



ERIE Appoints Terrence W. Cavanaugh as New President and CEO

Erie, Pa., July 17, 2008 - The Board of Directors of Erie Indemnity Company (NASDAQ: ERIE), managing company for the Erie Insurance Group, today announced the selection of Terrence W. Cavanaugh as President and Chief Executive Officer, effective Tuesday, July 29, 2008, at which time he will also be elected to the Company's Board of Directors.

Mr. Cavanaugh comes to The ERIE from Chubb Corporation where he has most recently served as Senior Vice President and Chief Operating Officer for its Surety business. John J. Brinling, Jr., The ERIE's interim President and CEO since August 2007, will remain available for a period to support Mr. Cavanaugh's transition into The ERIE before returning to retirement.

"Thanks to John Brinling's 39 years of experience and leadership with The ERIE, our Board had the luxury of conducting a very thorough and deliberate search to find the right person to lead The ERIE," says Thomas B. Hagen, Chairman of The ERIE's Board of Directors and Chairman of its CEO Search Committee. "Terry brings tremendous industry experience and knowledge to the position. He has excelled as a leader and possesses a strong commitment to the same core values that have made The ERIE distinctive in the marketplace and 'Above All in sERvIcE' since 1925."

A native of Chicago, Mr. Cavanaugh has had a distinguished 33-year career with the Chubb Group of Insurance Companies. He began his career as a bond underwriter for Chubb Surety in 1975 after graduating from the University of Notre Dame. In the intervening years, he held a variety of positions in Chubb's property/casualty business, including several branch manager positions followed by two Zone Officer positions. As a Zone Officer, he was responsible for underwriting, claims, loss control and marketing activities, including management of the agency distribution relationship in up to 17 states. He was credited with growing revenues and expanding the agency distribution channel, and raising underwriting, service and marketing functions to new levels of effectiveness. These achievements led to his appointment as Chief Marketing Officer (CMO) for Chubb in 1999. As CMO, he developed new product capabilities that led to a rise in new products and premiums, and established the Wharton Executive Program for agency principals. Mr. Cavanaugh was then asked to return to Chubb Surety to serve as its Chief Operating Officer. During his six-year tenure, that Group has become a significant profit generator for Chubb.

"ERIE has a stellar service reputation in the property/casualty and life insurance industries to the credit of its Employees and Agents," says Cavanaugh. "I'm honored to have the opportunity to lead The ERIE forward, working with a talented team of professionals companywide to address challenges and look for greater opportunities."

Of Cavanaugh's agency relationship experience Hagen adds, "Terry has a deep appreciation for the value of The ERIE's independent agency model. His years of experience in developing and honing Chubb's company/agency relationship will clearly advance our efforts to firm up our historically strong position within the agencies that represent The ERIE."

Cavanaugh and his wife, Patricia O'Brien Cavanaugh, have four children ages 13 through 22.

Since 1925, Erie Indemnity Company has provided management services to the Erie Insurance Exchange and the other member companies of the Erie Insurance Group, which include 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 16th largest automobile insurer in the United States based on direct premiums written and the 21st 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 over 3.9 million policies in force and operates in 11 states and the District of Columbia. Erie Insurance Group ranked 488 on the FORTUNE 500 and Erie Indemnity Company is included in Forbes Magazine's PLATINUM 400 list of the best-managed companies in America.

Most recently, Erie Insurance earned [J.D. Power and Associates'](#) award for "Highest in Customer Satisfaction with the Auto Insurance Purchase Experience." This award recognizes the top rankings in [J.D. Power's 2008 Insurance New Buyer Study](#), which assesses customers' experience in purchasing a new auto insurance policy.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: Certain statements contained herein are forward-looking and, as such, may involve risks and uncertainties. These forward-looking statements reflect the Company's current views about future events, are based on assumptions, and are subject to known and unknown risks and uncertainties that may cause results to differ materially from results anticipated in those statements. Many of the factors that will determine

future events or achievements are beyond our ability to control or predict. The Company assumes no obligation to publicly update or revise any forward-looking statements.

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

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