



# ERIE INSURANCE EXCHANGE

(A Reciprocal/Inter-Insurance Exchange)

Home Office

100 Erie Insurance Place • Erie PA 16530

ERIE INSURANCE EXCHANGE ("ERIE") was organized in 1925 as a Reciprocal or Inter-Insurance Exchange under the Insurance Laws of Pennsylvania. An Exchange is one of four plans of insurance in use today, and it is the only one started in America. Other plans are Stock, Mutual and Lloyds.

An Exchange, such as ERIE, has no stockholders. It is based on the mutual or cooperative principle of protecting its Policyholders, called Subscribers, at the lowest possible cost. Technically, an Exchange is a place at which the Subscribers exchange contracts of insurance with each other. To avoid the need for all Subscribers to be involved in every exchange, a manager, called the Attorney-in-Fact, is appointed by each Subscriber. The Attorney-in-Fact also manages ERIE's business for the Subscribers. This includes collecting premiums, issuing policies and providing service. At ERIE, the Attorney-in-Fact is ERIE INDEMNITY COMPANY, a Pennsylvania corporation.

The Attorney-in-Fact is appointed through the Subscriber's Agreement. That Agreement includes a limited power of attorney which authorizes the Attorney-in-Fact to act on behalf of the Subscriber. This authority applies only to the Subscriber's insurance business at the Exchange. It is limited strictly to the subjects described in that Agreement. An "X-tra Protection" feature in ERIE's Agreement limits the amount that can be used for the cost of doing business. Stock, Mutual, and Lloyds companies have no such contractual limit on their expenses.

ERIE policies are "non-assessable." In other words, an ERIE Subscriber is liable for just the policy premiums charged, and is not subject to any other liability under the policy.

An insurance policy applied for at an Exchange cannot become effective without a signed Subscriber's Agreement. It is required, therefore, that each person applying for insurance at ERIE sign that Agreement.

Thank you for your interest in becoming a Subscriber at ERIE INSURANCE EXCHANGE, a member of the ERIE INSURANCE GROUP.

*Tennard W. Cavanaugh*  
President and  
Chief Executive Officer

Form IA (Ed. 3/96)Rev

ERIE INSURANCE EXCHANGE • 100 ERIE INSURANCE PLACE • ERIE, PA 16530

## SUBSCRIBER'S AGREEMENT

The Subscriber ("you" or "your") agrees with the other Subscribers at ERIE INSURANCE EXCHANGE ("ERIE"), a Reciprocal/Inter-Insurance Exchange, and with their Attorney-in-Fact, the Erie Indemnity Company ("we" or "us"), a Pennsylvania corporation with its Home Office in Erie, Pennsylvania, to the following:

1. You agree to pay your policy premiums and to exchange with other ERIE Subscribers policies providing insurance for any insured loss as stated in those policies.
2. You appoint us as Attorney-in-Fact with the power to: a) exchange policies with other ERIE Subscribers; b) take any action necessary for the exchange of such policies; c) issue, change, nonrenew or cancel policies; d) obtain reinsurance; e) collect premiums; f) invest and reinvest funds; g) receive notices and proofs of loss; h) appear for, compromise, prosecute, defend, adjust and settle losses and claims under your policies; i) accept service of process on behalf of ERIE as insurer; and j) manage and conduct the business and affairs of ERIE, its affiliates and subsidiaries. This power of attorney is limited to the purposes described in this Agreement.
3. You agree that as compensation for us: a) becoming and acting as Attorney-in-Fact; b) managing the business and affairs of ERIE; and c) paying general administrative expenses, including sales commissions, salaries and employee benefits, taxes, rent, depreciation, supplies and data processing, we may retain up to 25% of all premiums written or assumed by ERIE. The rest of the premiums will be used for losses, loss adjustment expenses, investment expenses, damages, legal expenses, court costs, taxes, assessments, licenses, fees, and any other governmental fines and charges, establishment of reserves and surplus, and reinsurance, and may be used for dividends and other purposes we decide are to the advantage of Subscribers.
4. You agree that this Agreement, including the power of attorney, shall have application to all insurance policies for which you apply at ERIE, including changes in any of your coverages.
5. You agree to sign and deliver to us all papers required to carry out this Agreement.
6. This Agreement, including the power of attorney, shall not be affected by your subsequent disability or incapacity.
7. This Agreement is and shall be binding upon you, us, and all executors, administrators, successors and assigns.

*(Subscriber's Agreement language updated 1996.)*

Date _____	Subscriber's Signature _____
Policy No. <i>(if available)</i> _____	Print Subscriber's name _____
Form I (Ed. 3/96)REV	Title _____