



Shareholder dividend up 14 percent

Erie, Pa.-- Dec. 13, 1996 -- At its December 12 regular meeting, Erie Indemnity Company's board of directors approved an increase in shareholders' dividends.

In light of the company's strong financial performance during 1996, the board of directors increased the regular quarterly dividend from \$.083334 on each Class A share and \$12.50 on each Class B share to \$.095 on each Class A share and \$14.25 on each Class B share, payable January 20, 1997 to Shareholders of Record January 6, 1997. This represents a 14 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 current management fee rate charged the Erie Insurance Exchange at 24 percent for the period beginning January 1, 1997 through December 31, 1997.

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 Family Life Insurance Company, Erie Insurance Company, the Erie Insurance Property and Casualty Company and the Erie Insurance Company of New York.

Erie Insurance Group, based in Erie, Pennsylvania, is the 12th largest insurer of private passenger automobiles and the 23rd largest property and casualty insurer in the United States. The Group operates in nine states and the District of Columbia. Erie Indemnity Company's class A non-voting common stock is listed on the NASDAQ National Market under the symbol "ERIE."