

CERTIFICATION

June 30, 2014

I, Bruce R. Ramage, 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
STONEWALL INSURANCE COMPANY

as of

December 31, 2012

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.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE

JUN 30 2014

FILED



STATE OF
DEPARTMENT

JUN
Bruce R. Ramage
DIRECTOR OF INSURANCE

CERTIFICATE OF ADOPTION

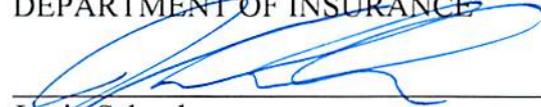
Take notice that the proposed report of the financial examination of

STONEWALL INSURANCE COMPANY

dated as of December 31, 2012, verified under oath by the examiner-in-charge on June 3, 2014, and received by the company on June 17, 2014, has been adopted without modification as the final report pursuant to Neb. Rev. Stat. § 44-5906(3)(a).

Dated this 20 day of June, 2014.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE


Justin Schrader
Chief Financial Examiner

STATE OF NEBRASKA

Department of Insurance

EXAMINATION REPORT

OF

STONEWALL INSURANCE COMPANY

as of

December 31, 2012



TABLE OF CONTENTS

SALUTATION	1
INTRODUCTION	2
SCOPE OF EXAMINATION.....	2
DESCRIPTION OF COMPANY:	
HISTORY	5
MANAGEMENT AND CONTROL:	
Holding Company	6
Shareholder	6
Board of Directors.....	6
Officers	7
Committees	8
TRANSACTIONS WITH AFFILIATES:	
Intercompany Services Agreement	8
Intercompany Investment Agreement.....	9
Consolidated Federal Income Tax Allocation Agreement.....	10
TERRITORY AND PLAN OF OPERATION	10
REINSURANCE:	
Ceded Reinsurance.....	11
Retroactive Reinsurance	12
BODY OF REPORT:	
GROWTH.....	12
FINANCIAL STATEMENTS	13
EXAMINATION CHANGES IN FINANCIAL STATEMENTS	16
COMPLIANCE WITH PREVIOUS RECOMMENDATIONS	16
COMMENTARY ON CURRENT EXAMINATION FINDINGS:	
Schedule T License Information.....	16
SUBSEQUENT EVENT:	
OWNERSHIP AND NAME CHANGE.....	17
SUMMARY OF COMMENTS AND RECOMMENDATIONS.....	17
ACKNOWLEDGEMENT	18
ADDENDUM:	
ORGANIZATIONAL CHART.....	20

Omaha, Nebraska
May 23, 2014

Honorable Joseph Torti, III
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Deputy Director and Superintendent of Insurance
Rhode Island Division of Insurance
1511 Pontiac Avenue, Bldg. #69-2
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Honorable Theodore K. Nickel
Chair, Midwestern Zone, NAIC
Commissioner of Insurance
Wisconsin Office of the Insurance Commissioner
125 South Webster Street
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Honorable Gordon I. Ito
Chair, Western Zone, NAIC
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Hawaii Department of Insurance
335 Merchant Street, Rm. 213
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Honorable Kevin M. McCarty
Insurance Commissioner
Florida Office of Insurance Regulation
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Honorable Bruce R. Ramage
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Honorable Thomas B. Leonardi
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Insurance Commissioner
California Department of Insurance
300 Capitol Mall Suite 1700
Sacramento, California 95814

Honorable Nick Gerhart
Insurance Commissioner
Iowa Insurance Division
601 Locust St., 4th Floor
Des Moines, Iowa 50309

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:

STONEWALL INSURANCE COMPANY
3024 Harney Street
Omaha, Nebraska 68131

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

INTRODUCTION

The Company was last examined as of December 31, 2008 by the State of Rhode Island. The current financial condition examination covers the intervening period to, and including, the close of business on December 31, 2012, and includes such subsequent events and transactions as were considered pertinent to this report. The States of Nebraska, California, Florida, and Iowa participated in this examination, and assisted in the preparation of this report. The examination staff from these states conducted fully coordinated financial condition examinations of the following Company affiliates:

- Berkshire Hathaway Life Insurance Company of Nebraska (BHLN)
- Berkshire Hathaway Homestate Insurance Company (BHHIC)
- Brookwood Insurance Company (BIC)
- Columbia Insurance Company (CIC)
- Cypress Insurance Company (CYP)
- National Fire & Marine Insurance Company (NFM)
- National Indemnity Company (NICO)
- National Indemnity Company of Mid-America (NIMA)
- National Indemnity Company of the South (NISO)
- Oak River Insurance Company (ORIC)
- Redwood Fire and Casualty Insurance Company (RFC)

SCOPE OF EXAMINATION

This 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. The companies examined under this approach benefit to a large degree from common management, systems and processes, 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.

A general review was made 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 shareholders, Board of Directors and committees, held during the examination period, were read and noted. Attendance at meetings, proxy information, election

of Directors and Officers, approval of investment transactions, and authorizations of salaries 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 working papers prepared by Deloitte & Touche LLP, the Company's external auditors, during their audit of the Company's accounts for the years ended December 31, 2011 and 2012. Portions of the auditor's working papers have been incorporated into the working papers 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

On February 10, 1866, the Company was incorporated in Mobile, Alabama, by a special act of the General Assembly of Alabama. The Company commenced business in 1866 with 1,500 common shares. In 1952, an additional 3,750 shares were authorized. During the period from 1952 to 1973, the charter was amended several times to increase the Company's capital.

From 1961 to 2004, The Company full ownership was acquired by the following companies:

<u>Acquiring Company</u>	<u>Acquisition Year</u>
American Life Insurance Company	1961
Greatamerica Corporation	1964
Gulf Life Holding Company	1968
Great American Insurance Company	1977
Stonewall Acquisition Corporation	2000

Effective May 1, 2000, the Company entered into a management agreement with Cavell USA Inc. to provide run-off services

Effective January 1, 2004, the Company re-domesticated from Ohio to Rhode Island.

Effective April 7, 2010, CIC acquired the Company. Effective August 23, 2010, the Company re-domesticated from Rhode Island to Nebraska.

Under provisions of its amended charter and in conformity with Nebraska Statutes, the Company is authorized to write all lines of business prescribed by Section 44-201 of the

Nebraska Insurance Code except life, variable life, variable annuities, credit property, title, and mortgage guaranty insurance.

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 2012 Annual Statement, is attached to this report as an addendum.

Shareholder

The Amended Articles of Incorporation provide that “the Corporation is authorized to issue 100,000 shares of common stock of the par value of \$50 per share.” The current par value was increased from \$20 per share to \$50 per share on September 16, 2011.

As of December 31, 2012, Company records indicated that 100,000 shares were issued and outstanding and that all were owned by CIC.

Due to the amendment to the Articles of Incorporation increasing the par value, common capital stock increased to \$5 million and gross paid-in and contributed surplus decreased to \$71 million as of December 31, 2012.

The Company did not pay any cash dividends during the examination period.

Board of Directors

The Company’s Amended and Restated By-Laws provide that, “at the annual shareholders’ meeting, the shareholders shall elect a Board of Directors consisting of not less than five nor more than nine members who shall hold office for one year or until their successors are elected and qualified.”

The following persons were serving as Directors at December 31, 2012:

<u>Name and Residence</u>	<u>Principal Occupation</u>
Erika Bunner Duffy Fairfield, Connecticut	Legal Counsel of National Liability & Fire Insurance Company (NLF)
Forrest Nathan Krutter Milton Mills, New Hampshire	Senior Vice President, Secretary, and General Counsel of NICO
Kevin Donald Lewis Westport, Connecticut	Assistant Vice President of NLF
Joseph Rocco Liuzzi Media, Pennsylvania	President of the Company
Brian Gerard Snover Stamford, Connecticut	Vice President of the Company

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

Officers

The Company's By-Laws provide that, "the Officers of the Corporation shall be the President, one or more Vice Presidents, a Secretary, an Assistant Secretary, a Treasurer, and such other officers as may be appointed in accordance with the provisions of this Article III."

The following is a listing of Officers elected and serving the Company at December 31, 2012:

<u>Name</u>	<u>Office</u>
Joseph Rocco Liuzzi	President
Forrest Nathan Krutter	Executive Vice President
Brian Gerard Snover	Vice President
Brennan Scott Neville	Secretary
Dale David Geistkemper	Treasurer
Zachary Ryan Royse	Controller

Committees

The Company's By-Laws provide that, "the Board of Directors shall designate from their own number an Executive Committee, an Investment Review Committee, and such other committees as in their sole discretion they shall deem necessary and appropriate."

The Executive Committee was appointed by the Board to have and exercise all the authority of the Board in the management of the Company. The following persons were serving on the Executive Committee at December 31, 2012:

Forrest Nathan Krutter Brian Gerard Snover

The Investment Review Committee was appointed by the Board to supervise and direct the investment funds of the Company. The following persons were serving on the Investment Review Committee at December 31, 2012:

Forrest Nathan Krutter Brian Gerard Snover

The Audit Committee was appointed by the Board to provide oversight of the financial reporting process. The following persons were serving on the Audit Committee at December 31, 2012:

Erika Bunner Duffy Brian Gerard Snover

TRANSACTIONS WITH AFFILIATES

Intercompany Services Agreement

Effective September 9, 2010, the Company entered into an intercompany services agreement with NICO. Under the terms of the agreement, NICO performs various services for the company including: accounting, tax, internal and premium auditing, underwriting, claims, information technology, marketing and support services. NICO also agrees to provide certain property, equipment, and facilities necessary in the conduct of the Company's operations; and also provides the personnel necessary for the company to conduct their normal day-to-day operations. This relationship results in joint operating expenses that are subject to allocation. The method of allocating these expenses is set forth in the intercompany services agreement. The charge to the Company for the services and facilities includes all direct and directly allocable expenses, reasonably and equitably determined to be attributable to the Company. The apportionment of costs is based upon the allocation of salary for NICO employees on a quarterly basis.

Effective April 8, 2010, the Company entered into an intercompany services agreement with NLF. Under the terms of the agreement, NLF may perform various administrative and special services to the Company. The method of allocating these expenses is set forth in the intercompany services agreement. The charge to the Company for the services and facilities includes all direct and directly allocable expenses, reasonably and equitably determined to be attributable to the Company. The apportionment of costs is based upon the allocation of salary for NLF employees on a quarterly basis.

Intercompany Investment Agreement

The Company also is a participant in an intercompany investment agreement effective April 8, 2010 by and between the Company and NICO. NICO is deemed the manager in this agreement and renders investment management services to the Company. The amount billed to the Company for this investment agreement is combined with the amount billed under the intercompany service agreement with NICO mentioned above.

Consolidated Federal Income Tax Allocation Agreement

The Company joins with a group of approximately seven hundred fifty 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 liabilities. A complementary method is used which results in reimbursement by profitable affiliates to loss affiliates for tax benefits generated by loss affiliates.

A written agreement between the Company and BHI, effective April 8, 2010, describes the method of 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 was licensed to write insurance in the following states at December 31, 2012:

Alabama	Alaska	Arizona
Arkansas	California	Colorado
Connecticut	Delaware	Florida
Georgia	Idaho	Illinois
Indiana	Iowa	Kansas
Kentucky	Louisiana	Maine
Maryland	Massachusetts	Michigan
Minnesota	Mississippi	Missouri
Montana	Nebraska	Nevada
New Jersey	New Mexico	North Carolina
North Dakota	Ohio	Oklahoma
Oregon	Pennsylvania	Rhode Island

South Carolina
Texas
Virginia
Wisconsin

South Dakota
Utah
Washington
Wyoming

Tennessee
Vermont
West Virginia

The Company has authority as a Qualified Reinsurer in New York. Prior to 2011, the Company was in run-off, having discontinued writing commercial lines of business in 1990, and completed its withdrawal from the personal lines automobile market in 1995. During 2011, the Company began actively underwriting aviation business.

REINSURANCE

Ceded Reinsurance

As of December 31, 2012, the Company had in effect extensive arrangements for ceding business under formal reinsurance treaties. The Company had inactive treaties and facultative certificates on specific policies. A summary of the Company's principal active treaties was as follows:

<u>Contract</u>	<u>Term</u>	<u>Description</u>
423/424	1/1/74 - 12/31/75	Casualty Excess of Loss Treaty (\$4 million excess of \$1 million)
482/487/652	1/1/76 - 12/31/76	Casualty Excess of Loss Treaty (\$3 million excess of \$1 million)
485/550/650	12/1/75 - 12/31/76	75% Casualty Quota Share Treaty
687	12/1/77 - 12/31/83	Casualty Excess of Loss - 2nd Layer (\$500,000 excess of \$500,000)
687-1	1/1/84 - 12/31/89	Casualty Excess of Loss - 1st Layer (\$500,000 excess of \$500,000)
688	12/1/77 - 12/31/83	Casualty Excess of Loss - 3rd Layer (\$1 million excess of \$1 million)
688-1	1/1/84 - 12/31/89	Casualty Excess of Loss - 2nd Layer (\$1 million excess of \$1 million)

<u>Contract</u>	<u>Term</u>	<u>Description</u>
690	3/1/78 – 12/31/83	Casualty Excess of Loss – 4th Layer (\$3 million excess of \$2 million)
691	1/1/80 – 3/31/83	Casualty Excess of Loss – 5th Layer (\$5 million excess of \$5 million)
694	6/1/84 – 12/31/85	Casualty Excess of Loss (\$3 million excess of \$2 million)

Retroactive Reinsurance

Effective May 1, 2000, the Company entered into a Retroactive Reinsurance Agreement with NICO. The agreement provides for \$240 million of coverage protecting the Company's discontinued commercial business. The agreement provides reimbursement for net losses, allocated loss adjustment expenses and uncollectible reinsurance balances. Consistent with the requirements set forth in SSAP No. 62R, Property and Casualty Reinsurance Section, of the NAIC's Accounting Practices and Procedures Manual, the reinsurance agreement entered into with NICO has been accounted for as retroactive reinsurance for statutory reporting purposes.

BODY OF REPORT

GROWTH

The following comparative data reflects the growth of the Company during the period covered by this examination:

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Admitted assets	\$92,186,782	\$95,108,846	\$96,670,337	\$90,199,851
Loss reserves	66,073,507	86,575,725	98,377,918	87,543,997
Unearned premiums			326,361	1,149,829
Total liabilities	31,335,356	27,538,781	27,854,873	18,855,119
Capital and surplus	60,851,426	67,570,065	68,815,464	71,344,733
Premiums earned			100,221	1,512,747
Losses incurred	(15,560,213)	24,335,448	2,254,015	5,143,142
Net underwriting gain	11,450,260	(24,834,842)	(2,573,796)	(4,649,752)
Net investment gain	2,462,111	2,270,548	2,202,738	2,266,532
Net income	3,129,391	1,980,701	389,789	(478,651)

FINANCIAL STATEMENTS

The following statement of admitted assets and liabilities, together with the accompanying summary of operations, reflects the financial condition of the Company at December 31, 2012 and its transactions during the year 2012, as determined through this examination. A reconciliation of the capital and surplus account for the period under review is also included:

FINANCIAL STATEMENT
December 31, 2012

<u>Assets</u>	<u>Assets</u>	<u>Assets Non- Admitted</u>	<u>Net Admitted Assets</u>
Bonds	\$33,626,068		\$33,626,068
Preferred stocks	8,000,000		8,000,000
Common stocks	6,412,000		6,412,000
Cash	31,993,969		31,993,969
Receivable for securities	<u>9,658</u>	<u> </u>	<u>9,658</u>
Subtotal, cash and invested assets	<u>\$80,041,695</u>		<u>\$80,041,695</u>
Investment income due and accrued	\$ 517,361		\$ 517,361
Uncollected premiums and agents' balances in course of collection	429,876		429,876
Amounts recoverable from reinsurers	8,230,628		8,230,628
Receivables due from parent	980,291		980,291
Advance to third party claims administrator	<u>40,000</u>	<u>\$40,000</u>	<u> </u>
Total	<u>\$90,239,851</u>	<u>\$40,000</u>	<u>\$90,199,851</u>

Liabilities, Surplus and Other Funds

Losses	\$87,543,997
Reinsurance payable on paid losses and loss adjustment expenses	263,325
Loss adjustment expenses	18,937,408
Other expenses	19,604
Taxes, licenses and fees	42,390
Current federal and foreign income taxes	376,855
Net deferred tax liability	4,145,025
Unearned premiums	1,149,829
Ceded reinsurance premiums payable	24,125
Funds held by company under reinsurance treaties	1,057,940
Amounts withheld for account of others	836
Provision for reinsurance	732,000
Drafts outstanding	47,064
Payable to parent, subsidiaries and affiliates	132,890
Retroactive reinsurance reserve – ceded	<u>(95,618,169)</u>
 Total liabilities	 <u>\$18,855,119</u>
 Special surplus from retroactive reinsurance account	 \$31,000,000
Common capital stock	5,000,000
Gross paid in and contributed surplus	70,966,820
Unassigned funds (surplus)	<u>(35,622,087)</u>
 Surplus as regards policyholders	 <u>\$71,344,733</u>
 Total	 <u>\$90,199,852</u>

STATEMENT OF INCOME - 2012

Underwriting Income

Premiums earned	<u>\$ 1,512,747</u>
Deductions:	
Losses incurred	\$ 5,143,142
Loss adjustment expenses incurred	(1,939)
Other underwriting expenses incurred	<u>1,021,296</u>
Total underwriting deductions	<u>\$ 6,162,499</u>
Net underwriting gain (loss)	<u>\$(4,649,752)</u>

Investment Income

Net investment income earned	\$2,266,353
Net realized capital gains less capital gains tax of \$96	<u>179</u>
Net investment gain (loss)	<u>\$2,266,532</u>

Other income

Finance and service charges not included in premiums	\$ 613
Miscellaneous income	<u>261,439</u>
Total other income	<u>\$ 262,052</u>
Net income after capital gains tax and before federal income tax	\$(2,121,168)
Federal income tax incurred	<u>(1,642,517)</u>
Net income	<u>\$ (478,651)</u>

CAPITAL AND SURPLUS ACCOUNT

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Capital and surplus, beginning	\$58,534,297	\$60,851,426	\$67,570,065	\$68,815,464
Net income	\$ 3,129,391	\$ 1,980,701	\$ 389,789	\$ (478,651)
Change in net unrealized capital gains (losses)	(1,132,782)	219,566	(267,763)	3,268,720
Change in net deferred income tax	(1,044,619)	4,810,113	933,976	(624,166)
Change in nonadmitted assets	2,132,268			186,387
Change in provision for reinsurance	4,390	(291,740)	189,397	176,979
Capital change, paid in			3,000,000	
Surplus adjustment, paid in			(3,000,000)	
Prior period adjustment – claim service fees	<u>(771,519)</u>	<u> </u>	<u> </u>	<u> </u>
Net change for the year	<u>\$ 2,317,129</u>	<u>\$ 6,718,640</u>	<u>\$ 1,245,399</u>	<u>\$ 2,529,269</u>
Capital and surplus, ending	<u>\$60,851,426</u>	<u>\$67,570,065</u>	<u>\$68,815,464</u>	<u>\$71,344,733</u>

EXAMINATION CHANGES IN FINANCIAL STATEMENTS

Unassigned funds (surplus) in the amount of (\$35,622,087), as reported in the Company's 2012 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

Schedule T License Information

It was noted that the Company was properly licensed in all jurisdiction but reported incorrect licensure information in Schedule T of its filed December 31, 2012 NAIC Annual Statement and its March 31, 2013 NAIC Quarterly Statement. It is recommended that Schedule T of the Annual Statement be prepared in compliance with the NAIC Annual Statement Instructions.

SUBSEQUENT EVENT

OWNERSHIP AND NAME CHANGE

Effective December 26, 2013, NICO acquired the Company from CIC through a stock purchase agreement. In addition to a change in the organizational structure, NICO contributed approximately \$3 billion in capital to the Company. An Investment Limitation Exemption (as provided under Nebraska Rev. Stat. 44-5119) was granted to allow the Company to make the contribution consisting of no less than five equity securities. Effective February 7, 2014, the Company was renamed Berkshire Hathaway Specialty Insurance Company.

SUMMARY OF COMMENTS AND RECOMMENDATIONS

The following comments or recommendations were made as a result of this examination.

- 1. Schedule T License Information** - It is recommended that Schedule T of the Annual Statement be prepared in compliance with the NAIC Annual Statement Instructions.

ACKNOWLEDGEMENT

The courteous cooperation extended by the Officers and employees of the Company during this examination is hereby acknowledged. In addition to the undersigned, the following participated in this examination and assisted in the preparation of this report:

Examiners

Emilie Brady, CFE, Financial Examiner, Contracted by the State of Iowa, Eide Bailly LLP

Kyo Chu, CFE, Senior Insurance Examiner, California Department of Insurance

Wade Fleischacker, Financial Examiner, Nebraska Department of Insurance

Erin Garvin, AFE, Financial Examiner, Nebraska Department of Insurance

Mei Gu, CFE, Associate Insurance Examiner, California Department of Insurance

Kim Hurst, CFE, Financial Examiner, Nebraska Department of Insurance

Isaak Russell, CFE, Financial Examiner, Nebraska Department of Insurance

Colette Sawyer, CFE, Financial Examiner, Contracted by the State of Florida, INS Regulatory Insurance Services, Inc.

Kevin Stubbs, AFE, Financial Examiner, Nebraska Department of Insurance

Information Technology Specialists

Gary Evans, CFE, CISA, Information Systems Examiner, Nebraska Department of Insurance

Dave Gordon, CFE, CISA, CIA, Contracted by the Nebraska Department of Insurance, INS Services, Inc.

John Albertini, MBA, CISA, CISSP, Contracted by the Nebraska Department of Insurance, INS Services, Inc.

Actuarial Specialists

Gordon Hay, FCAS, MAAA, CPCU, Senior Casualty Actuarial Examiner, Nebraska Department of Insurance

Reinsurance Specialist

Lindsay Crawford, CFE, Reinsurance Specialist, Nebraska Department of Insurance

Don Carbone, CFE, Reinsurance Specialist, Contracted by the Nebraska Department of Insurance, INS Services, Inc.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "PBliss". The signature is written in a cursive, slightly stylized font.

Peter Bliss, CFE
Examiner-in-Charge
Contracted by the Nebraska Department of Insurance
INS Regulatory Insurance Services, Inc.

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. (34.787% owned by Warren E. Buffett)

Affordable Housing Partners, Inc. and owned affiliates

Albecca Inc. and owned affiliates

AU Holding Company, Inc.

Applied Underwriters, Inc.

AEG Processing Center No. 35, Inc.

AEG Processing Center No. 58, Inc.

American Employers Group, Inc.

Applied Investigations, Inc.

Applied Logistics, Inc.

Applied Premium Finance, Inc.

Applied Processing Center No. 60, Inc.

Applied Risk Services of New York, Inc.

Applied Risk Services, Inc.

Applied Underwriters Captive Risk Assurance Company

AUI Employer Group No. 42, Inc.

BH, LLC

Combined Claim Services, Inc.

Coverage Dynamics, Inc.

Employers Insurance Services, Inc.

North American Casualty Co.

Applied Underwriters Captive Risk Assurance Company, Inc.

California Insurance Company

Continental Indemnity Company

Illinois Insurance Company

Pennsylvania Insurance Company

Promesa Health Inc.

Strategic Staff Management, Inc.

Applied Group Insurance Holdings, Inc.

Commercial General Indemnity, Inc.

Ben Bridge Corporation and owned affiliate

Benjamin Moore & Co. and owned affiliates

Berkshire Hathaway Credit Corporation and owned affiliates

Berkshire Hathaway Finance Corporation

BH Columbia Inc.

Columbia Insurance Company

American All Risk Insurance Services, Inc.

American Commercial Claims Administrators Inc.

Berkshire Hathaway Assurance Corporation
 Berkshire Hathaway Reinsurance (Ireland) Limited
 Berkadia Commercial Mortgage LLC
 BH Finance LLC
 BHG Structured Settlements, Inc.
 Berkshire Hathaway Services India Private Limited
 Berkshire India Limited
 Resolute Management Inc.
 CHP Insurance Agency, LLC
 Consolidated Health Plans, Inc.
 Resolute Management Limited
 Resolute Management Services Limited
 Tonicstar Limited
 The British Insurance Company of Cayman
 Medical Protective Corporation
 AttPro RRG Reciprocal Risk Retention Group
 C&R Insurance Services, Inc.
 C&R Legal Insurance Agency, LLC
 Medical Protective Finance Corporation
 Medical Protective Insurance Services, Inc.
 MedPro Risk Retention Services, Inc.
 MedPro RRG Risk Retention Group
 Princeton Insurance Company
 Alexander Road Insurance Agency, Inc.
 Princeton Advertising & Marketing Group, Inc.
 Princeton Risk Protection, Inc.
 Somerset Services, Inc.
 The Medical Protective Company
 Nederlandse Reassurantie Groep NV
 NRG Victory Holdings Limited
 NRG Victory Reinsurance Limited
 NRG America Holding Company
 Philadelphia Reinsurance Corporation
 NetJets IP, LLC
 Ringwalt & Liesche Co. and owned affiliates
 Stonewall Insurance Company
 BH Housing LLC
 BH Shoe Holdings, Inc. and owned affiliates
 BH-IMC Holdings B.V and owned affiliates
 BHSF, Inc. and owned affiliates
 Blue Chip Stamps, Inc.
 Borsheim Jewelry Company, Inc.
 Brookwood Insurance Company
 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
 CORT Business Services Corporation
 CTB International Corp. (CTBI) and owned affiliates
 Cypress Insurance Company
 Forest River, Inc. and owned affiliates
 Mobile Disaster Structures, Inc.
 Priority One Financial Services, Inc.
 Vertis Insurance Group, Inc.
 Fruit of the Loom, Inc. and owned affiliates
 Garan, Incorporated and owned affiliates
 Gateway Underwriters Agency, Inc.
 General Re Corporation
 General Reinsurance Corporation
 Elm Street Corporation
 General Re Compania de Reaseguros, S.A.
 General Re Life Corporation
 Idealife Insurance Company
 General Reinsurance AG
 Faraday Reinsurance Co. Limited
 General Star International Indemnity Ltd.
 Gen Re Beirut s.a.l. offshore
 Gen Re Warsaw Sp. z.o.o.
 General Re Holdings Limited
 Gen Re Services UK Limited
 General Reinsurance Africa Ltd.
 General Reinsurance AG Escritório de Rep. o Brasil Ltda.
 General Reinsurance Life Australia Ltd.
 General Reinsurance México, S.A.
 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
 Commercial Casualty Insurance Company
 International America Group Inc.
 American Centennial Insurance Company
 International American Management Company
 General Re-New England Asset Management, Inc.
 GR-NEAM Limited
 United States Aviation Underwriters, Inc.
 Canadian Aviation Insurance Managers Ltd.
 Gen Re Intermediaries Corporation

Faraday Holdings Limited
Faraday Underwriting Limited
Faraday Capital Limited
GRF Services Limited
GRD Holdings Corporation
General Re Financial Products Corporation
Gen Re Long Ridge, LLC
Helzberg's Diamond Shops, Inc. and owned affiliate
International Dairy Queen, Inc. and owned affiliates
Johns Manville Corporation and owned affiliates
Jordan's Furniture, Inc.
Justin Industries, Inc and owned affiliates
Marmon Holdings, Inc. and owned affiliates
MidAmerican Energy Holdings Company and owned affiliates
MiTek Industries, Inc. and owned affiliates
MS Property Company and owned affiliate
National Fire & Marine Insurance Company and owned affiliates
Redwood Fire and Casualty Insurance Company
National Indemnity Company
Atlanta International Insurance Company
Berkshire Hathaway International Insurance Limited (UK)
Berkshire Hathaway Life Insurance Company of Nebraska
Berkshire Hathaway Homestate Insurance Company
First Berkshire Hathaway Life Insurance Company
FlightSafety International Inc. and owned affiliates
Oak River Insurance Company
BHG Life Insurance Company
Boat America Corporation and affiliates
Burlington Northern Santa Fe, LLC and owned affiliates
CLAL U.S. Holdings, Inc.
GUARD Financial Group, Inc.
GUARD Insurance Group, Inc.
AmGUARD Insurance Company
EastGUARD Insurance Company
GUARDco, Inc.
InterGUARD, Ltd.
Affiliated Agency Operations Co.
TransGUARD, Ltd.
NorGUARD Insurance Company
WestGUARD Insurance Company
Continental Divide Insurance Company
Finial Holdings, Inc.
Finial Reinsurance Company
GEICO Corporation
Clayton Homes, Inc. and owned affiliates
CMH Capital, Inc. and owned affiliates

Eastern States Life Insurance Co.
 HomeFirst Agency, Inc.
 Midland States Life Insurance Co.
 Vanderbilt Property and Casualty Insurance Co., LTD
 CMH Services, Inc. and owned affiliates
 GEICO Advantage Insurance Company
 GEICO Choice 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
 GEICO General Insurance Company
 GEICO Insurance Agency, Inc.
 Government Employees Financial Corporation
 Plaza Financial Services Company
 International Insurance Underwriters, Inc.
 Maryland Ventures, Inc.
 McLane Company, Inc. and owned affiliates
 Claims Services, Inc.
 Plaza Resources Company
 Top Five Club, Inc.
 TTI, Inc. and owned affiliates
 National Indemnity Company of Mid-America
 National Indemnity Company of the South
 SLI Holding Limited
 The Scottish Lion Insurance Company Limited
 Tenecom Limited
 Kyoei Fire & Marine Insurance Co. Limited
 The British Aviation Insurance Company Limited
 Transfercom Limited
 Unione Italiana Reinsurance Company of America, Inc.
 National Liability & Fire Insurance Company
 Nebraska Furniture Mart, Inc. and owned affiliates
 NetJets Inc. and owned affiliates
 Northern States Agency, Inc.
 Global Aerospace Underwriting Managers Limited
 Associated Aviation Underwriters Limited
 BAIG Limited
 British Aviation Insurance Group (Canada) Ltd
 British Aviation Insurance Group (Technical Services) Limited
 British Aviation Insurance Group (Underwriting Services) Limited
 Global Aerospace Underwriters Limited
 Global Aerospace Underwriting Managers (Canada) Limited

Global Aerospace Underwriting Managers (USA), Inc.
Global Aerospace, Inc.
Global Limited
OTC Worldwide Holdings, Inc. and owned affiliates
Precision Steel Warehouse, Inc. and owned affiliates
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
Star Furniture Company
The Buffalo News, Inc.
The Fechheimer Brothers Company and owned affiliates
The Lubrizol Corporation and owned affiliates
The Pampered Chef, Ltd.
U.S. Investment Corporation
 United States Liability Insurance Company
 Mount Vernon Fire Insurance Company
 Mount Vernon Specialty Insurance Company
 U.S. Underwriters Insurance Company
Wesco-Financial Insurance Company
 The Kansas Bankers Surety Company
XTRA Corporation and owned affiliates

State of Vermont

County of Chittenden

Peter Bliss, being duly sworn, states as follows:

1. I have authority to represent Nebraska Dept. of Ins. in the examination of eight companies listed below.
2. Nebraska Dept. of Ins. 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 eight companies listed below was performed in a manner consistent with the standards and procedures required by

Nebraska Dept. of Ins.

National Indemnity Insurance Company
Berkshire Hathaway Homestate Insurance company
National Fire and Marine Insurance Company
Columbia Insurance Company
Redwood Fire Insurance Company
Oak River Insurance Company
Stonewall Insurance Company
Berkshire Hathaway Life Insurance Company of Nebraska

The affiant says nothing further.



Examiner's Signature

Subscribed and sworn before me by PETER BLISS on this THIRD day of JUNE, 20 14.

(SEAL)



Notary Public MARGO PLANK

My commission expires 02.10.2015 [date].