



Erie Insurance Donates Fraud Fighting Funds to Pittsburgh Police

Erie, Pa. --- June 15, 1999 --- Who says crime doesn't pay? In this case, it's the criminals who are paying -- and paving the way to detect similar acts of fraud. Erie Insurance Group has donated \$4,000 in recouped fraud funds thanks to the Pittsburgh Bureau of Police. The funds will be used to help local fraud fighting efforts.

The \$4,000 donation is a just conclusion to two cases of insurance fraud that occurred in the Pittsburgh area. One case stemmed from an insured's involvement in the theft of his car by an auto theft ring; the second case involved a fraudulent report of a stolen hot tub. In addition to paying restitution, these fraudsters agreed to pay \$2,000 each in punitive damages to Erie Insurance Group.

"Property/casualty insurance fraud costs an estimated \$20 billion a year, resulting in higher insurance premiums," said Stephen A. Milne, President and Chief Executive Officer of Erie Insurance Group. "Erie Insurance is tough on fraud. We will continue to fight fraud to the fullest extent of the law and support local agencies who control insurance fraud. These fraud fighting efforts will benefit all consumers by keeping insurance affordable for everyone."

The donated funds will be used by the Pittsburgh Bureau of Police to purchase printers for the Bureau's Pawn Section and a computer and printer for the Auto Tow Pound. The Pawn Section will use the new printers to make quality copies of stolen property for distribution so identification can be readily made. The new computer and printer will enable police to enter information on all impounded vehicles to aid in identifying and tracking abandoned and stolen vehicles so as to improve recovery efforts.

"ERIE's donation will enhance our investigative abilities and contribute directly to solving more cases in regard to auto thefts, thefts and burglaries," says Police Chief Robert McNeilly. "We continually work with insurance companies conducting investigations into auto thefts, fraud reports, thefts and burglaries. We assist each other by sharing information on the status of cases and in prosecutions. We continually strive to strengthen partnerships in both the public and private sectors. We are grateful to have this great working partnership between Erie Insurance Group and the Pittsburgh Bureau of Police."

Erie Insurance operates a toll-free, 24-hour Fraud Hotline at 1-800-368-6696. Although the hotline is especially designed for ERIE policyholders, any insurance fraud information reported will be forwarded to the proper company or law enforcement agency.

Known for competitive rates and superior service, Erie Insurance was established in 1925 and is headquartered in Erie, Pa. With nearly 2.5 million policyholders, Erie Insurance Group is the 17th largest property/casualty insurance group, and group member Erie Insurance Exchange is the 12th largest insurer of private passenger automobiles in the country. Erie Insurance Group includes seven companies operating in 10 states and the District of Columbia. Erie Indemnity Company (NASDAQ - ERIE) is the management company for Erie Insurance Group.