



## **Erie Insurance Announces Rate Decrease for West Virginia Drivers**

ERIE, Pa. -- October 6, 1998 -- West Virginia drivers insured with Erie Insurance Group will be paying less for personal auto insurance coverage as a result of rate changes effective November 1, 1998. The West Virginia Insurance Commission approved the rate decrease which has a statewide impact of 5.6 percent or approximately \$3.6 million.

The reduced rates come as a result of an increase to the Multi-Policy Discount, a discount on the Uninsured/Underinsured Motorist premium for second and subsequent vehicles, and lower base rates for an overall statewide average 5.6 percent rate decrease. Individual premium changes will vary depending on the number of vehicles on the policy, the location of the Policyholder and whether or not the Policyholder has a homeowner's policy with Erie Insurance.

Current Erie Insurance policyholders will realize the rate reduction as their private passenger auto policies renew on or after Nov. 1. ERIE policyholders who insure both a car and a home with Erie Insurance will receive an additional 5 percent discount for a total 10 percent Multi-Policy Discount on their auto premium. The Multi-Policy Discount can be applied mid-term. That is, if a policyholder purchases a homeowner's policy after Nov. 1, the Multi-Policy Discount will be applied immediately to the auto policy instead of waiting until the next renewal.

"Improving loss experience in West Virginia has allowed us to pass along these savings to our policyholders," said Stephen A. Milne, President and Chief Executive Officer of Erie Insurance

Group. "We pride ourselves in being one of the lowest cost insurers in the territories in which we operate. This reduction is in The ERIE's spirit of providing the best possible insurance at the lowest possible price."

With nearly 2.5 million policyholders, Erie Insurance Exchange is the 12th largest insurer of private passenger automobiles and the 24th largest property and casualty insurer in the United States. Founded in 1925, Erie Insurance Exchange is a part of the Erie Insurance Group, which includes seven companies operating in nine states and the District of Columbia. Erie Indemnity Company (NASDAQ - ERIE) is the management company for Erie Insurance Group.