



ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2016
OF THE CONDITION AND AFFAIRS OF THE
ERIE INSURANCE COMPANY

NAIC Group Code 213 213 NAIC Company Code 26263 Employer's ID Number 25-1232960
Organized under the Laws of the State of PENNSYLVANIA State of Domicile or Port of Entry PENNSYLVANIA
Country of Domicile U.S. Incorporated September 11, 1972 Commenced Business January 1, 1973
Statutory Home Office 100 Erie Insurance Place Erie, PA 16530
Main Administrative Office 100 Erie Insurance Place Erie, PA 16530 814-870-2000
Mail Address 100 Erie Insurance Place Erie, PA 16530
Primary Location of Books and Records 100 Erie Insurance Place Erie, PA 16530 814-870-2000
Internet Website Address www.erieinsurance.com
Statutory Statement Contact Julie Marie Pelkowski 814-870-2000 x2653
Julie.Pelkowski@erieinsurance.com 814-870-4040

DIRECTORS

Brian William Bolash# Gregory John Gutting Thomas Bailey Hagen, Chairman Jonathan Hirt Hagen#
Robert Coleman Ingram, III Sean Joseph McLaughlin Timothy Gerard NeCastro#

EXECUTIVE OFFICERS

President & Chief Executive Officer: Timothy Gerard NeCastro# Executive Vice President & Chief Financial Officer: Gregory John Gutting#
Executive Vice President & General Counsel: Sean Joseph McLaughlin Executive Vice President & Chief Information Officer: Robert Coleman Ingram, III
Executive Vice President: Douglas Edward Smith# Executive Vice President: Lorianne Feltz#

Senior Vice President & Chief Actuary: Bradley Clay Eastwood
Senior Vice President & Controller: Julie Marie Pelkowski#
Senior Vice President & Chief Investment Officer: Bradley G. Postema
Secretary & Senior Counsel: Brian William Bolash#
Vice President & Treasurer: Robert Wayne McNutt

State of Pennsylvania / SS
County of Erie /

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Timothy Gerard NeCastro, President & CEO; Brian William Bolash, Secretary & Senior Counsel; Gregory John Gutting, Executive Vice President & CFO

Subscribed and sworn to before me this 24th day of February, 2017.

(a) Is this an original filing? Yes (X) No ()
(b) If no: (i) State the amendment number:
(ii) Date filed:

Catherine J. Hogg

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
Catherine J. Hogg, Notary Public
City of Erie, Erie County
My Commission Expires March 27, 2017
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	577,021,386		577,021,386	533,495,524
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	7,523,589		7,523,589	7,955,540
2.2 Common stocks.....	31,530,738		31,530,738	29,742,231
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$....(270), Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$.....12,217,284, Schedule DA).....	12,217,013		12,217,013	20,529,849
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....			0	
9. Receivables for securities.....	7,913		7,913	7,913
10. Securities lending reinvested collateral assets (Schedule DL).....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	628,300,638	0	628,300,638	591,731,056
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	6,117,055		6,117,055	5,801,097
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	39,952,566	1,074,291	38,878,275	37,039,150
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	283,611,232		283,611,232	256,691,894
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	99,796		99,796	120,037
16.2 Funds held by or deposited with reinsured companies.....	644,830		644,830	638,624
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....	2,422,898		2,422,898	849,959
18.2 Net deferred tax asset.....	7,316,757	267,308	7,049,449	6,527,154
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....			0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	428,658		428,658	112,939
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other-than-invested assets.....	142,096	0	142,096	157,956
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	969,036,526	1,341,599	967,694,927	899,669,865
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTAL (Lines 26 and 27).....	969,036,526	1,341,599	967,694,927	899,669,865

DETAILS OF WRITE-INS

1101.....			0	
1102.....			0	
1103.....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Premium Tax Credits.....	73,439		73,439	80,091
2502. Equities and Deposits in Pools and Associations.....	55,051		55,051	53,945
2503. Other Accounts Receivable.....	13,606		13,606	23,919
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	142,096	0	142,096	157,956

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	176,844,146	162,426,627
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	74,604	74,774
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	34,108,141	32,173,488
4. Commissions payable, contingent commissions and other similar charges.....		
5. Other expenses (excluding taxes, licenses and fees).....	177,788	146,343
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	2,071,055	2,000,210
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....		
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....620,238,192 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act).....	128,996,586	120,842,035
10. Advance premium.....	2,444,742	2,499,119
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....	407,219	372,051
12. Ceded reinsurance premiums payable (net of ceding commissions).....	248,600,020	225,990,149
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	531,484	525,573
14. Amounts withheld or retained by company for account of others.....	497,417	451,385
15. Remittances and items not allocated.....	208,237	149,876
16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 8).....		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	19,025,100	17,401,468
20. Derivatives.....		
21. Payable for securities.....		
22. Payable for securities lending.....		
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	613,986,540	565,053,097
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	613,986,540	565,053,097
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	2,350,000	2,350,000
31. Preferred capital stock.....		
32. Aggregate write-ins for other-than-special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	86,482,000	86,482,000
35. Unassigned funds (surplus).....	264,876,388	245,784,768
36. Less treasury stock, at cost:		
36.10.000 shares common (value included in Line 30 \$.....0).....		
36.20.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....	353,708,388	334,616,768
38. TOTAL (Page 2, Line 28, Col. 3).....	967,694,927	899,669,865

DETAILS OF WRITE-INS

2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	0	0
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	0	0
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above).....	0	0

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	304,542,696	285,987,510
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7).....	178,489,709	170,168,608
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	30,939,554	28,294,463
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	86,042,362	80,660,199
5. Aggregate write-ins for underwriting deductions.....	53,667	80,453
6. Total underwriting deductions (Lines 2 through 5).....	295,525,292	279,203,722
7. Net income of protected cells.....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	9,017,404	6,783,788
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	20,143,239	20,261,377
10. Net realized capital gains (losses) less capital gains tax of \$.....0 (Exhibit of Capital Gains (Losses)).....	(203,274)	1,405,090
11. Net investment gain (loss) (Lines 9 + 10).....	19,939,965	21,666,467
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....832,206 amount charged off \$.....2,003,506).....	(1,171,300)	(1,491,294)
13. Finance and service charges not included in premiums.....		
14. Aggregate write-ins for miscellaneous income.....	68,870	109,182
15. Total other income (Lines 12 through 14).....	(1,102,431)	(1,382,112)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	27,854,938	27,068,144
17. Dividends to policyholders.....	472,285	426,901
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	27,382,653	26,641,243
19. Federal and foreign income taxes incurred.....	7,898,561	7,391,537
20. Net income (Line 18 minus Line 19) (to Line 22).....	19,484,092	19,249,706
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	334,616,768	311,945,486
22. Net income (from Line 20).....	19,484,092	19,249,706
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....(150,202).....	1,510,160	1,913,570
25. Change in net unrealized foreign exchange capital gain (loss).....		
26. Change in net deferred income tax.....	(685,846)	(236,286)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	238,748	1,744,292
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....		
29. Change in surplus notes.....		
30. Surplus (contributed to) withdrawn from Protected Cells.....		
31. Cumulative effect of changes in accounting principles.....	(1,455,534)	
32. Capital changes:		
32.1 Paid in.....		
32.2 Transferred from surplus (Stock Dividend).....		
32.3 Transferred to surplus.....		
33. Surplus adjustments:		
33.1 Paid in.....		
33.2 Transferred to capital (Stock Dividend).....		
33.3. Transferred from capital.....		
34. Net remittances from or (to) Home Office.....		
35. Dividends to stockholders.....		
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....		
37. Aggregate write-ins for gains and losses in surplus.....	0	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	19,091,620	22,671,282
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	353,708,388	334,616,768
DETAILS OF WRITE-INS		
0501. LAD Program Expense.....	53,667	80,453
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above).....	53,667	80,453
1401. Miscellaneous Income.....	68,870	109,182
1402.		
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	68,870	109,182
3701.		
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above).....	0	0

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	306,458,834	290,505,169
2. Net investment income.....	23,121,055	23,098,622
3. Miscellaneous income.....	(1,102,431)	(1,382,111)
4. Total (Lines 1 through 3).....	328,477,458	312,221,679
5. Benefit and loss related payments.....	166,297,608	162,125,758
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	115,030,084	108,059,742
8. Dividends paid to policyholders.....	437,116	352,809
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	9,471,500	12,153,106
10. Total (Lines 5 through 9).....	291,236,308	282,691,415
11. Net cash from operations (Line 4 minus Line 10).....	37,241,151	29,530,264
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	106,135,505	97,735,083
12.2 Stocks.....	4,691,544	1,026,780
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....		
12.7 Miscellaneous proceeds.....		88,808
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	110,827,049	98,850,670
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	152,178,682	120,388,175
13.2 Stocks.....	5,636,431	3,756,900
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....		
13.7 Total investments acquired (Lines 13.1 to 13.6).....	157,815,113	124,145,075
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(46,988,063)	(25,294,406)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....		
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....		
16.6 Other cash provided (applied).....	1,434,077	953,136
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	1,434,077	953,136
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	(8,312,836)	5,188,995
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	20,529,849	15,340,855
19.2 End of year (Line 18 plus Line 19.1).....	12,217,013	20,529,849

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001		
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