



ERIE INDEMNITY COMPANY

Investor Supplement Third Quarter 2023

This report is for informational purposes only and includes financial statements and financial exhibits that are unaudited. This report should be read in conjunction with documents filed with the U.S. Securities and Exchange Commission, including the most recent Annual Report on Form 10-K for 2022.

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Investor Supplement - Third Quarter 2023
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Erie Indemnity Company
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Definitions

Indemnity is a publicly held Pennsylvania business corporation that has since its incorporation in 1925 served as the attorney-in-fact for the subscribers (policyholders) at the Erie Insurance Exchange ("Exchange"). Our primary function as attorney-in-fact is to perform policy issuance and renewal services on behalf of the subscribers at the Exchange. We also act as attorney-in-fact on behalf of the Exchange with respect to all claims handling and investment management services, as well as the service provider for all claims handling, life insurance, and investment management services for its insurance subsidiaries, collectively referred to as "administrative services".

Exchange, which also commenced business in 1925, is a Pennsylvania-domiciled reciprocal insurer that writes property and casualty insurance.

Property and Casualty Group

The Property and Casualty Group ("P&C Group") is a regional insurance group operating in 12 Midwestern, Mid-Atlantic, and Southeastern states and the District of Columbia. The P&C Group is comprised of the Exchange and its wholly owned property and casualty subsidiaries. Certain operating and statistical measures have been incorporated herein to provide supplemental data that indicate current trends in the P&C Group's business. These measures include revenue, policies in-force and policyholder retention. Policyholder retention is defined as renewal policies in the current period divided by total policies in the prior period.

The P&C Group, along with others in the property and casualty insurance industry, use statutory underwriting ratios as measures of performance. The loss and loss expense ratio is the ratio of incurred losses and loss adjustment expenses to earned premiums. The statutory underwriting expense ratio is the ratio of underwriting expenses to written premiums. The combined ratio is the sum of the loss and loss expense ratio, the underwriting expense ratio and the policyholder dividend ratio. A combined ratio below 100% demonstrates underwriting profit; a combined ratio above 100% demonstrates underwriting losses.

- The calendar year ratio represents the combined ratio for the current calendar year.
- Loss reserve development is the increase or decrease in incurred losses and loss adjustment expenses as a result of the re-estimation of loss and loss adjustment expense reserves at successive valuation dates for a group of claims. Loss reserve development may be related to one or more prior years. The prior year reserve development ratio represents the ratio of prior years' incurred losses and loss adjustment expenses to earned premiums.
- The current accident year catastrophe loss ratio represents the ratio of current accident year incurred catastrophe losses and loss adjustment expenses to earned premiums.
- The current accident year excluding catastrophe loss ratio represents the sum of the current accident year incurred losses and loss adjustment expenses to earned premiums ratio, the underwriting expense ratio, and the policyholder dividend ratio.

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(dollars in thousands, except per share data)

Operating revenue

Management fee revenue - policy issuance and renewal services
Management fee revenue - administrative services
Administrative services reimbursement revenue
Service agreement revenue
Total operating revenue

Operating expenses

Commissions
Non-commission expenses
Cost of operations - policy issuance and renewal services
Cost of operations - administrative services
Total operating expenses
Operating income

Investment income

Interest and dividend income, net
Equity in (losses) earnings of limited partnerships
Net investment income
Net realized and unrealized investment losses
Net impairment losses recognized in earnings
Total investment income (loss)

Interest expense
Other income
Income before income taxes
Income tax expense
Net income
Net income per share - diluted

Indemnity Income Statements						
Three Months Ended					Nine Months Ended	
September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	September 30, 2023	September 30, 2022
\$ 649,049	\$ 633,339	\$ 558,090	\$ 503,633	\$ 551,666	\$ 1,840,478	\$ 1,584,213
16,151	15,636	15,189	14,877	14,657	46,976	43,446
187,118	184,466	172,827	175,613	168,653	544,411	492,655
6,620	6,429	6,359	6,512	6,260	19,408	19,175
858,938	839,870	752,465	700,635	741,236	2,451,273	2,139,489
354,169	351,144	308,808	281,354	309,597	1,014,121	898,215
169,180	170,102	160,287	162,238	156,514	499,569	453,835
523,349	521,246	469,095	443,592	466,111	1,513,690	1,352,050
187,118	184,466	172,827	175,613	168,653	544,411	492,655
710,467	705,712	641,922	619,205	634,764	2,058,101	1,844,705
148,471	134,158	110,543	81,430	106,472	393,172	294,784
14,655	13,495	12,935	12,267	10,477	41,085	26,764
(13)	40	(10,752)	(8,288)	(4,643)	(10,725)	(2,158)
14,642	13,535	2,183	3,979	5,834	30,360	24,606
(2,227)	(1,737)	(5,282)	(3,453)	(6,230)	(9,246)	(23,833)
(113)	(171)	(1,633)	(238)	(175)	(1,917)	(429)
12,302	11,627	(4,732)	288	(571)	19,197	344
—	—	—	—	115	—	2,009
3,001	3,305	3,337	243	562	9,643	1,372
163,774	149,090	109,148	81,961	106,348	422,012	294,491
32,734	31,238	22,907	16,471	22,035	86,879	61,412
\$ 131,040	\$ 117,852	\$ 86,241	\$ 65,490	\$ 84,313	\$ 335,133	\$ 233,079
\$ 2.51	\$ 2.25	\$ 1.65	\$ 1.25	\$ 1.61	\$ 6.41	\$ 4.46

Erie Indemnity Company
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(in thousands)

Assets

Cash and cash equivalents
Receivables from Erie Insurance Exchange and affiliates, net
Investments, net
Fixed assets, net
Agent loans, net
Defined benefit pension plan
Other assets

Total assets

Liabilities and shareholders' equity

Liabilities

Commissions payable
Agent bonuses
Defined benefit pension plans
Contract liability
Other liabilities

Total liabilities

Shareholders' equity

Total liabilities and shareholders' equity

Indemnity Balance Sheet Information					
	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
\$ 102,873	\$ 142,996	\$ 122,376	\$ 142,090	\$ 97,664	
620,683	591,008	533,306	524,937	544,353	
1,004,929	1,009,555	1,000,116	989,631	974,365	
434,975	422,903	417,339	413,874	408,750	
68,192	68,903	68,054	69,476	69,425	
65,163	0	0	0	0	
97,734	90,146	82,778	99,448	83,195	
\$ 2,394,549	\$ 2,325,511	\$ 2,223,969	\$ 2,239,456	\$ 2,177,752	
\$ 357,614	\$ 347,795	\$ 322,910	\$ 300,028	\$ 310,225	
50,252	37,443	20,565	95,166	77,609	
27,744	55,075	53,522	51,224	131,222	
60,484	57,938	55,329	54,442	54,810	
286,566	282,348	284,676	290,188	247,307	
782,660	780,599	737,002	791,048	821,173	
1,611,889	1,544,912	1,486,967	1,448,408	1,356,579	
\$ 2,394,549	\$ 2,325,511	\$ 2,223,969	\$ 2,239,456	\$ 2,177,752	

Erie Indemnity Company
Investor Supplement - Third Quarter 2023 (Unaudited)

Property and Casualty Group
Direct Written Premium Growth Measures

	Three Months Ended				Nine Months Ended	
	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	September 30, 2022
<i>(dollars in thousands)</i>						
Direct written premiums of the P&C Group						
Private passenger auto	\$ 1,143,337	\$ 1,080,607	\$ 978,743	\$ 850,960	\$ 958,641	\$ 3,202,687
Homeowners	767,335	721,339	542,308	565,413	636,493	2,743,001
Commercial multi-peril	346,600	369,770	346,162	300,050	292,599	2,030,982
Workers compensation	121,333	128,575	143,971	108,410	126,611	1,698,101
Commercial auto	219,119	235,242	224,540	185,403	194,008	1,062,532
All other lines of business	72,462	77,598	68,144	56,728	62,681	906,559
P&C Group direct written premiums - total	<u>\$ 2,670,186</u>	<u>\$ 2,613,131</u>	<u>\$ 2,303,868</u>	<u>\$ 2,066,964</u>	<u>\$ 2,271,033</u>	<u>\$ 7,587,185</u>
						<u>\$ 6,528,996</u>

Property and Casualty Group
Direct Written Premium Growth Measures

	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
12 month growth rate policies in force					
Total all lines	6.1 %	5.2 %	4.4 %	3.6 %	3.3 %
Total personal lines	6.6 %	5.6 %	4.8 %	3.9 %	3.4 %
Total commercial lines	2.7 %	2.3 %	2.1 %	2.0 %	2.4 %
Retention trends ⁽¹⁾					
Total all lines	91.1 %	90.8 %	90.6 %	90.5 %	90.3 %
Total personal lines	91.9 %	91.6 %	91.3 %	91.2 %	90.9 %
Total commercial lines	85.4 %	85.6 %	85.7 %	85.7 %	85.9 %
12 month % change average premiums					
Total all lines	8.7 %	7.6 %	6.4 %	5.4 %	4.1 %
Total personal lines	9.2 %	7.4 %	5.8 %	4.4 %	3.2 %
Total commercial lines	10.0 %	10.1 %	9.5 %	9.0 %	6.7 %

(1) Policyholder retention rates are impacted when a policyholder cancels an existing policy and enters into a new policy due to various factors, including buying a new home or changing the policy type. When this occurs, the cancelled policy reduces the reported retention rate.

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Property and Casualty Group								
Statutory Basis Combined Ratio - Direct Business								
Three Months Ended September 30, 2023					Three Months Ended September 30, 2022			
	Prior Year	Current	Current		Prior Year	Current	Current	
	Reserve	Accident	Accident		Reserve	Accident	Accident	
	Development	Year	Year		Development	Year	Year	
	Calendar	Catastrophe	Excluding		Calendar	Catastrophe	Excluding	
	Year	Losses	Catastrophes		Year	Losses	Catastrophes	
Direct business only								
Private passenger auto	129.4 %	(1.0) %	2.7 %	127.7 %	125.9 %	0.4 %	0.5 %	125.0 %
Homeowners	139.5 %	0.1 %	54.9 %	84.5 %	100.8 %	2.4 %	15.3 %	83.1 %
Other personal lines	83.0 %	(10.8) %	0.5 %	93.3 %	80.6 %	(7.8) %	0.8 %	87.6 %
Total personal lines	132.5 %	(0.7) %	22.6 %	110.6 %	115.7 %	1.0 %	6.1 %	108.6 %
Commercial multi-peril	103.6 %	5.2 %	15.6 %	82.8 %	93.6 %	5.2 %	2.4 %	86.0 %
Commercial auto	124.0 %	8.8 %	2.0 %	113.2 %	113.9 %	(1.6) %	0.1 %	115.4 %
Workers compensation	88.4 %	(1.2) %	0.0 %	89.6 %	91.5 %	(9.9) %	0.0 %	101.4 %
Other commercial lines	104.9 %	(12.8) %	0.0 %	117.7 %	90.3 %	(19.3) %	0.0 %	109.6 %
Total commercial lines	107.2 %	4.2 %	7.9 %	95.1 %	99.1 %	(1.1) %	1.1 %	99.1 %
Grand total	124.9 %	0.7 %	18.2 %	106.0 %	110.5 %	0.3 %	4.5 %	105.7 %
Nine Months Ended September 30, 2023					Nine Months Ended September 30, 2022			
	Prior Year	Current	Current		Prior Year	Current	Current	
	Reserve	Accident	Accident		Reserve	Accident	Accident	
	Development	Year	Year		Development	Year	Year	
	Calendar	Catastrophe	Excluding		Calendar	Catastrophe	Excluding	
	Year	Losses	Catastrophes		Year	Losses	Catastrophes	
Direct business only								
Private passenger auto	124.5 %	0.6 %	1.8 %	122.1 %	122.9 %	4.3 %	0.9 %	117.7 %
Homeowners	141.7 %	3.1 %	52.8 %	85.8 %	114.2 %	1.8 %	28.1 %	84.3 %
Other personal lines	84.3 %	(6.3) %	0.7 %	89.9 %	88.0 %	2.2 %	0.7 %	85.1 %
Total personal lines	130.3 %	1.4 %	21.2 %	107.7 %	119.1 %	3.3 %	11.1 %	104.7 %
Commercial multi-peril	112.5 %	13.9 %	13.9 %	84.7 %	96.2 %	3.9 %	4.8 %	87.5 %
Commercial auto	120.1 %	5.5 %	1.2 %	113.4 %	112.4 %	1.0 %	0.3 %	111.1 %
Workers compensation	76.9 %	(14.7) %	0.0 %	91.6 %	89.6 %	(7.7) %	0.0 %	97.3 %
Other commercial lines	82.9 %	(27.1) %	0.0 %	110.0 %	91.8 %	(13.4) %	0.0 %	105.2 %
Total commercial lines	106.7 %	4.0 %	6.8 %	95.9 %	99.5 %	(0.1) %	2.2 %	97.4 %
Grand total	123.2 %	2.2 %	16.9 %	104.1 %	113.1 %	2.3 %	8.4 %	102.4 %