

STATE OF NEBRASKA  
DEPARTMENT OF INSURANCE

JUN 26 2026

FILED

# CERTIFICATION

June 26, 2026

I, Eric Dunning, Director of Insurance of the State of Nebraska, do hereby certify that the attached is a full and correct copy of the Financial Examination Report of

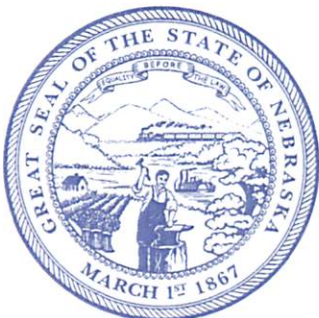
**GEICO CHOICE INSURANCE COMPANY**

**AS OF**

**DECEMBER 31, 2024**

The report is now on file and forming a part of the records of this Department.

I hereto subscribe my name under the seal of my office at Lincoln, Nebraska.



A handwritten signature in blue ink, appearing to read "Eric Dunning".

DIRECTOR OF INSURANCE

CERTIFICATE OF ADOPTION

Notice of the proposed report for the financial examination of

**GEICO CHOICE INSURANCE COMPANY**

**7272 WISCONSIN AVENUE**

**BETHESDA, MD 20814**

dated as of December 31, 2024, verified under oath by the examiner-in-charge on  
April 27, 2026, and received by the company on June 3, 2026, has been adopted  
without modification as the final report pursuant to Neb. Rev. Stat. § 44-5906(3) (a).

Dated this 17<sup>th</sup> day of June 2026.

STATE OF NEBRASKA  
DEPARTMENT OF INSURANCE

A handwritten signature in black ink that reads "Tadd R. Wegner". The signature is written in a cursive style with a large initial 'T'.

Tadd Wegner, CFE  
Chief Financial Regulator

**STATE OF NEBRASKA**

**Department of Insurance**

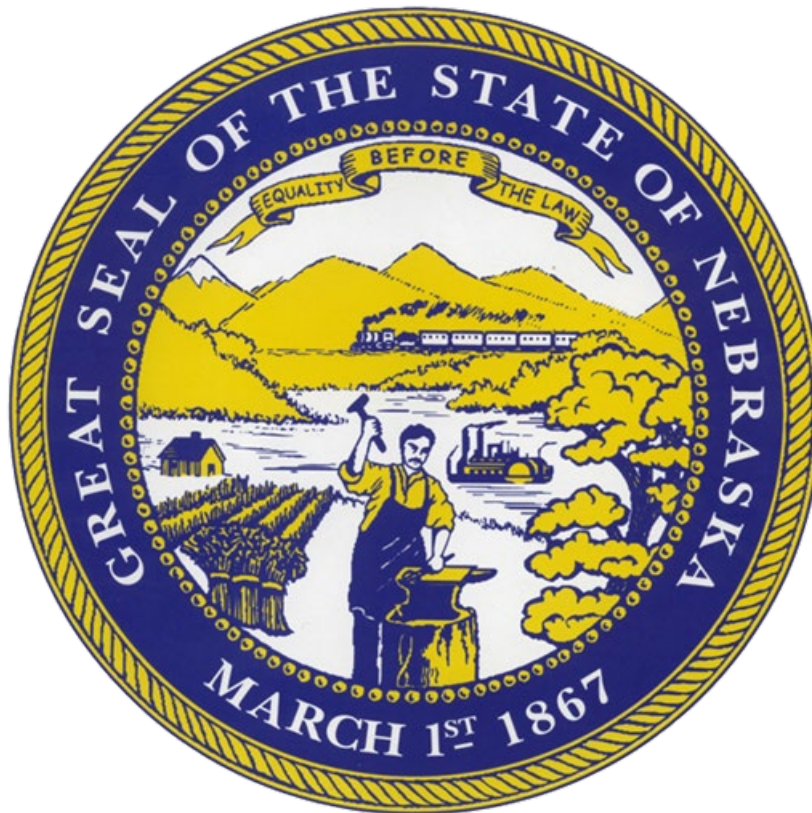
**EXAMINATION REPORT**

**OF**

**GEICO CHOICE INSURANCE COMPANY**

**as of**

**December 31, 2024**



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Bethesda, Maryland  
April 27, 2026

Honorable Eric Dunning  
Director of Insurance  
Nebraska Department of Insurance  
1526 K Street, Suite 200  
Lincoln, Nebraska 68508

Dear Sir:

Pursuant to your instruction and authorizations, and in accordance with statutory requirements, an examination has been conducted of the financial condition and business affairs of:

**GEICO CHOICE INSURANCE COMPANY**

which has its Statutory Home Office located at

**1314 Douglas Street, Suite 1400  
Omaha, Nebraska 68102**

with its Principal Executive Office located at

**7272 Wisconsin Avenue  
Bethesda, Maryland 20814**

(hereinafter also referred to as the “Company”), and the report of such examination is respectfully presented herein.

**INTRODUCTION**

The State of Nebraska last examined the Company as of December 31, 2019. The current financial condition examination covers the intervening period to, and includes the close of business on December 31, 2024 and such subsequent events and transactions as were considered pertinent to this report. The States of Nebraska and Texas participated in this examination and assisted in the preparation of this report.

The same examination staff conducted concurrent financial condition examinations of the Company's affiliates:

- CalGO Insurance Company (CalGo)
- GEICO Advantage Insurance Company (Advantage)
- GEICO Casualty Company (Casualty)
- GEICO County Mutual Insurance Company (CoMut)
- GEICO General Insurance Company (General)
- GEICO Indemnity Company (Indemnity)
- GEICO Marine Insurance Company (Marine)
- GEICO Protection Insurance Company (Protection)
- GEICO Secure Insurance Company (Secure)
- GEICO Texas County Mutual Insurance Company (TX CoMut)
- Government Employees Insurance Company (GEICO)

### **SCOPE OF EXAMINATION**

The examination was conducted pursuant to and in accordance with both the NAIC Financial Condition Examiners Handbook (Handbook) and Section §44-5904(1) of the Nebraska Insurance Statutes. The Handbook requires that examiners plan and perform the examination to evaluate the financial condition and identify prospective risks of the Company by obtaining information about the Company, including but not limited to: corporate governance, identifying and assessing inherent risks within the Company, and evaluating system controls and procedures used to mitigate those risks. The examination also includes assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation and management's compliance with Statutory Accounting Principles and Annual Statement Instructions when applicable to domestic state regulations.

The examination was completed under coordination of the holding company group approach with the Nebraska Department of Insurance as the coordinating state and the Texas Department of Insurance as the participating state. The companies examined under this approach

benefit to a large degree from common management, systems and processes, and internal control and risk management functions that are administered at the consolidated or business unit level.

The coordinated examination applies procedures sufficient to comprise a full scope financial examination of each of the companies in accordance with the examination procedures and standards promulgated by the NAIC and by the respective state insurance departments where the companies are domiciled. The objective is to enable each domestic state to report on their respective companies' financial condition and to summarize key results of examination procedures.

The Nebraska Department of Insurance made a general review of the Company's operations and the manner in which its business has been conducted in order to determine compliance with statutory and charter provisions. The Company's history was traced and has been set out in this report under the caption "Description of Company." All items pertaining to management and control were reviewed, including provisions for disclosure of conflicts of interest to the Board of Directors and the departmental organization of the Company. The Articles of Incorporation and By-Laws were reviewed, including appropriate filings of any changes or amendments thereto. The minutes of the meetings of the Shareholder, Board of Directors, and committees held during the examination period were read and noted. Attendance at meetings, proxy information, election of Directors and Officers, and approval of investment transactions were also noted.

The fidelity bond and other insurance coverages protecting the Company's property and interests were reviewed, as were plans for employee welfare and pension. Certificates of Authority to conduct the business of insurance in the various states were inspected, and a survey was made of the Company's general plan of operation.

Data reflecting the Company's growth during the period under review, as developed from the Company's filed annual statements, is reflected in the financial section of this report under the caption "Body of Report."

The Company's reinsurance facilities were ascertained and noted and have been commented upon in this report under the caption "Reinsurance." Accounting records and procedures were tested to the extent deemed necessary through the risk-focused examination process. The Company's method of claims handling and procedures pertaining to the adjustment and payment of incurred losses were also noted.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This included a review of workpapers prepared by Deloitte & Touche LLP, the Company's external auditors, during their audit of the Company's accounts for the years ended December 31, 2023 and 2024. Portions of the auditor's workpapers have been incorporated into the workpapers of the examiners and have been utilized in determining the scope and areas of emphasis in conducting the examination. This utilization was performed pursuant to Title 210 (Rules of the Nebraska Department of Insurance), Chapter 56, Section 013.

Any failure of items to add to the totals shown in schedules and exhibits appearing throughout this report is due to rounding.

## **DESCRIPTION OF COMPANY**

### **HISTORY**

The Company was incorporated on June 13, 2011, as a Nebraska domiciled insurance company. The Company is a wholly owned subsidiary of GEICO Corporation, a Delaware corporation, which is a wholly owned indirect subsidiary of Berkshire Hathaway Inc. (BHI), a

Delaware corporation. The Company received its Certificate of Authority on October 28, 2011, and began writing private passenger automobile insurance as of November 2, 2011.

## **MANAGEMENT AND CONTROL**

### **Holding Company**

The Company is a member of an insurance holding company system as defined by Nebraska Statute. An organizational listing flowing from the “Ultimate Controlling Person,” as reported in the 2024 Annual Statement, is represented by the following (subsidiaries are denoted through the use of indentations, and unless otherwise indicated, all subsidiaries are 100% owned). The listing only includes insurance related entities under GEICO Corporation:

- Berkshire Hathaway Inc. (30.29519% owned by Warren E. Buffett)
  - National Indemnity Company
    - GEICO Corporation
      - Boat America Corporation
        - GEICO Marine Insurance Company
      - CalGO Insurance Company
      - GEICO Advantage Insurance Company
      - GEICO Choice Insurance Company
      - GEICO County Mutual Insurance Company
      - GEICO Indemnity Company
        - GEICO Casualty Company
      - GEICO Protection Insurance Company
      - GEICO Secure Insurance Company
      - GEICO Texas County Mutual Insurance Company
      - Government Employees Insurance Company
        - GEICO General Insurance Company

### **Shareholder**

The Fifth Article of the Company’s Articles of Incorporation states that, “the aggregate number of shares which the Company is authorized to issue is ten million (10,000,000) shares of Common Stock of the par value of one dollar (\$1) per share, all of one class, and having an aggregate par value of ten million dollars (\$10,000,000).” As of December 31, 2024, Company

records indicated that 10,000,000 shares were issued and outstanding, and all shares are owned by the parent company, GEICO Corporation, a Delaware Corporation.

Article II, Section 1 of the Company’s By-Laws states that, “the annual meeting of the Shareholders shall be held at such place (within or without the State of Nebraska), date and hour as shall be fixed by the Board of Directors (the “Board”) in compliance with law. At the annual meeting the Shareholders shall elect the Members of the Board and transact such other business as may properly come before the meeting.”

The Company paid dividends to the Shareholder during the exam period of \$114,836,810 in 2023 and \$124,723,477 in 2024. The Company also returned capital to its Shareholder of \$564,000,000 in 2023. The Company received a capital contribution from GEICO Corporation of \$700,000 in 2024.

**Board of Directors**

Article III, Section 2 of the Company’s By-Laws states that, “the number of Directors which shall constitute the whole Board shall be no less than five (5) with the exact number to be fixed by a resolution adopted by a majority of the whole Board.” Article III, Section 5, of the Company’s By-Laws states that, “annual meetings of the Board shall be held at such times and places as may be required by law. Regular meetings of the Board shall be held at such times and places as the Board shall from time to time determine.”

The following persons were serving as Directors at December 31, 2024:

<b><u>Name and Residence</u></b>	<b><u>Principal Occupation*</u></b>
Todd A. Combs** Omaha, Nebraska	Chairperson of the Board of Directors, President, and Chief Executive Officer
Alison M. Fazio*** Chevy Chase, Maryland	Senior Vice President and Chief Financial Officer

<b><u>Name and Residence</u></b>	<b><u>Principal Occupation*</u></b>
Melissa K. Gallaro Stafford, Virginia	Senior Vice President
Nancy L. Pierce Washington, D.C.	Executive Vice President
Tangela S. Richter Ponte Vedra Beach, Florida	Senior Vice President and Chief Legal Officer
Angela M. Rinella Winter Garden, Florida	Senior Vice President

\* All individuals are directly employed by GEICO Corporation or its subsidiaries unless otherwise noted.

\*\* Effective December 22, 2025, Donald F. Wurster replaced Todd A. Combs as Director.

\*\*\* Effective March 31, 2026, Alison M. Fazio resigned as Director.

### **Officers**

Article V, Section 1(a) of the Company’s By-Laws states that, “the Board shall elect a President, Treasurer and Secretary, and may, if it so determines, choose the Chairperson of the Board from among its Members. The Board may also elect one or more Vice Presidents (including any Executive and/or Senior Vice Presidents), a Chief Legal Officer, a Controller, and such other Officers as it shall from time to time deem necessary or advisable. The Board may by resolution authorize any Officer to appoint other Officers.”

The following is a partial listing of Senior Officers elected and serving the Company at December 31, 2024:

<b><u>Name</u></b>	<b><u>Office</u></b>
Todd A. Combs*	Chairperson of the Board of Directors, President, and Chief Executive Officer
Suhasini S. Cetlur	Treasurer
Victoria Vron	Secretary
Nancy L. Pierce	Executive Vice President
Alison M. Fazio**	Senior Vice President and Chief Financial Officer
Melissa K. Gallaro	Senior Vice President

Scott E. Markel\*\*\*  
Vijay Raghavendra

Senior Vice President  
Senior Vice President and Chief Technology and  
Product Officer

**Name**

**Office**

Tangela S. Richter  
Angela M. Rinella  
Yang Yu

Senior Vice President and Chief Legal Officer  
Senior Vice President  
Senior Vice President and Chief Insurance Product  
Officer

\* Effective December 8, 2025, Nancy L. Pierce replaced Todd A. Combs as President and Chief Executive Officer.

\*\* Effective March 31, 2026, Alison M. Fazio resigned as Chief Financial Officer.

\*\*\* Effective October 31, 2025, Scott E. Markel resigned as Senior Vice President.

**Committees**

Article IV, Section 1 of the Company’s By-Laws states that, “the Board may, by resolution passed by a majority of the whole Board, designate one or more committees, each consisting of such number of Directors (but not less than two) as the Board shall appoint. Any such committees shall exercise such powers of the Board as designated by the Board by resolution passed by a majority of the whole Board (except those which, by law, cannot be delegated).”

The Company, as well as other affiliated insurers, utilize the Audit Committee of GEICO Corporation.

The following persons were serving on the Executive Committee at December 31, 2024:

Alison M. Fazio\*

Nancy L. Pierce

\* Effective March 31, 2026, Alison M. Fazio resigned from the Executive Committee and effective April 1, 2026, Tangela S. Richter was elected by the Board of Directors as an additional member of the Executive Committee.

## **TRANSACTIONS WITH AFFILIATES**

### **Intercompany Charge Agreement**

The Company is a party to the Intercompany Charge Agreement dated August 19, 1992, with GEICO Corporation and certain affiliated companies. These companies share in the service costs of underwriting, claims, actuarial, policy processing, tax, legal, investment, information technology, advertising, accounting, administrative, management, and customer support in proportion to each affiliate's use. The expenses are allocated to the affiliated companies based primarily on defined statistical units of measure pursuant to the agreement. This agreement has been amended several times, including to add other affiliated companies as parties.

### **Tax Allocation Agreement**

Effective October 23, 2023, the Company entered into a Tax Allocation Agreement to allocate consolidated federal income tax liability with GEICO Corporation and GEICO Corporation's subsidiaries. The parties to the agreement agree to allocate the consolidated federal income tax liability among members of the affiliated group using the method described in the Internal Revenue Service Regulations. Federal income taxes are paid to or refunded by GEICO Corporation pursuant to the terms of the agreement.

### **Administrative Fee Agreement**

Effective May 15, 2020, the Company executed an Administrative Fee Agreement with GEICO Financial Services GmbH (Financial GMBH). Financial GMBH is an insurance agency organized under German Law and doing business throughout Europe providing services to military personnel and other individuals living overseas. Financial GMBH provides information that assists the Company in underwriting individuals who apply for policies after living outside the United States (Overseas). Services provided under this agreement include transferring funds

from an insurance policy held Overseas or providing information regarding an Overseas driving record, existing or recently cancelled insurance policy held Overseas, or other information related to insurance coverage. The Company is to pay Financial GMBH \$150 for each automobile contract and \$50 for each motorcycle contract to which a policyholder is a party and for which Financial GMBH provides any services.

Effective November 24, 2025, the Administrative Fee Agreement was terminated. GEICO Financial Services GmbH was placed into voluntary liquidation on December 1, 2025.

### **Investment Services Agreement**

Effective December 29, 2016, the Company was added to the Investment Services Agreement dated February 13, 2016, between BHI, and National Indemnity Company (NICO). Under the agreement, BHI provides investment management services subject to the limitations established and approved by the Company's Board of Directors.

### **TERRITORY AND PLAN OF OPERATION**

As evidenced by current or continuous Certificates of Authority, the Company is licensed to transact business in all states and the District of Columbia, except for California, Hawaii, Massachusetts, Michigan, North Dakota, South Dakota, and Vermont.

The Company writes a mix of preferred, standard and non-standard risk private passenger automobile insurance and does not write business outside of the United States of America. Sales of the Company's products during the exam period were mainly on a direct basis via telephone and the internet.

## **REINSURANCE**

### **Ceded**

Effective January 1, 2023, the Company entered into a 100% Quota Share agreement with GEICO. The Company cedes all business written across all lines of insurance to GEICO. In turn, GEICO cedes 50% of its business to NICO.

The Company also ceded a small amount of automobile insurance business through its participation in various state pools.

### **General**

All contracts reviewed contained standard insolvency, arbitration, errors and omissions, and termination clauses where applicable. All contracts contained the clauses necessary to assure reinsurance credits could be taken.

## **BODY OF REPORT**

### **GROWTH**

The following comparative data reflects the growth of the Company during the period covered by this examination (000's omitted):

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Bonds	\$ 7,089	\$ 56,993	\$ 193,031	\$ 3,225	\$ 6,010
Common stocks	627,671	740,467	715,355		
Admitted assets	1,816,047	1,941,475	1,606,259	135,992	14,031
Loss reserves	350,765	389,613	390,594		
Total liabilities	962,700	1,014,105	916,422	269	697
Capital and surplus	853,347	927,370	689,837	135,723	13,334
Premiums earned	906,032	955,888	871,081	(574,746)	
Net investment income	6,196	4,317	14,055	37,387	2,062
Losses incurred	594,575	743,956	756,307	(493,055)	
Net income	44,328	(19,906)	38,193	284,861	1,505

## **FINANCIAL STATEMENTS**

The following financial statements are based on the statutory financial statements filed by the Company with the State of Nebraska Department of Insurance and present the financial condition of the Company for the period ending December 31, 2024. The accompanying comments on financial statements reflect any examination adjustments to the amounts reported in the annual statements and should be considered an integral part of the financial statements. A reconciliation of the capital and surplus account for the period under review is also included.

### **FINANCIAL STATEMENT** **December 31, 2024**

<b><u>Assets</u></b>	<b><u>Assets</u></b>	<b><u>Assets Not Admitted</u></b>	<b><u>Net Admitted Assets</u></b>
Bonds	\$ 6,010,144		\$ 6,010,144
Cash and cash equivalents	7,920,621		7,920,621
Other invested assets	<u>358</u>		<u>358</u>
Subtotal, cash and invested assets	\$13,931,124		\$13,931,124
Investment income due and accrued	96,542		96,542
Receivables from parent and affiliates	<u>3,299</u>		<u>3,299</u>
Total assets	<u>\$14,030,965</u>		<u>\$14,030,965</u>
<b><u>Liabilities, Surplus, and Other Funds</u></b>			
Current federal income taxes			\$ 557,705
Net deferred tax liability			<u>139,478</u>
Total liabilities			<u>\$ 697,183</u>
Common capital stock			\$10,000,000
Gross paid in and contributed surplus			1,700,000
Unassigned funds (surplus)			<u>1,633,782</u>
Total capital and surplus			<u>\$13,333,782</u>
Total liabilities, capital and surplus			<u>\$14,030,965</u>

## STATEMENT OF INCOME – 2024

### Investment Income

Net investment income earned	<u>\$ 2,062,444</u>
Net investment gain	<u>\$ 2,062,444</u>
Net income before federal income taxes	\$ 2,062,444
Federal income taxes incurred	<u>557,705</u>
Net income	<u>\$ 1,504,739</u>

### CAPITAL AND SURPLUS ACCOUNT

(000's omitted)	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Capital and surplus, beginning	<u>\$681,213</u>	<u>\$853,347</u>	<u>\$ 927,370</u>	<u>\$ 689,837</u>	<u>\$ 135,723</u>
Net income	\$ 44,328	\$ (19,906)	\$ 38,193	\$ 284,861	\$ 1,505
Change in unrealized capital gains	130,852	89,241	(260,646)	(200,097)	
Change in net deferred income tax	1,188	2,268	(15,352)	1,500	129
Change in nonadmitted assets	(4,235)	2,421	272	3,392	
Cumulative effect of changes in accounting principles				35,069	
Surplus adjustment				(564,000)	700
Dividends to Stockholders	_____	_____	_____	<u>(114,837)</u>	<u>(124,723)</u>
Net change for the year	<u>\$172,133</u>	<u>\$ 74,024</u>	<u>\$(237,534)</u>	<u>\$(554,113)</u>	<u>\$(122,390)</u>
Capital and surplus, ending	<u>\$853,347</u>	<u>\$927,370</u>	<u>\$ 689,837</u>	<u>\$ 135,723</u>	<u>\$ 13,334</u>

### EXAMINATION CHANGES IN FINANCIAL STATEMENTS

Unassigned funds (surplus) in the amount of \$1,633,782 as reported in the Company's 2024 Annual Statement, has been accepted for examination purposes. Examination findings, in the aggregate, were considered to have no material effect on the Company's financial condition.

### COMPLIANCE WITH PREVIOUS RECOMMENDATIONS

The recommendations appearing in the previous report of examination are reflected below together with the remedial actions taken by the Company to comply therewith:

**Review of Written Investment Plan** – It is recommended that the Board of Directors review the written plan for investments at least quarterly to comply with Nebraska Revised Statute §44-5105(3)(b).

**Actions:** The Company has complied with this recommendation.

## **COMMENTARY ON CURRENT EXAMINATION FINDINGS**

### **Schedule P Reconciliations**

While reviewing the Actuarial Report and Schedule P within the Annual Statement, it was noted that an earned premium reconciliation was included for Other Liability but not included for other segments. Additionally, claim counts were not reconciled and there was no discussion of their significance to the analysis and why they were not reconciled.

It is recommended that the Company enhance the Schedule P Reconciliation to comply with NAIC Annual Statement Instructions. This would include a reconciliation of earned premiums for all segments, a reconciliation of actuarial analysis data to Schedule P on a net basis, and a reconciliation of claim counts, or discussion of claim counts to the analysis and an explanation as to why they are not reconciled in the Actuarial Report.

## **SUMMARY OF COMMENTS AND RECOMMENDATIONS**

The following comments and recommendations have been made as a result of this examination:

**Schedule P Reconciliation** – It is recommended that the Company enhance the Schedule P Reconciliation to comply with NAIC Annual Statement Instructions. This would include a reconciliation of earned premiums for all segments, a reconciliation of actuarial analysis data to Schedule P on a net basis, and a reconciliation of claim counts, or discussion of claim counts to the analysis and an explanation as to why they are not reconciled in the Actuarial Report.

## ACKNOWLEDGMENT

The courteous cooperation extended by the Officers and employees of the Company during this examination is hereby acknowledged.

In addition to the undersigned, Alexis Anderson, CFE, Christine Ford, Tyler Goodwater, Mark Haake, Nolan Laczynski, Chloe Schaulis, Financial Examiners; Gary Evans, CISA, AES, CFE, Information Systems Specialist; all with the Nebraska Department of Insurance; Actuarial Examiners contracted by the Nebraska Department of Insurance; and Financial Examiners with the Texas Department of Insurance; participated in this examination and assisted in the preparation of this report.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Isaak Russell', written in a cursive style.

---

Isaak Russell, CFE  
Examiner-in Charge  
Department of Insurance  
State of Nebraska

State of Nebraska,

County of Lancaster,

Isaak Russell, being duly sworn, states as follows:

1. I have authority to represent the Department of Insurance of the State of Nebraska in the examination of the following companies (the GEICO Group):
  - CalGO Insurance Company
  - GEICO Advantage Insurance Company
  - GEICO Casualty Company
  - GEIC Choice Insurance Company
  - GEICO General Insurance Company
  - GEICO Indemnity Company
  - GEICO Marine Insurance Company
  - GEICO Protection Insurance Company
  - GEICO Secure Insurance Company
  - Government Employees Insurance Company
2. The Department of Insurance of the State of Nebraska is accredited under the National Association of Insurance Commissioners Financial Regulation Standards and Accreditation.
3. I have reviewed the examination work papers and examination report, and the examination of the GEICO Group was performed in a manner consistent with the standards and procedures required by the Department of Insurance of the State of Nebraska.

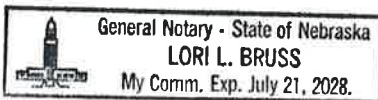
The affiant says nothing further.



Examiner-in-Charge's Signature

Subscribed and sworn before me by Isaak Russell on this 27<sup>th</sup> day of April, 2026.

(SEAL)



Notary Public

My commission expires July 21, 2028 [date].