



**ANNUAL STATEMENT**  
 FOR THE YEAR ENDED DECEMBER 31, 2019  
 OF THE CONDITION AND AFFAIRS OF THE  
**ERIE INSURANCE EXCHANGE**

NAIC Group Code 213 213 NAIC Company Code 26271 Employer's ID Number 25-6038677  
(Current Period) (Prior Period)

Organized under the Laws of the State of PENNSYLVANIA State of Domicile or Port of Entry PENNSYLVANIA  
 Country of Domicile U.S. Incorporated \_\_\_\_\_ Commenced Business April 20, 1925

Statutory Home Office 100 Eric Insurance Place Eric, PA 16530  
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 100 Eric Insurance Place Eric, PA 16530 814-870-2000  
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 100 Eric Insurance Place Eric, PA 16530  
(Street and Number) (City or Town, State and Zip Code)

Primary Location of Books and Records 100 Eric Insurance Place Eric, PA 16530 814-870-2000  
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.ericinsurance.com

Statutory Statement Contact Jorie Lee Novacek 814-870-2000 x4248  
(Name) (Area Code) (Telephone Number) (Extension)  
Jorie.Novacek@ericinsurance.com 814-870-4040  
(E-Mail Address) (Area Code) (Fax Number)

**DIRECTORS<sup>+</sup>**

John Ralph Borneman, Jr.	Eugene Charles Connell	Salvatore Correnti	LuAnn Datesh
Jonathan Hirt Hagen, Vice Chair	Thomas Bailey Hagen, Chairman	Charles Scott Hartz	Brian Arden Hudson, Sr.
George Raymond Lucore	Thomas Warren Palmer	Martin Paul Sheffield	Elizabeth Ann Vorsheck

+The individuals listed are directors of Erie Indemnity Company, a Pennsylvania business corporation which acts as attorney-in-fact for the Subscribers of Erie Insurance Exchange.

**EXECUTIVE OFFICERS\***

President & Chief Executive Officer:	Timothy Gerard NeCastro	Executive Vice President & Chief Financial Officer:	Gregory John Gutting
Executive Vice President & Chief Information Officer:	Robert Coleman Ingram, III	Executive Vice President:	Lorianne Feltz
Executive Vice President:	Douglas Edward Smith	Executive Vice President:	Dionne Wallace Oakley

.....

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

\*The individuals listed are officers of Erie Indemnity Company, a Pennsylvania business corporation which acts as attorney-in-fact for the Subscribers of Erie Insurance Exchange.

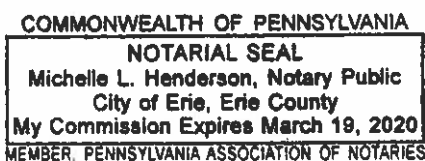
State of Pennsylvania / SS  
 County of Erie /

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 Senior Vice President, Secretary & General Counsel	Gregory John Gutting Executive Vice President & CFO

Subscribed and sworn to before me this  
 3rd day of February 2020.

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



## 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).....	9,208,202,305		9,208,202,305	9,182,395,470
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	311,230,922		311,230,922	248,279,717
2.2 Common stocks.....	4,702,541,565		4,702,541,565	3,959,253,308
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).....	112,855,727		112,855,727	115,614,504
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	6,136,476	6,136,476	(0)	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....(11,808,940), Schedule E-Part 1), cash equivalents (\$.....603,261,864, Schedule E-Part 2) and short-term investments (\$.....0, Schedule DA).....	591,452,924		591,452,924	158,535,453
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....	2,597,000		2,597,000	1,407,000
8. Other invested assets (Schedule BA).....	1,110,376,703		1,110,376,703	915,337,029
9. Receivables for securities.....	16,502,010		16,502,010	15,256,202
10. Securities lending reinvested collateral assets (Schedule DL).....	1,039,216,634		1,039,216,634	828,019,895
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	17,101,112,267	6,136,476	17,094,975,791	15,424,098,579
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	92,928,540	513,611	92,414,929	95,826,742
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	123,138,999	22,451,159	100,687,840	84,946,818
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	1,745,509,018		1,745,509,018	1,652,874,654
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	1,680,426		1,680,426	1,846,760
16.2 Funds held by or deposited with reinsured companies.....	1,966,606		1,966,606	1,781,106
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.....	24,585,971		24,585,971	53,154,739
18.2 Net deferred tax asset.....			0	
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....	21,206,355	18,339,800	2,866,555	3,841,412
21. Furniture and equipment, including health care delivery assets (\$.....0).....	7,159,535	7,159,535	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....			0	
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other-than-invested assets.....	5,630,421	3,661,556	1,968,865	1,999,329
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	19,124,918,138	58,262,138	19,066,656,000	17,320,370,139
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTAL (Lines 26 and 27).....	19,124,918,138	58,262,138	19,066,656,000	17,320,370,139

### 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 and Other.....	983,946		983,946	997,096
2502. Equities & Deposits in Pools and Associations.....	984,919		984,919	1,002,233
2503. Prepaid Disbursements.....	3,661,556	3,661,556	0	
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).....	5,630,421	3,661,556	1,968,865	1,999,329

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	3,906,475,633	3,600,328,712
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....		
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	737,163,255	699,759,196
4. Commissions payable, contingent commissions and other similar charges.....		
5. Other expenses (excluding taxes, licenses and fees).....	9,111,155	7,263,410
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	41,738,847	46,126,086
7.1 Current federal and foreign income taxes (including \$.....27,290 on realized capital gains (losses)).....	34,907	34,907
7.2 Net deferred tax liability.....	215,956,994	67,767,811
8. Borrowed money \$.....1,620,192 and interest thereon \$.....0.....	1,620,192	1,655,159
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....191,138,398 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).....	2,931,473,233	2,778,689,071
10. Advance premium.....	58,379,445	59,352,292
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....	10,024,357	10,751,859
12. Ceded reinsurance premiums payable (net of ceding commissions).....	105,155,279	99,288,645
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20).....	108,164	97,961
14. Amounts withheld or retained by company for account of others.....	46,583,683	51,530,800
15. Remittances and items not allocated.....	618,983	647,899
16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 3, Column 78).....	79,000	107,000
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	4,063,118	2,604,597
20. Derivatives.....		
21. Payable for securities.....	23,308,664	32,666,698
22. Payable for securities lending.....	1,039,216,552	828,019,895
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	450,249,346	431,072,786
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	9,581,360,807	8,717,764,784
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	9,581,360,807	8,717,764,784
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....		
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.....		
35. Unassigned funds (surplus).....	9,485,295,192	8,602,605,354
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....	9,485,295,192	8,602,605,354
38. TOTAL (Page 2, Line 28, Col. 3).....	19,066,656,000	17,320,370,139

### DETAILS OF WRITE-INS

2501. Compensation Due Attorney-In-Fact.....	450,249,346	431,072,786
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).....	450,249,346	431,072,786
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
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 35, Column 4).....	6,914,294,003	6,515,422,219
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7).....	4,654,277,621	4,217,544,766
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	708,821,972	690,230,442
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	1,919,405,480	1,848,573,440
5. Aggregate write-ins for underwriting deductions.....	3,563,046	2,815,794
6. Total underwriting deductions (Lines 2 through 5).....	7,286,068,118	6,759,164,442
7. Net income of protected cells.....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	(371,774,116)	(243,742,222)
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	537,593,427	512,010,397
10. Net realized capital gains (losses) less capital gains tax of \$.....61,198,893 (Exhibit of Capital Gains (Losses)).....	134,245,924	218,086,639
11. Net investment gain (loss) (Lines 9 + 10).....	671,839,351	730,097,037
<b>OTHER INCOME</b>		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....15,428,971 amount charged off \$.....53,048,640).....	(37,619,669)	(33,413,991)
13. Finance and service charges not included in premiums.....		
14. Aggregate write-ins for miscellaneous income.....	1,185,652	664,079
15. Total other income (Lines 12 through 14).....	(36,434,017)	(32,749,912)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	263,631,218	453,604,902
17. Dividends to policyholders.....	12,364,103	11,602,936
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).....	251,267,116	442,001,966
19. Federal and foreign income taxes incurred.....	17,081,171	47,616,313
20. Net income (Line 18 minus Line 19) (to Line 22).....	234,185,945	394,385,652
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	8,602,605,354	8,802,786,595
22. Net income (from Line 20).....	234,185,945	394,385,652
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....118,207,471.....	405,709,769	(593,947,616)
25. Change in net unrealized foreign exchange capital gain (loss).....	12,000,521	(22,302,682)
26. Change in net deferred income tax.....	23,506,623	17,464,291
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	6,040,958	4,272,114
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	28,000	(53,000)
29. Change in surplus notes.....		
30. Surplus (contributed to) withdrawn from Protected Cells.....		
31. Cumulative effect of changes in accounting principles.....	201,218,023	
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).....	882,689,838	(200,181,241)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	9,485,295,192	8,602,605,354
<b>DETAILS OF WRITE-INS</b>		
0501. LAD Program Expense.....	3,563,046	2,815,794
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).....	3,563,046	2,815,794
1401. Miscellaneous Income - Reinsurance.....	948,500	500,755
1402. Miscellaneous Income.....	105,918	80,832
1403. Unidentified Claims Reimbursements.....	131,234	82,492
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).....	1,185,652	664,079
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
<b>CASH FROM OPERATIONS</b>		
1. Premiums collected net of reinsurance.....	6,960,099,433	6,602,961,033
2. Net investment income.....	548,599,775	556,183,754
3. Miscellaneous income.....	(35,433,366)	(32,329,091)
4. Total (Lines 1 through 3).....	7,473,265,842	7,126,815,695
5. Benefit and loss related payments.....	4,348,149,866	4,047,189,433
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	2,579,597,118	2,464,051,880
8. Dividends paid to policyholders.....	13,091,605	11,633,717
9. Federal and foreign income taxes paid (recovered) net of \$.....38,863,998 tax on capital gains (losses).....	49,711,295	146,536,373
10. Total (Lines 5 through 9).....	6,990,549,884	6,669,411,403
11. Net cash from operations (Line 4 minus Line 10).....	482,715,958	457,404,292
<b>CASH FROM INVESTMENTS</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	4,874,249,411	4,629,643,040
12.2 Stocks.....	1,879,604,518	2,011,773,471
12.3 Mortgage loans.....		407,658
12.4 Real estate.....	4,627,275	
12.5 Other invested assets.....	201,458,001	183,086,730
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	272	(10,366)
12.7 Miscellaneous proceeds.....	2,622,526	37,515,750
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	6,962,562,002	6,862,416,283
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	4,806,253,000	5,351,003,739
13.2 Stocks.....	1,780,431,235	1,821,114,089
13.3 Mortgage loans.....		
13.4 Real estate.....	5,322,476	20,823,696
13.5 Other invested assets.....	409,428,308	284,077,129
13.6 Miscellaneous applications.....	227,772,654	283,989,470
13.7 Total investments acquired (Lines 13.1 to 13.6).....	7,229,207,673	7,761,008,122
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).....	(266,645,671)	(898,591,839)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....		
16.3 Borrowed funds.....	(34,967)	(33,817)
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....		
16.6 Other cash provided (applied).....	216,882,151	293,483,371
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	216,847,184	293,449,554
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	432,917,471	(147,737,993)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	158,535,453	306,273,446
19.2 End of year (Line 18 plus Line 19.1).....	591,452,924	158,535,453
<b>Note: Supplemental disclosures of cash flow information for non-cash transactions:</b>		
20.0001 Transfer of investments from short-term investments to bonds.....	763,259	2,844,208
20.0002 Transfer of investments from limited partnerships to common stock.....	13,241,647	