



Erie Insurance Announces Lower Rates for North Carolina Drivers

Erie, Pa. --- November 1, 1999 -- North Carolina drivers insured by Erie Insurance will see a reduction in their private passenger auto insurance premiums starting this month, and some will see yet another reduction in December.

Recently approved by the North Carolina Department of Insurance, the overall statewide effect of the first rate change is a 3.7 percent decrease totaling \$856,000 for auto policyholders. The rate change is for policyholders who qualify for Erie Insurance's PERC or EDD programs.

The Pioneer Experience Rating Credit (PERC) rewards long-term customers for their safe driving records. Policyholders insured by Erie Insurance for three or more years and who have the best claims records will be eligible for the PERC discount. The Experienced Driver Discount (EDD) program affects married adults with more than 30 years driving experience. Policyholders qualifying for the PERC or EDD programs will realize the reduction as policies renew on or after November 1, 1999.

This will be followed in December by another 3.8 percent decrease in base rate reductions for \$884,000 in North Carolina auto policyholder savings. Policyholders will realize the reduction as policies renew on or after December 1, 1999. Individual premium changes will vary according to coverages and limits selected.

"Our favorable experience in North Carolina has allowed us to pass along these savings to our policyholders. This reduction is in The ERIE's spirit of providing the best possible insurance at the lowest possible cost," said Stephen A. Milne, President and Chief Executive Officer of Erie Insurance Group.

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 more than 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.