



ERIE INDEMNITY COMPANY

Investor Supplement Fourth 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 2023.

Erie Indemnity Company
Investor Supplement - Fourth 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 subscribers at 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 the Exchange's 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)

| Indemnity Income Statements | | | | | | |
|--------------------------------|-----------------------|------------------|-------------------|----------------------|----------------------|----------------------|
| Three Months Ended (Unaudited) | | | | | Twelve Months Ended | |
| December 31, 2023 | September 30, 2023 | June 30, 2023 | March 31, 2023 | December 31, 2022 | December 31, 2023 | December 31, 2022 |
| \$ 601,595 | \$ 649,049 | \$ 633,339 | \$ 558,090 | \$ 503,633 | \$ 2,442,073 | \$ 2,087,846 |
| 16,693 | 16,151 | 15,636 | 15,189 | 14,877 | 63,669 | 58,323 |
| 192,728 | 187,118 | 184,466 | 172,827 | 175,613 | 737,139 | 668,268 |
| 6,651 | 6,620 | 6,429 | 6,359 | 6,512 | 26,059 | 25,687 |
| 817,667 | 858,938 | 839,870 | 752,465 | 700,635 | 3,268,940 | 2,840,124 |
| 334,409 | 354,169 | 351,144 | 308,808 | 281,354 | 1,348,530 | 1,179,569 |
| 163,446 | 169,180 | 170,102 | 160,287 | 162,238 | 663,015 | 616,073 |
| 497,855 | 523,349 | 521,246 | 469,095 | 443,592 | 2,011,545 | 1,795,642 |
| 192,728 | 187,118 | 184,466 | 172,827 | 175,613 | 737,139 | 668,268 |
| 690,583 | 710,467 | 705,712 | 641,922 | 619,205 | 2,748,684 | 2,463,910 |
| 127,084 | 148,471 | 134,158 | 110,543 | 81,430 | 520,256 | 376,214 |
| 14,795 | 14,655 | 13,495 | 12,935 | 12,267 | 55,880 | 39,031 |
| (583) | (13) | 40 | (10,752) | (8,288) | (11,308) | (10,446) |
| 14,212 | 14,642 | 13,535 | 2,183 | 3,979 | 44,572 | 28,585 |
| 3,408 | (2,227) | (1,737) | (5,282) | (3,453) | (5,838) | (27,286) |
| (7,849) | (113) | (171) | (1,633) | (238) | (9,766) | (667) |
| 9,771 | 12,302 | 11,627 | (4,732) | 288 | 28,968 | 632 |
| — | — | — | — | — | — | 2,009 |
| 3,069 | 3,001 | 3,305 | 3,337 | 243 | 12,712 | 1,615 |
| 139,924 | 163,774 | 149,090 | 109,148 | 81,961 | 561,936 | 376,452 |
| 28,996 | 32,734 | 31,238 | 22,907 | 16,471 | 115,875 | 77,883 |
| \$ 110,928 | \$ 131,040 | \$ 117,852 | \$ 86,241 | \$ 65,490 | \$ 446,061 | \$ 298,569 |
| \$ 2.12 | \$ 2.51 | \$ 2.25 | \$ 1.65 | \$ 1.25 | \$ 8.53 | \$ 5.71 |

Erie Indemnity Company
Investor Supplement - Fourth Quarter 2023

(in thousands)

Assets

Cash, cash equivalents, and restricted cash
Receivables from Erie Insurance Exchange and affiliates, net
Investments ⁽¹⁾
Fixed assets, net
Agent loans, net
Defined benefit pension plan
Other assets, net ⁽¹⁾

Total assets

Liabilities and shareholders' equity

Liabilities

Commissions payable
Agent incentive compensation
Defined benefit pension plans
Contract liability
Other liabilities

Total liabilities

Shareholders' equity

Total liabilities and shareholders' equity

| Indemnity Balance Sheet Information | | | | |
|--|-----------------------|---------------------|---------------------|----------------------|
| (Unaudited) | | | | |
| December 31, 2023 | September 30, 2023 | June 30, 2023 | March 31, 2023 | December 31, 2022 |
| \$ 144,055 | \$ 102,873 | \$ 142,996 | \$ 122,376 | \$ 142,090 |
| 625,338 | 620,683 | 591,008 | 533,306 | 524,937 |
| 1,068,520 | 1,011,949 | 1,016,700 | 1,006,581 | 997,732 |
| 442,610 | 434,975 | 422,903 | 417,339 | 413,874 |
| 67,787 | 68,192 | 68,903 | 68,054 | 69,476 |
| 34,320 | 65,163 | 0 | 0 | 0 |
| 89,334 | 90,714 | 83,001 | 76,313 | 91,347 |
| \$ 2,471,964 | \$ 2,394,549 | \$ 2,325,511 | \$ 2,223,969 | \$ 2,239,456 |
| | | | | |
| \$ 353,709 | \$ 357,614 | \$ 347,795 | \$ 322,910 | \$ 300,028 |
| 68,077 | 50,252 | 37,443 | 20,565 | 95,166 |
| 26,260 | 27,744 | 55,075 | 53,522 | 51,224 |
| 61,120 | 60,484 | 57,938 | 55,329 | 54,442 |
| 299,963 | 286,566 | 282,348 | 284,676 | 290,188 |
| 809,129 | 782,660 | 780,599 | 737,002 | 791,048 |
| | | | | |
| 1,662,835 | 1,611,889 | 1,544,912 | 1,486,967 | 1,448,408 |
| \$ 2,471,964 | \$ 2,394,549 | \$ 2,325,511 | \$ 2,223,969 | \$ 2,239,456 |

(1) Historical periods have been restated to conform to current period presentation.

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

Property and Casualty Group
Direct Written Premium Growth Measures

(dollars in thousands)

Direct written premiums of the P&C Group

| | Three Months Ended | | | | | Twelve Months Ended | |
|---|----------------------|-----------------------|------------------|-------------------|----------------------|----------------------|----------------------|
| | December 31, 2023 | September 30, 2023 | June 30, 2023 | March 31, 2023 | December 31, 2022 | December 31, 2023 | December 31, 2022 |
| Private passenger auto | \$ 1,037,831 | \$ 1,143,337 | \$ 1,080,607 | \$ 978,743 | \$ 850,960 | \$ 4,240,518 | \$ 3,593,961 |
| Homeowners | 689,679 | 767,335 | 721,339 | 542,308 | 565,413 | 2,720,661 | 2,263,514 |
| Commercial multi-peril | 356,948 | 346,600 | 369,770 | 346,162 | 300,050 | 1,419,480 | 1,206,609 |
| Workers compensation | 105,105 | 121,333 | 128,575 | 143,971 | 108,410 | 498,984 | 497,737 |
| Commercial auto | 212,116 | 219,119 | 235,242 | 224,540 | 185,403 | 891,017 | 788,268 |
| All other lines of business | 67,620 | 72,462 | 77,598 | 68,144 | 56,728 | 285,824 | 245,871 |
| P&C Group direct written premiums - total | \$ 2,469,299 | \$ 2,670,186 | \$ 2,613,131 | \$ 2,303,868 | \$ 2,066,964 | \$10,056,484 | \$ 8,595,960 |

Property and Casualty Group
Direct Written Premium Growth Measures

| | December 31, 2023 | September 30, 2023 | June 30, 2023 | March 31, 2023 | December 31, 2022 |
|---|----------------------|-----------------------|------------------|-------------------|----------------------|
| 12 month growth rate policies in force | | | | | |
| Total all lines | 6.9 % | 6.1 % | 5.2 % | 4.4 % | 3.6 % |
| Total personal lines | 7.4 % | 6.6 % | 5.6 % | 4.8 % | 3.9 % |
| Total commercial lines | 3.2 % | 2.7 % | 2.3 % | 2.1 % | 2.0 % |
| Retention trends ⁽¹⁾ | | | | | |
| Total all lines | 91.2 % | 91.1 % | 90.8 % | 90.6 % | 90.5 % |
| Total personal lines | 92.1 % | 91.9 % | 91.6 % | 91.3 % | 91.2 % |
| Total commercial lines | 85.3 % | 85.4 % | 85.6 % | 85.7 % | 85.7 % |
| 12 month % change average premiums | | | | | |
| Total all lines | 9.4 % | 8.7 % | 7.6 % | 6.4 % | 5.4 % |
| Total personal lines | 10.5 % | 9.2 % | 7.4 % | 5.8 % | 4.4 % |
| Total commercial lines | 9.5 % | 10.0 % | 10.1 % | 9.5 % | 9.0 % |

(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 December 31, 2023 | | | | | Three Months Ended December 31, 2022 | | | |
| | Prior Year | Current | Current | | Prior Year | Current | Current | |
| | Reserve | Accident | Accident | | Reserve | Accident | Accident | |
| | Development | Year | Year | | Development | Year | Year | |
| Calendar | Deficiency | Catastrophe | Excluding | | Calendar | Deficiency | Catastrophe | Excluding |
| Year | (Redundancy) | Losses | Catastrophes | | Year | (Redundancy) | Losses | Catastrophes |
| Direct business only | | | | | | | | |
| Private passenger auto | 133.4 % | (1.2) % | 0.2 % | 134.4 % | 146.3 % | 1.9 % | 0.7 % | 143.7 % |
| Homeowners | 79.7 % | 0.7 % | 0.0 % | 79.0 % | 111.0 % | 2.6 % | 25.3 % | 83.1 % |
| Other personal lines | 135.9 % | 1.7 % | 0.1 % | 134.1 % | 113.8 % | (0.2) % | 0.1 % | 113.9 % |
| Total personal lines | 112.8 % | (0.4) % | 0.1 % | 113.1 % | 132.4 % | 2.1 % | 10.0 % | 120.3 % |
| Commercial multi-peril | 88.4 % | 6.1 % | 11.3 % | 71.0 % | 88.9 % | 7.1 % | 6.5 % | 75.3 % |
| Commercial auto | 127.1 % | 4.4 % | 0.2 % | 122.5 % | 136.6 % | 10.7 % | 0.5 % | 125.4 % |
| Workers compensation | 90.5 % | (12.9) % | 0.0 % | 103.4 % | 117.0 % | 3.3 % | 0.0 % | 113.7 % |
| Other commercial lines | 165.5 % | 45.9 % | 0.0 % | 119.6 % | 128.7 % | 8.2 % | 0.0 % | 120.5 % |
| Total commercial lines | 104.6 % | 4.6 % | 5.5 % | 94.5 % | 110.6 % | 7.5 % | 3.1 % | 100.0 % |
| Grand total | 110.4 % | 1.1 % | 1.7 % | 107.6 % | 125.7 % | 3.8 % | 7.9 % | 114.0 % |
| Twelve Months Ended December 31, 2023 | | | | | Twelve Months Ended December 31, 2022 | | | |
| | Prior Year | Current | Current | | Prior Year | Current | Current | |
| | Reserve | Accident | Accident | | Reserve | Accident | Accident | |
| | Development | Year | Year | | Development | Year | Year | |
| Calendar | Deficiency | Catastrophe | Excluding | | Calendar | Deficiency | Catastrophe | Excluding |
| Year | (Redundancy) | Losses | Catastrophes | | Year | (Redundancy) | Losses | Catastrophes |
| Direct business only | | | | | | | | |
| Private passenger auto | 126.9 % | 0.1 % | 1.4 % | 125.4 % | 128.9 % | 3.7 % | 0.9 % | 124.3 % |
| Homeowners | 125.0 % | 2.5 % | 38.6 % | 83.9 % | 113.3 % | 2.0 % | 27.4 % | 83.9 % |
| Other personal lines | 97.8 % | (4.2) % | 0.5 % | 101.5 % | 94.7 % | 1.6 % | 0.5 % | 92.6 % |
| Total personal lines | 125.6 % | 0.9 % | 15.6 % | 109.1 % | 122.5 % | 3.0 % | 10.8 % | 108.7 % |
| Commercial multi-peril | 106.1 % | 11.9 % | 13.3 % | 80.9 % | 94.3 % | 4.8 % | 5.3 % | 84.2 % |
| Commercial auto | 121.9 % | 5.2 % | 1.0 % | 115.7 % | 118.7 % | 3.5 % | 0.3 % | 114.9 % |
| Workers compensation | 80.2 % | (14.2) % | 0.0 % | 94.4 % | 96.5 % | (4.9) % | 0.0 % | 101.4 % |
| Other commercial lines | 104.8 % | (7.7) % | 0.0 % | 112.5 % | 101.5 % | (7.7) % | 0.0 % | 109.2 % |
| Total commercial lines | 106.1 % | 4.1 % | 6.5 % | 95.5 % | 102.4 % | 1.9 % | 2.5 % | 98.0 % |
| Grand total | 119.8 % | 1.9 % | 12.8 % | 105.1 % | 116.3 % | 2.7 % | 8.2 % | 105.4 % |