

ERIE INDEMNITY CO
Form DEF 14C
April 13, 2009

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14C INFORMATION
Information Statement Pursuant to Section 14(c)
of the Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Information Statement

Definitive Information Statement only

Confidential, for use of the Commission Only (as permitted by Rule 14c-5(d)(2))

ERIE INDEMNITY COMPANY

(Name of Registrant as Specified In Its Charter)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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(1) Title of each class of securities to which transaction applies:

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Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

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**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD MAY 5, 2009**

To the Holders of Class A Common Stock and
Class B Common Stock of ERIE INDEMNITY COMPANY:

We will hold our annual meeting of shareholders at **9:30 a.m., local time, on Tuesday, May 5, 2009**, at the Auditorium of the F.W. Hirt-Perry Square Building, 100 Erie Insurance Place (Sixth and French Streets), Erie, Pennsylvania 16530 for the following purposes:

1. To elect 12 persons to serve as directors until our 2010 annual meeting of shareholders and until their successors are elected;
2. To consider and act upon a proposal to approve certain amendments to our bylaws to change the timing of our annual meeting of shareholders and change our advance notice requirements relating to shareholder proposals;
3. To consider and act upon a proposal to approve the continuation of our Annual Incentive Plan, as restated, for the purpose of maintaining its qualification under Section 162(m) of the Internal Revenue Code of 1986 (the Code);
4. To consider and act upon a proposal to approve the continuation of our Long-Term Incentive Plan, as restated, for the purpose of maintaining its qualification under Section 162(m) of the Code; and
5. To transact any other business that may properly come before our annual meeting and any adjournment, postponement or continuation thereof.

This notice and information statement, together with a copy of our annual report to shareholders for the year ended December 31, 2008, are being sent to all holders of Class A common stock and Class B common stock as of the close of business on Friday, March 6, 2009, the record date established by our board of directors. Holders of Class B common stock will also receive a form of proxy. Holders of Class A common stock will not receive proxies because they do not have the right to vote on any of the matters to be acted upon at our annual meeting.

Holders of Class B common stock are requested to complete, sign and return the enclosed form of proxy in the envelope provided, whether or not they expect to attend our annual meeting in person.

By order of our board of directors,

James J. Tanous
Executive Vice President,
Secretary and General Counsel

April 13, 2009
Erie, Pennsylvania

NOTICE OF INTERNET AVAILABILITY OF ANNUAL MEETING MATERIALS

Important Notice Regarding the Availability of our Information Statement for the Annual Meeting of Shareholders to be held on May 5, 2009.

Our information statement and annual report are available at <http://www.erieindemnityinfostatement.com>.

**We Are Not Asking Holders of Our Class A Common Stock for a Proxy and
You Are Requested Not to Send Us a Proxy**

ERIE INDEMNITY COMPANY

INFORMATION STATEMENT

Unless the context indicates otherwise, all references in this information statement to we, us, our or the Company mean Erie Indemnity Company and our three property and casualty insurance subsidiaries. Our property and casualty insurance subsidiaries are Erie Insurance Company, or Erie Insurance Co., Erie Insurance Company of New York, or Erie NY, and Erie Insurance Property & Casualty Company, or EI P&C. We sometimes refer to Erie Insurance Exchange as the Exchange and to the Exchange, its subsidiary and our three property and casualty insurance subsidiaries as the Property and Casualty Group. In addition, we hold investments in both affiliated and unaffiliated entities, including a 21.63% interest in the common stock (EFL Common Stock) of Erie Family Life Insurance Company, or EFL, a life insurance company. The Exchange owns 78.37% of EFL s Common Stock.

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ERIE INDEMNITY COMPANY

**100 Erie Insurance Place
Erie, Pennsylvania 16530**

INFORMATION STATEMENT

INTRODUCTION

This information statement, which is first being mailed to the holders of our Class A common stock and our Class B common stock on or about April 13, 2009, is furnished to such holders to provide information regarding us and our 2009 annual meeting of shareholders. This information statement is also being furnished in connection with the solicitation of proxies by our board of directors from holders of Class B common stock to be voted at our 2009 annual meeting of shareholders and at any adjournment, postponement or continuation thereof. Our annual meeting will be held at 9:30 a.m., local time, on Tuesday, May 5, 2009 at the Auditorium of the F.W. Hirt-Perry Square Building, 100 Erie Insurance Place (Sixth and French Streets), Erie, Pennsylvania 16530. Holders of Class B common stock will also receive a form of proxy.

Only holders of Class B common stock of record at the close of business on March 6, 2009 are entitled to vote at our annual meeting. Each share of Class B common stock is entitled to one vote on each matter to be considered at our annual meeting. Except as is otherwise provided in Sections 1756(b)(1) and (2) of the Pennsylvania Business Corporation Law of 1988, or BCL, in the case of adjourned meetings, a majority of the outstanding shares of Class B common stock will constitute a quorum at our annual meeting for the election of directors and the proposals to amend our bylaws and approve the continuation of our Annual Incentive Plan, or AIP, and our Long-Term Incentive Plan, or LTIP. Abstentions and shares of Class B common stock held by nominees as to which we have not received voting instructions from the beneficial owner of, or other person entitled to vote such shares, and as to which the nominee does not have discretionary voting power, are considered outstanding shares of Class B common stock entitled to vote and such shares are counted in determining whether a quorum or a majority is present.

As of the close of business on March 6, 2009, we had 51,248,893 shares of Class A common stock outstanding, which are not entitled to vote on any matters to be acted upon at our 2009 annual meeting, and 2,551 shares of Class B common stock outstanding, which have the exclusive right to vote on all matters to be acted upon at our 2009 annual meeting.

There are two H.O. Hirt Trusts, one for the benefit of Susan Hirt Hagen, or Mrs. Hagen, and one for the benefit of F. William Hirt, or Mr. Hirt, until his death on July 13, 2007. The trust established for Mr. Hirt continues for the benefit of certain contingent beneficiaries as provided for in the trust agreement. The H.O. Hirt Trusts collectively own 2,340 shares of Class B common stock, which, because such shares represent 91.73% of the outstanding shares of Class B common stock entitled to vote at our 2009 annual meeting, is sufficient to determine the outcome of any matter submitted to a vote of the holders of our Class B common stock, assuming all of the shares held by the H.O. Hirt Trusts are voted in the same manner. As of the record date for our 2009 annual meeting, the individual trustees of the H.O. Hirt Trusts are Mrs. Hagen and Elizabeth A. Vorsheck, or Mrs. Vorsheck, and the corporate trustee is Sentinel Trust Company, L.B.A., or Sentinel.

Under the provisions of the H.O. Hirt Trusts, the shares of Class B common stock held by the H.O. Hirt Trusts are to be voted as directed by a majority of trustees then in office. If at least a majority of the trustees then in office of both of the H.O. Hirt Trusts vote for the election of the 12 candidates for director named below, such candidates will be

elected as directors even if all shares of Class B common stock other than those held by the H.O. Hirt Trusts do not vote for such candidates. In addition, if at least a majority of the trustees then in office of the H.O. Hirt Trusts vote for the proposals to amend our bylaws and approve the continuation of the AIP and LTIP, such proposals will be approved even if all shares of Class B common stock other than those held by the H.O. Hirt Trusts do not vote for such proposals. We have not been advised as of the date of this information statement how the trustees of the H.O. Hirt Trusts intend to vote at our annual meeting.

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We operate as a property and casualty insurer through our subsidiaries and also as a provider of management services to the Exchange. Since 1925, we have served as the attorney-in-fact for the policyholders of the Exchange. The Exchange is a reciprocal insurance exchange, which is an unincorporated association of individuals, partnerships and corporations that agree to insure one another. Each applicant for insurance from the Exchange signs a subscriber's agreement, which appoints us as the attorney-in-fact for the subscriber. As attorney-in-fact, we are required to perform certain services relating to the sales, underwriting and issuance of policies on behalf of the Exchange.

The Property and Casualty Group writes personal and commercial lines of property and casualty insurance coverages exclusively through approximately 2,032 independent agencies comprised of more than 8,800 licensed representatives and pool their underwriting results. Our financial results are not consolidated with those of the Exchange. As a result of the Exchange's 94.5% participation in the underwriting results of the Property and Casualty Group, the underwriting risk of the Property and Casualty Group's business is largely borne by the Exchange.

We charge the Exchange a management fee calculated as a percentage, limited to 25%, of the direct written premiums of the Property and Casualty Group. Management fees accounted for 72.3%, 72.2% and 83.6%, respectively, of our revenues for the three years ended December 31, 2006, 2007 and 2008. The management fee rate was 24.75% during 2006, and 25% during 2007 and 2008. Beginning January 1, 2009, the rate has been set at 25%.

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The following table sets forth as of March 6, 2009 the amount of our outstanding Class B common stock owned by shareholders known by us to own beneficially more than 5% of our Class B common stock.

Name of Individual or Identity of Group	Shares of Class B Common Stock Beneficially Owned(1)(2)	Percent of Outstanding Class B Common Stock
5% or Greater Holders:		
H.O. Hirt Trusts(3) Erie, Pennsylvania	2,340	91.73%
Hagen Family Limited Partnership	153	6.00%

- (1) Unless otherwise noted, information furnished by the named persons.
- (2) Under the rules of the Securities and Exchange Commission, or SEC, a person is deemed to be the beneficial owner of securities if the person has, or shares, voting power, which includes the power to vote, or to direct the voting of, such securities, or investment power, which includes the power to dispose, or to direct the disposition, of such securities. Under these rules, more than one person may be deemed to be the beneficial owner of the same securities. Securities beneficially owned also include securities owned jointly, in whole or in part, or individually by the person's spouse, minor children or other relatives who share the same home. The information set forth in the above table includes all shares of Class B common stock over which the named individuals, individually or together, share voting power or investment power.
- (3) There are two H.O. Hirt Trusts, one for the benefit of Mrs. Hagen and one for the benefit of Mr. Hirt until his death on July 13, 2007. The trust established for Mr. Hirt continues for the benefit of certain contingent beneficiaries as provided for in the trust agreement. Jonathan Hirt Hagen, the son of Mrs. Hagen, and Mrs. Vorsheck are contingent beneficiaries of the H.O. Hirt Trusts. The H.O. Hirt Trusts are, collectively, the record owner of 2,340 shares of Class B common stock, or 91.73% of the outstanding shares of Class B common stock. The co-Trustees of the H.O. Hirt Trusts as of the date of this information statement are Mrs. Hagen, Mrs. Vorsheck and Sentinel. The Co-Trustees collectively control voting and disposition of the shares of Class B common stock. A majority of the co-Trustees then in office acting together is required to take any action with respect to the voting or disposition of shares of Class B common stock.

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The following table sets forth as of March 6, 2009 the amount of the outstanding shares of Class A common stock and Class B common stock beneficially owned by (i) each director and candidate for director nominated by our nominating committee, (ii) each executive officer named in the Summary Compensation Table and (iii) all of our executive officers and directors as a group.

Name of Individual or Identity of Group	Shares of		Shares of	
	Class A Common Stock Beneficially Owned(1)(2)	Percent of Outstanding Class A Common Stock(3)	Class B Common Stock Beneficially Owned(1)(2)	Percent of Outstanding Class B Common Stock(3)
Directors and Nominees for Director:				
J. Ralph Borneman, Jr.	55,008			
Terrence W. Cavanaugh	4,600			
Patricia A. Garrison-Corbin	5,908			
Jonathan Hirt Hagen	226,058		1	
Susan Hirt Hagen(4)	6,663,808	13.00%	12	
Thomas B. Hagen(5)	10,092,550	19.69%	156	6.11%
C. Scott Hartz	6,431			
Claude C. Lilly, III	5,908			
Lucian L. Morrison	2,153			
Thomas W. Palmer	2,923			
Elizabeth A. Vorsheck(6)	4,527,171	8.83%		
Robert C. Wilburn	8,008			
Executive Officers(7):				
John J. Brinling, Jr.	15,997			
Philip A. Garcia(8)	26,525			
Michael J. Krahe	3,304			
Thomas B. Morgan	17,111			
James J. Tanous	2,214			
Michael S. Zavasky	13,861			
Douglas F. Ziegler(9)	27,688			
All Directors and Executive Officers as a Group (20 persons)(10)	21,713,525	42.37%	169	6.62%

(1) Information furnished by the named persons.

(2) Under the rules of the SEC, a person is deemed to be the beneficial owner of securities if the person has, or shares, voting power, which includes the power to vote, or to direct the voting of, such securities, or investment

power, which includes the power to dispose, or to direct the disposition, of such securities. Under these rules, more than one person may be deemed to be the beneficial owner of the same securities. Securities beneficially owned also include securities owned jointly, in whole or in part, or individually by the person's spouse, minor children or other relatives who share the same home. The information set forth in the above table includes all shares of Class A common stock and Class B common stock over which the named individuals, individually or together, share voting power or investment power. The table does not reflect shares of Class A common stock and Class B common stock as to which beneficial ownership is disclaimed.

- (3) Less than 1% unless otherwise indicated.
- (4) Mrs. Hagen owns 5,308 shares of Class A common stock directly and 6,658,500 shares of Class A common stock indirectly through a revocable trust of which Mrs. Hagen was the grantor and is the sole trustee and beneficiary. Mrs. Hagen owns 12 shares of Class B common stock directly. Mrs. Hagen

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disclaims beneficial ownership of the 6,491 shares of Class A common stock and three shares of Class B common stock owned by Thomas B. Hagen, her husband, and the 10,086,059 shares of Class A common stock and 153 shares of Class B common stock owned by the Hagen Family Limited Partnership, for which Thomas B. Hagen, as general partner, has sole voting power and investment power. Mrs. Hagen also disclaims any shares of Class B common stock held by the H.O. Hirt Trusts of which she is a beneficiary, contingent beneficiary and one of three trustees.

- (5) Mr. Hagen owns 6,491 shares of Class A common stock directly and 10,086,059 shares of Class A common stock indirectly through the Hagen Family Limited Partnership. Mr. Hagen owns three shares of Class B common stock directly and 153 shares of Class B common stock indirectly through the Hagen Family Limited Partnership. Mr. Hagen disclaims beneficial ownership of the 5,308 shares of Class A common stock and 12 shares of Class B common stock owned by Susan Hirt Hagen, his wife, and the 6,658,500 shares of Class A common stock owned indirectly by Mrs. Hagen. Mr. Hagen also disclaims any shares of Class B common stock held by the H.O. Hirt Trusts of which his wife is a beneficiary, contingent beneficiary and one of three trustees.
- (6) Mrs. Vorsheck owns 136,907 shares of class A common stock directly and 4,390,264 shares of Class A common stock indirectly through several trusts.
- (7) Excludes Mr. Cavanaugh, who is listed under Directors and Nominees for Director.
- (8) Includes 11,525 shares of Class A common stock held directly by Mr. Garcia and 15,000 shares of Class A common stock held by his wife.
- (9) Includes 21,538 shares of Class A common stock held by Mr. Ziegler and 6,150 shares of Class A common stock held by his wife.
- (10) Includes George R. Lucore, Executive Vice President.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, requires that the officers and directors of a corporation, such as us, that has a class of equity securities registered under Section 12 of the Exchange Act, as well as persons who own more than 10% of a class of equity securities of such a corporation, file reports of their ownership of such securities, as well as statements of changes in such ownership, with the corporation and the SEC. Based upon written representations we received from our officers and directors and shareholders owning more than 10% of any class of our stock, and our review of the statements of changes of ownership filed with us by our officers and directors and shareholders owning more than 10% of any class of our stock during 2008, we believe that all such filings required during 2008 were made on a timely basis, except that Elizabeth A. Vorsheck, a director, untimely (i) reported the acquisition of 66,000 shares of Class A common stock received on April 2, 2008, which shares were reported on a Form 5 Annual Statement of Changes in Beneficial Ownership filed on February 2, 2009; and (ii) filed a Form 4 Statement of Changes in Beneficial Ownership on November 24, 2008 to report the purchase of 5,000 shares of Class A common stock purchased on November 19, 2008.

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PROPOSAL 1 ELECTION OF DIRECTORS

Introduction

The election of directors by the holders of our Class B common stock is governed by provisions of the Pennsylvania Insurance Holding Companies Act, or the Holding Companies Act, in addition to provisions of the BCL, the Pennsylvania Associations Code and our bylaws. The following discussion summarizes these statutory provisions and describes the process undertaken in connection with the nomination of candidates for election as directors by the holders of Class B common stock at our annual meeting.

Background of our Nominating Committee

Prior to September 8, 2008, Section 1405(c)(4) of the Holding Companies Act, which applies to us, provided that the board of directors of a domestic insurer must establish one or more committees comprised solely of directors who are not officers or employees of the insurer or of any entity controlling, controlled by or under common control with the insurer and who are not beneficial owners of a controlling interest in the voting stock of the insurer or any such entity. Such committee or committees must have responsibility for, among other things, nominating candidates for election as directors by the shareholders. On September 8, 2008 certain amendments to the Holding Companies Act became effective including the addition of Section 1405(c)(4.1) which eliminated the requirement that a director serving on a nominating committee not be a beneficial owner of a controlling interest in the voting stock of the insurer or of any entity controlling, controlled by or under common control with the insurer.

Throughout 2008, Section 3.09 of our bylaws was consistent with this statutory provision and provided that (i) our board of directors must appoint annually a nominating committee that consists of not less than three directors who are not officers or employees of us or of any entity controlling, controlled by or under common control with us and who are not beneficial owners of a controlling interest in our voting securities, and (ii) our nominating committee must, prior to each annual meeting of shareholders, determine and nominate candidates for the office of director to be elected by the holders of Class B common stock to serve terms as established by our bylaws and until their successors are elected.

In accordance with this bylaw provision, on April 22, 2008 our board of directors designated a nominating committee consisting of Jonathan Hirt Hagen, chair, Patricia A. Garrison-Corbin and Thomas W. Palmer. Consistent with the Holding Companies Act, none of these persons is an officer or employee of us or of any entity controlling, controlled by or under common control with us or a beneficial owner of a controlling interest in our voting stock or any such entity. Each member of our nominating committee is an independent director as defined in the rules applicable to companies listed on the NASDAQ Global Select Market®, or NASDAQ.

Effective January 1, 2009, we amended Section 3.09 of our bylaws to eliminate the requirement that a director serving on our nominating committee not be a beneficial owner of a controlling interest in the voting stock of us or of any entity controlling, controlled by or under common control with us.

Nominating Procedures

Under Section 2.07(a) of our bylaws, nominations of persons for election to our board of directors may be made at any meeting at which directors are to be elected (i) by or at the direction of our nominating committee or (ii) by any holder of our Class B common stock. For a description of proposed changes to Section 2.07 of our bylaws, see Proposal 2 in this information statement.

With respect to nominations by or at the direction of our nominating committee, except as is required by rules promulgated by NASDAQ, the SEC or the Holding Companies Act, there are no specific, minimum qualifications that must be met by a candidate for our board of directors, and our nominating committee may take into account such factors as it deems appropriate. Our nominating committee generally bases its nominations on our general needs as well as the specific attributes of candidates that would add to the overall effectiveness of our board of directors. Specifically, among the significant factors that our nominating

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committee may take into consideration are judgment, skill, diversity, experience with businesses and other organizations of comparable size, the interplay of the candidate's experience with the experience of other directors and the extent to which the candidate would be a desirable addition to our board of directors and any committee of our board of directors.

In identifying and evaluating the individuals that it selects, or recommends that our board of directors select, as director nominees, our nominating committee utilizes the following process:

Our nominating committee reviews the qualifications of any candidates who have been recommended by a holder of Class A common stock or Class B common stock in compliance with our bylaws.

Our nominating committee also considers recommendations made by individual members of our board of directors or, if our nominating committee so determines, a search firm. Our nominating committee may consider candidates who have been identified by management, but is not required to do so.

Our nominating committee evaluates the qualifications and suitability of each candidate, including the current members of our board of directors, in light of the current size and composition of our board of directors and the above discussed significant factors.

After such review and consideration, our nominating committee determines a slate of director nominees.

Actions Taken for Nominations

Our nominating committee met on March 5, 2009 for the purpose of evaluating the performance and qualifications of the current or proposed members of our board of directors and nominating candidates for election as directors by the holders of Class B common stock at our annual meeting.

Our bylaws provide that our board of directors shall consist of not less than 7, nor more than 16, directors, with the exact number to be fixed from time to time by resolution of our board of directors. Our nominating committee recommended at its March 5, 2009 meeting that the size of our board of directors remain at 12 persons and that all directors as of such date be nominated for re-election.

On March 9, 2009, our board of directors accepted the report of our nominating committee, set the number of directors to be elected at our annual meeting at 12 and approved the nomination of J. Ralph Borneman, Jr., Terrence W. Cavanaugh, Patricia A. Garrison-Corbin, Jonathan Hirt Hagen, Susan Hirt Hagen, Thomas B. Hagen, C. Scott Hartz, Claude C. Lilly, III, Lucian L. Morrison, Thomas W. Palmer, Elizabeth A. Vorsheck and Robert C. Wilburn for election as directors by the holders of Class B common stock at our annual meeting. On March 11, 2009, we issued a press release and filed a current Report on Form 8-K with the SEC for the purpose of announcing publicly our nominating committee's slate of director nominees in accordance with Section 2.07(a)(3) of our bylaws.

Candidates for Election

Unless otherwise instructed, the proxy holders will vote the proxies received by them for the election of the nominees named below. All of the nominees are currently directors. If a nominee becomes unavailable for any reason, it is intended that the proxies will be voted for a substitute nominee selected by our nominating committee. Our board of directors has no reason to believe the nominees named will be unable to serve if elected.

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The names of the candidates for director nominated pursuant to the procedures discussed above, together with certain information regarding them, are as follows:

Name (Committee Assignments)	Age as of 4/1/09	Principal Occupation for Past Five Years and Positions with our Company; Current Directorships with other Public Companies	Director of the Company Since
J. Ralph Borneman, Jr. CIC, CPIA (1)(5)(7C)(8)	70	President, Chief Executive Officer and Chairman of the Board, Body-Borneman Insurance & Financial Services LLC, insurance agency, Boyertown, PA, 2005 to present; President, Chief Executive Officer and Chairman of the Board, Body-Borneman Associates, Inc., insurance agency; President, Body-Borneman, Ltd. and Body-Borneman, Inc., insurance agencies, 1967-2005; Director, National Penn Bancshares.	1992
Terrence W. Cavanaugh (5)(6)(7)	55	President and Chief Executive Officer of our Company, July 2008 to present; Senior Vice President, Chubb & Son/Federal Insurance and Chief Operating Officer, Chubb Surety, for more than five years prior thereto.	2008
Patricia A. Garrison-Corbin (1)(3)(4)(6)(7)	61	President, P.G. Corbin & Company, Inc., financial advisory services and municipal finance, Philadelphia, PA, since 1986; President and Chief Executive Officer, P.G. Corbin Asset Management, Inc., fixed income investment management, since 1987; Chairman, Delancey Capital Group, LP, equity investment management, since 1996; Chairman, P.G. Corbin Group, Inc., investment and financial advisory services, since 1996; Director, FairPoint Communications, Inc.	2000
Jonathan Hirt Hagen (3)(4C)(7)(8)	46	Vice Chairman, Custom Group Industries, Erie, PA, machining and fabrication manufacturing companies, since 1999; private investor, since 1990.	2005
Susan Hirt Hagen (1)(5)(8C)	73	Co-Trustee of the H.O. Hirt Trusts, Erie, PA, since 1967; private investor, since 1989.	1980
Thomas B. Hagen (1C)(9)	73	Chairman/Owner, Custom Group Industries, Erie, PA, machining and fabrication manufacturing companies, since 1997; General Partner, Hagen Family Limited Partnership, since 1989; Non-executive Chairman of the Board of our Company and of our insurance subsidiaries and affiliates, since 2007, and a	2007*

C. Scott Hartz, CPA (2)(6C)(7)	63	retired employee (1953-1995) and former agent of our Company, including service as President (1982-1990) and Chairman & CEO (1990-1993). Chief Executive Officer, Hartz Group, IT and technology consulting, Bala Cynwyd, PA, since 2002; Senior Managing Director, SCIOUS Capital Group, LLC, 2002 to 2007; Chief Executive Officer, PwC Consulting, 1995 to 2002.	2003
Claude C. Lilly, III, Ph.D., CPCU, CLU (2C)(6)(7)(8)	62	Dean, College Business and Behavioral Science, Clemson University, Clemson, SC, since 2007; Dean, Belk College of Business Administration, University of North Carolina Charlotte, 1998 to 2007; James H. Harris Chair of Risk Management and Insurance, Belk College of Business Administration, University of North Carolina Charlotte, 1997 to 2007; Director, FairPoint Communications, Inc.	2000

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Name (Committee Assignments)	Age as of 4/1/09	Principal Occupation for Past Five Years and Positions with our Company; Current Directorships with other Public Companies	Director of the Company Since
Lucian L. Morrison, Esq. (2)(3)(8)	72	Independent trustee and consultant in trust, estate, probate and qualified plan matters, Houston, TX, since 1992.	2006
Thomas W. Palmer, Esq. (2)(3)(4)(7)	61	A member and a managing partner of the law firm of Marshall & Melhorn, LLC, Toledo, OH, since 1972.	2006
Elizabeth A. Vorsheck (1)(5C)(7)(8)	53	Co-Trustee of the H.O. Hirt Trusts, Erie, PA, since 2007; Administrator of family limited partnerships and a principal of a family charitable foundation for more than five years.	2007
Robert C. Wilburn, Ph.D. (2)(3C)(6)	65	President and Chief Executive Officer, Gettysburg Foundation, Gettysburg, PA, since 2000; Lead Director, Harsco, Inc.	1999

* Previous Board service, 1979-1998

- (1) Member of our Executive Committee.
- (2) Member of our Audit Committee.
- (3) Member of our Executive Compensation and Development Committee, or our Compensation Committee.
- (4) Member of our Nominating Committee.
- (5) Member of our Charitable Giving Committee.
- (6) Member of our Investment Committee.
- (7) Member of our Strategy and Technology Committee.
- (8) Member of our Exchange Relationship Committee.
- (9) *Ex officio* member of all committees.

C Denotes committee chairperson.

Our board of directors has determined that each of the following directors is an independent director as defined under the rules promulgated by NASDAQ:

Patricia A. Garrison-Corbin
Jonathan Hirt Hagen
Susan Hirt Hagen

Thomas B. Hagen
C. Scott Hartz
Claude C. Lilly, III
Lucian L. Morrison
Thomas W. Palmer
Elizabeth A. Vorsheck
Robert C. Wilburn

Our Board of Directors and its Committees

Our board of directors met seven times in 2008. The standing committees of our board of directors are our executive committee, our audit committee, our compensation committee, our nominating committee, our charitable giving committee, our investment committee, our strategy and technology committee and our exchange relationship committee.

Our executive committee, which did not meet during 2008, has the authority, subject to certain limitations, to exercise the power of our board of directors between regular meetings.

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Our audit committee met nine times in 2008. Consistent with Section 1405(c)(4) of the Holding Companies Act and the Sarbanes-Oxley Act of 2002, or Sarbanes-Oxley, our audit committee has responsibility for the selection of independent registered public accountants, reviewing the scope and results of their audit and reviewing our financial condition and the adequacy of our accounting, financial, internal and operating controls. Our audit committee operates pursuant to a written charter, a copy of which may be viewed on our website at: <http://www.erieinsurance.com>.

Our compensation committee met eleven times in 2008. Consistent with Section 1405(c)(4.1) of the Holding Companies Act and our bylaws, our compensation committee has responsibility for recommending to our board of directors, at least annually, the competitiveness and appropriateness of the salaries, variable compensation, short- and long-term incentive plan awards, terms of employment, non-qualified retirement plans, severance benefits and perquisites of our chief executive officer and our executive vice presidents and such other named executives as required by rules of the SEC or NASDAQ listing standards and such other responsibilities as our board of directors may designate. See Executive Compensation Compensation Committee Interlocks and Insider Participation.

Our compensation committee operates pursuant to a written charter, a copy of which may be viewed on our website at: <http://www.erieinsurance.com>.

Our nominating committee met six times in 2008. Consistent with Section 1405(c)(4.1) of the Holding Companies Act and our bylaws, our nominating committee has responsibility for:

identification of individuals believed to b