



## **Erie Insurance Reports Losses From Hurricane Floyd**

Erie, Pa. --- September 28, 1999 --- Erie Insurance Group announced today that it has received loss notification from over 7,000 policyholders in states along the eastern United States as a result of Hurricane Floyd. At this time, Erie Insurance Group estimates the claims will result in incurred losses of about \$18 to \$23 million.

Erie Insurance Group writes homeowner, automobile and commercial insurance in North Carolina, Virginia, Maryland and eastern Pennsylvania -- states that were affected most severely by the storm. The catastrophe gave the company an opportunity to once again prove that The ERIE is Above All In Service®.

"Even before the hurricane moved ashore, our emergency response teams were on the scene beginning preparations," said Stephen A. Milne, president and chief executive officer of Erie Insurance. "Erie Insurance provided immediate emergency financial assistance where it was needed and continues working to get claims handled as quickly as possible. We are following through on our promise of service with our efforts to help customers recover and rebuild their lives."

Erie Indemnity Company (NASDAQ: ERIE), managing attorney-in-fact for Erie Insurance Exchange, participates in the underwriting results of the Erie Insurance Group through its 5.5 percent participation in The ERIE's reinsurance pooling arrangement.

Erie Indemnity Company's portion of incurred losses from Hurricane Floyd, under this reinsurance pooling arrangement, will be approximately \$1 to \$1.25 million or about \$.01 per share after federal income taxes. These losses will be reflected in Erie Indemnity Company's third quarter 1999 results from insurance underwriting operations.

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 is the management company for Erie Insurance Group, which includes seven companies operating in 10 states and the District of Columbia.