



ANNUAL STATEMENT
 FOR THE YEAR ENDED DECEMBER 31, 2017
 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 Erie Insurance Place Erie, PA 16530
(Street and Number) (City or Town, State and Zip Code)

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

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

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

Internet Website Address www.erieinsurance.com

Statutory Statement Contact Julie Marie Pelkowski 814-870-2000 x2653
(Name) (Area Code) (Telephone Number) (Extension)
Julie.Pelkowski@erieinsurance.com 814-870-4040
(E-Mail Address) (Area Code) (Fax Number)

DIRECTORS⁺

John Ralph Borneman, Jr.	Eugene Charles Connell#	LuAnn Datesh	Jonathan Hirt Hagen
Thomas Bailey Hagen, Chairman	Charles Scott Hartz	Brian Arden Hudson, Sr.#	Claude Clifford Lilly, III
George Raymond Lucore	Thomas Warren Palmer	Martin Paul Sheffield	Richard Louis Stover
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 & 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

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Senior Vice President & Chief Actuary:	Bradley Clay Eastwood
Senior Vice President & Contoller:	Julie Marie Pelkowski
Senior Vice President & Chief Investment Officer:	Bradley G. Postema
Secretary & Senior Counsel:	Brian William Bolash
Vice President & 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 Secretary & Senior Counsel	 _____ Gregory John Gutting Executive Vice President & CFO
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Subscribed and sworn to before me this
 26th day of February, 2018.

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

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
 Judianne C. Hyde, Notary Public
 City of Erie, Erie County
 My Commission Expires Sept. 1, 2021
 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).....	8,600,922,361		8,600,922,361	7,991,212,307
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	145,994,685		145,994,685	145,332,707
2.2 Common stocks.....	4,624,849,237		4,624,849,237	3,896,325,497
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....	407,658		407,658	640,260
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	101,103,703		101,103,703	93,764,970
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	3,188,875	3,188,875	0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....11,115,855, Schedule E-Part 1), cash equivalents (\$.....291,319,755, Schedule E-Part 2) and short-term investments (\$.....3,837,836, Schedule DA).....	306,273,446		306,273,446	447,881,312
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....	4,595,000		4,595,000	1,397,000
8. Other invested assets (Schedule BA).....	850,541,326		850,541,326	777,311,663
9. Receivables for securities.....	38,390,921		38,390,921	31,690,111
10. Securities lending reinvested collateral assets (Schedule DL).....	560,089,007		560,089,007	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	15,236,356,219	3,188,875	15,233,167,344	13,385,555,827
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	92,255,920		92,255,920	85,452,676
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	105,124,378	21,520,896	83,603,482	83,374,580
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	1,530,564,729		1,530,564,729	1,403,515,191
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	1,461,422		1,461,422	1,968,207
16.2 Funds held by or deposited with reinsured companies.....	2,264,929		2,264,929	2,266,929
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.....	22,854,855		22,854,855	44,558,227
18.2 Net deferred tax asset.....			0	
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....	38,086,987	32,081,746	6,005,241	7,578,112
21. Furniture and equipment, including health care delivery assets (\$.....0).....	11,273,744	11,273,744	0	1
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	276,095		276,095	218,851
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other-than-invested assets.....	2,649,615	509,950	2,139,665	2,418,298
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	17,043,168,893	68,575,211	16,974,593,682	15,016,906,898
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTAL (Lines 26 and 27).....	17,043,168,893	68,575,211	16,974,593,682	15,016,906,898

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.....	1,108,302		1,108,302	1,377,836
2502. Equities & Deposits in Pools and Associations.....	1,031,363		1,031,363	1,040,462
2503. Prepaid Disbursements.....	509,950	509,950	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).....	2,649,615	509,950	2,139,665	2,418,298

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	3,428,601,756	3,342,354,376
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	1,470,108	1,492,096
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	659,768,684	644,643,868
4. Commissions payable, contingent commissions and other similar charges.....		
5. Other expenses (excluding taxes, licenses and fees).....	9,298,075	9,010,089
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	37,258,343	37,544,698
7.1 Current federal and foreign income taxes (including \$.....309,997 on realized capital gains (losses)).....	959,423	796,021
7.2 Net deferred tax liability.....	245,701,218	243,219,707
8. Borrowed money \$.....1,688,976 and interest thereon \$.....0.....	1,688,976	
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....173,412,330 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).....	2,592,644,749	2,438,035,475
10. Advance premium.....	42,738,206	46,205,615
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....	10,782,639	7,696,447
12. Ceded reinsurance premiums payable (net of ceding commissions).....	91,877,362	84,022,144
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	124,571	124,681
14. Amounts withheld or retained by company for account of others.....	34,765,726	31,312,976
15. Remittances and items not allocated.....	2,057,880	2,017,791
16. Provision for reinsurance (including \$.....1,000 certified) (Schedule F, Part 8).....	54,000	3,000
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	1,480,716	2,216,967
20. Derivatives.....		
21. Payable for securities.....	48,085,192	56,650,430
22. Payable for securities lending.....	560,086,217	
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	402,363,246	358,949,816
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	8,171,807,087	7,306,296,199
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	8,171,807,087	7,306,296,199
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).....	8,802,786,595	7,710,610,699
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).....	8,802,786,595	7,710,610,699
38. TOTAL (Page 2, Line 28, Col. 3).....	16,974,593,682	15,016,906,898

DETAILS OF WRITE-INS

2501. Compensation Due Attorney-In-Fact.....	402,363,246	358,949,816
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).....	402,363,246	358,949,816
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).....	6,109,805,039	5,755,856,950
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7).....	3,585,742,644	3,373,455,499
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	603,661,138	584,757,554
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	1,711,839,650	1,626,200,644
5. Aggregate write-ins for underwriting deductions.....	1,693,499	1,014,303
6. Total underwriting deductions (Lines 2 through 5).....	5,902,936,931	5,585,428,000
7. Net income of protected cells.....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	206,868,108	170,428,950
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	499,708,728	498,295,461
10. Net realized capital gains (losses) less capital gains tax of \$.....95,621,008 (Exhibit of Capital Gains (Losses)).....	172,553,324	45,046,155
11. Net investment gain (loss) (Lines 9 + 10).....	672,262,052	543,341,616
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....14,344,660 amount charged off \$.....50,845,379).....	(36,500,719)	(22,137,576)
13. Finance and service charges not included in premiums.....		
14. Aggregate write-ins for miscellaneous income.....	649,953	1,313,802
15. Total other income (Lines 12 through 14).....	(35,850,766)	(20,823,774)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	843,279,394	692,946,793
17. Dividends to policyholders.....	14,098,349	8,926,179
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).....	829,181,045	684,020,614
19. Federal and foreign income taxes incurred.....	200,320,242	174,208,904
20. Net income (Line 18 minus Line 19) (to Line 22).....	628,860,803	509,811,711
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	7,710,610,699	7,141,548,284
22. Net income (from Line 20).....	628,860,803	509,811,711
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....(40,390,515).....	461,531,914	108,570,777
25. Change in net unrealized foreign exchange capital gain (loss).....	50,438,947	3,556,894
26. Change in net deferred income tax.....	(42,872,026)	(16,164,213)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	(5,732,742)	(9,203,160)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	(51,000)	
29. Change in surplus notes.....		
30. Surplus (contributed to) withdrawn from Protected Cells.....		
31. Cumulative effect of changes in accounting principles.....		(27,509,594)
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).....	1,092,175,896	569,062,415
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	8,802,786,595	7,710,610,699
DETAILS OF WRITE-INS		
0501. LAD Program Expense.....	1,693,499	1,014,303
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).....	1,693,499	1,014,303
1401. Miscellaneous Income - Reinsurance.....	601,946	1,071,166
1402. Miscellaneous Income.....	41,109	230,468
1403. Unidentified Claims Reimbursements.....	6,898	12,168
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).....	649,953	1,313,802
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.....	6,135,144,869	5,792,259,090
2. Net investment income.....	531,638,435	554,513,864
3. Miscellaneous income.....	(30,688,748)	(20,823,774)
4. Total (Lines 1 through 3).....	6,636,094,555	6,325,949,180
5. Benefit and loss related payments.....	3,499,008,467	3,142,913,386
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	2,258,942,397	2,144,189,453
8. Dividends paid to policyholders.....	11,012,157	8,261,498
9. Federal and foreign income taxes paid (recovered) net of \$.....88,555,677 tax on capital gains (losses).....	274,074,476	215,171,950
10. Total (Lines 5 through 9).....	6,043,037,497	5,510,536,287
11. Net cash from operations (Line 4 minus Line 10).....	593,057,058	815,412,893
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	3,740,489,082	2,495,468,242
12.2 Stocks.....	1,314,948,061	1,381,883,054
12.3 Mortgage loans.....	232,603	311,232
12.4 Real estate.....		9,560,084
12.5 Other invested assets.....	164,146,026	168,746,632
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	24,341	236
12.7 Miscellaneous proceeds.....	1,809,213	2,609,545
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	5,221,649,326	4,058,579,025
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	4,303,194,414	3,436,211,731
13.2 Stocks.....	1,376,972,077	1,415,871,086
13.3 Mortgage loans.....		
13.4 Real estate.....	10,822,188	8,266,376
13.5 Other invested assets.....	237,870,303	217,158,448
13.6 Miscellaneous applications.....	589,776,958	48,986,558
13.7 Total investments acquired (Lines 13.1 to 13.6).....	6,518,635,940	5,126,494,198
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).....	(1,296,986,614)	(1,067,915,173)
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.....	1,688,976	
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....		
16.6 Other cash provided (applied).....	560,632,713	(535,268)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	562,321,689	(535,268)
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).....	(141,607,866)	(253,037,549)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	447,881,312	700,918,861
19.2 End of year (Line 18 plus Line 19.1).....	306,273,446	447,881,312
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001 Transfer of investments from bonds to other invested assets.....	6,959,590	
20.0002 Transfer of investments from limited partnerships to common stock.....		17,856,033