



Erie Indemnity Company and Erie Insurance Exchange Announce Completion of Erie Family Life Insurance Company Acquisition

ERIE, PA (May 31, 2006) –Erie Indemnity Company (NASDAQ: ERIE) and Erie Insurance Exchange announced today that the companies have completed the acquisition of Erie Family Life Insurance Company. As a result of the acquisition, shares of Erie Family Life Insurance Company (OTC Bulletin Board: ERIF) will not be publicly traded after May 31, 2006.

As previously announced, Erie Acquisition Inc., which was owned by Erie Indemnity Company and Erie Insurance Exchange, completed its cash tender offer on May 24, 2006 and accepted all shares of Erie Family Life Insurance Company (EFL) tendered for \$32.00 per share. The merger of Erie Acquisition Inc. with and into EFL became effective today upon the filing of Articles of Merger with the Pennsylvania Department of State. As a result of the merger, EFL became a corporation 100 percent owned by Erie Indemnity Company and Erie Insurance Exchange.

Erie Indemnity Company provides management services to 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.

According to A.M. Best Company, Erie Insurance Group, based in Erie, Pennsylvania, is the 15th largest automobile insurer in the United States based on direct premiums written and the 22nd largest property/casualty insurer in the United States based on total lines net premium written. The Group, rated A+ (Superior) by A.M. Best Company, has almost 3.8 million policies in force and operates in 11 states and the District of Columbia. Erie Insurance Group ranked 421 on the FORTUNE 500 and Erie Indemnity Company is included in Forbes Magazine's PLATINUM 400 list of the best-managed companies in America.

News releases and more information about Erie Insurance Group are available at <http://www.erieinsurance.com>.

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