

JUN 27 2022

FILED

CERTIFICATION

June 27, 2022

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

REDWOOD FIRE AND CASUALTY INSURANCE COMPANY

AS OF

DECEMBER 31, 2020

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.





DIRECTOR OF INSURANCE

CERTIFICATE OF ADOPTION

Notice of the proposed report for the financial examination of

REDWOOD FIRE AND CASUALTY INSURANCE COMPANY

1314 DOUGLAS STREET, SUITE 1300

OMAHA, NEBRASKA 68102

dated as of December 31, 2020, verified under oath by the examiner-in-charge on
June 1, 2022, and received by the company on June 3, 2022, has been adopted
without modification as the final report pursuant to Neb. Rev. Stat. § 44-5906(3) (a).

Dated this 17th day of June 2022.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE

A handwritten signature in black ink, appearing to read 'Justin C. Schrader', written in a cursive style.

Justin C. Schrader, CFE
Chief Financial Examiner

STATE OF NEBRASKA

Department of Insurance

EXAMINATION REPORT

OF

REDWOOD FIRE AND CASUALTY INSURANCE COMPANY

as of

December 31, 2020

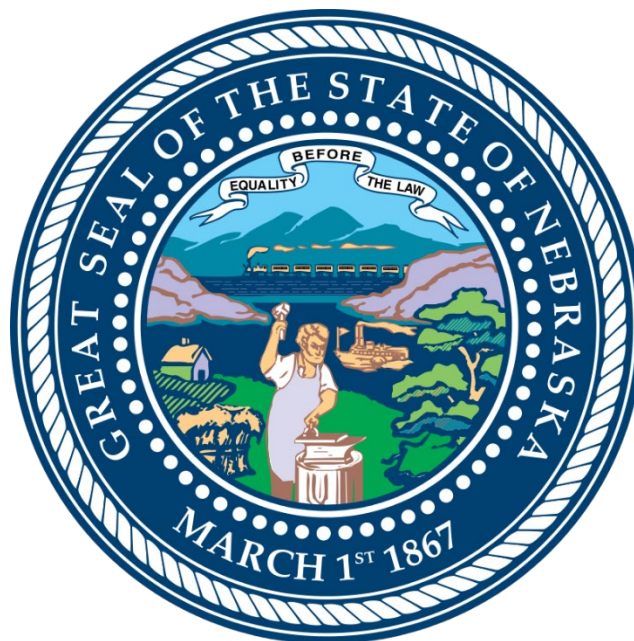


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Lincoln, Nebraska
May 25, 2022

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:

REDWOOD FIRE AND CASUALTY INSURANCE COMPANY
1314 Douglas Street, Suite 1300
Omaha, Nebraska 68102

(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, 2016. The current financial condition examination covers the intervening period to, and includes the close of business on December 31, 2020 and such subsequent events and transactions as were considered pertinent to this report. The States of Nebraska, California, Colorado, Connecticut, Iowa, and New York 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 following affiliates:

Berkshire Hathaway Direct Insurance Company (BHDIC)
Berkshire Hathaway Homestate Insurance Company (BHHIC)
Berkshire Hathaway Life Insurance Company of Nebraska (BHLN)
Berkshire Hathaway Specialty Insurance Company (BHSIC)

BHG Life Insurance Company (BHGL)
BHHC Special Risks Insurance Company fka Brookwood Insurance Company (BIC)
Columbia Insurance Company (CIC)
Continental Divide Insurance Company (CDIC)
Cypress Insurance Company (Cypress)
First Berkshire Hathaway Life Insurance Company (FBHL)
National Fire & Marine Insurance Company (NFM)
National Indemnity Company (NICO)
National Indemnity Company of Mid-America (NIMA)
National Indemnity Company of the South (NISO)
National Liability & Fire Insurance Company (NLF)
Oak River Insurance Company (ORIC)

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 California Department of Insurance, Colorado Division of Insurance, State of Connecticut Insurance Department, Iowa Insurance Division and New York Department of Financial Services. 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. 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 year ended December 31, 2020. 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 under the laws of the State of Nebraska and commenced business on January 27, 1970 as a capital stock, multiple line fire and casualty insurance company under the name Kerkling Reinsurance Corporation.

The Articles of Incorporation were amended on December 1, 1977, which changed the name of the Company to Central Fire and Casualty Company. The Articles were again amended on March 13, 1980, changing the name of the Company to its present title. On July 1, 2016, the Company became a wholly-owned subsidiary of NICO.

Under the provisions of its charter and in conformity with Nebraska Statutes, the Company is authorized to write multiple line fire and casualty insurance. The Articles of Incorporation provide that the Company shall have perpetual existence.

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,” Berkshire Hathaway Inc. (BHI), as reported in the 2020 Annual Statement, is attached to this report as an addendum.

Shareholder

Article II of the Company’s Articles of Incorporation states that, “the total number of shares of stock which the Corporation shall have the authority to issue is twenty five thousand (25,000) shares of par value one hundred fifty dollars (\$150.00) each, all of one class.” At December 31, 2020, 25,000 shares were issued and outstanding in the name of NICO for a total paid up capital of \$3,750,000.

Gross paid in and contributed surplus remained unchanged for the period covered by this examination in the amount of \$2,921,500. The Company paid cash dividends to its parent, NICO of \$135,000,000 in 2018, and \$85,000,000 in 2019.

Per section 2A of the Company’s By-Laws, “the annual meeting of Shareholders of the Corporation shall be held each year at a location, at a time and on a date set by the President of the Corporation, during the first five (5) months of the calendar year.”

Board of Directors

Section 3A of the Company’s By-Laws states that, “the affairs and business of the Corporation shall be managed by a Board of such number of Directors not less than five (5) nor more than twenty-one (21) as may be fixed by the Shareholders at each annual meeting or, if no number is so fixed, of five (5) Directors...”

The following persons were serving as Directors at December 31, 2020:

<u>Name and Residence</u>	<u>Principal Occupation</u>
Robert Nathan Darby, Jr. San Francisco, California	Senior Vice President, Redwood Fire and Casualty Insurance Company
Tracy Leigh Gulden Council Bluffs, Iowa	Senior Vice President, Berkshire Hathaway Homestate Companies
Andrew Ray Linkhart Omaha, Nebraska	Chief Financial Officer and Treasurer, Berkshire Hathaway Homestate Companies
Nancy Furey Peters Omaha, Nebraska	Secretary, Berkshire Hathaway Homestate Companies
Donald Frederick Wurster Omaha, Nebraska	President, Redwood Fire and Casualty Insurance Company

No fees or expenses were paid to the Directors during the period under review.

Officers

Section 4A of the Company’s By-Laws states that, “the Officers shall be a President, one or more Vice Presidents, a Secretary, and a Treasurer. The Corporation may have one or more Assistant Secretaries, one or more Assistant Treasurers, and such other Officers as may be appointed in accordance with Nebraska law.”

The following is a partial listing of Senior Officers elected and serving the Company at December 31, 2020:

<u>Name</u>	<u>Office</u>
Donald Frederick Wurster	President
Andrew Ray Linkhart	Chief Financial Officer and Treasurer
Nancy Furey Peters	Secretary
Robert Nathan Darby, Jr.	Senior Vice President
Tracy Leigh Gulden	Senior Vice President
Christopher John Desautel	Vice President
Brian Peterson Hall	Vice President
Jeffrey Warren Morris	Vice President
Thomas John Mortland	Vice President
Russell Andrew Selinger	Vice President
Brian Timothy Wesselman	Vice President

Committees

Section 3H of the Company's By-Laws provides that, "the Board of Directors may designate an Executive Committee, an Investment Committee and one or more other committees from among the Directors; and the Executive Committee, and such other committees as are designated shall have such powers and rights and be charged with such duties and obligations respectively as usually are vested in and pertain to such committees or as may be directed from time to time by the Board of Directors."

The following persons were serving on the Executive Committee at December 31, 2020:

Robert Nathan Darby, Jr. Donald Frederick Wurster

The following persons were serving on the Audit Committee at December 31, 2020:

Tracy Leigh Gulden Nancy Furey Peters

At this point in time, the Board of Directors has not appointed an Investment Committee.

TRANSACTIONS WITH AFFILIATES

Intercompany Service Agreements

Effective November 23, 1994, the Company became a participant in an Intercompany Service Agreement with its affiliates BHHIC, BIC, CDIC, Cypress, and ORIC. Each participant cooperates in the performance of administrative and special services, and shares in the use of property, equipment, and facilities necessary for all participants to conduct normal day-to-day operations. Each participant agrees to provide requested services to one or more of the other participants. A performing participant may, at its sole discretion, decline to provide the request if it would interfere with its ability to meet its obligations to its policyholders or would otherwise adversely affect the participant.

Effective May 4, 2017, the Company, along with thirteen other Nebraska domiciled insurers, entered into an Intercompany Tax Services Agreement with Ringwalt & Liesche Co. (R&L). The Company receives certain tax advisory and completion services from R&L. This agreement was terminated effective April 23, 2019.

Effective October 10, 2017, the Company entered into a service agreement with multiple affiliates and General Reinsurance Corporation (Gen Re), whereby the Company receives certain internal audit services provided by either NICO or Gen Re.

Investment Services Agreement

Effective January 16, 2017, the Company became a participant in an investment service agreement with BHI where BHI may perform various investment services for the Company.

Intercompany Allocation Agreement

Effective December 31, 2014, the Company became a participant in an Intercompany Allocation Agreement with its affiliates BHHIC, BIC, CDIC, Cypress, NLF, NICO, NIMA,

NFM, and ORIC. The affiliated insurers listed above are parties to reinsurance contracts where two or more of the Companies are listed as cedents under the contract. Under the agreement, in the event aggregate reinsurance coverage is ever exhausted in any of the contracts, recoveries for each company will be recalculated as of each quarter on each company's proportionate share of the total recoveries without regard to the aggregate reinsurance coverage under the contracts.

Consolidated Federal Income Tax Allocation Agreement

The Company joins with a group of approximately eight hundred affiliated companies in the filing of a consolidated federal income tax return. The consolidated tax liability is allocated among the affiliates in the ratio that each affiliate's separate return tax liability bears to the sum of the separate return tax liabilities of all affiliates that are members of the consolidated group. A complementary method is used, which results in reimbursement by profitable affiliates to loss affiliates for tax benefits generated by loss affiliates.

Effective November 23, 1994, an agreement between the Company and BHI describes the method of tax allocation and the manner in which intercompany balances are settled.

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. The Company writes commercial insurance coverages, including workers' compensation, commercial auto liability, commercial auto physical damage, and commercial multiple peril. The Company writes primarily in Arizona, California, Illinois, New York, Pennsylvania, and Texas. The Company distributes its products through independent agents and wholesalers.

REINSURANCE

Assumed – Affiliates

Effective January 1, 1992, the Company entered into a quota share agreement with CDIC. Under this agreement, the Company assumes 100% of the business written by CDIC that is not otherwise ceded under facultative agreements. This contract covers all business in force as well as new and renewal policies. Consideration received is the subject net written premiums after facultative cessions, net of a ceding commission of 30% for CDIC.

Effective December 4, 2001, the Company entered into a quota share agreement with BIC. Under this agreement, the Company assumes 100% of the business written by BIC that is not otherwise ceded under facultative agreements. This contract covers all business in force as well as new and renewal policies. Consideration received is the subject net written premiums after facultative cessions, net of a ceding commission of 37% for BIC.

Effective December 31, 2012, the Company assumed 50% of the direct California workers' compensation business from Cypress. Under the agreement, the Company receives a 28% ceding commission for reimbursement of related underwriting and additional expenses. This treaty was terminated on December 31, 2015, and is currently in run-off.

Ceded – Affiliates

Effective December 31, 2016, the Company entered into an agreement with CIC covering catastrophe loss exposure. This treaty provides coverage for 100% of \$500,000,000 of coverage in excess of \$10,000,000 for each event. The treaty is subject to a maximum aggregate limit of liability to CIC with respect to all loss occurrences covered in the amount equal to \$1,000,000,000 for each calendar year term. Affiliates BHHIC, BIC, CDIC, Cypress, and ORIC are included as reinsureds under this agreement.

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:

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Bonds	\$ 77,717,133	\$ 86,122,170	\$ 108,731,426	\$ 126,153,677
Admitted assets	1,893,660,397	1,911,865,500	2,326,968,166	2,550,328,890
Losses	670,498,991	754,695,602	798,772,770	844,641,616
Total liabilities	1,134,122,025	1,256,698,822	1,391,614,951	1,412,562,489
Capital and surplus	759,538,372	655,166,678	935,353,215	1,137,766,401
Premiums earned	414,863,396	464,546,531	480,672,834	413,189,845
Net investment income	22,393,736	33,757,294	44,785,926	29,919,127
Losses incurred	214,006,636	214,612,871	211,020,498	207,820,712
Net income	50,707,645	85,675,335	133,418,659	198,333,316

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, 2020. 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, 2020

<u>Assets</u>	<u>Assets</u>	<u>Assets Not Admitted</u>	<u>Net Admitted Assets</u>
Bonds	\$ 126,153,677		\$ 126,153,677
Preferred stocks	58,494,600		58,494,600
Common stocks	743,895,182		743,895,182
Cash, cash equivalents and short-term investments	1,454,395,144		1,454,395,144
Receivables for securities	<u>18,923</u>		<u>18,923</u>
Subtotal, cash and invested assets	\$2,382,957,526		\$2,382,957,526
Investment income due and accrued	2,330,100		2,330,100
Uncollected premiums	163,330,414	\$4,606,500	158,723,914
Deferred premiums	(6,808,840)		(6,808,840)
Amounts recoverable from reinsurers	690,787		690,787
Guaranty funds receivable	169,879		169,879
Receivables from parent and affiliates	4,232,120		4,232,120
Miscellaneous surcharge/fee deposits	7,335,390		7,335,390
Workers' compensation deductibles receivable	<u>698,014</u>	<u> </u>	<u>698,014</u>
Totals	<u>\$2,554,935,390</u>	<u>\$4,606,500</u>	<u>\$2,550,328,890</u>

Liabilities, Surplus, and Other Funds

Losses	\$ 844,641,616
Reinsurance payable on paid losses and loss adjustment expenses	1,983,976
Loss adjustment expenses	247,568,439
Commissions payable	19,006,657
Other expenses	6,124,586
Taxes, licenses and fees	3,198,265
Current federal income taxes	10,927,942
Net deferred tax liability	76,103,280
Unearned premiums	192,994,755
Advance premium	1,431,642
Ceded reinsurance premium payable	409,370
Amounts withheld or retained for account of others	3,099,888
Drafts outstanding	109,982
Payable to parent, subsidiaries and affiliates	3,886,127
Escheatable funds	875,010
Other miscellaneous liabilities	<u>200,954</u>
Total liabilities	<u>\$1,412,562,489</u>
Common capital stock	\$ 3,750,000
Gross paid in and contributed surplus	2,921,500
Unassigned funds (surplus)	<u>1,131,094,901</u>
Surplus as regards policyholders	<u>\$1,137,766,401</u>
Totals	<u>\$2,550,328,890</u>

STATEMENT OF INCOME – 2020

Underwriting Income

Premiums earned	\$413,189,845
Losses incurred	\$207,820,712
Loss adjustment expenses incurred	53,885,305
Other underwriting expenses incurred	<u>88,435,855</u>
Total underwriting deductions	<u>\$350,141,872</u>
Net underwriting gain	<u>\$ 63,047,973</u>

Investment Income

Net investment income earned	\$ 29,919,127
Net realized capital gains	<u>127,020,248</u>
Net investment gain	<u>\$156,939,375</u>

Other Income

Net loss from agents' or premium balances charged off	\$ (2,471,337)
Finance and service charges not included in premiums	<u>80,932</u>
Total other income	<u>\$ (2,390,405)</u>
Net income before federal income taxes	\$217,596,943
Federal income taxes incurred	<u>19,263,627</u>
Net income	<u>\$198,333,316</u>

CAPITAL AND SURPLUS ACCOUNT

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Capital and surplus, beginning	\$637,287,619	\$ 759,538,372	\$655,166,677	\$ 935,353,215
Net income	\$ 50,707,645	\$ 85,675,335	\$133,418,659	\$ 198,333,316
Change in net unrealized capital gains	79,592,695	(59,679,627)	228,199,850	2,419,702
Change in net deferred income tax	(5,342,050)	6,009,326	2,652,898	1,885,915
Change in nonadmitted assets	(2,706,537)	(1,383,729)	915,131	(225,747)
Change in provision for reinsurance	(1,000)	7,000		
Dividends to stockholders	<u> </u>	<u>(135,000,000)</u>	<u>(85,000,000)</u>	<u> </u>
Net change for the year	<u>\$122,250,753</u>	<u>\$(104,371,695)</u>	<u>\$280,186,538</u>	<u>\$ 202,413,186</u>
Capital and surplus, ending	<u>\$759,538,372</u>	<u>\$ 655,166,677</u>	<u>\$935,353,215</u>	<u>\$1,137,766,401</u>

EXAMINATION CHANGES IN FINANCIAL STATEMENTS

Unassigned funds (surplus) in the amount of \$1,131,094,901, as reported in the Company's 2020 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

No recommendations were made as a result of the previous examination.

COMMENTARY ON CURRENT EXAMINATION FINDINGS

Intercompany Transactions

The exam team noted that New England Asset Management (NEAM) provides investment services to BHI pursuant to an investment services agreement effective October 1, 2013. BHI, in turn, provides investment services to the Company pursuant to a 2016 agreement. The Company does not have an agreement with NEAM but receives bills and settles directly with the service provider.

SSAP No. 25(8) states, “transactions between related parties must be in the form of a written agreement. The written agreement must provide for the timely settlement of amounts owed, with a specified due date.” The settlement transactions occurring between the Company and NEAM are not subject to an agreement. In addition, Nebraska Insurance Statute §44-2133(2)(d) states that service contract transactions involving a domestic insurer and any person in its insurance holding company system may not be entered into unless the insurer has notified the Director in writing of its intention to enter into such transaction.

It is recommended that the Company adjust the settlement process in order to be compliant with the existing investment services agreement or enter into an investment services agreement directly with NEAM that includes settlement provisions in order to be compliant with SSAP No. 25(8) and Nebraska Insurance Statute §44-2133(2)(d).

SUMMARY OF COMMENTS AND RECOMMENDATIONS

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

Intercompany Transactions - It is recommended that the Company adjust the settlement process in order to be compliant with the existing investment services agreement or enter into an investment services agreement directly with NEAM that includes settlement provisions in order to be compliant with SSAP No. 25(8) and Nebraska Insurance Statute §44-2133(2)(d).

ACKNOWLEDGMENT

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

In addition to the undersigned, Brian Davis, CFE, Santosh Ghimire, CFE, Joe Jacobson, CFE, Skyler Lawyer, CFE, and Michael Sullivan, CFE, Financial Examiners; Gary Evans, CFE, CISA, Information Systems Specialist; and Gordon Hay, FCAS, MAAA; all with the Nebraska Department of Insurance and Financial Examiners, Information Systems Specialists, and Actuarial Examiners with or contracted by the California Department of Insurance, Colorado Division of Insurance, State of Connecticut Insurance Department, Iowa Insurance Division, and New York Department of Financial Services; participated in this examination and assisted in the preparation of this report.

Respectfully submitted,



Isaak Russell, CFE
Supervisory Examiner
Department of Insurance
State of Nebraska

ADDENDUM

ORGANIZATIONAL CHART

Note: The following chart includes all affiliates related to insurance operations. Affiliates of selected non-insurance operations have been omitted. The omissions are replaced with the phrase “and owned affiliate(s).”

Berkshire Hathaway Inc. (31.84654% owned by Warren E. Buffett)

Acme Building Brands, Inc. and owned affiliates

Affordable Housing Partners, Inc. and owned affiliates

Albecca Inc. and owned affiliates

Ben Bridge Corporation and owned affiliate

Benjamin Moore & Co. and owned affiliates

Berkshire Hathaway Automotive Inc. and owned affiliates

Berkshire Hathaway Credit Corporation and owned affiliates

Berkshire Hathaway Energy Company and owned affiliates

Berkshire Hathaway Finance Corporation

BH Columbia Inc.

Columbia Insurance Company

American All Risk Insurance Services, Inc.

American Commercial Claims Administrators Inc.

Berkadia Commercial Mortgage Holding LLC and owned affiliate

Berkadia Commercial Mortgage Partners LLC

Berkshire Hathaway Assurance Corporation

Berkshire Hathaway Direct Insurance Company

BH Finance LLC

BHG Structured Settlements, Inc. and owned affiliates

BIFCO, LLC

British Insurance Company of Cayman

Farnam Management Services, LLC

Hawthorn Life International, Ltd. and owned affiliate

MedPro Group Inc.

AttPro RRG Reciprocal Risk Retention Group

Medical Protective Finance Corporation

MedPro Risk Retention Services, Inc.

MedPro RRG Risk Retention Group

PLICO, Inc.

Princeton Insurance Company

The Medical Protective Company

C&R Insurance Services, LLC

C&R Legal Insurance Agency, LLC

MedPro Insurance Services, LLC

Somerset Services, LLC

Wellfleet Benefits, LLC

Wellfleet Group, LLC

Wellfleet Insurance Company
 Wellfleet New York Insurance Company
 Nederlandse Reassurantie Groep N.V. and owned affiliates
 NetJets IP, LLC
 Resolute Management Inc.
 Ringwalt & Liesche Co. and owned affiliates
 The Duracell Company and owned affiliates
 BH Holding H Jewelry Inc. and owned affiliate
 BH Holding S Furniture Inc.
 BH Housing LLC
 BH Shoe Holdings, Inc. and owned affiliates
 BHSF, Inc. and owned affiliates
 Blue Chip Stamps, Inc.
 Borsheim Jewelry Company, Inc.
 Brooks Sports, Inc. and owned affiliates
 Business Wire, Inc. and owned affiliates
 Central States of Omaha Companies, Inc.
 Central States Indemnity Co. of Omaha
 CSI Life Insurance Company
 CSI Processing, LLC
 Charter Brokerage Holdings Corp. and owned affiliates
 Clayton Homes, Inc. and owned affiliates
 CORT Business Services Corporation and owned affiliates
 CTB International Corp. and owned affiliates
 Detlev Louis Motorrad-Vertriebsgesellschaft GmbH and owned affiliates
 Forest River, Inc. and owned affiliates
 Fruit of the Loom, Inc. and owned affiliates
 Gateway Underwriters Agency, Inc.
 General Re Corporation
 Faraday Holdings Limited and owned affiliates
 Gen Re Intermediaries Corporation
 Gen Re Long Ridge, LLC
 General Reinsurance Corporation
 Elm Street Corporation
 Gen Re Japan Service Company Limited
 General Re Compania de Reaseguros, S.A.
 General Re Life Corporation
 Idealife Insurance Company
 General Reinsurance AG and owned affiliates
 General Reinsurance Australia Ltd
 General Star Indemnity Company
 General Star Management Company
 General Star National Insurance Company
 Genesis Insurance Company
 Genesis Management and Insurance Services Corporation
 GRC Realty Corporation

Railsplitter Holdings Corporation
 New England Asset Management, Inc. and owned affiliate
 GRD Holdings Corporation and owned affiliate
 United States Aviation Underwriters, Inc. and owned affiliate
 International Dairy Queen, Inc. and owned affiliates
 Johns Manville Corporation and owned affiliates
 Jordan's Furniture, Inc.
 LiquidPower Specialty Products Inc. and owned affiliates
 Marmon Holdings, Inc. and owned affiliates
 McLane Company, Inc. and owned affiliates
 MiTek Industries, Inc. and owned affiliates
 MS Property Company and owned affiliate
 National Fire & Marine Insurance Company
 National Indemnity Company
 Affiliated Agency Operations Co. and owned affiliate
 AHP Housing Fund 184, LLC
 AHP Housing Fund 208, LLC
 AHP Housing Fund 219, LLC
 AHP Housing Fund 220, LLC and owned affiliate
 AHP Housing Fund 223, LLC
 AHP Housing Fund 245, LLC
 AHP Housing Fund 253, LLC
 AHP Housing Fund 254, LLC
 AHP Housing Fund 261, LLC
 BDT I-A Plum, LLC
 Berkshire Hathaway Homestate Insurance Company
 Berkshire Hathaway International Insurance Limited and owned affiliate
 Berkshire Hathaway Life Insurance Company of Nebraska
 BHA Real Estate Holdings, LLC
 BHG Life Insurance Company
 Financial Credit Investment III (Cayman), L.P.
 Financial Credit Investment III SPV-B (Cayman), L.P.
 First Berkshire Hathaway Life Insurance Company
 FlightSafety International Inc. and owned affiliates
 Garan, Incorporated and owned affiliates
 Berkshire Hathaway Specialty Insurance Company
 Berkshire Hathaway Global Insurance Services, LLC
 Berkshire Hathaway Specialty Services Limited
 British Aviation Insurance Company Limited
 Brookwood Insurance Company
 Burlington Northern Santa Fe, LLC and owned affiliates
 Continental Divide Insurance Company
 Cypress Insurance Company
 Douglas Building, LLC
 Finial Holdings, Inc.
 Finial Reinsurance Company

GEICO Corporation
Boat America Corporation
Boat Owners Association of the United States
Boat/U.S., Inc.
GEICO Marine Insurance Company
GEICO Advantage Insurance Company
GEICO Choice Insurance Company
GEICO County Mutual Insurance Company
GEICO Financial Services, Gmbh
GEICO Indemnity Company
Criterion Insurance Agency
GEICO Casualty Company
GEICO Products, Inc.
GEICO Secure Insurance Company
Government Employees Insurance Company
AHP Federal and State Affordable 1, LLC and owned affiliates
AHP State Affordable 1, LLC and owned affiliates
GEICO General Insurance Company
GEICO Insurance Agency, Inc.
Government Employees Financial Corporation
PIS QOZ Fund 2018-A, LP
Plaza Financial Services Company
International Insurance Underwriters, Inc.
Maryland Ventures, Inc.
Plaza Resources Company
Top Five Club, Inc.
MLMIC Insurance Company
M2 Liability Solutions, Inc.
MLMIC Services, Inc.
National Indemnity Company of Mid-America
National Indemnity Company of the South
Oak River Insurance Company
Redwood Fire and Casualty Insurance Company
SLI Holding Limited and owned affiliates
Tenecom Limited and owned affiliate
Transfercom Limited
VT Insurance Acquisition Sub Inc.
Van Enterprises, Inc.
MPP Co., Inc.
Old United Casualty Company
Old United Life Insurance Company
Vantage Reinsurance, LLC
WestGUARD Insurance Company
AmGUARD Insurance Company
AZGUARD Insurance Company
EastGUARD Insurance Company

GUARDco, Inc.
NorGUARD Insurance Company
National Liability & Fire Insurance Company
Nebraska Furniture Mart, Inc. and owned affiliates
NetJets Inc. and owned affiliates
Northern States Agency, Inc. and owned affiliates
OTC Worldwide Holdings, Inc. and owned affiliates
Precision Castparts Corp. and owned affiliates
Precision Steel Warehouse, Inc. and owned affiliate
R.C. Willey Home Furnishings
Richline Group, Inc. and owned affiliates
See's Candy Shops, Inc. and owned affiliate
Shaw Industries Group, Inc. and owned affiliates
The Fechheimer Brothers Company and owned affiliate
The Lubrizol Corporation and owned affiliates
The Pampered Chef, Ltd. and owned affiliates
TTI, Inc. and owned affiliates
U.S. Investment Corporation
 United States Liability Insurance Company
 Mount Vernon Fire Insurance Company
 U.S. Underwriters Insurance Company
 Mount Vernon Specialty Insurance Company
 Radnor Specialty Insurance Company
XTRA Corporation and owned affiliates

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 insurance companies (hereinafter referred to as the "Homestate Group"):
 - Berkshire Hathaway Homestate Insurance Company
 - Oak River Insurance Company
 - Redwood Fire and Casualty 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 Homestate 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.

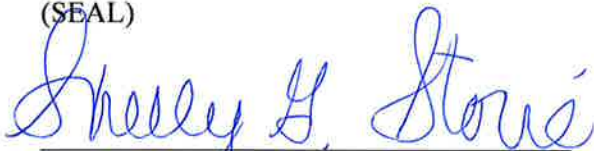


Supervisory Examiner's Signature

Subscribed and sworn before me by ISAAC RUSSELL on this 1st day of JUNE, 2022.



(SEAL)



Notary Public

My commission expires 1/16/24 [date].