



QUARTERLY STATEMENT
AS OF SEPTEMBER 30, 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
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
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+

John Ralph Bormeman, 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

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

\*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

Subscribed and sworn to before me this 10th day of November, 2017.

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

Judianne C Hyde (Signature)

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 Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	8,563,184,311		8,563,184,311	7,991,212,307
2. Stocks:				
2.1 Preferred stocks.....	149,824,235		149,824,235	145,332,707
2.2 Common stocks.....	4,314,147,769		4,314,147,769	3,896,325,497
3. Mortgage loans on real estate:				
3.1 First liens.....	467,548		467,548	640,260
3.2 Other than first liens.....			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	99,807,595		99,807,595	93,764,970
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	2,695,527	2,695,527	0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....33,438,580), cash equivalents (\$.....319,931) and short-term investments (\$.....471,688,362).....	505,446,873		505,446,873	447,881,312
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives.....	4,299,000		4,299,000	1,397,000
8. Other invested assets.....	836,973,752		836,973,752	777,311,663
9. Receivables for securities.....	38,058,845		38,058,845	31,690,111
10. Securities lending reinvested collateral assets.....	727,079,478		727,079,478	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	15,241,984,933	2,695,527	15,239,289,406	13,385,555,827
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	90,563,107		90,563,107	85,452,676
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	106,486,177	21,881,957	84,604,220	83,374,580
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	1,583,555,640		1,583,555,640	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.....	733,632		733,632	1,968,207
16.2 Funds held by or deposited with reinsured companies.....	2,316,355		2,316,355	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.....			0	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.....	39,940,320	33,218,226	6,722,094	7,578,112
21. Furniture and equipment, including health care delivery assets (\$.....0).....	10,446,294	10,446,294	0	1
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	68,100		68,100	218,851
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	5,183,403	1,929,711	3,253,692	2,418,298
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	17,081,277,961	70,171,715	17,011,106,246	15,016,906,898
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. Total (Lines 26 and 27).....	17,081,277,961	70,171,715	17,011,106,246	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 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Premium Tax Credits and Other.....	2,222,330		2,222,330	1,377,836
2502. Equities & Deposits in Pools and Associations.....	1,031,362		1,031,362	1,040,462
2503. Prepaid Disbursements.....	1,929,711	1,929,711	0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	5,183,403	1,929,711	3,253,692	2,418,298

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$.....1,089,573,929).....	3,403,749,980	3,342,354,376
2. Reinsurance payable on paid losses and loss adjustment expenses.....	1,492,096	1,492,096
3. Loss adjustment expenses.....	651,978,547	644,643,868
4. Commissions payable, contingent commissions and other similar charges.....		
5. Other expenses (excluding taxes, licenses and fees).....	8,685,723	9,010,089
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	29,742,587	37,544,698
7.1 Current federal and foreign income taxes (including \$.....10,178,825 on realized capital gains (losses)).....	31,370,398	796,021
7.2 Net deferred tax liability.....	352,496,976	243,219,707
8. Borrowed money \$.....1,697,295 and interest thereon \$.....0.....	1,697,255	
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$.....176,975,923 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).....	2,657,224,424	2,438,035,475
10. Advance premium.....	61,690,916	46,205,615
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....	8,033,821	7,696,447
12. Ceded reinsurance premiums payable (net of ceding commissions).....	94,657,997	84,022,144
13. Funds held by company under reinsurance treaties.....	127,400	124,681
14. Amounts withheld or retained by company for account of others.....	39,405,011	31,312,976
15. Remittances and items not allocated.....	1,415,223	2,017,791
16. Provision for reinsurance (including \$.....0 certified).....	3,000	3,000
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	3,878,484	2,216,967
20. Derivatives.....		
21. Payable for securities.....	105,650,554	56,650,430
22. Payable for securities lending.....	727,079,478	
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	415,575,292	358,949,816
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	8,595,955,162	7,306,296,199
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	8,595,955,162	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).....	8,415,151,084	7,710,610,699
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).....	8,415,151,084	7,710,610,699
38. Totals (Page 2, Line 28, Col. 3).....	17,011,106,246	15,016,906,898

### DETAILS OF WRITE-INS

2501. Compensation Due Attorney-In-Fact.....	415,575,292	358,949,816
2502. ....		
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	415,575,292	358,949,816
2901. ....		
2902. ....		
2903. ....		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 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 thru 3203 plus 3298) (Line 32 above).....	0	0

## STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct..... (written \$....3,610,155,171).....	3,489,982,568	3,358,281,477	4,471,538,520
1.2 Assumed..... (written \$....1,504,372,737).....	1,388,496,551	1,238,574,819	1,677,683,946
1.3 Ceded..... (written \$....329,007,234).....	312,147,395	294,126,149	393,365,517
1.4 Net..... (written \$....4,785,520,674).....	4,566,331,724	4,302,730,148	5,755,856,950
DEDUCTIONS:			
2. Losses incurred (current accident year \$....2,712,064,346):			
2.1 Direct.....	2,021,158,027	1,876,601,610	2,577,785,904
2.2 Assumed.....	816,337,525	702,226,904	954,955,802
2.3 Ceded.....	164,027,391	142,245,033	159,286,207
2.4 Net.....	2,673,468,161	2,436,583,481	3,373,455,499
3. Loss adjustment expenses incurred.....	436,416,274	406,435,755	584,757,554
4. Other underwriting expenses incurred.....	1,308,769,208	1,240,290,164	1,626,200,644
5. Aggregate write-ins for underwriting deductions.....	1,343,583	738,531	1,014,303
6. Total underwriting deductions (Lines 2 through 5).....	4,419,997,226	4,084,047,931	5,585,428,000
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	146,334,498	218,682,217	170,428,950
<b>INVESTMENT INCOME</b>			
9. Net investment income earned.....	390,917,931	358,425,125	498,295,461
10. Net realized capital gains (losses) less capital gains tax of \$....76,390,472.....	135,576,785	15,952,033	45,046,155
11. Net investment gain (loss) (Lines 9 + 10).....	526,494,716	374,377,158	543,341,616
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$....11,066,190 amount charged off \$....35,080,364).....	(24,014,174)	(16,511,603)	(22,137,576)
13. Finance and service charges not included in premiums.....			
14. Aggregate write-ins for miscellaneous income.....	515,830	1,122,777	1,313,802
15. Total other income (Lines 12 through 14).....	(23,498,344)	(15,388,826)	(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).....	649,330,870	577,670,548	692,946,793
17. Dividends to policyholders.....	7,690,049	5,978,491	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).....	641,640,821	571,692,058	684,020,614
19. Federal and foreign income taxes incurred.....	159,039,393	158,092,339	174,208,904
20. Net income (Line 18 minus Line 19) (to Line 22).....	482,601,428	413,599,719	509,811,711
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year.....	7,710,610,699	7,141,548,284	7,141,548,284
22. Net income (from Line 20).....	482,601,428	413,599,719	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 \$....112,709,896.....	181,592,628	58,775,188	108,570,777
25. Change in net unrealized foreign exchange capital gain (loss).....	44,239,250	27,476,871	3,556,894
26. Change in net deferred income tax.....	3,432,627	(1,727,657)	(16,164,213)
27. Change in nonadmitted assets.....	(7,325,548)	(8,424,781)	(9,203,160)
28. Change in provision for reinsurance.....			
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.....			
37. Aggregate write-ins for gains and losses in surplus.....	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37).....	704,540,385	489,699,341	569,062,415
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	8,415,151,084	7,631,247,625	7,710,610,699
<b>DETAILS OF WRITE-INS</b>			
0501. LAD Program Expense.....	1,343,583	738,531	1,014,303
0502. ....			
0503. ....			
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	1,343,583	738,531	1,014,303
1401. Miscellaneous Income - Reinsurance.....	473,269	886,823	1,071,166
1402. Miscellaneous Income.....	36,757	226,446	230,468
1403. Unidentified Claims Reimbursements.....	5,804	9,508	12,168
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	515,830	1,122,777	1,313,802
3701. ....			
3702. ....			
3703. ....			
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	0	0	0

**CASH FLOW**

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>CASH FROM OPERATIONS</b>			
1. Premiums collected net of reinsurance.....	4,625,455,628	4,362,980,585	5,792,259,090
2. Net investment income.....	408,158,110	374,064,486	554,513,864
3. Miscellaneous income.....	(20,160,090)	(15,388,826)	(20,823,774)
4. Total (Lines 1 through 3).....	5,013,453,647	4,721,656,245	6,325,949,180
5. Benefit and loss related payments.....	2,610,887,408	2,351,835,496	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.....	1,690,695,388	1,589,707,036	2,144,189,453
8. Dividends paid to policyholders.....	7,352,675	5,357,881	8,261,498
9. Federal and foreign income taxes paid (recovered) net of \$.....52,012,022 tax on capital gains (losses).....	160,297,261	146,860,225	215,171,950
10. Total (Lines 5 through 9).....	4,469,232,732	4,093,760,638	5,510,536,287
11. Net cash from operations (Line 4 minus Line 10).....	544,220,915	627,895,607	815,412,893
<b>CASH FROM INVESTMENTS</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	2,714,080,250	1,730,035,708	2,495,468,242
12.2 Stocks.....	1,021,287,057	1,007,647,906	1,381,883,054
12.3 Mortgage loans.....	172,712	255,840	311,232
12.4 Real estate.....			9,560,084
12.5 Other invested assets.....	103,862,406	84,353,585	168,746,632
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	24,326		236
12.7 Miscellaneous proceeds.....	43,980,310	21,423,265	2,609,545
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	3,883,407,060	2,843,716,304	4,058,579,025
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	3,247,637,420	2,599,086,800	3,436,211,731
13.2 Stocks.....	941,415,720	805,618,235	1,415,871,086
13.3 Mortgage loans.....			
13.4 Real estate.....	8,208,495	5,452,999	8,266,376
13.5 Other invested assets.....	168,819,345	149,167,480	217,158,448
13.6 Miscellaneous applications.....	736,350,212	7,128,283	48,986,558
13.7 Total investments acquired (Lines 13.1 to 13.6).....	5,102,431,192	3,566,453,797	5,126,494,198
14. Net increase or (decrease) in contract loans and premium notes.....			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	(1,219,024,132)	(722,737,493)	(1,067,915,173)
<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.....	1,697,255		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....			
16.5 Dividends to stockholders.....			
16.6 Other cash provided (applied).....	730,671,523	(5,614,000)	(535,268)
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	732,368,778	(5,614,000)	(535,268)
<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 Line 15 plus Line 17).....	57,565,561	(100,455,885)	(253,037,549)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	447,881,312	700,918,861	700,918,861
19.2 End of period (Line 18 plus Line 19.1).....	505,446,873	600,462,975	447,881,312
<b>Note: Supplemental disclosures of cash flow information for non-cash transactions:</b>			
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