



Erie Insurance Applauds PA Junior Drivers' License Law: Curfew and Passenger Restrictions Take Effect Aug. 24

Erie, Pa. --- August 16, 1999 --- Beginning Aug. 24, junior drivers in Pennsylvania must park the car for the night beginning at 11 p.m and cannot transport more passengers than the number of seat belts in the vehicle. This is only the beginning of more rigorous requirements designed to improve the way young drivers are licensed in the Keystone state.

Erie Insurance Group, one of the largest auto insurers in Pennsylvania, applauds the new junior drivers' license law signed by Gov. Tom Ridge in June that is expected to cut young driver crashes by 25 percent the first year of implementation. Additional provisions of the new law take effect Dec. 22 and requires drivers under 18 years of age to hold a learner's permit for six months and have at least 50 hours of adult-supervised training before getting a license. The reform also makes mandatory a 90-day suspension for junior drivers who violate traffic laws. In addition, teens must be crash- and conviction-free for a full year before qualifying for an unrestricted license before age 18.

"The new law is an important step toward developing more responsible young drivers, especially when you realize that one out of every seven 16-year-olds in Pennsylvania experiences a serious crash before turning 17," said Stephen A. Milne, President and Chief Executive Officer. "Erie Insurance Group strongly supports graduating licensing provisions which enable young drivers to gain experience in a more controlled driving environment for a longer period of time and should better prepare them to drive alone safely."

Teens turning sweet 16 may be soured on the new junior drivers' license law, but the numbers speak for themselves: auto crashes are the number one cause of death for 15- to 20-year-olds. Sixteen-year-olds have almost 10 times the crash risk of drivers 30-59. In 1997, Pennsylvania teens comprised only 5 percent of the state's total licensed population but accounted for 13 percent of fatal crashes, according to the National Association of Independent Insurers (NAII). The death rate for Pennsylvania teens in 1997 was 54 per 100,000 licensed drivers, compared with only 16 per 100,000 drivers over age 20.

Known for competitive rates and superior service, Erie Insurance Group is the 17th largest property/casualty group and the 12th largest auto insurer in the country with more than 2.6 million policyholders. Erie Indemnity Company (NASDAQ - ERIE) is the management company for Erie Insurance Group. Headquartered in Erie, Pa. since 1925, Erie Insurance Group includes seven companies operating in 10 states and the District of Columbia. The ERIE provides auto, home, business and life insurance through more than 6,000 independent agents.