



Erie Insurance Announces Auto Insurance Price Decrease

Erie, Pa. -- February 17, 1998 -- Maryland drivers insured with Erie Insurance Group will be paying less for personal auto insurance as a result of rate changes effective on March 1, 1998.

The reduced rates come from an increase in the company's "Multi-Policy Discount," reduced rates for drivers with longer commutes to and from work, and a decrease in the cost of bodily injury and collision coverage.

ERIE policyholders who insure both a car and a home with Erie Insurance will receive an 8 percent reduction on their premium as the multi-policy discount increases to 10 percent from its current 2 percent. ERIE Policyholders who commute six or more miles one way to work will receive an additional premium decrease of between 1 percent and 7 percent. Bodily injury and collision rates, which together make up about 50 percent of the total auto insurance premium, will be reduced by 4.8 percent and 2.6 percent, respectively.

According to Stephen A. Milne, president and chief executive officer of the Erie, Pa. based insurer, "These changes are in The ERIE's spirit of providing the best possible insurance for the lowest possible price. Combined with other modifications to our pricing, the changes will result in an average 7.3 percent statewide premium reduction." Current ERIE policyholders will realize the discounts at their next policy renewal.

Maryland drivers interested in obtaining insurance from Erie Insurance Group can contact the Silver Spring Branch Office at 1-800-492-2709 or 301-622-5200, find an ERIE Agent listed in the yellow pages of the local telephone directory, or use the online Agent Locator service to find an ERIE agent nearby.

Erie Indemnity Company is the principal management company for the member companies of the Erie Insurance Group which includes the Erie Insurance Exchange, Flagship City Insurance Company, Erie Family Life Insurance Company, Erie Insurance Company, the Erie Insurance Property and Casualty Company and the Erie Insurance Company of New York.

Erie Insurance Group, is the 12th largest insurer of private passenger automobiles and the 24th largest property and casualty insurer in the United States. The Group operates in nine states and the District of Columbia. Erie Indemnity Company's class A non-voting common stock is listed on the Nasdaq National Market under the symbol "ERIE."