

The work we're doing to meet our first goal—grow market share—is a good example. In the midst of a slowly recovering economy, we've incrementally but steadily grown market share in every state in which we do business. We're doing this by instilling a mind-set of authority and accountability into our field operations and putting leaders in place throughout the organization who take ownership for driving results. Equally important to our success on the front lines, we're partnering with Agents to craft agency business plans, provide target marketing tools and improve operating efficiency. And we're introducing innovative pricing approaches that have greater consumer appeal. In essence, we're executing at a high level on the ideas we put forth in our strategy.

Our strategy isn't especially complex; frankly, it's basic blocking and tackling. But we're doing it better, smarter and with greater urgency. And from that, we're seeing results.

In late 2009, we introduced an agency business planning process and held our field managers accountable for securing business plans from each of our independent agencies. With plans in place in 2010, our ERIE agencies—in partnership with our field team—are working their plans.

To aid in the effort, ERIE is providing new tools to help Agents meet and exceed their agency goals—including targeted analytics about their ERIE book of business. This is leading to greater cross-sell opportunities in all three product lines—personal, commercial and life. We're also providing data about their markets and the growth opportunities that exist there.

As we gain deeper insights into our Customers and marketplace, we continue to hone our pricing formulas to better match price to risk. This is giving our Agents a competitive advantage today. In the long-term, it's strengthening the Exchange's balance sheet, ensuring our Customers of our sound financial position today and into the future.

We're using technology in ways we haven't done before, particularly in our marketing efforts, and we're streamlining our processes and building better systems to make it easier for our Agents to do business with us.

As a result of our combined efforts, ERIE agencies are producing new business and retaining current ERIE Customers at a higher rate. Agents appreciate our efforts, which they're actively acknowledging.

In 2010, ERIE was honored to receive the *Company Award of Excellence* from the Association of Professional Insurance Agents (PIA)—the nation's largest organization of independent agents. With this award, the PIA recognizes a company for its commitment to independent agents and for its efforts in furthering the interests of professional agents by creating a better business environment. We are very proud and honored to receive this prestigious recognition.

The strong commitment we show to our Agents is indicative of the shared commitment we show toward ERIE Customers. This is recognized by our Customers, and we're rewarded with their loyalty. In fact, the goodwill garnered with our Customers once again earned ERIE the highest ranking in the J.D. Power and Associates 2010 Auto Insurance Shopping Study\*. For the third year in a row, ERIE ranks "Highest in Customer Satisfaction with the Auto Insurance Purchase Experience" among 25 of the nation's major auto insurers.



**2010**  
Association of  
Professional  
Insurance Agents



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