

BHGS

BerkshireHathawayGroup
STRUCTURED SETTLEMENTS



Securing Your Future

At the Berkshire Hathaway group of insurance companies, the fundamental feature common to our products is our exceptional financial strength. A fair price and exceptional service are key ingredients, but what really differentiates us is a superior ability to fulfill our obligations.

Berkshire Hathaway Inc. ranked No. 2 on Barron's 2016 list of Most Respected Companies, No. 4 on Fortune Magazine's 2016 list of the World's Most Admired Companies and No. 1 on the same list in the category Insurance: Property and Casualty. Insurance is a core business at Berkshire Hathaway Inc. - over 40% of the Company's net worth is in its insurance companies. No other company with significant insurance activities ranked in the top 50 on either list.

WHAT IS A STRUCTURED SETTLEMENT?

A structured settlement is an arrangement that allows you to accept a portion of the proceeds from your personal physical injury settlement in the form of future payments¹. Since 1975, life insurers have issued structured settlement annuities in connection with approximately 850,000 cases with premiums totaling more than \$150 Billion².

WHY SHOULD I CONSIDER A STRUCTURED SETTLEMENT?



Income Tax Free

Your personal physical injury settlement will be free of federal, state and local income tax.³ If you use a structured settlement for a portion of those proceeds, you will also grow those funds income tax free over time. However, earnings on funds you invest outside of a structured settlement may be subject to income tax⁴.



Customizable

You can customize the payments to fit your financial needs. Payments can be scheduled to provide for additional monthly income or for ongoing medical expenses such as attendant care. Payments for a child can be designed to provide for college tuition and even money for a first house.



Free of Market Risk

100% of the promised payments will come when scheduled regardless of changes in interest rates or the stock market's performance.



Protects Against Longevity Risk

Your benefits can be structured to pay over an extended period of time, including the rest of your life. That way, you know you will never run out of money, even if you live well past 100.

HOW DOES A BERKSHIRE HATHAWAY GROUP STRUCTURED SETTLEMENT WORK?

Your payments will be designed by you and your advisors with careful planning in order to address your financial needs and goals. The defendant or its insurer will agree to make the structured payments to you and will assign that obligation to BHG Structured Settlements, Inc. (BHGSS). BHGSS will purchase an annuity from Berkshire Hathaway Life Insurance Company of Nebraska⁵ providing you with the same future payments. Once the assignment is completed, the payments cannot be altered, so thoughtful planning by you and your experts is key.

WHY SHOULD I CHOOSE BERKSHIRE HATHAWAY GROUP FOR MY STRUCTURED SETTLEMENT?

You can count on the Berkshire Hathaway Group entities involved to meet their obligations. In addition to knowing that your future payments will come from Berkshire Hathaway Life Insurance Company of Nebraska, you will also have the comfort that when cases are assigned to BHGSS, Columbia Insurance Company will guarantee those payments. Columbia Insurance Company, BHGSS's parent, is an extraordinarily well-capitalized member of the Berkshire Hathaway group of insurance companies. The combination of the Berkshire Hathaway Life Insurance Company of Nebraska annuity and the Columbia Insurance Company guarantee makes your structured settlement an extremely safe and stable alternative.

WHAT MAKES THE COLUMBIA INSURANCE COMPANY GUARANTEE SO VALUABLE?

Your net worth equals the value of your assets minus the value of your liabilities. Your assets might include a house, a car, a bank account and your retirement savings. Your liabilities might include a home mortgage, a car loan, and credit card debt. The more your assets exceed your liabilities, the more secure you are.

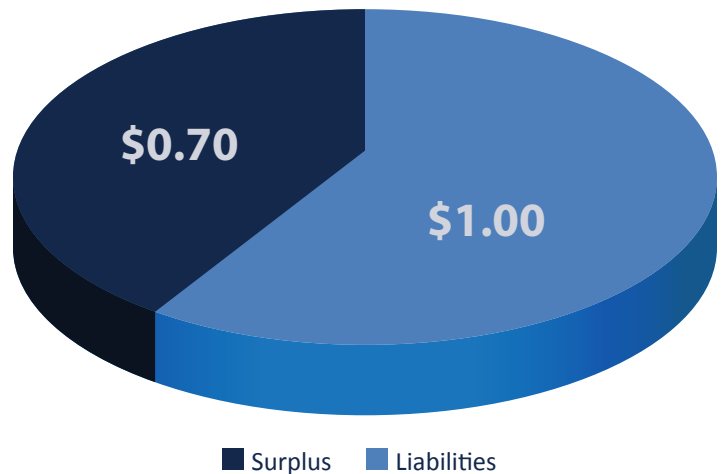
Likewise, a property & casualty insurance company's net worth (sometimes called 'Surplus'), is the company's assets minus the company's liabilities. Simplified for purpose of example, an insurance company's assets are cash and investments, and its liabilities are future claim obligations in respect of insurance policies. Columbia Insurance Company's capital structure is extremely secure, with \$20.7 Billion of Admitted Assets, \$5.2 Billion of Liabilities, and \$15.5 Billion of Surplus as at December 31, 2016.

According to A.M. Best, the rating agency that specializes in insurance companies, there were 55 property & casualty insurance companies reporting \$3 Billion or more of Surplus as of year-end 2015. Seven are members of the Berkshire Hathaway group of insurance companies. When put together, the remaining 48 have \$0.70 of surplus beyond each \$1.00 of assets necessary to cover liabilities. Columbia Insurance Company has a remarkable \$2.97 of surplus beyond each \$1.00 of assets necessary to cover liabilities (more than 4 times as much).

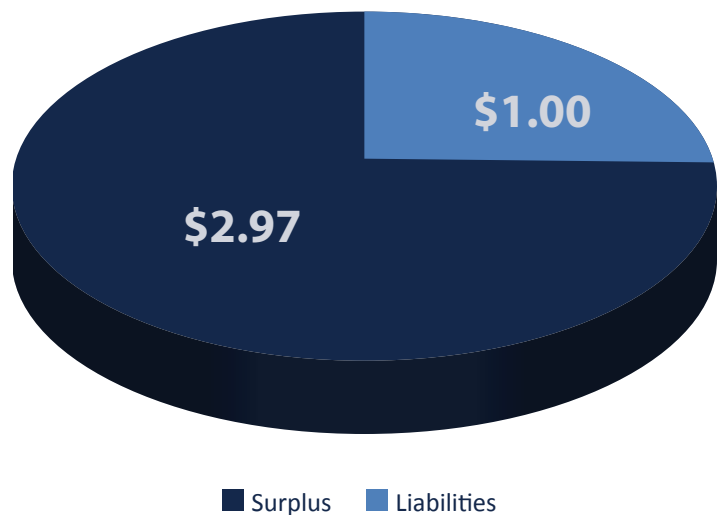
Columbia Insurance Company's "extra" Surplus is available as a safety net to protect your payments and makes Columbia Insurance Company the ideal guarantor for a promise that can last a lifetime.

Asset Composition Comparison

Large P&C Insurance Companies Not Part of Berkshire Hathaway Group



Columbia Insurance Company



NOTES

- 1 Settlements generally include an immediate lump sum as well. The lump sum can be used to settle liens, pay attorney fees, and provide for immediate needs like home renovations. Since structured settlement payment schedules are agreed upon at the time of settlement, a portion of the immediate lump sum can also be set aside to provide a flexible source of funds to accommodate large unanticipated needs.
- 2 Beyond Structured Settlements (February 29, 2016).
http://s2kmblog.typepad.com/rethinking_structured_set/2016/02/structured-settlement-update-2015-annuity-sales.html
- 3 This tax advantage applies to personal physical injury claims and workers' compensation claims. Punitive damages and pre- and post-judgment interest do not receive this favorable tax treatment.
- 4 Exceptions include interest from triple tax free municipal bonds.
- 5 In New York, our annuities are provided by First Berkshire Hathaway Life Insurance Company, which is owned by Berkshire Hathaway Life Insurance Company of Nebraska.

FINANCIAL HIGHLIGHTS

ASSIGNMENT COMPANY

BHG Structured Settlements, Inc.

- Domiciled in Missouri
 - Obligations guaranteed by Columbia Insurance Company
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GUARANTOR (ASSIGNED CASES)

Columbia Insurance Company

• Domiciled in Nebraska	ASSETS	LIABILITIES	SURPLUS*
• AM Best Rating: A++ (Superior)	\$20.7 B	\$5.2 B	\$15.5 B

ANNUITY ISSUERS

Berkshire Hathaway Life Insurance Company of Nebraska (“BHLN”)

• All States except New York	ASSETS	LIABILITIES	SURPLUS*
• Domiciled in Nebraska	\$18.0 B	\$13.6 B	\$4.4 B
• AM Best Rating: A++ (Superior)			

First Berkshire Hathaway Life Insurance Company (“FBHL”)

• New York Only	ASSETS	LIABILITIES	SURPLUS*
• Domiciled in New York	\$186.1 M	\$76.5 M	\$109.6 M
• AM Best Rating: A+ (Superior)			

FLAGSHIP CARRIER / PARENT OF BHLN

National Indemnity Company

• Domiciled in Nebraska	ASSETS	LIABILITIES	SURPLUS*
• AM Best Rating: A++ (Superior)	\$178.6 B	\$81.4 B	\$101.3 B

ULTIMATE PARENT

Berkshire Hathaway Inc.

ASSETS	LIABILITIES	EQUITY**
\$620.9 B	\$334.5 B	\$286.4 B

* Admitted Assets, Liabilities and Statutory Surplus are presented on a Statutory Accounting Basis as promulgated by the NAIC and/or the laws of the company's domiciliary state as of 12/31/16.

** Assets, Liabilities and Equity are prepared in conformity with accounting principles generally accepted in the United States (“GAAP”) as of 12/31/16.

This brochure is for informational purposes only and should not be construed as legal, tax, or investment advice. The information is based on general legal and factual assumptions that may not be applicable in your particular case. Accordingly, the information contained in this brochure should not be relied upon in considering whether a structured settlement is appropriate for your particular situation, and you should consult a tax advisor before entering into a structured settlement transaction.