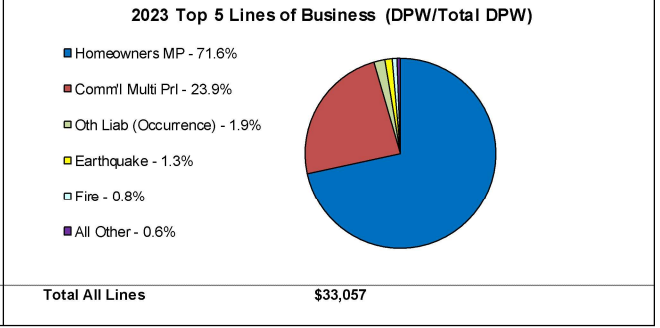
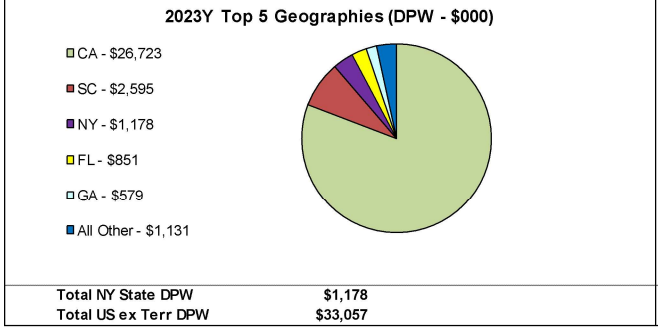
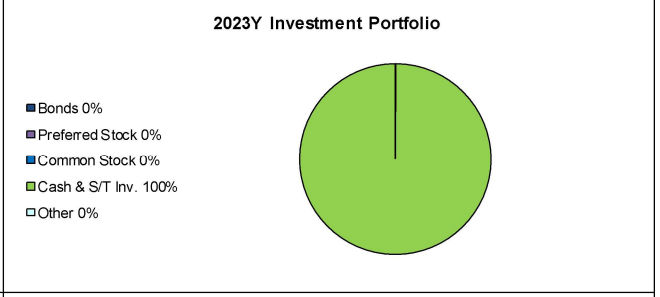
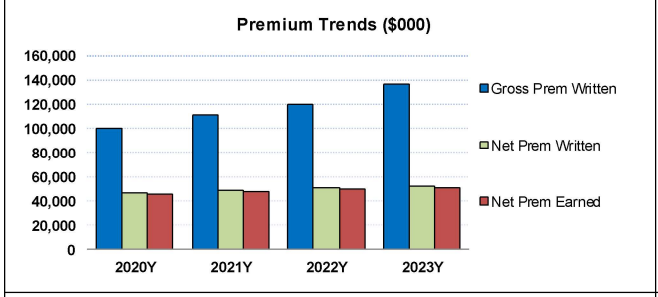
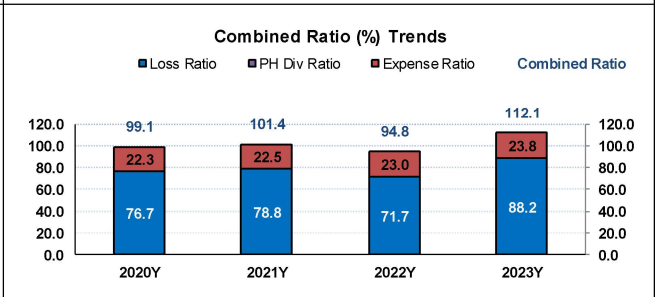
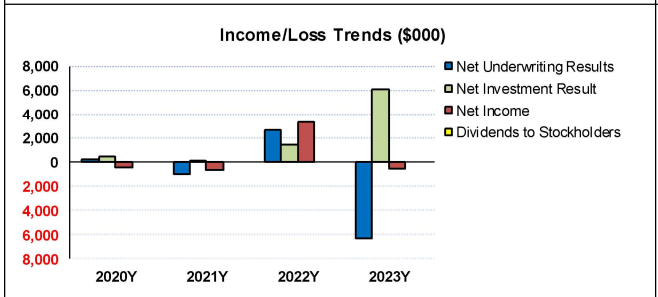




**AZGUARD INSURANCE COMPANY NAIC #16495  
PARENT – Berkshire Hathaway Inc**

Dollars in 000

	2020Y	2021Y	2022Y	2023Y		2020Y	2021Y	2022Y	2023Y
Total Assets	137,755	158,398	172,996	194,090	RBC Ratio (%)	1,481.2	1,129.5	1,019.1	876.1
Total Liabilities	85,164	106,071	117,334	138,720	2yr Res Development	0	1,716	-379	2,557
Policyholder Surplus	52,591	52,327	55,662	55,370	2yr Dev / Surplus	0.0%	325.6%	-72.1%	488.7%
Cash & Invested Assets	85,708	101,059	112,544	127,871	Affiliated Common Stock	0	0	0	0
Cash & Invested Assets / Total Assets	62.2%	63.8%	65.1%	65.9%	Affiliated CS / Surplus	0.0%	0.0%	0.0%	0.0%
Net Cash from Operations	24,427	15,317	11,194	14,278	Net Reins Recoverable	59,290	76,437	87,246	103,373
Loss & LAE Reserves	40,188	53,314	59,952	71,699	Net Reins Rec / Surplus	112.7%	146.1%	156.7%	186.7%
Loss & LAE Reserves/Surplus	76.4%	101.9%	107.7%	129.5%	AMB / S&P Ratings	A+ / NR	A+ / NR	A+ / NR	A+ / NR



**TOP 5 REINSURERS FOR AZGUARD INSURANCE CO. BY GROSS RECOVERABLES**

PERIOD: 2023Y

Dollars in 000

Reinsurer	Reinsurance Class	Reins Authorized Status	Gross Recov	Over 120 Days Overdue
1 - National Indemnity Company	US Affiliated Non-captive Non-pooling	Authorized	104,757	0
2 - NorGUARD Insurance Company	US Affiliated Pooling	Authorized	22,563	0
3 - The Hartford Steam Boiler Inspection and Insurance Company	US Unaffiliated	Authorized	62	0
4 - General Reinsurance Corporation	US Affiliated Non-captive Non-pooling	Authorized	13	0
5 - -	-	-	-	-

**Important Information Regarding Financial Summaries**

This financial summary contains information helpful to New York excess lines brokers in meeting their non-delegable duty to use "due care" in the selection of a financially secure excess line insurer. Definitions of the financial terms used in the summaries appear as pop-up boxes when hovering your mouse over the corresponding text. For additional guidance on assessing insurance company financial statements, please reference "ELANY COMPLIANCE ADVISOR: FUNDAMENTALS OF INSURANCE COMPANY FINANCIAL ANALYSIS".

The Excess Line Association of New York has compiled the insurance company financial information from the Annual Statutory Financial Statements. All ratios, charts, and graphs are based on the compiled information. We have made every effort to ensure all information transcribed for these pages is correct. However, the Excess Line Association of New York cannot attest to the accuracy of data provided by its sources, nor do we make any warranties, either expressed or implied, regarding the accuracy or completeness of information presented in this document. We assume no responsibility for loss or damage resulting from the use of this information.

See A.M. Best and S&P Disclaimer on Summary Report page.

## ULTIMATE PARENT – Berkshire Hathaway Inc

Corporate Profile		Financial Strength Ratings
Address:	Berkshire Hathaway Inc. 3555 Farnam Street Omaha, NE, 68131	S&P Global: - Moody's: #OUTSIDE SUBSCRIPTION Fitch: - AM Best - P&C: -
Website:	<a href="http://www.berkshirehathaway.com">www.berkshirehathaway.com</a>	
President :	Warren E. Buffett	
Ticker Symbol:	NYSE: BRK.A	
SEC Filing:	<a href="#">10-K</a>	

Highlights (\$000)	2020Y	2021Y	2022Y	2023Y
Total Assets	873,729,000	959,388,000	948,465,000	1,069,978,000
Total Policy Reserves	163,831,000	175,270,000	191,297,000	196,449,000
Total Debt	122,364,000	119,253,000	127,683,000	133,570,000
Total Other Liabilities	62,100,000	65,530,000	70,436,000	76,180,000
Sep Account Liabilities	0	0	0	0
Total Liabilities	422,393,000	449,089,000	466,784,000	499,208,000
<b>Total Equity</b>	<b>451,336,000</b>	<b>510,299,000</b>	<b>481,681,000</b>	<b>567,509,000</b>
Total Liab & Equity	873,729,000	959,388,000	948,465,000	1,066,717,000
Book Value / Share (\$)	287,030.75	339,487.04	324,322.32	389,371.92
Reserves / Investments & Cash (x)	0.36	0.33	0.39	0.34
Reserves / Liabilities (x)	0.39	0.39	0.41	0.39
Reserves / Equity (x)	0.36	0.34	0.40	0.35
Debt / Equity (x)	0.27	0.23	0.27	0.24
Dec. 31 Closing Price (\$)	347,815.00	450,662.00	468,710.96	542,625.03
Net Income (\$)	43,253,000	90,949,000	-21,998,000	97,147,000
Basic EPS (\$)	26,668.00	59,554.00	-15,494.00	66,412.00
Investment Yield (%)	12.31	17.88	-11.25	17.44
Ratios (%)				
Loss Ratio	77.16	79.11	83.82	73.01
Expense Ratio	NA	NA	NA	NA
PH Dividend Ratio	NA	NA	NA	NA
Combined Ratio	NA	NA	NA	NA

## **HISTORY**

AZGUARD Insurance Company (AZGUARD) was incorporated in the State of Nebraska in the fourth quarter of 2018 and began operations in January 2019. It operates as an Excess & Surplus lines property and casualty carrier for the Group. The company allows GUARD (Berkshire Hathaway insurance companies) additional flexibility in the kinds and size of risks that can be written. In September of 2019, AZG began writing homeowners' policies on an Excess & Surplus basis in the state of California and is expanding those offerings into other jurisdictions. As of December 31, 2023, AZGUARD is licensed in Nebraska and operated on a non-admitted basis in most states and the District of Columbia

## **REINSURANCE**

Effective January 1, 2019, AZGuard joined the Guard insurance companies reinsurance pooling agreement as follows: NorGUARD Insurance Company 45%, AmGUARD Insurance Company 35%, AzGUARD Insurance Company 5%, EastGuard 10% and WestGUARD Insurance Company 5%. AzGUARD currently offers non-admitted Homeowners and Businessowner's policies in limited states. For the years 2020 through 2023, respectively, AzGUARD net reinsurance recoverable was shown as \$59M, \$76M, \$87M and \$103M, representing 113%, 146, 157% and 187%, of the Company's surplus.

## **HOLDING COMPANY**

With roots dating to 1839 in Rhode Island American textile manufacturing, the early company merged with Berkshire Fine Spinning, who in 1955 merged with the Hathaway Manufacturing Company to form the Berkshire Hathaway Company with headquarters in Omaha, NE. Having grown and expanded from these roots, Berkshire Hathaway, Inc. is one of the largest publicly traded investment firms in the world, holding investments in insurance and reinsurance groups and all related services and activities, consumer goods, railroads, energy (gas and electric), industrial manufacturing and supplies, retail. AM Best collectively rates over sixty (60) insurance subsidiaries with Berkshire Hathaway/National Indemnity/General Reinsurance Corp./Alleghany Ins. group of companies, including AZGUARD Insurance Company. For the years 2020 through 2023, the Berkshire Hathaway Group was rated by AM Best and S&P as 'A++/AA+' and assigned the financial size of XV (\$2bn >).

## **SUBSEQUENT NOTEWORTHY OBSERVATIONS**

Last revised: May 2024

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Financial Term	Definition
2y Dev/Surplus (IRIS #12)	Reflects the magnitude of two years of loss reserve development in relation to prior reported surplus. A positive ratio indicates the portion of reserves that may have been underestimated in prior years in relation to prior year's surplus. A negative ratio indicates the portion of reserves that may have been overestimated in prior years in relation to prior year's surplus.
2yr Res Development	The two-year increase or decrease in loss and loss adjustment expenses as a result of the re-estimation of reserves. A positive number indicates that reserves may have been underestimated in prior years. A negative number indicates that reserves may have been overestimated in prior years.
Affiliated Common Stock	The amount of common stock owned by the insurer that represents investments in affiliates or subsidiaries.
Affiliated CS / Surplus	The percentage of surplus that is comprised of investments in affiliates or subsidiaries.
AMB / S&P Ratings	Financial strength ratings from AM Best Company and Standard & Poor's. <sup>1</sup>
Cash & Invested Assets	Bonds, stocks, mortgage loans on real estate, real estate, cash related investments, contract loans, invested assets, write-ins and receivable for securities.
Cash & Invested Assets/Total Assets	A measure of liquidity that indicates the portion of assets held in cash or marketable securities.
Combined Ratio	A measure of overall underwriting profitability. It is the sum of the loss and expense ratios. A combined ratio of less than 100% indicates an underwriting profit.
Dividends to Stockholders	Distribution of earnings to stockholders paid in the form of money, stock, scrip, etc. The amount is decided by the board of directors.
DPW – Direct Premiums Written	Premiums written including gross premiums booked, adjusted for additional or return premiums, on policies where the company is the primary or direct carrier, as it relates to a specific line of business.
Expense Ratio	The ratio of underwriting expenses to net premiums written. The ratio represents the percentage of net premiums written that went toward underwriting expenses, such as commissions to agents and brokers, state and municipal taxes, salaries, employee benefits and other operating costs.
Gross Premiums	The total premium written and assumed by an insurer before deductions for reinsurance.
Loss & LAE Reserves	The estimated liability for unpaid insurance claims that have occurred as of a given evaluation date. Usually includes losses incurred but not reported (IBNR), losses due but not yet paid, and amounts not yet due. For individual claims, the loss reserve is the estimate of what will ultimately be paid out on that claim.
Loss & LAE Reserves/Surplus	Loss and loss adjustment expense reserves as a percentage of policyholders' surplus. The higher the value, the greater the insurer's reserve leverage and the greater the financial pressure on surplus.
Loss Ratio	The ratio of incurred losses and loss adjustment expenses to net premiums earned. A measure of the underlying profitability, or loss experience, of a total book of business.
Net Cash from Operations	Indicates net cash generated from insurance operations, including underwriting and investment activities, after accounting for dividends and taxes paid.
Net Income	The total after-tax earnings generated from operations as reported in the insurance company's statutory annual statement.
Net Investment Result	The return received by insurers from their investment portfolios including interest, dividends and realized capital gains/losses on stocks.
Net Premiums Earned	The portion of net premiums written that the policyholder has already paid and for which the insurance company has already afforded coverage.
Net Premiums Written	Represents gross premium written less reinsurance ceded.

Financial Term	Definition
Net Reins Rec / Surplus	Measures the dependence on reinsurers and potential exposure to adjustments on such reinsurance as a percentage of surplus.
Net Reins Recoverable	The total ceded reinsurance recoverables due for paid losses, unpaid losses, losses incurred but not reported (IBNR), unearned premiums and commissions less funds held from reinsurers.
Net Underwriting Results	Net premiums earned less incurred losses, loss adjustment expenses, and underwriting expenses incurred.
PH Div Ratio	A return of premium to policyholders based upon financial results of the company and lower-than-expected claims. Usually paid by mutual companies
Policyholder Surplus	The difference between total admitted assets and total liabilities. It also is the sum of paid in capital, paid in and contributed surplus, and net earned surplus, including voluntary contingency reserves. As of January 1, 2019, the minimum policyholder surplus requirement for eligible insurers in New York is \$47 million.
RBC Ratio (%)	<p>This ratio identifies the insurers that are inadequately capitalized by dividing total adjusted capital by the minimum amount of capital that regulatory authorities feel is necessary to support their operations and investments.</p> <p>A ratio of 200% or more results in “no action” from regulators. However, insurers whose ratio is between 200% and 300% may be subject to the Property/Casualty trend test, which will trigger a “Company Action Level” event if the insurer’s combined ratio is greater than 120%.</p> <p>A ratio of 150% to 200% results in a “Company Action Level”, under which the insurer must prepare a report to the regulator outlining a comprehensive action plan that identifies the conditions that contributed to their current financial condition as well as remediation plans.</p> <p>A ratio of 100% to 150% results in a “Regulatory Action Level”. In addition to the insurer filing an action plan, the state insurance commissioner is required to perform any examinations or analyses that he or she deems necessary and issue appropriate corrective orders to address the insurer’s financial problems.</p> <p>A ratio below 100% triggers an “Authorized Control Level” or “Mandatory Control Level”, under which the regulator can take steps to place the insurer under its control.</p>
Total Assets	Assets that are permitted by state law to be included in the company’s financial statements. Admitted assets generally include assets that are liquid and whose value can be objectively assessed, or receivables that can reasonably be expected to be paid.
Total Liabilities	A summation of all company obligations recognized on the balance sheet. This includes provisions for loss and unearned premium reserves, commissions payable and other balances due.

<sup>1</sup> AM Best - A Best’s Financial Strength Rating is an independent opinion of an insurer’s financial strength and ability to meet its ongoing insurance policy and contract obligations. It is not a warranty of a company’s financial strength and ability to meet its obligations to policyholders. “View our “Guide Best’s Credit Ratings” for rating disclosures related to the use and limitations of Best’s Credit Rating, and for additional information regarding the development of a Best’s Credit Rating, and other rating-related information and definitions. <https://web.ambest.com/home>

<sup>1</sup>S&P - Please see “Intro to Credit Ratings” at <http://www.spglobal.com/understandingratings> to learn more.