6,427)	\$5,243	\$554	\$3,550	(\$3,047)	\$7,951
SAP to GAAP adjustments	(99)	(523)	626	428	(241)	(305)	3	(313)
<b>Indemnity underwriting income before tax (GAAP basis)</b>	<b>\$988</b>	<b>\$1,770</b>	<b>(\$5,801)</b>	<b>\$5,671</b>	<b>\$313</b>	<b>\$3,245</b>	<b>(\$3,044)</b>	<b>\$7,638</b>
<b>Property &amp; Casualty Group (SAP basis)</b>								
<b>Net basis</b>								
Loss and LAE ratio	63.1	65.2	84.6	63.9	70.7	63.8	70.8	66.7
Underwriting ratio	26.5	28.0	28.0	27.3	27.0	27.4	27.5	27.2
Policyholder dividends ratio	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.1
Statutory combined ratio	89.6	93.2	112.6	91.3	97.7	91.2	98.3	94.0
Adjusted combined ratio, excluding profit component	85.8	88.2	108.6	89.1	93.6	87.0	94.0	89.8
<b>Direct business</b>								
Loss ratio points from prior accident year reserve development - (redundancy) deficiency	(4.3)	(0.3)	4.0	(3.4)	(0.4)	(3.9)	(0.2)	(3.2)
Loss ratio points from prior accident years from salvage and subrogation recoveries collected	(0.9)	(1.6)	(3.2)	(1.2)	(1.0)	(1.6)	(1.9)	(2.0)
Total loss ratio points from prior accident years	(5.2)	(1.9)	0.8	(4.6)	(1.4)	(5.5)	(2.1)	(5.2)
Loss ratio points from catastrophes	2.4	1.5	7.8	0.8	8.0	2.9	3.8	4.2
<b>Erie Indemnity Company</b>								
GAAP combined ratio	98.1	96.6	111.2	89.0	99.4	93.7	101.9	95.1
GAAP loss ratio points from catastrophes	2.4	1.6	7.7	0.8	8.1	3.0	3.9	4.2

SAP Basis represents statutory accounting principles as codified by the National Association of Insurance Commissioners (NAIC).

**Property and Casualty Group Adjusted  
Combined Ratio by Major Lines of  
Business (SAP Basis) - Direct Business**

	Three months ended						Nine months ended	
	Sept. 30, 2009	Jun. 30, 2009	Mar. 31, 2009	Dec. 30, 2008	Sept. 30, 2008	Jun. 30, 2008	Sept. 30, 2009	Sept. 30, 2008
Private Passenger Auto	91.6%	89.0%	102.1%	103.0%	82.9%	83.6%	94.1%	83.8%
Homeowners	87.0%	97.9%	130.2%	73.9%	116.6%	88.2%	104.7%	98.3%
Other Personal Lines	67.7%	75.6%	89.0%	15.7%	68.2%	98.7%	77.3%	75.5%
<b>Total Personal</b>	89.3%	90.8%	109.2%	91.0%	91.6%	85.5%	96.3%	87.5%
Commercial Multi-Peril	101.1%	96.1%	129.6%	69.7%	119.2%	74.1%	108.8%	100.8%
Commercial Auto	79.2%	85.7%	64.5%	85.4%	81.0%	94.4%	76.3%	79.3%
Workers Compensation	67.9%	70.3%	106.4%	74.9%	115.8%	115.6%	81.8%	107.0%
Other Commercial Lines	79.8%	61.9%	45.3%	223.8%	144.3%	63.9%	62.2%	108.5%
<b>Total Commercial</b>	85.6%	84.5%	99.4%	86.5%	109.4%	90.1%	89.7%	97.0%
<b>Grand Total-Direct Business Only *</b>	87.9%	89.1%	106.5%	89.6%	96.6%	86.9%	94.4%	90.3%

\* The adjusted statutory combined ratio removes the profit component of the management fee earned by the Company.

Erie Indemnity Company  
**Analysis of Holdings by Industry Sector**  
**September 30, 2009**  
(in thousands)

The following tables provide a breakdown of investment holdings by industry sector for the Erie Indemnity Company.

<b>Fixed Maturities (Bonds &amp; Redeemable Preferred Stock):</b>							
<b>September 30, 2009</b>							
<b>Industry Sector</b>	<b>Amortized Cost</b>	<b>Fair Value</b>	<b>First Quarter 2009 Impairments</b>	<b>Second Quarter 2009 Impairments</b>	<b>Third Quarter 2009 Impairments</b>	<b>Year-to-Date 2009 Impairments</b>	
Basic materials	\$10,661	\$10,816	\$0	\$0	\$0	\$0	\$0
Communications	27,620	30,054	0	0	0	0	0
Consumer	60,350	63,595	0	0	0	0	0
Diversified	1,004	1,085	0	0	0	0	0
Energy	32,346	33,670	0	0	0	0	0
Financial	152,761	154,727	(2,441)	0	(1,500)	(3,941)	(3,941)
Government sponsored entity	1,998	2,077	0	0	0	0	0
Industrial	23,341	24,758	0	0	0	0	0
Municipal	232,676	243,102	0	0	0	0	0
Structured-asset-backed-auto loans	4,000	4,123	0	0	0	0	0
Structured-collateralized debt obligations	10,890	9,523	0	(1,357)	(701)	(2,058)	(2,058)
Structured-commercial mortgage-backed	5,568	5,404	0	0	0	0	0
Structured-residential mortgage-backed	18,422	18,694	0	0	0	0	0
Technology	4,819	5,276	0	0	0	0	0
U.S. treasuries and government agencies	2,614	2,913	0	0	0	0	0
Utilities	35,022	37,091	0	0	0	0	0
<b>Total fixed maturities</b>	<b>\$624,092</b>	<b>\$646,908</b>	<b>(\$2,441)</b>	<b>(\$1,357)</b>	<b>(\$2,201)</b>	<b>(\$5,999)</b>	<b>(\$5,999)</b>

<b>Equity Securities (Non-Redeemable Preferred Stock):</b>							
<b>September 30, 2009</b>							
<b>Industry Sector</b>	<b>Cost Basis</b>	<b>Fair Value</b>	<b>First Quarter 2009 Impairments</b>	<b>Second Quarter 2009 Impairments</b>	<b>Third Quarter 2009 Impairments</b>	<b>Year-to-Date 2009 Impairments</b>	
Communications	\$1,000	\$1,000	\$0	\$0	\$0	\$0	\$0
Consumer	0	0	0	0	0	0	0
Financial	29,525	29,861	(2,154)	(1,187)	(1,030)	(4,371)	(4,371)
Government sponsored entity	166	592	(13)	0	0	(14)	(14)
Industrial	844	1,640	0	0	0	0	0
Technology	2,933	2,799	0	0	0	0	0
Utilities	4,891	4,607	0	0	0	0	0
<b>Total equity securities</b>	<b>\$39,359</b>	<b>\$40,499</b>	<b>(\$2,167)</b>	<b>(\$1,187)</b>	<b>(\$1,030)</b>	<b>(\$4,385)</b>	<b>(\$4,385)</b>

<b>Trading Securities (Common Stock):</b>		
<b>September 30, 2009</b>		
<b>Industry Sector</b>	<b>Cost Basis</b>	<b>Fair Value</b>
Basic materials	\$1,789	\$2,089
Communications	3,379	3,434
Consumer	14,549	15,978
Diversified	703	749
Energy	2,473	2,896
Financial	8,113	8,905
Industrial	5,033	5,734
Technology	465	747
Utilities	583	540
<b>Total trading securities</b>	<b>\$37,087</b>	<b>\$41,072</b>

**Erie Insurance Exchange**  
**Analysis of Holdings by Industry Sector**  
**September 30, 2009**  
(in thousands)

The following tables provide a breakdown of investment holdings by industry sector for the Erie Insurance Exchange.

<b>Bonds:</b>							
<b>September 30, 2009 - Statutory Basis</b>							
<b>Industry Sector</b>	<b>Amortized Cost</b>	<b>Fair Value</b>	<b>Statutory Carry Value<sup>(1)</sup></b>	<b>First Quarter 2009 Impairments</b>	<b>Second Quarter 2009 Impairments</b>	<b>Third Quarter 2009 Impairments</b>	<b>Year-to-Date 2009 Impairments</b>
Basic materials	\$106,861	\$112,631	\$106,743	\$0	\$0	\$0	\$0
Communications	302,566	320,157	302,279	0	0	0	0
Consumer	380,427	403,922	380,004	(2,600)	0	0	(2,600)
Diversified	14,719	16,148	14,719	0	0	0	0
Energy	256,715	277,196	255,600	0	0	0	0
Financial	1,091,267	1,151,342	1,089,570	(17,591)	0	(1,400)	(18,991)
Funds	3,199	3,200	3,199	0	0	0	0
Government sponsored entity	9,983	10,677	9,983	0	0	0	0
Industrial	192,464	201,782	192,050	0	0	0	0
Municipal	1,357,275	1,423,201	1,357,219	0	0	0	0
Structured-asset-backed-auto loans	45,850	48,019	45,850	0	0	0	0
Structured-asset-backed-credit card	5,000	4,941	5,000	0	0	0	0
Structured-asset-backed-other	14,573	15,439	14,573	0	0	0	0
Structured-collateralized debt obligations	63,979	61,593	61,987	0	(3,625)	(5,142)	(8,767)
Structured-commercial mortgage-backed	92,507	90,322	92,507	0	0	0	0
Structured-residential mortgage-backed	182,070	182,476	179,639	0	0	0	0
Technology	68,471	72,474	68,467	0	0	0	0
U.S. treasuries and government agencies	3,997	4,148	3,997	0	0	0	0
Utilities	300,201	321,603	300,201	0	0	0	0
<b>Total bonds</b>	<b>\$4,492,124</b>	<b>\$4,721,271</b>	<b>\$4,483,587</b>	<b>(\$20,191)</b>	<b>(\$3,625)</b>	<b>(\$6,542)</b>	<b>(\$30,358)</b>

<b>Preferred Stock:</b>							
<b>September 30, 2009 - Statutory Basis</b>							
<b>Industry Sector</b>	<b>Cost Basis</b>	<b>Fair Value</b>	<b>Statutory Carry Value<sup>(2)</sup></b>	<b>First Quarter 2009 Impairments</b>	<b>Second Quarter 2009 Impairments</b>	<b>Third Quarter 2009 Impairments</b>	<b>Year-to-Date 2009 Impairments</b>
Communications	\$5,000	\$5,003	\$5,003	\$0	\$0	\$0	\$0
Consumer	21,000	21,210	21,000	0	0	0	0
Energy	5,919	5,976	5,976	0	0	0	0
Financial	286,927	320,488	287,219	(32,426)	(3,098)	(2,528)	(38,052)
Government sponsored entity	1,170	4,401	1,170	(177)	0	0	(177)
Industrial	7,507	9,806	7,507	0	0	0	0
Technology	11,730	11,196	11,196	0	0	0	0
Utilities	107,092	102,493	102,220	0	0	0	0
<b>Total preferred stock</b>	<b>\$446,345</b>	<b>\$480,573</b>	<b>\$441,291</b>	<b>(\$32,603)</b>	<b>(\$3,098)</b>	<b>(\$2,528)</b>	<b>(\$38,229)</b>

<b>Common Stock - Unaffiliated:</b>							
<b>September 30, 2009 - Statutory Basis</b>							
<b>Industry Sector</b>	<b>Cost Basis</b>	<b>Fair Value/ Statutory Carry Value</b>	<b>First Quarter 2009 Impairments</b>	<b>Second Quarter 2009 Impairments</b>	<b>Third Quarter 2009 Impairments</b>	<b>Year-to-Date 2009 Impairments</b>	
Basic materials	\$71,871	\$88,027	(\$1,098)	\$0	(\$100)	(\$1,198)	
Communications	126,553	158,087	(5,471)	(161)	(592)	(6,224)	
Consumer	367,529	442,901	(7,068)	(457)	(325)	(7,850)	
Diversified	7,852	9,654	0	0	0	0	
Energy	116,502	147,825	(1,040)	0	(786)	(1,826)	
Financial	182,349	237,033	(10,825)	(3,726)	(631)	(15,182)	
Funds	241,360	286,569	(26,480)	0	0	(26,480)	
Industrial	144,216	181,769	(15,405)	0	(1,105)	(16,510)	
Technology	133,390	170,653	(750)	0	(75)	(825)	
Utilities	13,564	14,168	(2,082)	0	(503)	(2,585)	
<b>Total common stock - unaffiliated</b>	<b>\$1,405,186</b>	<b>\$1,736,686</b>	<b>(\$70,219)</b>	<b>(\$4,344)</b>	<b>(\$4,117)</b>	<b>(\$78,680)</b>	

<sup>(1)</sup> Under statutory accounting practices, bonds that have received the highest designations as determined by the Securities Valuation Office of the NAIC (SVO), are valued at amortized cost. Bonds receiving other designations are valued at the lower of amortized cost or fair value.

<sup>(2)</sup> This category includes redeemable and non-redeemable preferred stock. Under statutory accounting practices, redeemable preferred stock that have characteristics of debt securities and are rated as high quality or better, are reported at cost or amortized cost. All other redeemable preferred stock are reported at the lower of cost, amortized cost, or fair value. Non-redeemable preferred stock are reported at fair value or the lower of cost or fair value, as determined by the SVO.

Erie Family Life Insurance Company  
Analysis of Holdings by Industry Sector  
September 30, 2009  
(in thousands)

The following tables provide a breakdown of investment holdings by industry sector for Erie Family Life Insurance Company.

September 30, 2009 - Statutory Basis							
Industry Sector	Amortized Cost	Fair Value	Statutory Carry Value <sup>(1)</sup>	First Quarter 2009 Impairments	Second Quarter 2009 Impairments	Third Quarter 2009 Impairments	Year-to-Date 2009 Impairments
Basic materials	\$54,269	\$56,258	\$54,269	\$0	\$0		\$0
Communications	108,163	116,342	108,163	0	0		0
Consumer	173,437	183,902	173,437	0	0		0
Diversified	4,127	4,421	4,127	0	0		0
Energy	123,744	131,405	123,744	0	0		0
Financial	462,474	481,363	462,439	(4,889)	0	(1,790)	(6,679)
Funds	2,132	2,134	2,132	0	0		0
Government sponsored entity	9,815	10,786	9,815	0	0		0
Industrial	85,866	90,675	85,866	0	0		0
Municipal	530	552	530	0	0		0
Structured-asset-backed-auto loans	2,500	2,657	2,500	0	0		0
Structured-asset-backed-other	17,808	18,489	17,808	0	0		0
Structured-collateralized debt obligations	22,020	21,265	21,144	0	(1,009)	(815)	(1,824)
Structured-commercial mortgage-backed	58,247	60,058	58,247	0	0		0
Structured-residential mortgage-backed	84,363	84,456	84,363	0	0		0
Technology	24,477	25,804	24,477	0	0		0
U.S. treasuries and government agencies	499	533	499	0	0		0
Utilities	157,371	163,447	157,371	0	0		0
<b>Total bonds</b>	<b>\$1,391,842</b>	<b>\$1,454,547</b>	<b>\$1,390,931</b>	<b>(\$4,889)</b>	<b>(\$1,009)</b>	<b>(\$2,605)</b>	<b>(\$8,503)</b>

September 30, 2009 - Statutory Basis							
Industry Sector	Cost Basis	Fair Value	Statutory Carry Value <sup>(2)</sup>	First Quarter 2009 Impairments	Second Quarter 2009 Impairments	Third Quarter 2009 Impairments	Year-to-Date 2009 Impairments
Communications	\$3,000	\$3,002	\$3,000	\$0	\$0	\$0	\$0
Consumer	3,000	3,030	3,000	0	0	0	0
Financial	75,486	73,653	74,866	(8,681)	0	0	(8,681)
Government sponsored entity	143	410	143	(311)	0	0	(311)
<b>Total preferred stock</b>	<b>\$81,629</b>	<b>\$80,095</b>	<b>\$81,009</b>	<b>(\$8,992)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$8,992)</b>

<sup>(1)</sup> Under statutory accounting practices, bonds that have received the highest designations as determined by the Securities Valuation Office of the NAIC (SVO), are valued at amortized cost. Bonds receiving other designations are valued at the lower of amortized cost or fair value.

<sup>(2)</sup> This category includes redeemable and non-redeemable preferred stock. Under statutory accounting practices, redeemable preferred stock that have characteristics of debt securities and are rated as high quality or better, are reported at cost or amortized cost. All other redeemable preferred stock are reported at the lower of cost, amortized cost, or fair value. Non-redeemable preferred stock are reported at fair value or the lower of cost or fair value, as determined by the SVO.