



# **ERIE INDEMNITY COMPANY**

## **Investor Supplement Second Quarter 2024**

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 - Second Quarter 2024**  
**Table of Contents**

	<u>Page</u>
Definitions	1
Indemnity Income Statements	2
Indemnity Balance Sheet Information	3
Property and Casualty Group Direct Written Premium Growth Measures	4
Property and Casualty Group Statutory Basis Combined Ratio - Direct Business	5

**Erie Indemnity Company**  
**Investor Supplement - Second Quarter 2024**  
**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.

**Erie Indemnity Company**  
**Investor Supplement - Second Quarter 2024 (Unaudited)**

*(dollars in thousands, except per share data)*

Indemnity Income Statements							
	Three Months Ended					Six Months Ended	
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	June 30, 2024	June 30, 2023
<b>Operating revenue</b>							
Management fee revenue - policy issuance and renewal services	\$ 760,886	\$ 665,686	\$ 601,595	\$ 649,049	\$ 633,339	\$ 1,426,572	\$ 1,191,429
Management fee revenue - administrative services	17,051	16,934	16,693	16,151	15,636	33,985	30,825
Administrative services reimbursement revenue	206,028	191,567	192,728	187,118	184,466	397,595	357,293
Service agreement revenue	6,473	6,514	6,651	6,620	6,429	12,987	12,788
Total operating revenue	990,438	880,701	817,667	858,938	839,870	1,871,139	1,592,335
<b>Operating expenses</b>							
Commissions	419,951	375,760	334,409	354,169	351,144	795,711	659,952
Non-commission expenses	174,251	174,562	163,446	169,180	170,102	348,813	330,389
Cost of operations - policy issuance and renewal services	594,202	550,322	497,855	523,349	521,246	1,144,524	990,341
Cost of operations - administrative services	206,028	191,567	192,728	187,118	184,466	397,595	357,293
Total operating expenses	800,230	741,889	690,583	710,467	705,712	1,542,119	1,347,634
Operating income	190,208	138,812	127,084	148,471	134,158	329,020	244,701
<b>Investment income</b>							
Interest and dividend income, net	16,274	15,378	14,795	14,655	13,495	31,652	26,430
Equity in (losses) earnings of limited partnerships	(264)	525	(583)	(13)	40	261	(10,712)
Net investment income	16,010	15,903	14,212	14,642	13,535	31,913	15,718
Net realized and unrealized investment (losses) gains	(1,795)	1,853	3,408	(2,227)	(1,737)	58	(7,019)
Net impairment losses recognized in earnings	(388)	(2,677)	(7,849)	(113)	(171)	(3,065)	(1,804)
Total investment income	13,827	15,079	9,771	12,302	11,627	28,906	6,895
Other income	3,292	3,411	3,069	3,001	3,305	6,703	6,642
Income before income taxes	207,327	157,302	139,924	163,774	149,090	364,629	258,238
Income tax expense	43,424	32,750	28,996	32,734	31,238	76,174	54,145
Net income	\$ 163,903	\$ 124,552	\$ 110,928	\$ 131,040	\$ 117,852	\$ 288,455	\$ 204,093
Net income per share - diluted	\$ 3.13	\$ 2.38	\$ 2.12	\$ 2.51	\$ 2.25	\$ 5.52	\$ 3.90

**Erie Indemnity Company**  
**Investor Supplement - Second Quarter 2024 (Unaudited)**

*(in thousands)*

**Assets**

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

**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					
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
\$	170,634	\$ 144,872	\$ 144,055	\$ 102,873	\$ 142,996
	708,171	641,691	625,338	620,683	591,008
	1,108,139	1,084,597	1,068,520	1,011,949	1,016,700
	469,145	461,914	442,610	434,975	422,903
	66,280	67,448	67,787	68,192	68,903
	65,221	66,270	34,320	65,163	0
	104,370	89,002	89,334	90,714	83,001
<b>\$</b>	<b>2,691,960</b>	<b>\$ 2,555,794</b>	<b>\$ 2,471,964</b>	<b>\$ 2,394,549</b>	<b>\$ 2,325,511</b>
\$	413,205	\$ 384,613	\$ 353,709	\$ 357,614	\$ 347,795
	44,870	26,968	68,077	50,252	37,443
	26,591	23,792	26,260	27,744	55,075
	62,215	60,555	61,120	60,484	57,938
	316,266	333,686	299,963	286,566	282,348
	<b>863,147</b>	<b>829,614</b>	<b>809,129</b>	<b>782,660</b>	<b>780,599</b>
	<b>1,828,813</b>	<b>1,726,180</b>	<b>1,662,835</b>	<b>1,611,889</b>	<b>1,544,912</b>
<b>\$</b>	<b>2,691,960</b>	<b>\$ 2,555,794</b>	<b>\$ 2,471,964</b>	<b>\$ 2,394,549</b>	<b>\$ 2,325,511</b>

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

**Erie Indemnity Company**  
**Investor Supplement - Second Quarter 2024 (Unaudited)**

**Property and Casualty Group**  
**Direct Written Premium Growth Measures**

	Three Months Ended					Six Months Ended	
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	June 30, 2024	June 30, 2023
<i>(dollars in thousands)</i>							
<b>Direct written premiums of the P&amp;C Group</b>							
Private passenger auto	\$ 1,287,418	\$ 1,154,951	\$ 1,037,831	\$ 1,143,337	\$ 1,080,607	\$ 2,442,369	\$ 2,059,350
Homeowners	917,549	680,642	689,679	767,335	721,339	1,598,191	1,263,647
Commercial multi-peril	438,806	418,799	356,948	346,600	369,770	857,605	715,932
Workers compensation	123,369	138,986	105,105	121,333	128,575	262,355	272,546
Commercial auto	272,548	263,055	212,116	219,119	235,242	535,603	459,782
All other lines of business	95,496	84,587	67,620	72,462	77,598	180,083	145,742
P&C Group direct written premiums - total	<u>\$ 3,135,186</u>	<u>\$ 2,741,020</u>	<u>\$ 2,469,299</u>	<u>\$ 2,670,186</u>	<u>\$ 2,613,131</u>	<u>\$ 5,876,206</u>	<u>\$ 4,916,999</u>

**Property and Casualty Group**  
**Direct Written Premium Growth Measures**

	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
<b>12 month growth rate policies in force</b>					
Total all lines	6.8 %	7.1 %	6.9 %	6.1 %	5.2 %
Total personal lines	7.1 %	7.5 %	7.4 %	6.6 %	5.6 %
Total commercial lines	4.9 %	4.2 %	3.2 %	2.7 %	2.3 %
<b>Retention trends <sup>(1)</sup></b>					
Total all lines	91.1 %	91.2 %	91.2 %	91.1 %	90.8 %
Total personal lines	92.1 %	92.2 %	92.1 %	91.9 %	91.6 %
Total commercial lines	83.5 %	84.6 %	85.3 %	85.4 %	85.6 %
<b>12 month % change average premiums</b>					
Total all lines	11.9 %	10.6 %	9.4 %	8.7 %	7.6 %
Total personal lines	13.7 %	12.0 %	10.5 %	9.2 %	7.4 %
Total commercial lines	9.0 %	9.4 %	9.5 %	10.0 %	10.1 %

*(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.*

**Erie Indemnity Company**  
**Investor Supplement - Second Quarter 2024 (Unaudited)**

Property and Casualty Group								
Statutory Basis Combined Ratio - Direct Business								
Three Months Ended June 30, 2024					Three Months Ended June 30, 2023			
	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	
<b>Direct business only</b>								
Private passenger auto	118.1 %	(2.5) %	1.7 %	118.9 %	123.2 %	0.9 %	2.3 %	120.0 %
Homeowners	131.0 %	(3.0) %	50.7 %	83.3 %	145.4 %	1.4 %	54.3 %	89.7 %
Other personal lines	157.5 %	48.7 %	0.5 %	108.3 %	81.1 %	(12.3) %	1.1 %	92.3 %
<b>Total personal lines</b>	<b>123.8 %</b>	<b>(1.8) %</b>	<b>20.6 %</b>	<b>105.0 %</b>	<b>130.9 %</b>	<b>0.9 %</b>	<b>22.1 %</b>	<b>107.9 %</b>
Commercial multi-peril	95.5 %	(2.3) %	13.7 %	84.1 %	103.6 %	9.4 %	13.6 %	80.6 %
Commercial auto	124.1 %	9.7 %	1.2 %	113.2 %	117.1 %	5.7 %	1.0 %	110.4 %
Workers compensation	75.0 %	(26.8) %	0.0 %	101.8 %	59.1 %	(37.4) %	0.0 %	96.5 %
Other commercial lines	125.3 %	4.1 %	0.0 %	121.2 %	81.2 %	(19.7) %	0.0 %	100.9 %
<b>Total commercial lines</b>	<b>102.7 %</b>	<b>(2.0) %</b>	<b>7.0 %</b>	<b>97.7 %</b>	<b>98.3 %</b>	<b>(1.8) %</b>	<b>6.6 %</b>	<b>93.5 %</b>
<b>Grand total</b>	<b>117.6 %</b>	<b>(1.9) %</b>	<b>16.7 %</b>	<b>102.8 %</b>	<b>121.0 %</b>	<b>0.0 %</b>	<b>17.4 %</b>	<b>103.6 %</b>
Six Months Ended June 30, 2024					Six Months Ended June 30, 2023			
	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	
<b>Direct business only</b>								
Private passenger auto	117.2 %	(2.0) %	1.3 %	117.9 %	121.8 %	1.4 %	1.4 %	119.0 %
Homeowners	118.8 %	(3.2) %	39.7 %	82.3 %	142.9 %	4.7 %	51.6 %	86.6 %
Other personal lines	135.1 %	30.6 %	0.5 %	104.0 %	84.9 %	(3.9) %	0.8 %	88.0 %
<b>Total personal lines</b>	<b>118.2 %</b>	<b>(1.9) %</b>	<b>16.1 %</b>	<b>104.0 %</b>	<b>129.2 %</b>	<b>2.6 %</b>	<b>20.5 %</b>	<b>106.1 %</b>
Commercial multi-peril	92.0 %	(3.2) %	10.7 %	84.5 %	117.2 %	18.6 %	13.1 %	85.5 %
Commercial auto	115.5 %	5.2 %	1.0 %	109.3 %	118.0 %	3.8 %	0.9 %	113.3 %
Workers compensation	79.6 %	(15.7) %	0.0 %	95.3 %	71.3 %	(21.4) %	0.0 %	92.7 %
Other commercial lines	118.9 %	2.1 %	0.0 %	116.8 %	71.1 %	(34.7) %	0.0 %	105.8 %
<b>Total commercial lines</b>	<b>98.7 %</b>	<b>(2.3) %</b>	<b>5.5 %</b>	<b>95.5 %</b>	<b>106.5 %</b>	<b>3.9 %</b>	<b>6.3 %</b>	<b>96.3 %</b>
<b>Grand total</b>	<b>112.5 %</b>	<b>(2.0) %</b>	<b>13.0 %</b>	<b>101.5 %</b>	<b>122.3 %</b>	<b>3.0 %</b>	<b>16.2 %</b>	<b>103.1 %</b>