



## **Erie Indemnity Increases Dividend and Sets Management Fee**

ERIE, Pa. – December 14, 2000 – At the December 12, 2000 regular meeting of the board of directors of the Erie Indemnity Company (NASDAQ: ERIE), the board approved an increase in shareholders' dividends. The board also set the management fee rate charged the Erie Insurance Exchange for 2001.

The board of directors increased the regular quarterly dividend from \$0.1350 to \$0.1525 on each Class A share and from \$20.25 to \$22.875 on each Class B share. The dividend is payable January 19, 2001 to shareholders of record as of January 5, 2001 with a dividend ex-date of January 3, 2001. The dividend increases were a result of the Company's continuing strong financial performance. The rise in the dividend represents a 13 percent increase over the current dividend amounts.

Also, after a review of the relative financial position of the Erie Insurance Exchange and the Erie Indemnity Company, the board voted to maintain the management fee rate charged the Erie Insurance Exchange at 25 percent for the period beginning January 1, 2001 through December 31, 2001. The Company's board of directors has the authority to change the management fee rate at its discretion, however the maximum management fee rate permissible under the subscribers agreement with the Erie Insurance Exchange is 25 percent.

Erie Indemnity Company is the principal management company for the member companies of the Erie Insurance Group, which includes the Erie Insurance Exchange, Flagship City Insurance Company, Erie Insurance Company, Erie Insurance Property and Casualty Company, Erie Insurance Company of New York and Erie Family Life Insurance Company.

Erie Insurance Group, based in Erie, Pa., is the 13th largest property/casualty insurer in the United States based on private passenger automobile net premiums written and the 24th largest property/casualty insurer in the United States based on total lines net premium written. With more than 2.9 million policies in force, the Group operates in 10 states and the District of Columbia. Erie Insurance is rated A++ (superior) by A.M. Best Company and is listed in Ward's Top 50 for financial security and stability.