

143rd
ANNUAL REPORT
2018



ERIE AND NIAGARA INSURANCE
ASSOCIATION EST. 1875



PRESIDENT'S MESSAGE

On behalf of our Board of Directors, Officers and Staff, we are pleased to report that our 2018 results continue the tradition of financial success and security for our policyholders. The Association's combined ratio of 86.6% marked 22 consecutive years of producing an underwriting profit.

We enter our 144th year of operation dedicating ourselves to achieving the same goals we have set forth since day one - working for our policyholders by providing financial protection, exemplary customer service, and prompt claim settlement.

We offer products that provide protection for a variety of personal and commercial exposures. As a lead writer of agri-business and farm entities, our rural niche continues to serve us well. With the help of over 275 agents throughout New York, we continue to offer competitive products and rates that fit the needs of policyholders from Main Street to Farmland.

Rounding out our commitment to responsible and equitable growth is our investment in technology. We continue to strengthen our online presence through the dedication of resources and by educating all stakeholders how technology can enhance both our business and personal lives.

Our highly trained staff continues to be the cornerstone of our success. Every day our dedicated team members work diligently to provide industry-leading service to our agents and insureds alike. Our mutual commitment to achieving personal and financial growth is one of the main reasons we maintain our rank on the list of Best Places to Work in Western New York.

The strength of our past is the foundation of our future.



Norman J. Orlowski, Jr., President/CEO

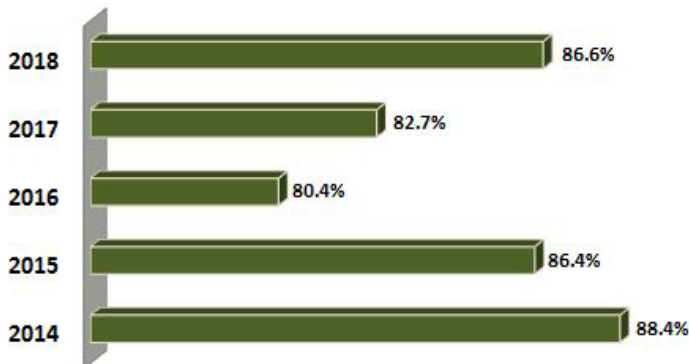


FINANCIAL INFORMATION

STATUTORY INCOME STATEMENTS

| UNDERWRITING | 2018 | 2017 |
|--------------------------------|---------------------|---------------------|
| Premiums Earned | \$73,078,570 | \$68,365,116 |
| Losses and LAE Incurred | (\$34,854,927) | (\$29,682,417) |
| Underwriting Expense | (\$29,573,271) | (\$27,849,887) |
| NET UNDERWRITING INCOME | \$8,650,372 | \$10,832,812 |
| Net Investment Gain | \$6,865,298 | \$6,143,041 |
| Other Income, Net | \$741,768 | \$724,617 |
| INCOME BEFORE TAXES | \$16,257,438 | \$17,700,470 |
| Income Tax Expense | (\$2,655,000) | (\$4,747,000) |
| NET INCOME | \$13,602,438 | \$12,953,470 |

COMBINED RATIO



DIRECT WRITTEN PREMIUM

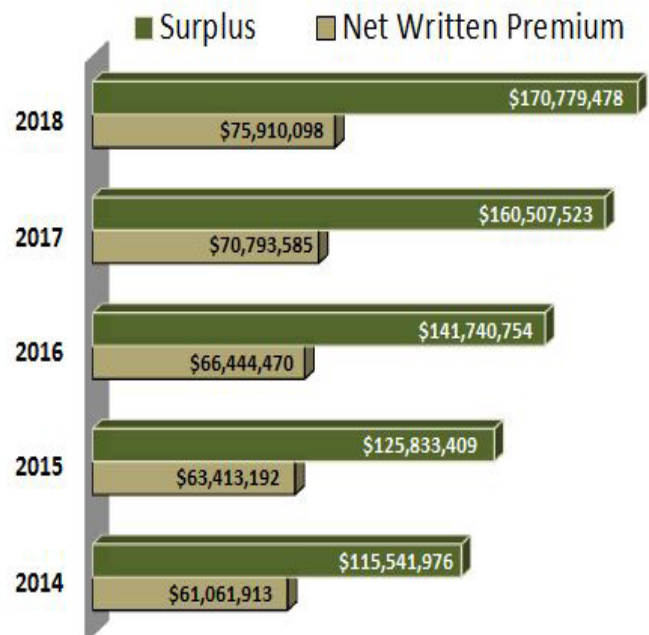


STATUTORY BALANCE SHEETS

| ASSETS | 2018 | 2017 |
|------------------------------|----------------------|----------------------|
| Investments | \$235,084,814 | \$220,607,849 |
| Premium Receivables | \$11,650,636 | \$10,966,735 |
| Other Assets | \$3,882,984 | \$2,753,220 |
| TOTAL ADMITTED ASSETS | \$250,618,434 | \$234,327,804 |

| LIABILITIES & SURPLUS | 2018 | 2017 |
|--|----------------------|----------------------|
| Unpaid Loss & Loss Expense | \$24,714,251 | \$21,147,150 |
| Unearned Premiums | \$42,064,363 | \$39,232,835 |
| Other Liabilities | \$13,060,342 | \$13,440,296 |
| TOTAL LIABILITIES | \$79,838,956 | \$73,820,281 |
| SURPLUS | \$170,779,478 | \$160,507,523 |
| TOTAL LIABILITIES & SURPLUS | \$250,618,434 | \$234,327,804 |

NET WRITTEN PREMIUM TO SURPLUS



OFFICERS AND DIRECTORS

OFFICERS

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Vice President, Information Technology

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