

AUG 02 2022

BEFORE THE DEPARTMENT OF INSURANCE  
STATE OF NEBRASKA

FILED

IN THE MATTER OF THE	)	FINDINGS OF FACT, CONCLUSIONS
ACQUISITION OF CONTROL OF	)	OF LAW AND ORDER
PLATTE RIVER INSURANCE	)	
COMPANY	)	
	)	CAUSE NO.: C-2791

On April 22, 2022, Berkshire Hathaway Inc. and O&M Acquisition Company, (collectively known as the “Applicants,”) filed an application (“Form A”) seeking the approval of the Nebraska Department of Insurance (“Department”) to acquire control of Platte River Insurance Company (“Platte River”), a Nebraska domestic insurer, pursuant to the Insurance Holding Company System Act, Neb. Rev. Stat. §§ 44-2120 to 44-2153. The filing was subsequently supplemented multiple times, with the final supplement being received by the Department on or about July 5, 2022. A Notice of Public Hearing was issued on July 7, 2022.

On July 28, 2022, a public hearing was held before the Department. Eric Dunning, the Director of the Department, presided over the hearing. The hearing was recorded by Shelly Storie, a Notary Public.

The Applicants were present, and represented by Bruce Byrnes, in his capacity as Senior Counsel to the Berkshire Hathaway Group of Insurance Companies. Applicants presented testimony in favor of the acquisition through Bruce Byrnes as well, in his role as Vice-President of the Berkshire Hathaway Group of Insurance Companies. Exhibits were offered by Applicants and received into the record without objection. Applicants provided Platte River Insurance Company, as well as Alleghany, their parent company, with timely notice of the hearing as required pursuant to Neb. Rev. Stat. § 44-2127(2).

The Department was present and represented by Justin Schrader, Chief Financial Examiner, and Megan VanAusdall, Legal Counsel.

Exhibits were offered by Applicants and by the Department and received into the record. No testimony or documentary evidence was offered in opposition to the proposed acquisition.

Alleghany was also represented and present at the hearing, as the parent company of Platte River Insurance Company, but did not offer any written testimony or exhibits.

On the basis of the testimony and evidence submitted at the hearing, the hearing officer recommends approval of the application and finds and concludes as follows:

#### FINDINGS OF FACT

1. On or about April 22, 2022, the Department received a verified Form A application from the Applicants for approval to acquire control of Platte River Insurance Company. The Form A application and subsequent amendments were filed pursuant to the Insurance Holding Company System Act, Neb. Rev. Stat. §§ 44-2120 to 44-2153 (the “Act”), specifically § 44-2126.

2. Platte River is a domestic insurer organized under and governed by the laws of the State of Nebraska. Platte River is a wholly owned subsidiary of Alleghany Corporation, a Delaware domiciled insurance company. Platte River holds a Certificate of Authority to transact the business of commercial property and casualty insurance in this state, as well as fidelity and surety.

3. The Applicant, Berkshire Hathaway Inc., is a publicly listed entity with executive offices in Omaha, Nebraska. Berkshire Hathaway Inc. is a holding company owning subsidiaries that engage in a number of diverse business activities, including insurance and reinsurance, freight rail transportation, utilities and energy, finance, manufacturing, services and retailing. As such, for the meaning of control under Neb. Rev. Stat. §44-2121, Berkshire Hathaway Inc. would be the

ultimate controlling party of Platte River upon closing of this transaction.

4. On or about March 20, 2022, Applicants and Alleghany Corporation executed an Agreement and Plan of Merger (“Acquisition Agreement”) for the capital stock of Platte River. The Acquisition Agreement provides for Applicants to acquire, at closing, all issued and outstanding shares of capital stock in Platte River from Alleghany. The Acquisition Agreement provides for the transaction to close as soon as practical following, among other things, the proper regulatory approval of the Nebraska Department of Insurance.

5. As consideration for the transaction and pursuant to the Acquisition Agreement, Applicants shall pay Alleghany an amount equal to \$11.6 billion in cash.

7. Applicants have no current plans to cause Platte River to pay any extraordinary dividends, to liquidate Platte River, to sell the assets of Platte River, or to merge Platte River with any person. Applicants do not intend to make any other material change to Platte River’s business, corporate structure or management that would be unfair or unreasonable to Platte River’s policyholders or contrary to the public interest.

8. Applicants have filed all the documents and information required by law and requested by the Department.

#### CONCLUSIONS OF LAW

1. The Department and Director have jurisdiction over the subject matter of this proceeding.

2. On the basis of the materials filed, correspondence received, and evidence presented at the hearing, the following conclusions are made as to the requirements of Neb. Rev. Stat. § 44-2127(1):

a. After the change of control, Platte River will satisfy the requirements for issuance

of a Certificate of Authority to conduct the business of insurance in the State of Nebraska and write the lines of insurance for which it is presently licensed;

b. The effect of this acquisition will not substantially lessen competition in insurance in this state or tend to create a monopoly therein, nor will this acquisition violate the laws of the state of Nebraska;

c. The financial condition of Applicants is such that it would not jeopardize the financial stability of Platte River or prejudice the interest of policyholders of Platte River;

d. The Applicants have no current plans or proposals to liquidate Platte River, to sell its assets or consolidate or merge it with any person, or to make any other material change in its business or corporate structure of management which would be unfair and unreasonable to policyholders of the insurer and not in the public interest;

e. The competence, experience, and integrity of those persons who would control the operation of Platte River is sufficient to reasonably assure that permitting the acquisition of control would not adversely affect the interest of policyholders of the insurer and of the public;

f. Applicants are not subject to the provisions of Neb. Rev. Stat. § 44-6115 under the Demutualization Act; and

g. The acquisition will not be hazardous or prejudicial to the public.


#### ORDER

IT IS THEREFORE ORDERED that Applicants' Form A application to acquire Platte River be approved, subject to the following condition:

Within fifteen (15) days after the end of the month in which the transaction closes, Applicants shall file with the Department an Insurance Holding Company System Registration Statement, and any other filings required, in accordance with Neb. Rev. Stat. § 44-2132, et seq.

Dated this 2<sup>nd</sup> day of August, 2022.

STATE OF NEBRASKA  
DEPARTMENT OF INSURANCE



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ERIC DUNNING  
Director of Insurance

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Order was sent to Bruce Byrnes, Esq., Berkshire Hathaway Inc., 100 First Stamford Place, Stamford, Connecticut, 06902 by U.S. Mail, postage prepaid, on this 2<sup>nd</sup> day of August, 2022.



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