



**QUARTERLY STATEMENT**  
 AS OF JUNE 30, 2016  
 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<sup>+</sup>**

John Ralph Borneman, Jr.	Terrence William Cavanaugh	LuAnn Datesh#	Jonathan Hirt Hagen
Thomas Bailey Hagen, Chairman	Charles Scott Hartz	Claude Clifford Lilly, III	George Raymond Lucore#
Thomas Warren Palmer	Martin Paul Sheffield	Richard Louis Stover	Elizabeth Ann Vorsheck
Robert Charles Wilburn			

+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<sup>+</sup>**

President & Chief Executive Officer:	Terrence William Cavanaugh	Interim Executive Vice President	
Executive Vice President		& Chief Financial Officer:	Gregory John Gutting
& General Counsel:	Sean Joseph McLaughlin	Executive Vice President:	John Francis Kearns
Executive Vice President &		Executive Vice President:	George David Dufala
Chief Information Officer:	Robert Coleman Ingram, III		

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Senior Vice President & Chief Actuary:	Bradley Clay Eastwood
Senior Vice President & Chief Investment Officer:	Bradley G. Postema
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.

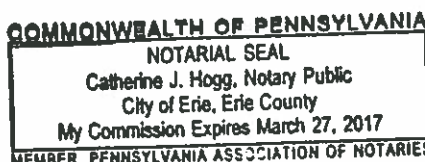
State of Pennsylvania / SS  
 County of Erie /

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.

Terrence William Cavanaugh President & CEO	Brian William Bolash Secretary & Senior Counsel	Gregory John Gutting Interim Executive Vice President & CFO

Subscribed and sworn to before me this  
 9th day of August, 2016.

- (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 Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	7,728,385,561		7,728,385,561	7,028,237,279
2. Stocks:				
2.1 Preferred stocks.....	210,063,113		210,063,113	224,491,069
2.2 Common stocks.....	3,479,736,462		3,479,736,462	3,530,190,382
3. Mortgage loans on real estate:				
3.1 First liens.....	749,823		749,823	951,480
3.2 Other than first liens.....			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	99,158,320		99,158,320	98,218,475
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	2,113,351	2,113,351	0	0
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....(5,211,176)), cash equivalents (\$.....12,856) and short-term investments (\$.....505,055,986).....	499,857,666		499,857,666	700,918,861
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives.....			0	
8. Other invested assets.....	810,303,005		810,303,005	814,961,861
9. Receivables for securities.....	31,144,516		31,144,516	33,653,470
10. Securities lending reinvested collateral assets.....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	12,861,511,820	2,113,351	12,859,398,469	12,431,622,876
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	86,919,368		86,919,368	83,354,847
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	91,219,316	18,021,600	73,197,716	69,682,204
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	1,413,140,554		1,413,140,554	1,293,990,466
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	2,019,115		2,019,115	2,350,942
16.2 Funds held by or deposited with reinsured companies.....	2,221,463		2,221,463	2,261,018
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	35,685,601
18.2 Net deferred tax asset.....			0	
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....	30,010,264	20,886,888	9,123,376	8,733,648
21. Furniture and equipment, including health care delivery assets (\$.....0).....	12,038,332	12,038,332	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	3,752,164	3,465,280	286,884	314,475
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	5,714,515	2,200,276	3,514,239	2,718,052
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	14,508,546,911	58,725,727	14,449,821,184	13,930,714,129
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. Total (Lines 26 and 27).....	14,508,546,911	58,725,727	14,449,821,184	13,930,714,129

### 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.....	2,472,508		2,472,508	1,698,483
2502. Equities & Deposits in Pools and Associations.....	1,041,731		1,041,731	1,019,568
2503. Prepaid Disbursements.....	2,200,276	2,200,276	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).....	5,714,515	2,200,276	3,514,239	2,718,052

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$.....773,209,835).....	3,118,878,949	3,069,863,244
2. Reinsurance payable on paid losses and loss adjustment expenses.....	1,495,487	1,495,487
3. Loss adjustment expenses.....	610,559,939	608,078,939
4. Commissions payable, contingent commissions and other similar charges.....		
5. Other expenses (excluding taxes, licenses and fees).....	7,151,317	7,696,483
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	8,088,303	37,050,473
7.1 Current federal and foreign income taxes (including \$.....205,932 on realized capital gains (losses)).....	6,342,540	859,669
7.2 Net deferred tax liability.....	187,412,595	187,161,949
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$.....155,594,979 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).....	2,413,326,559	2,283,914,462
10. Advance premium.....	62,238,994	47,233,345
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....	7,732,863	7,031,767
12. Ceded reinsurance premiums payable (net of ceding commissions).....	84,090,233	76,826,304
13. Funds held by company under reinsurance treaties.....	122,181	124,356
14. Amounts withheld or retained by company for account of others.....	24,646,540	26,155,287
15. Remittances and items not allocated.....	2,250,338	1,450,261
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.....	4,386,931	1,754,905
20. Derivatives.....		
21. Payable for securities.....	128,652,271	104,239,988
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.....	370,438,125	328,225,924
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	7,037,817,165	6,789,165,845
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	7,037,817,165	6,789,165,845
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).....	7,412,004,019	7,141,548,284
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).....	7,412,004,019	7,141,548,284
38. Totals (Page 2, Line 28, Col. 3).....	14,449,821,184	13,930,714,129

### DETAILS OF WRITE-INS

2501. Compensation Due Attorney-In-Fact.....	370,438,125	328,225,924
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).....	370,438,125	328,225,924
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 \$....2,286,786,123).....	2,221,753,563	2,136,711,730	4,305,056,296
1.2 Assumed..... (written \$....883,034,765).....	810,534,331	704,314,422	1,471,098,943
1.3 Ceded..... (written \$....202,256,039).....	194,135,142	182,915,675	370,991,292
1.4 Net..... (written \$....2,967,564,849).....	2,838,152,752	2,658,110,477	5,405,163,947
DEDUCTIONS:			
2. Losses incurred (current accident year \$....1,645,161,166):			
2.1 Direct.....	1,223,975,844	1,264,179,223	2,519,184,409
2.2 Assumed.....	456,391,103	428,801,062	884,732,195
2.3 Ceded.....	90,076,936	98,019,431	187,729,910
2.4 Net.....	1,590,290,011	1,594,960,854	3,216,186,694
3. Loss adjustment expenses incurred.....	269,992,139	280,186,731	534,765,341
4. Other underwriting expenses incurred.....	813,420,243	764,402,889	1,524,477,746
5. Aggregate write-ins for underwriting deductions.....	653,924	845,096	1,520,559
6. Total underwriting deductions (Lines 2 through 5).....	2,674,356,318	2,640,395,571	5,276,950,339
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	163,796,434	17,714,906	128,213,607
<b>INVESTMENT INCOME</b>			
9. Net investment income earned.....	242,316,965	238,634,194	467,352,751
10. Net realized capital gains (losses) less capital gains tax of \$....3,990,235.....	(8,425,104)	81,880,064	69,219,974
11. Net investment gain (loss) (Lines 9 + 10).....	233,891,861	320,514,258	536,572,725
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$....4,045,292 amount charged off \$....18,876,040).....	(14,830,748)	(17,429,153)	(28,185,456)
13. Finance and service charges not included in premiums.....			
14. Aggregate write-ins for miscellaneous income.....	1,022,690	332,761	2,063,878
15. Total other income (Lines 12 through 14).....	(13,808,058)	(17,096,392)	(26,121,578)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	383,880,237	321,132,772	638,664,754
17. Dividends to policyholders.....	4,335,909	3,199,322	8,068,425
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).....	379,544,328	317,933,450	630,596,329
19. Federal and foreign income taxes incurred.....	118,905,764	73,113,174	164,970,180
20. Net income (Line 18 minus Line 19) (to Line 22).....	260,638,564	244,820,276	465,626,149
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year.....	7,141,548,284	6,816,564,905	6,816,564,905
22. Net income (from Line 20).....	260,638,564	244,820,276	465,626,149
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$....2,394,948.....	(11,554,463)	(32,443,964)	(133,919,349)
25. Change in net unrealized foreign exchange capital gain (loss).....	24,310,049	(3,968,156)	(14,432,732)
26. Change in net deferred income tax.....	2,144,302	11,826,344	30,089,128
27. Change in nonadmitted assets.....	(5,082,717)	(5,326,906)	(22,923,817)
28. Change in provision for reinsurance.....			544,000
29. Change in surplus notes.....			
30. Surplus (contributed to) withdrawn from protected cells.....			
31. Cumulative effect of changes in accounting principles.....			
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.....	0		
37. Aggregate write-ins for gains and losses in surplus.....	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37).....	270,455,735	214,907,594	324,983,379
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	7,412,004,019	7,031,472,499	7,141,548,284

### DETAILS OF WRITE-INS

0501. LAD Program Expense.....	653,924	845,096	1,520,559
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).....	653,924	845,096	1,520,559
1401. Miscellaneous Income - Reinsurance.....	738,948	324,512	1,581,689
1402. Miscellaneous Income.....	262,113	15,576	481,860
1403. Unidentified Claims Reimbursements.....	21,629	(7,326)	329
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).....	1,022,690	332,761	2,063,878
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.....	2,868,781,445	2,705,130,687	5,489,567,253
2. Net investment income.....	251,288,509	257,722,763	540,657,765
3. Miscellaneous income.....	(13,808,058)	(17,096,392)	(26,121,578)
4. Total (Lines 1 through 3).....	3,106,261,896	2,945,757,057	6,004,103,440
5. Benefit and loss related payments.....	1,540,902,924	1,525,714,301	3,064,390,561
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	1,068,880,441	1,075,792,902	2,035,267,197
8. Dividends paid to policyholders.....	3,634,812	2,528,927	6,668,084
9. Federal and foreign income taxes paid (recovered) net of \$ 2,653,561 tax on capital gains (losses).....	81,727,527	190,393,885	336,017,561
10. Total (Lines 5 through 9).....	2,695,145,705	2,794,430,016	5,442,343,403
11. Net cash from operations (Line 4 minus Line 10).....	411,116,191	151,327,042	561,760,037
<b>CASH FROM INVESTMENTS</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	1,098,376,520	953,768,882	1,897,395,545
12.2 Stocks.....	734,741,581	724,646,020	1,790,117,935
12.3 Mortgage loans.....	201,669	187,102	381,065
12.4 Real estate.....			
12.5 Other invested assets.....	61,335,137	100,317,714	190,141,394
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....			2,071
12.7 Miscellaneous proceeds.....	26,658,633	16,075,239	84,374,368
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	1,921,313,541	1,794,994,957	3,962,412,378
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	1,796,580,489	1,388,549,909	2,480,990,295
13.2 Stocks.....	631,891,182	594,111,376	1,451,605,293
13.3 Mortgage loans.....			
13.4 Real estate.....	2,063,160	10,725,437	19,492,790
13.5 Other invested assets.....	96,715,587	61,923,879	159,865,905
13.6 Miscellaneous applications.....		14,255,697	30,982,327
13.7 Total investments acquired (Lines 13.1 to 13.6).....	2,527,250,419	2,069,566,298	4,142,936,610
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).....	(605,936,878)	(274,571,341)	(180,524,232)
<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.....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....			
16.5 Dividends to stockholders.....			
16.6 Other cash provided (applied).....	(6,240,508)	69,094,317	(18,942,567)
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	(6,240,508)	69,094,317	(18,942,567)
<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).....	(201,061,195)	(54,149,982)	362,293,238
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	700,918,861	338,625,622	338,625,622
19.2 End of period (Line 18 plus Line 19.1).....	499,857,666	284,475,640	700,918,861

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

20.0001 .....			
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