

# **ERIE INDEMNITY COMPANY**

## **Investor Supplement Fourth 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 2009.

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

	Three months ended						Twelve months ended	
	Dec. 31, 2009	Sept. 30, 2009	Jun. 30, 2009	Mar. 31, 2009	Dec. 31, 2008	Sept. 30, 2008	Dec. 31, 2009	Dec. 31, 2008
<b>Operating revenue</b>								
Management fee revenue, net	\$210,753	\$238,752	\$245,412	\$217,105	\$204,790	\$234,120	\$912,023	\$897,526
Premiums earned	52,608	52,989	52,110	51,750	51,688	52,057	209,457	207,407
Service agreement revenue	8,872	8,730	8,604	8,578	8,817	8,340	34,783	32,298
<b>Total operating revenue</b>	<b>272,233</b>	<b>300,471</b>	<b>306,126</b>	<b>277,433</b>	<b>265,295</b>	<b>294,517</b>	<b>1,156,263</b>	<b>1,137,231</b>
<b>Operating expenses</b>								
Cost of management operations	187,019	202,412	196,609	182,627	187,258	195,297	768,668	765,012
Losses and loss expenses incurred	33,618	33,746	35,084	43,004	32,399	37,185	145,452	137,167
Policy acquisition and other underwriting expenses	12,969	16,146	12,381	12,529	12,626	12,311	54,025	49,218
<b>Total operating expenses</b>	<b>233,606</b>	<b>252,304</b>	<b>244,074</b>	<b>238,160</b>	<b>232,283</b>	<b>244,793</b>	<b>968,145</b>	<b>951,397</b>
<b>Investment income (loss) - unaffiliated</b>								
Investment income, net of expenses	10,202	9,466	9,548	12,511	10,823	10,218	41,728	44,181
Net realized gains (losses) on investments	5,311	5,453	3,467	(3,834)	(25,146)	(3,925)	10,396	(43,515)
Net impairment losses recognized in earnings	(1,676)	(3,232)	(2,544)	(4,608)	(7,670)	(37,431)	(12,059)	(69,504)
Equity in (losses) earnings of limited partnerships	(12,527)	(8,752)	(26,798)	(28,030)	(14,600)	1,057	(76,108)	5,710
<b>Total investment income (loss) - unaffiliated</b>	<b>1,310</b>	<b>2,935</b>	<b>(16,327)</b>	<b>(23,961)</b>	<b>(36,593)</b>	<b>(30,081)</b>	<b>(36,043)</b>	<b>(63,128)</b>
<b>Income (loss) before income taxes and equity in (losses) earnings of Erie Family Life Insurance</b>	<b>39,937</b>	<b>51,102</b>	<b>45,725</b>	<b>15,312</b>	<b>(3,581)</b>	<b>19,643</b>	<b>152,075</b>	<b>122,706</b>
Provision for income taxes	14,870	16,440	14,855	2,623	(685)	6,011	48,787	39,865
Equity in (losses) earnings of Erie Family Life Insurance, net of tax	(126)	5,024	1,864	(1,560)	(3,406)	(9,384)	5,202	(13,603)
<b>Net income (loss)</b>	<b>\$24,941</b>	<b>\$39,686</b>	<b>\$32,734</b>	<b>\$11,129</b>	<b>\$(6,302)</b>	<b>\$4,248</b>	<b>\$108,490</b>	<b>\$69,238</b>
<b>Net income (loss) per Class A share - diluted</b>	<b>\$0.43</b>	<b>\$0.69</b>	<b>\$0.57</b>	<b>\$0.19</b>	<b>\$(0.12)</b>	<b>\$0.07</b>	<b>\$1.89</b>	<b>\$1.19</b>
<b>Dividends declared per share:</b>								
Class A common stock	\$0.48	\$0.45	\$0.45	\$0.45	\$0.45	\$0.44	\$1.83	\$1.77
Class B common stock	72.00	67.50	67.50	67.50	67.50	66.00	274.50	265.50

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

	Three months ended						Twelve months ended	
	Dec. 31, 2009	Sept. 30, 2009	Jun. 30, 2009	Mar. 31, 2009	Dec. 31, 2008	Sept. 30, 2008	Dec. 31, 2009	Dec. 31, 2008
<b>Management operations</b>								
Management fee revenue	\$222,944	\$252,624	\$259,771	\$229,769	\$216,644	\$247,723	\$965,110	\$949,775
Service agreement revenue	8,872	8,730	8,604	8,578	8,817	8,340	34,783	32,298
Total revenue from management operations	231,816	261,354	268,375	238,347	225,461	256,063	999,893	982,073
Cost of management operations	197,870	214,175	208,093	193,273	198,121	206,652	813,411	809,548
<b>Income from management operations</b>	<b>33,946</b>	<b>47,179</b>	<b>60,282</b>	<b>45,074</b>	<b>27,340</b>	<b>49,411</b>	<b>186,482</b>	<b>172,525</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	52,608	52,989	52,110	51,750	51,688	52,057	209,457	207,407
Losses and loss expenses incurred	33,618	33,746	35,084	43,004	32,399	37,185	145,452	137,167
Policy acquisition and other underwriting expenses	14,310	18,255	15,256	14,547	13,618	14,559	62,369	56,931
Total losses and expenses	47,928	52,001	50,340	57,551	46,017	51,744	207,821	194,098
<b>Underwriting income (loss)</b>	<b>4,680</b>	<b>988</b>	<b>1,770</b>	<b>(5,801)</b>	<b>5,671</b>	<b>313</b>	<b>1,636</b>	<b>13,309</b>
<b>GAAP operating ratios:</b>								
Loss and loss adjustment expense ratio	63.9	63.7	67.3	83.1	62.7	71.4	69.4	66.2
Underwriting expense ratio	27.2	34.5	29.3	28.1	26.3	28.0	29.8	27.4
GAAP Combined ratio	91.1	98.1	96.6	111.2	89.0	99.4	99.2	93.6
<b>Investment operations</b>								
Investment income, net of expenses	10,202	9,466	9,548	12,511	10,823	10,218	41,728	44,181
Net realized gains (losses) on investments	5,311	5,453	3,467	(3,834)	(25,146)	(3,925)	10,396	(43,515)
Net impairment losses recognized in earnings	(1,676)	(3,232)	(2,544)	(4,608)	(7,670)	(37,431)	(12,059)	(69,504)
Equity in (losses) earnings of limited partnerships	(12,527)	(8,752)	(26,798)	(28,030)	(14,600)	1,057	(76,108)	5,710
Equity in (losses) earnings of Erie Family Life Insurance	(135)	5,402	2,005	(1,678)	(3,662)	(10,090)	5,593	(14,627)
<b>Net revenue (loss) from investment operations</b>	<b>1,175</b>	<b>8,337</b>	<b>(14,322)</b>	<b>(25,639)</b>	<b>(40,255)</b>	<b>(40,171)</b>	<b>(30,450)</b>	<b>(77,755)</b>
Income (loss) before income taxes	39,801	56,504	47,730	13,634	(7,244)	9,553	157,668	108,079
Provision for income taxes	14,860	16,818	14,996	2,505	(942)	5,305	49,178	38,841
<b>Net income (loss)</b>	<b>\$24,941</b>	<b>\$39,686</b>	<b>\$32,734</b>	<b>\$11,129</b>	<b>\$(6,302)</b>	<b>\$4,248</b>	<b>\$108,490</b>	<b>\$69,238</b>
<b>Net income (loss) per Class A share - diluted</b>	<b>\$0.43</b>	<b>\$0.69</b>	<b>\$0.57</b>	<b>\$0.19</b>	<b>\$(0.12)</b>	<b>\$0.07</b>	<b>\$1.89</b>	<b>\$1.19</b>

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

	As of					
	Dec. 31, 2009	Sept. 30, 2009	Jun. 30, 2009	Mar. 31, 2009	Dec. 31, 2008	Sept. 30, 2008
<b>ASSETS</b>						
<b>Investments</b>						
Available-for-sale securities, at fair value:						
Fixed maturities	\$664,026	\$646,908	\$601,971	\$573,107	\$563,429	\$596,728
Equity securities	37,725	40,499	46,491	45,158	55,281	68,868
Trading securities, at fair value	42,153	41,072	36,125	29,732	33,338	74,506
Other invested assets	236,096	249,266	255,876	275,182	300,391	313,206
<b>Total investments</b>	<b>980,000</b>	<b>977,745</b>	<b>940,463</b>	<b>923,179</b>	<b>952,439</b>	<b>1,053,308</b>
Cash and cash equivalents	76,505	36,872	26,417	77,588	61,073	18,158
Equity in Erie Family Life Insurance Company	71,934	71,006	57,476	29,887	29,236	42,264
Premiums receivable from policyholders	237,229	251,784	257,049	241,314	244,760	261,020
Receivables from affiliates	1,139,712	1,194,373	1,144,086	1,064,418	1,130,610	1,185,975
Other assets	161,137	177,700	210,237	206,048	195,268	174,201
<b>Total assets</b>	<b>\$2,666,517</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>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>Liabilities</b>						
Unpaid losses and loss adjustment expenses	\$965,420	\$982,972	\$979,869	\$979,794	\$965,081	\$995,603
Unearned premiums	433,659	452,815	442,579	420,508	424,370	445,831
Other liabilities	365,461	395,578	384,164	365,184	432,060	359,709
<b>Total liabilities</b>	<b>1,764,540</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>Total shareholders' equity</b>	<b>901,977</b>	<b>878,115</b>	<b>829,116</b>	<b>776,948</b>	<b>791,875</b>	<b>933,783</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$2,666,517</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>Book value per share</b>	\$15.74	\$15.31	\$14.45	\$13.54	\$13.79	\$16.24
<b>Return on average equity</b>	12.8%	9.2%	5.2%	6.3%	7.5%	10.7%
<b>Shares outstanding</b>	57,314	57,363	57,363	57,363	57,405	57,499

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

<b>Cost of management operations-segment basis</b>	Three months ended		
	December 31,		
	2009	2008	% Change
Commissions	\$ 133,113	\$ 132,077	0.8%
Personnel costs	35,817	34,092	5.1%
Survey and underwriting costs	6,996	5,591	25.1%
Sales and policy issuance costs	7,632	9,341	(18.3)%
All other operating costs	14,312	17,020	(15.9)%
All other non-commission expense	64,757	66,044	(1.9)%
Total cost of management operations	<u>\$197,870</u>	<u>\$198,121</u>	<u>(0.1)%</u>

<b>Equity in (losses) earnings of limited partnerships</b>	Three months ended		
	December 31,		
	2009	2008	% Change
Private equity	\$1,249	(\$3,352)	NM
Mezzanine debt	(3,331)	1,014	NM
Real estate	(10,445)	(12,262)	(14.8)%
Equity in losses of limited partnerships	<u>\$(12,527)</u>	<u>\$(14,600)</u>	<u>(14.2)%</u>

NM = Not meaningful

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

	Three months ended						Twelve months ended	
	Dec. 31, 2009	Sept. 30, 2009	Jun. 30, 2009	Mar. 31, 2009	Dec. 31, 2008	Sept. 30, 2008	Dec. 31, 2009	Dec. 31, 2008
<b><u>Direct written premium of the Property and Casualty Group</u></b>								
Private passenger auto	\$431,965	\$500,195	\$491,865	\$441,483	\$417,884	\$488,043	\$1,865,508	\$1,826,143
Homeowners	188,919	223,827	221,218	158,724	176,101	209,065	792,688	743,325
Commercial multi-peril	99,861	104,604	120,020	116,067	97,485	103,507	440,552	435,767
Commercial auto	66,427	71,565	84,010	79,003	68,264	73,404	301,006	311,090
Workers compensation	49,126	54,800	68,554	75,634	54,601	63,325	248,114	280,743
All other lines of business	50,277	53,910	58,618	50,166	47,842	51,947	212,971	202,833
Property and Casualty Group direct written premiums	886,575	1,008,901	1,044,285	921,077	862,177	989,291	3,860,839	3,799,901
Management fee rate	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Management fee revenue, gross	221,644	252,225	261,071	230,269	215,544	247,323	965,210	949,975
Change in allowance for management fee returned on cancelled policies	1,300	400	(1,300)	(500)	1,100	400	(100)	(200)
<b>Management fee revenue, net of allowance</b>	<b>\$222,944</b>	<b>\$252,625</b>	<b>\$259,771</b>	<b>\$229,769</b>	<b>\$216,644</b>	<b>\$247,723</b>	<b>\$965,110</b>	<b>\$949,775</b>

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

	Three months ended						Twelve months ended	
	Dec. 31, 2009	Sept. 30, 2009	Jun. 30, 2009	Mar. 31, 2008	Dec. 31, 2008	Sept. 30, 2008	Dec. 31, 2009	Dec. 31, 2008
Pennsylvania	42.1 %	43.4 %	44.1 %	43.3 %	43.2 %	43.9 %	43.3 %	43.9 %
Maryland	12.5	11.9	12.0	12.5	12.5	11.9	12.2	12.4
Virginia	8.5	9.0	8.5	9.1	8.7	9.0	8.8	8.9
Ohio	7.7	7.4	7.8	7.4	7.7	7.5	7.6	7.6
North Carolina	7.6	7.4	7.3	7.6	7.4	7.5	7.4	7.3
West Virginia	4.9	5.2	5.3	4.8	4.8	5.2	5.0	5.0
New York	4.7	4.6	4.5	4.2	4.5	4.3	4.5	4.2
Indiana	4.2	4.1	3.7	3.9	4.0	4.1	4.0	3.9
Illinois	3.3	2.9	2.9	3.0	3.0	2.7	3.0	2.8
Tennessee	2.0	1.9	1.8	2.1	2.0	1.9	2.0	2.0
Wisconsin	2.0	1.8	1.6	1.6	1.7	1.6	1.7	1.5
District of Columbia	0.5	0.4	0.5	0.5	0.5	0.4	0.5	0.5
Total direct written premiums	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

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

(dollars in thousands)

	Three months ended						Twelve months ended	
	Dec. 31, 2009	Sept. 30, 2009	Jun. 30, 2009	Mar. 31, 2009	Dec. 31, 2008	Sept. 30, 2008	Dec. 31, 2009	Dec. 31, 2008
<b>Property &amp; Casualty Group insurance underwriting operations (SAP basis)</b>								
<b>Direct underwriting results</b>								
Direct written premium	\$ 886,575	\$1,008,901	\$1,044,285	\$921,077	\$862,177	\$989,291	\$ 3,860,839	\$3,799,901
Premiums earned	946,004	965,100	966,493	938,694	929,576	956,771	3,816,292	3,786,632
Loss and loss expenses incurred	633,123	622,297	626,620	778,846	608,514	695,208	2,660,885	2,509,350
Policy acquisition and other underwriting expenses incurred	247,167	266,974	291,232	257,712	236,106	267,587	1,063,085	1,036,898
Dividends to policyholders	222	219	141	618	662	515	1,201	2,417
Other expense	3,649	10,639	3,404	3,469	3,709	3,038	21,161	11,419
Direct underwriting income (loss)	61,843	64,971	45,096	(101,951)	80,585	(9,577)	69,960	226,548
<b>Nonaffiliated reinsurance underwriting results</b>								
Assumed voluntary-less ceded retrocessions	3,011	3,212	800	(836)	16,014	831	6,187	16,500
Assumed involuntary	(2,515)	(42,680)	3,066	111	12,218	15,497	(42,018)	25,310
Less: Ceded	(19,604)	5,743	7,266	14,171	13,495	(3,313)	7,576	28,478
Nonaffiliated reinsurance underwriting income (loss)	20,100	(45,211)	(3,400)	(14,896)	14,737	19,641	(43,407)	13,332
<b>Net underwriting income (SAP basis)</b>	<b>\$81,943</b>	<b>\$19,760</b>	<b>\$41,696</b>	<b>\$(116,847)</b>	<b>\$95,322</b>	<b>\$10,064</b>	<b>\$26,553</b>	<b>\$239,880</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)	\$4,507	\$1,087	\$2,293	\$(6,427)	\$5,243	\$554	\$1,460	\$13,193
SAP to GAAP adjustments	173	(99)	(523)	626	428	(241)	176	116
<b>Indemnity underwriting income (loss) before tax (GAAP basis)</b>	<b>\$4,680</b>	<b>\$988</b>	<b>\$1,770</b>	<b>\$(5,801)</b>	<b>\$5,671</b>	<b>\$313</b>	<b>\$1,636</b>	<b>\$13,309</b>
<b>Property &amp; Casualty Group (SAP basis)</b>								
<b>Net basis</b>								
Loss and loss expense ratio	64.7	63.1	65.2	84.6	63.9	70.7	69.3	66.0
Underwriting ratio	27.9	26.5	28.0	28.0	27.3	27.0	27.6	27.2
Policyholder dividends ratio	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.1
Statutory combined ratio	92.6	89.6	93.2	112.6	91.3	97.7	96.9	93.3
Adjusted combined ratio, excluding profit component	89.8	85.8	88.2	108.6	89.1	93.6	92.9	89.6
<b>Direct business</b>								
Loss ratio points from prior accident year reserve development - (redundancy) deficiency	(1.7)	(4.3)	(0.3)	4.0	(3.4)	(0.4)	(0.6)	(3.2)
Loss ratio points from prior accident years from salvage and subrogation recoveries collected	(1.8)	(0.9)	(1.6)	(3.2)	(1.2)	(1.0)	(1.9)	(1.8)
Total loss ratio points from prior accident years	(3.5)	(5.2)	(1.9)	0.8	(4.6)	(1.4)	(2.5)	(5.0)
Loss ratio points from catastrophes	2.0	2.4	1.5	7.8	0.8	8.0	3.4	3.4
<b>Erie Indemnity Company</b>								
GAAP combined ratio	91.1	98.1	96.6	111.2	89.0	99.4	99.2	93.6
GAAP loss ratio points from catastrophes	1.9	2.4	1.6	7.7	0.8	8.1	3.4	3.4

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						Twelve months ended	
	Dec. 31, 2009	Sept. 30, 2009	Jun. 30, 2009	Mar. 31, 2009	Dec. 31, 2008	Sept. 30, 2008	Dec. 31, 2009	Dec. 31, 2008
Private Passenger Auto	115.4%	91.6%	89.0%	102.1%	103.0%	82.9%	99.5%	88.6%
Homeowners	79.8%	87.0%	97.9%	130.2%	73.9%	116.6%	98.3%	92.2%
Other Personal Lines	64.9%	67.7%	75.6%	89.0%	15.7%	68.2%	74.0%	60.0%
<b>Total Personal</b>	103.0%	89.3%	90.8%	109.2%	91.0%	91.6%	98.0%	88.3%
Commercial Multi-Peril	119.8%	101.1%	96.1%	129.6%	69.7%	119.2%	111.5%	93.0%
Commercial Auto	83.3%	79.2%	85.7%	64.5%	85.4%	81.0%	78.0%	80.7%
Workers Compensation	(68.4)%	67.9%	70.3%	106.4%	74.9%	115.8%	45.0%	99.0%
Other Commercial Lines	38.2%	79.8%	61.9%	45.3%	223.8%	144.3%	56.1%	137.5%
<b>Total Commercial</b>	60.0%	85.6%	84.5%	99.4%	86.5%	109.4%	82.2%	94.2%
<b>Grand Total-Direct Business Only *</b>	91.0%	87.9%	89.1%	106.5%	89.6%	96.6%	93.5%	90.1%

\* 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  
December 31, 2009  
(in thousands)

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

Fixed Maturities (Bonds & Redeemable Preferred Stock):			December 31, 2009				
Industry Sector	Amortized Cost	Fair Value	First Quarter 2009 Impairments	Second Quarter 2009 Impairments	Third Quarter 2009 Impairments	Fourth Quarter 2009 Impairments	Year-to-Date 2009 Impairments
Basic materials	\$7,188	\$7,443	\$0	\$0	\$0	\$0	\$0
Communications	28,973	31,188	0	0	0	0	0
Consumer	60,028	63,152	0	0	0	0	0
Diversified	1,003	1,086	0	0	0	0	0
Energy	30,334	31,826	0	0	0	0	0
Financial	167,536	171,320	(2,441)	0	(1,500)	0	(3,941)
Government sponsored entity	1,998	2,100	0	0	0	0	0
Industrial	24,737	26,031	0	0	0	0	0
Municipal	235,251	243,734	0	0	0	0	0
Structured-asset-backed-auto loans	4,000	4,124	0	0	0	0	0
Structured-collateralized debt obligations	9,697	8,386	0	(1,357)	(701)	(877)	(2,935)
Structured-commercial mortgage-backed	5,516	5,454	0	0	0	0	0
Structured-residential mortgage-backed	16,270	16,253	0	0	0	0	0
Technology	4,820	5,279	0	0	0	0	0
U.S. treasuries and government agencies	2,625	2,916	0	0	0	0	0
Utilities	42,231	43,734	0	0	0	0	0
<b>Total fixed maturities</b>	<b>\$642,207</b>	<b>\$664,026</b>	<b>\$(2,441)</b>	<b>\$(1,357)</b>	<b>\$(2,201)</b>	<b>\$(877)</b>	<b>\$(6,876)</b>

Equity Securities (Non-Redeemable Preferred Stock):			December 31, 2009				
Industry Sector	Cost Basis	Fair Value	First Quarter 2009 Impairments	Second Quarter 2009 Impairments	Third Quarter 2009 Impairments	Fourth Quarter 2009 Impairments	Year-to-Date 2009 Impairments
Communications	\$1,000	\$1,016	\$0	\$0	\$0	\$0	\$0
Financial	24,947	26,932	(2,154)	(1,187)	(1,030)	(799)	(5,170)
Government sponsored entity	166	345	(13)	0	0	0	(13)
Industrial	844	1,676	0	0	0	0	0
Technology	3,000	2,921	0	0	0	0	0
Utilities	4,891	4,835	0	0	0	0	0
<b>Total equity securities</b>	<b>\$34,848</b>	<b>\$37,725</b>	<b>\$(2,167)</b>	<b>\$(1,187)</b>	<b>\$(1,030)</b>	<b>\$(799)</b>	<b>\$(5,183)</b>

Trading Securities (Common Stock):			December 31, 2009	
Industry Sector	Cost Basis	Fair Value		
Basic materials	\$1,410	\$1,823		
Communications	2,142	2,460		
Consumer	12,211	14,869		
Diversified	700	735		
Energy	2,565	3,169		
Financial	7,847	9,119		
Funds	2,796	2,844		
Industrial	5,204	5,975		
Technology	461	752		
Utilities	416	407		
<b>Total trading securities</b>	<b>\$35,752</b>	<b>\$42,153</b>		

Erie Insurance Exchange  
Analysis of Holdings by Industry Sector  
December 31, 2009  
(in thousands)

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

December 31, 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	Fourth Quarter 2009 Impairments	Year-to-Date 2009 Impairments	
Basic materials	\$106,837	\$112,356	\$106,837	\$0	\$0	\$0	\$0	\$0	\$0
Communications	318,663	335,717	318,505	0	0	0	0	0	0
Consumer	403,320	427,121	403,147	(2,600)	0	0	0	0	(2,600)
Diversified	14,724	15,858	14,724	0	0	0	0	0	0
Energy	240,861	261,951	239,688	0	0	0	0	0	0
Financial	1,317,196	1,398,618	1,316,022	(17,591)	0	(1,400)	(496)	0	(19,487)
Funds	3,198	3,124	3,198	0	0	0	0	0	0
Government sponsored entity	9,983	10,704	9,983	0	0	0	0	0	0
Industrial	198,494	208,269	198,234	0	0	0	0	0	0
Municipal	1,348,544	1,401,067	1,348,467	0	0	0	0	0	0
Structured-asset-backed-auto loans	45,871	48,330	45,871	0	0	0	0	0	0
Structured-asset-backed-credit card	5,000	4,981	5,000	0	0	0	0	0	0
Structured-asset-backed-other	14,698	15,680	14,698	0	0	0	0	0	0
Structured-collateralized debt obligations	59,134	56,942	58,680	0	(4,680)	(5,176)	(6,926)	0	(16,782)
Structured-commercial mortgage-backed	69,957	70,661	69,957	0	0	0	0	0	0
Structured-residential mortgage-backed	171,045	170,552	168,841	0	0	0	0	0	0
Technology	75,345	79,498	75,340	0	0	0	0	0	0
U.S. treasuries and government agencies	3,997	4,230	3,997	0	0	0	0	0	0
Utilities	304,553	323,785	304,553	0	0	0	0	0	0
<b>Total bonds</b>	<b>\$4,711,420</b>	<b>\$4,949,444</b>	<b>\$4,705,742</b>	<b>\$(20,191)</b>	<b>\$(4,680)</b>	<b>\$(6,576)</b>	<b>\$(7,422)</b>	<b>0</b>	<b>\$(38,869)</b>

December 31, 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	Fourth Quarter 2009 Impairments	Year-to-Date 2009 Impairments	
Communications	\$5,000	\$5,081	\$5,081	\$0	\$0	\$0	\$0	\$0	\$0
Consumer	21,000	21,788	21,000	0	0	0	0	0	0
Financial	216,602	273,293	239,990	(32,425)	(3,098)	(2,528)	(11,772)	0	(49,823)
Government sponsored entity	1,174	2,554	1,174	(177)	0	0	0	0	(177)
Industrial	2,434	4,838	2,434	0	0	0	0	0	0
Technology	12,000	11,685	11,685	0	0	0	0	0	0
Utilities	105,038	105,498	105,010	0	0	0	0	0	0
<b>Total preferred stock</b>	<b>\$363,248</b>	<b>\$424,737</b>	<b>\$386,374</b>	<b>\$(32,602)</b>	<b>\$(3,098)</b>	<b>\$(2,528)</b>	<b>\$(11,772)</b>	<b>0</b>	<b>\$(50,000)</b>

December 31, 2009 - Statutory Basis									
Industry Sector	Cost Basis	Fair Value/ Statutory Carry Value	First Quarter 2009 Impairments	Second Quarter 2009 Impairments	Third Quarter 2009 Impairments	Fourth Quarter 2009 Impairments	Year-to-Date 2009 Impairments		
Basic materials	\$75,355	\$95,202	(\$1,098)	\$0	(\$100)	\$0	\$0	0	(\$1,198)
Communications	134,351	169,849	(5,471)	(161)	(592)	(517)	0	0	(6,741)
Consumer	374,145	456,736	(7,068)	(457)	(325)	(2,221)	0	0	(10,071)
Diversified	6,004	7,508	0	0	0	0	0	0	0
Energy	121,031	157,185	(1,040)	0	(786)	0	0	0	(1,826)
Financial	187,684	230,997	(10,825)	(3,726)	(631)	(363)	0	0	(15,545)
Funds	241,360	298,447	(26,480)	0	0	0	0	0	(26,480)
Industrial	161,135	206,921	(15,405)	0	(1,105)	(507)	0	0	(17,017)
Technology	139,725	190,094	(750)	0	(75)	0	0	0	(825)
Utilities	20,964	22,116	(2,082)	0	(503)	0	0	0	(2,585)
<b>Total common stock - unaffiliated</b>	<b>\$1,461,754</b>	<b>\$1,835,055</b>	<b>\$(70,219)</b>	<b>\$(4,344)</b>	<b>\$(4,117)</b>	<b>\$(3,608)</b>	<b>0</b>	<b>0</b>	<b>\$(82,288)</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**  
**December 31, 2009**  
(in thousands)

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

<b>Bonds:</b>								
<b>December 31, 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>Fourth Quarter 2009 Impairments</b>	<b>Year-to-Date 2009 Impairments</b>
Basic materials	\$59,233	\$61,908	\$59,233	\$0	\$0	\$0	\$0	\$0
Communications	111,961	120,214	111,961	0	0	0	0	0
Consumer	175,010	185,666	175,010	0	0	0	0	0
Diversified	4,123	4,397	4,123	0	0	0	0	0
Energy	120,154	128,163	120,154	0	0	0	0	0
Financial	530,564	555,222	530,564	(1,009)	(4,889)	(1,790)	(1,358)	(9,046)
Funds	2,132	2,083	2,132	0	0	0	0	0
Government sponsored entity	9,819	10,564	9,819	0	0	0	0	0
Industrial	86,592	91,282	86,592	0	0	0	0	0
Municipal	33,371	32,667	33,371	0	0	0	0	0
Structured-asset-backed-auto loans	2,500	2,649	2,500	0	0	0	0	0
Structured-asset-backed-other	17,008	17,583	17,008	0	0	0	0	0
Structured-collateralized debt obligations	20,089	20,397	20,089	0	0	(815)	(2,245)	(3,060)
Structured-commercial mortgage-backed	54,576	56,408	54,576	0	0	0	0	0
Structured-residential mortgage-backed	80,372	80,338	80,372	0	0	0	0	0
Technology	22,661	23,956	22,661	0	0	0	0	0
U.S. treasuries and government agencies	499	527	499	0	0	0	0	0
Utilities	162,214	167,837	162,214	0	0	0	0	0
<b>Total bonds</b>	<b>\$1,492,878</b>	<b>\$1,561,861</b>	<b>\$1,492,878</b>	<b>\$(1,009)</b>	<b>\$(4,889)</b>	<b>\$(2,605)</b>	<b>\$(3,603)</b>	<b>\$(12,106)</b>

<b>Preferred Stock:</b>								
<b>December 31, 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	\$3,000	\$3,049	\$3,000	\$0	\$0	\$0	\$0	\$0
Consumer	3,000	3,112	3,000	0	0	0	0	0
Financial	30,557	32,526	30,440	0	(8,682)	0	(1,438)	(10,120)
Government sponsored entity	143	143	260	0	(311)	0	0	(311)
<b>Total preferred stock</b>	<b>\$36,700</b>	<b>\$38,830</b>	<b>\$36,700</b>	<b>\$0</b>	<b>\$(8,993)</b>	<b>\$0</b>	<b>\$(1,438)</b>	<b>\$(10,431)</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.