



Erie Indemnity Increases Dividend and Sets Management Fee

Erie, Pa. -- December 15, 1999 -- At the December 14, 1999 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 charged the Erie Insurance Exchange.

The board of directors increased the regular quarterly dividend from \$0.12 to \$0.1350 on each Class A share and from \$18.00 to \$20.25 on each Class B share. The dividend is payable January 20, 2000 to shareholders of record as of January 6, 2000 with a dividend ex-date of January 4, 2000. The dividend increases were a result of the Company's strong 1999 financial performance. The rise in the dividend represents a 12.5 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, 2000 through December 31, 2000. The Company's board of directors has the authority to change the management fee at its discretion, however the maximum management fee permissible under the subscribers agreement with the Erie Insurance Exchange is 25 percent.

In an unrelated matter, the Company reported that Susan Hirt Hagen, a director, had filed a Schedule 13D with the Securities and Exchange Commission indicating that she intends to propose an alternative slate of directors for election at the 2000 Annual Meeting. The Company intends to follow its policy of supporting those candidates for election as directors who are recommended by its independent nominating committee of the board of directors.

Known for competitive rates and superior service since 1925, Erie Insurance Group is the 16th largest property/casualty insurer in the United States based on surplus and has over 2.6 million policyholders. Group member Erie Insurance Exchange is the 13th largest auto insurer in the country. Erie Indemnity company (NASDAQ – ERIE) is the management company for Erie Insurance Group, which includes seven companies operating in 10 states and the District of Columbia. The ERIE provides a complete line of auto, home, business and life insurance through more than 1,250 independent insurance agencies.