

REPORT ON EXAMINATION

OF THE

UNIONE ITALIANA REINSURANCE COMPANY OF AMERICA, INC.

AS OF

DECEMBER 31, 2009

DATE OF REPORT

FEBRUARY 8, 2011

EXAMINER

RYAN HAVICK

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STATE OF NEW YORK  
INSURANCE DEPARTMENT  
25 BEAVER STREET  
NEW YORK, NEW YORK 10004

February 9, 2011

Honorable James J. Wrynn  
Superintendent of Insurance  
Albany, New York 12257

Sir:

Pursuant to the requirements of the New York Insurance Law, and in compliance with the instructions contained in Appointment Number 30525 dated May 18, 2010 attached hereto, I have made an examination into the condition and affairs of Unione Italiana Reinsurance Company of America, Inc. as of December 31, 2009, and submit the following report thereon.

Wherever the designations "the Company" or "UIRCA" appears herein without qualifications, they should be understood to indicate Unione Italiana Reinsurance Company of America, Inc.

Wherever the term "Department" appears herein without qualification, it should be understood to mean the New York Insurance Department.

The examination was conducted at the Company's main administrative office located at 3024 Harney Street, Omaha, Nebraska 68131.

## 1. SCOPE OF EXAMINATION

The Department has performed an association examination of Unione Italiana Reinsurance Company of America. The previous examination was conducted as of December 31, 2004. This examination covered the five-year period from January 1, 2005 through December 31, 2009. Transactions occurring subsequent to this period were reviewed where deemed appropriate by the examiner.

This examination was conducted in accordance with the National Association of Insurance Commissioners (“NAIC”) Financial Condition Examiners Handbook (“Handbook”), which requires that we plan and perform the examination to evaluate the financial condition and identify prospective risks of the Company by obtaining information about the Company including corporate governance, identifying and assessing inherent risks within the Company and evaluating system controls and procedures used to mitigate those risks. This examination also includes assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation, management’s compliance with Statutory Accounting Principles and annual statement instructions when applicable to domestic state regulations.

All financially significant accounts and activities of the Company were considered in accordance with the risk-focused examination process. This examination included a review of the Company’s internal audits. The examiners also relied upon audit work performed by the Company’s independent public accountants when appropriate.

This examination report includes a summary of significant findings for the following items as called for in the Financial Condition Examiners Handbook of the NAIC:

- Significant subsequent events
- Company history
- Corporate records
- Management and control
- Fidelity bonds and other insurance
- Territory and plan of operation
- Growth of Company
- Loss experience
- Reinsurance
- Accounts and records
- Statutory deposits
- Financial statements
- Summary of recommendations

A review was also made to ascertain what action was taken by the Company with regard to comments and recommendations contained in the prior report on examination.

This report on examination is confined to financial statements and comments on those matters that involve departures from laws, regulations or rules, or that are deemed to require explanation or description.

## **2. DESCRIPTION OF COMPANY**

Unione Italiana Reinsurance Company of America, Inc. was incorporated under the laws of the State of New York on August 24, 1978. It became licensed on October 16, 1978.

Effective July 1, 1991, the Company voluntarily ceased writing new and renewal business. Prior to that date, UIRCA wrote multiple line property and casualty reinsurance covers. On September 29, 2000, National Indemnity Company, a member of the Berkshire Hathaway Group of Insurance Companies, acquired all of the outstanding capital stock of UIRCA from Istituto Nazionale delle Assicurazione S.P.A. (“INA”), an insurance company organized under the laws of Italy. The change in control was approved by the Department on September 27, 2000.

At December 31, 2009, capital paid in was \$3,372,480 consisting of 337,248 shares of common stock at \$10 par value per share. Gross paid in and contributed surplus was \$31,083,337.

### A. Management

Pursuant to the Company’s charter and by-laws, management of the Company is vested in a board of directors consisting of not less than thirteen nor more than fifteen members. The board meets once during each calendar year. At December 31, 2009, the board of directors was comprised of the following thirteen members:

<u>Name and Residence</u>	<u>Principal Business Affiliation</u>
John Duane Arendt Norwalk, CT	Vice President, National Liability & Fire Insurance Company
Rodne Sterling Brown New York, NY	Assistant Accounting Manager, Unione Italiana Reinsurance Company of America, Inc.
Robert Charles Bruno Matawan, NJ	President, Unione Italiana Reinsurance Company of America, Inc.

<u>Name and Residence</u>	<u>Principal Business Affiliation</u>
Lori Jill Friedman Armonk, NY	Legal Counsel, National Liability & Fire Insurance Company
Dale David Geistkemper Omaha, NE	Treasurer and Controller, National Indemnity Company & UIRCA
Ajit Jain Rye, NY	Executive Vice President, National Liability and Fire Insurance Company
Arvind Krishnamurthy Cambridge, MA	Financial Economist, National Liability and Fire Insurance Company
Forrest Nathan Krutter Omaha, NE	Senior Vice President and Secretary, National Indemnity Company & UIRCA
Kevin Donald Lewis Westport, CT	Assistant Vice President, National Liability and Fire Insurance Company
Joseph Rocco Liuzzi Media, PA	Vice President, National Liability and Fire Insurance Company & UIRCA
Nancy Furey Peters Omaha, NE	Assistant Vice President & General Counsel, National Indemnity Company
Brian Gerard Snover Stamford, CT	Executive Vice President, National Liability and Fire Insurance Company
Donald Frederick Wurster Omaha, NE	Executive Vice President, National Indemnity Company

A review of the minutes of the board of directors' meetings held during the examination period indicated that the meetings were generally well attended and each board member has an acceptable record of attendance.

As of December 31, 2009, the principal officers of the Company were as follows:

<u>Name</u>	<u>Title</u>
Robert Charles Bruno	President
Brian G. Snover	Executive Vice President
Forrest Nathan Krutter	Senior Vice President and Secretary
Joseph Rocco Liuzzi	Vice President
Rodney L Rathbun	Assistant Vice President
Dale David Geistkemper	Treasurer and Controller

During the review of the Company's board of directors and corporate governance, it was noted that during the examination period the Company did not have a designated audit committee as required by Section 89.12 of Department Regulation 118. Effective June 2010, the Company has established an audit committee and is currently working on a charter. It is recommended that the Company complete the charter of the audit committee.

B. Territory and Plan of Operation

As of December 31, 2009, the Company was licensed to write business in twenty-four states. In addition, it was licensed in six additional states for reinsurance only.

As of the examination date, the Company was authorized to transact the kinds of insurance as defined in the following numbered paragraphs of Section 1113(a) of the New York Insurance Law:

<u>Paragraph</u>	<u>Line of Business</u>
3	Accident & health
4	Fire
5	Miscellaneous property damage
6	Water damage
7	Burglary and theft
8	Glass
9	Boiler and machinery
10	Elevator
11	Animal
12	Collision
13	Personal injury liability
14	Property damage liability
15	Workers' compensation and employers' liability
16	Fidelity and surety
17	Credit
19	Motor vehicle and aircraft physical damage
20	Marine and inland marine
21	Marine protection and indemnity

In addition, the Company is licensed to transact such workers' compensation insurance as may be incident to coverages contemplated under paragraphs 20 and 21 of Section 1113(a) of the New York Insurance Law, including insurances described in the Longshoremen's and Harbor Workers' Compensation Act (Public Law No. 803, 69<sup>th</sup> Congress, as amended; 33 USC Section 901 et. seq. as amended).

Based on the lines of business for which the Company is licensed and the Company's current capital structure, and pursuant to the requirements of Articles 13 and 41 of the New York Insurance Law, the Company is required to maintain a minimum surplus to policyholders in the amount of \$2,200,000.

C. Reinsurance

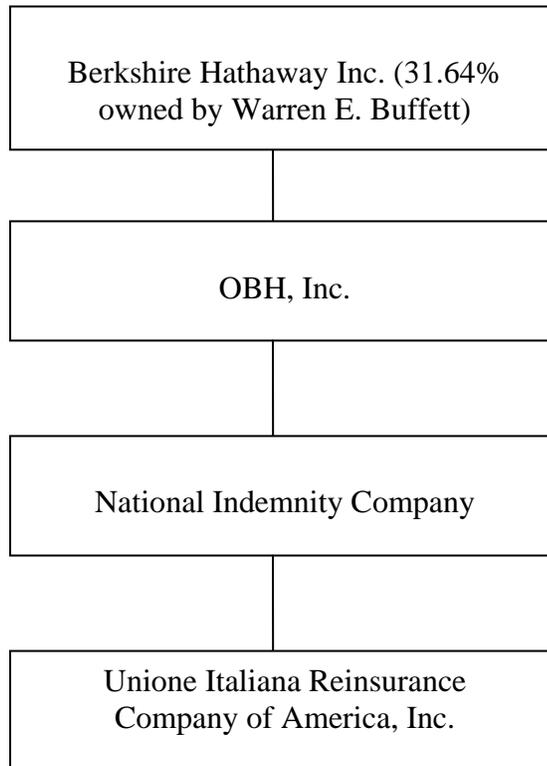
Effective July 1, 1991, the Company voluntarily ceased writing new and renewal business. Prior to that date, UIRCA wrote multiple line property and casualty reinsurance covers. During the examination period, the Company has effected commutation agreements pertaining to its reinsurance ceded business. No new reinsurance agreements were effected during the examination period. Reinsurance agreements covering the Company's run-off book of business remain in effect.

D. Holding Company System

The Company is a member of the Berkshire Hathaway Group. The Company is 100% owned by National Indemnity Company, a Nebraska domiciled corporation, which is ultimately controlled by Berkshire Hathaway Inc. (31.64% owned by Warren E. Buffett).

A review of the holding company registration statements filed with this Department indicated that such filings were complete and were filed in a timely manner pursuant to Article 15 of the New York Insurance Law and Department Regulation 52.

The following is an abridged chart of the UIRCA holding company system at December 31, 2009:



See Appendix A of the report for a more complete Berkshire Hathaway Inc. holding company chart.

At December 31, 2009, the Company was party to the following agreements with other members of its holding company system:

Tax Allocation Agreement

The Company is party to a tax allocation agreement among various affiliated members of its ultimate parent Berkshire Hathaway Inc. The agreement has an effective date of September 30, 2000. Pursuant to the terms of the agreement, the parties will file consolidated federal income tax returns. Said agreement stipulates that the Company's tax liability on a consolidated basis would not exceed the liability had the Company filed its tax return on a stand alone basis. The agreement was filed with this Department as part of National Indemnity Company's ("NIC") acquisition of control application of UIRCA, pursuant to Section 1506 of the New York Insurance Law.

A prior report recommendation was made to amend the agreement for compliance with Department Circular Letter No. 33. An amendment was signed and filed with the New York Insurance Department in 2010, subsequent to the examination date. The amendment in 2010 puts the Company in compliance with this recommendation.

### Service Agreement

Effective April 28, 2003, the Company and its immediate parent National Indemnity Company entered into a service agreement. Under the terms of this agreement, National Indemnity Company performs certain administrative and special services on behalf of the Company. The agreement indicates payment of services provided shall be on cost basis. The agreement was filed with this Department pursuant to Section 1505 of the New York Insurance Law and was non-objected to on May 14, 2003.

### E. Significant Operating Ratios

The following ratios have been computed as of December 31, 2009, based upon the results of this examination:

Net premiums written to surplus as regards policyholders	0%
Liabilities to liquid assets (cash and invested assets less investments in affiliates)	60%
Premiums in course of collection to surplus as regards policyholders	0%

All of the above ratios fall within the benchmark ranges set forth in the Insurance Regulatory Information System of the National Association of Insurance Commissioners.

### F. Accounts and Records

#### i. Certified Public Accountant (“CPA”) Contract

The examiners requested the CPA agreement that covered UIRCA for the 2009 audit. The Company provided Berkshire Hathaway Inc’s agreement with its CPA firm (Deloitte and Touche LLP) related to performing the 2009 audit. The CPA contract was not in compliance with Department Regulation 118, part 89.10 which states in part:

“...(b) The background and experience in general, and the experience in audits of companies of the staff assigned to the engagement and whether each is a CPA;

(c) That the CPA understands the annual audited financial report, that the CPA’s opinion thereon will be filed in compliance with this Part and the superintendent will be relying on this information in the monitoring and regulation of the financial condition of the company;

(d) That the CPA consents to the requirements of section 89.11 of this Part and that the CPA consents and agrees to make available the work papers for review by the superintendent; and . . .”

It is recommended that the Company ensure that all future agreements with the CPA contain the provisions required by Department Regulation 118. A similar recommendation was included in the prior report on examination.

ii. Custodial Agreement

During review of the Company’s custodial agreements, it was noted that two agreements lacked the protective covenants set forth in the NAIC Financial Condition Examiners Handbook. It is recommended that the Company procure a custodial agreement containing the protective covenants set forth in the NAIC Financial Condition Examiners Handbook.

G. Risk Management and Internal Controls

A review was made of the Company’s internal controls with regard to its IT environment. The review found numerous internal control weaknesses, which was not unexpected given the Company’s limited staff and the fact that it has been in run-off since 1991. The Company was provided with a copy of the IT recommendations, none of which would be considered a serious control deficiency. It is recommended that the Company address the internal control weaknesses identified during the Department’s review of the Company’s IT environment.

### 3. FINANCIAL STATEMENTS

#### A. Balance Sheet

The following shows the assets, liabilities and surplus as regards policyholders as determined by this examination as of December 31, 2009 and as reported by the Company:

<u>Assets</u>	<u>Assets</u>	<u>Assets Not Admitted</u>	<u>Net Admitted Assets</u>
Bonds	\$ 3,982,253		\$ 3,982,253
Cash and short-term investments	70,357,812		70,357,812
Receivable for securities	968		968
Investment income due and accrued	1,622		1,622
Uncollected premiums and agents' balances in the course of collection	1,797	\$ 1,797	
Amounts recoverable from reinsurers	1,265,234		1,265,234
Funds held by or deposited with reinsured companies	1,238		1,238
Current federal and foreign income tax recoverable and interest thereon	163,352		163,352
Net deferred tax asset	559,392	559,392	
Aggregate write-ins for other than invested assets	<u>120,438</u>	<u>101,381</u>	<u>19,057</u>
Total assets	\$ <u>76,454,106</u>	\$ <u>662,570</u>	\$ <u>75,791,536</u>

<u>Liabilities, Surplus and Other Funds</u>	<u>Examination</u>	<u>Company</u>	<u>Surplus Increase (Decrease)</u>
<u>Liabilities</u>			
Losses and loss adjustment expenses	\$ 46,884,457	\$ 42,390,457	\$ 4,494,000
Reinsurance payable on paid losses and loss adjustment expenses	108,006	108,006	
Commissions payable, contingent commissions and other similar charges	3,695	3,695	
Ceded reinsurance premiums payable (net of ceding commissions)	64,060	64,060	
Funds held by company under reinsurance treaties	239,527	239,527	
Provision for reinsurance	1,398,273	1,398,273	
Payable to parent, subsidiaries and affiliates	96,072	96,072	
Aggregate write-ins for liabilities	<u>61,297</u>	<u>61,297</u>	<u>0</u>
Total liabilities	\$ <u>48,855,387</u>	\$ <u>44,361,387</u>	\$ <u>4,494,000</u>
<u>Surplus and Other Funds</u>			
Common capital stock	\$ 3,372,480	\$ 3,372,480	
Gross paid in and contributed surplus	31,083,337	31,083,337	
Unassigned funds (surplus)	<u>(7,519,668)</u>	<u>(3,025,668)</u>	\$ (4,494,000)
Surplus as regards policyholders	\$ <u>26,936,149</u>	\$ <u>31,430,149</u>	\$ (4,494,000)
Total liabilities, surplus and other funds	\$ <u>75,791,536</u>	\$ <u>75,791,536</u>	

NOTE: The Internal Revenue Service has completed its audits of the Company's consolidated Federal Income Tax returns through tax year 2006. All material adjustments, if any, made subsequent to the date of examination and arising from said audits, are reflected in the financial statements included in this report. Audits covering tax years 2007 through 2009 are currently under examination. The examiner is unaware of any potential exposure of the Company to any tax assessment and no liability has been established herein relative to such contingency.

B. Underwriting and Investment Exhibit

Surplus as regards policyholders decreased \$2,741,158 during the five-year examination period January 1, 2005 through December 31, 2009, detailed as follows:

Underwriting Income

Premiums earned		\$ 7,632
Deductions:		
Losses and loss adjustment expenses	\$ 10,924,832	
Other underwriting expenses incurred	<u>269,583</u>	
Total underwriting deductions		<u>(11,194,415)</u>
Net underwriting loss		\$ (11,186,783)

Investment Income

Net investment income earned	\$ 11,859,458	
Net realized capital gain	<u>3,689</u>	
Net investment gain		11,863,147

Other Income

Miscellaneous income	\$ <u>(191,886)</u>	
Total other income		<u>(191,886)</u>
Net income before federal and foreign income taxes		\$ 484,478
Federal and foreign income taxes incurred		<u>676,864</u>
Net income (loss)		\$ <u>(192,386)</u>

Surplus as regards policyholders per report on examination as of December 31, 2004			\$ 30,832,429
	<u>Gains in Surplus</u>	<u>Losses in Surplus</u>	
Net loss		\$ 192,386	
Net unrealized capital gains or (losses)			
Change in net deferred income tax	99,564		
Change in nonadmitted assets		90,385	
Change in provision for reinsurance	1,086,927		
Dividends to stockholders	<u>0</u>	<u>4,800,000</u>	
Total gains and losses	<u>\$1,186,491</u>	<u>\$5,082,771</u>	
Net decrease in surplus			<u>(3,896,280)</u>
Surplus as regards policyholders per report on examination as of December 31, 2009			<u>\$ 26,936,149</u>

#### **4. LOSSES AND LOSS ADJUSTMENT EXPENSES**

The examination liability for the captioned items of \$46,884,457 is \$4,494,000 more than the \$42,390,457 reported by the Company in its December 31, 2009 filed annual statement. The examination analysis of the loss and loss adjustment expense reserves was conducted in accordance with generally accepted actuarial principles and was based on statistical information contained in the Company's internal records and in its filed annual statements.

Aside from the reserve deficiency determined by this examination, a review of the Company's historical runoffs during the examination period have shown evidence of chronic underreserving. Section 1303 of the New York Insurance Law requires that every insurer shall:

maintain loss and claim reserves in an amount estimated in the aggregate to provide for the payment of all losses or claims incurred on or prior to the date of the statement, whether reported or unreported, which are unpaid as of such date and for which such insurer may be liable.

It is recommended that the Company adequately reserve for losses and loss adjustment expenses in its future filed statements with the Department pursuant to the provisions of Section 1303 of the New York Insurance Law. A similar recommendation appeared in the previous report on examination.

## 5. COMPLIANCE WITH PRIOR REPORT ON EXAMINATION

The prior report on examination contained seven recommendations as follows (page numbers refer to the prior report):

<u>ITEM</u>	<u>PAGE NO.</u>
A. <u>Management</u>	
<u>i.</u> It is recommended that board members who are unable or unwilling to attend meetings consistently should resign or be replaced.	5
The Company has complied with this recommendation.	
<u>ii.</u> It is recommended that the Company either elect at least three directors that reside in the State of New York or amend its charter to require only two of its directors be residents.	
The Company has complied with this recommendation by electing three directors who reside in the State of New York.	
<u>iii.</u> It was recommended that if the Company does not intend to elect an executive vice president, that it amend its by-laws to reflect its current operating structure.	7
The Company has complied with this recommendation by electing an executive vice president.	
B. <u>Reinsurance</u>	
It was recommended that the Company obtain an amended confirmation from Citibank to correct the two improper conditions noted if it wishes to take credit for the referenced letter of credit in future financial statements filed with the Department.	8
The Company has complied with this recommendation by obtaining confirmations from Citibank that comply with Department Regulation 133 subsequent to issue of the prior report of examination.	
C. <u>Holding Company System</u>	
It was recommended that the Company file an amended tax allocation agreement that meets the requirements of Department Circular Letter No. 33 with this Department. In addition, it was recommended that the Company either make tax payments directly to Berkshire Hathaway, Inc. or that it amend its tax allocation agreement to reflect its current practice.	10
The Company has complied with this recommendation by amending its tax allocation agreement in April, 2010, subsequent to the examination date.	

<u>ITEM</u>		<u>PAGE NO.</u>
D.	<u>Accounts and Records</u>	
i.	It was recommended that the Company comply with Section 1409 of the New York Insurance Law.	12
	The Company has complied with this recommendation.	
ii.	<u>Service Agreement</u>	
	It was recommended that the Company adhere to the provisions of its service agreement with National Indemnity Company.	13
	The Company has complied with this recommendation.	
iii.	<u>General Expenses</u>	
	It was recommended management establish and maintain written documentation supporting allocation of each expense category to the major expense groups and the allocation of expenses amongst companies and that the methods used for such allocations be in accordance with SSAP No. 70.	13
	The Company has complied with this recommendation.	
iv.	<u>CPA Contract</u>	
	It was recommended that the Company ensure the contract with its CPA for all future audits, which include Unione Italiana Reinsurance Company of America, Inc., contain the provisions required by Department Regulation 118.	14
	Department Regulation 118 has been updated and it was noted that the Company was not in compliance with that update. A similar recommendation appears in this report.	
v.	<u>Custodial Agreement</u>	
	It was recommended that the Company procure a custodial agreement containing the protective covenants set forth in Section IV.J of the NAIC Financial Condition Examiners Handbook.	15
	The Company did comply with this recommendation. There have been updates to the protective covenants and a similar recommendation appears in this report.	
E.	<u>Loss Adjustment Expenses</u>	
	It was recommended that the Company provide an adequate reserve for unpaid losses and loss adjustment expenses in all future financial statement in order to comply with the requirements of Section 1303 of the New York Insurance Law.	30
	A similar recommendation appears in this report.	

## 6. SUMMARY OF COMMENTS AND RECOMMENDATIONS

<u>ITEM</u>	<u>PAGE NO.</u>
A. <u>Management</u>	
It is recommended that the Company complete the charter of the audit committee.	5
B. <u>Account and Records</u>	
i. <u>CPA Contract</u>	
It is recommended that the Company ensure that all future agreements with the CPA contain the provisions required by Department Regulation 118. It is noted that a similar recommendation was included in the prior report on examination.	9
ii. <u>Custodial Agreement</u>	
It is recommended that the Company procure a custodial agreement containing the protective covenants set forth in the NAIC Financial Condition Examiners Handbook.	9
iii. <u>Risk Management and Internal Control</u>	
It is recommended that the Company address the internal control weaknesses identified during the Department's review of the Company's IT environment.	9
C. <u>Losses and Loss Adjustment Expenses</u>	
It is recommended that the Company adequately reserve for losses and loss adjustment expenses in its future filed statements with the Department pursuant to the provisions of Section 1303 of the New York Insurance Law.	13

## APPENDIX A

	NAIC	DOMICILE	FED ID#
Berkshire Hathaway Inc. (31.64% owned by Warren E. Buffett)		DE	47-0813844
Albecca Inc.		GA	39-1389732
AU Holding Company, Inc. (3)		DE	20-4746240
Applied Group Insurance Holdings, Inc.		HI	91-2106584
Commercial General Indemnity, Inc.	12040	HI	99-0338446
Applied Underwriters, Inc.		NE	94-3252393
Applied Underwriters Captive Risk Assurance Company, Inc.		VG	66-0605632
Applied Underwriters Captive Risk Assurance Company		AZ	20-0871659
North American Casualty Co.		NE	20-3785366
California Insurance Company	38865	CA	94-1627528
Continental Indemnity Company	28258	IA	31-1191023
The Ben Bridge Corporation		WA	94-3366374
Benjamin Moore & Co.		NJ	13-5256230
BH-IMC Holdings B.V.		Netherlands	
IMC International Metalworking Companies B.V.		Netherlands	
Business Wire, Inc.		DE	20-4146409
Forest River, Inc.		IN	20-3284366
Fruit of the Loom, Inc.		DE	95-4880223
Russell Corporation		DE	63-0180720
Garan, Incorporated		IL	13-5665657
General Re Corporation		DE	06-1026471
General Reinsurance Corporation	22039	DE	13-2673100
Cologne Reinsurance Company of America	33197	CT	06-0949141
Elm Street Corporation		DE	06-1051334
General Re Life Corporation	86258	CT	13-2572994
GeneralCologne Re (Barbados) Ltd.		Barbados	98-0112986
IdeaLife Insurance Company	97764	CT	06-1053475
General Star Indemnity Company	37362	CT	06-0876629
General Star International Indemnity Ltd.		UK	AA-1120033
General Star National Insurance Company	11967	OH	13-1958482
Genesis Insurance Company	38962	CT	06-1024360
Genesis Indemnity Insurance Company	34991	ND	06-1278974
General Re Holdings Limited		UK	
Reinsurance Underwriting Services Ltd.		UK	
General Reinsurance UK Limited		UK	AA-1460060
General Re Compania de Reasegueros, S.A.		Uruguay	
General & Cologne Re (Sur) Compania de Reasegueros, S.A.		Argentina	AA-2130047
General Reinsurance Australia Ltd.		Australia	AA-1930285
GRC Realty Corporation		CT	13-2750341
Kölnische Rückversicherungs-Gesellschaft AG		Germany	AA-1340145
Faraday Reinsurance Co. Limited		UK	AA-1120363
Cologne Reinsurance Company (Dublin) Ltd.		Ireland	AA-1780004
Cologne Reinsurance Finance Holdings B.V.		Netherlands	
GeneralCologne Re (Bermuda) Ltd.		Bermuda	
Gen Re Mexico, S.A.		Mexico	
Gen Re Warsaw Sp. z.o.o.		Poland	
General Reinsurance Africa Ltd.		South Africa	
Kölnische Rückversicherungs-Gesellschaft AG, Escritório de representação no Brasil Ltda.		Brazil	
General Reinsurance Life Australia Ltd.		Australia	
SIA Gen Re Riga		Latvia	

General Reinsurance Scandinavia A/S		Denmark	
National Reinsurance Corporation	34835	DE	13-1988169
Fairfield Insurance Company	44784	CT	06-1325512
Railsplitter Holdings Corporation		DE	
Commercial Casualty Insurance Company	32280	CA	95-4077789
International American Group		DE	
American Centennial Insurance Company	10391	DE	51-0400307
British Insurance Company of Cayman		Cayman Islands	
Faraday Holdings Limited		UK	AA-1126435
GRD Holdings Corporation		DE	74-3030557
General Re Financial Products Corp.		DE	06-1295723
General Re Securities		UK	
Gen Re Intermediaries Corporation		NY	13-1861714
General Re-New England Asset Management, Inc.		DE	06-1113980
North Star Reinsurance Corporation	22047	DE	13-2930109
United States Aviation Underwriters, Inc.		NY	13-5458900
Johns Manville Corporation		DE	84-0856796
Jordan's Furniture, Inc.		MA	94-3342606
Justin Industries, Inc.		TX	75-0102185
MidAmerican Energy Holdings Company (3)		IA	94-2213782
CalEnergy Investments C.V. (3)		Netherlands	98-0223222
CalEnergy Pacific Holding Corp.		DE	91-1854166
CE Casecan Ltd. ("CE Casecan") (2)		Bermuda	98-0416566
CE Casecan II, Inc.		Phillippines	98-0417848
CE Casecan Water and Energy Company, Inc. (2)		Phillippines	004-500-931
CalEnergy U.K. Inc.		DE	47-0769690
CE Electric, Inc.		DE	47-0803685
CE Electric UK Funding Company (3)		UK	3476201
CE Electric UK Holdings		UK	08-0173268
CE Electric UK Limited		UK	3271033
Northern Electric PLC		UK	98-0167234
Northern Electric Distribution Limited		UK	2906593
Northern Electric Finance PLC (3)		UK	3070482
Yorkshire Power Group Limited (3)		UK	
Yorkshire Holdings PLC		UK	3321179
Yorksire Electricity Group PLC (3)		UK	2366995
Yorkshire Electricity Distribution PLC		UK	98-0447153
Yorkshire Power Finance Limited		Cayman Islands	
CE Generation LLC (2)		DE	47-0818523
Magma Power Company		NV	95-3694478
Salton Sea Funding Corporation		DE	47-0790493
CE International Investments, Inc.		DE	91-1758221
CE Power, Inc.		DE	47-0803686
HomeServices of America, Inc.		DE	41-1945806
KR Holding, LLC		DE	75-3045251
KR Acquisition 1, LLC		DE	75-3045255
Kern River Gas Transmission Company		TX	76-0185455
Kern River Funding Corporation		DE	73-1489345
MEHC Insurance Services, Ltd	12712	VT	42-1695569
MEHC Investment, Inc.		SD	03-0397929
MidAmerican Capital Trust IV		DE	
MidAmerican Funding, LLC		IA	47-0819200
MHC Inc.		IA	42-1451822
MidAmerican Energy Company		IA	42-1425214
NNGC Acquisition, LLC		DE	82-0556195
Northern Natural Gas Company		DE	93-0932349
PPW Holdings LLC		DE	20-2896309
PacifiCorp		OR	93-0246090

Marmon Holdings, Inc. (2)		IL	36-3104690
Marmon Wire & Cable LLC		DE	52-1045483
Union Tank Car Company		DE	36-3104688
Marmon Transportation Services LLC		DE	36-4502376
Worldwide Containers, Inc.		DE	36-4284551
EXSIF Worldwide, Inc.		DE	36-4383800
MiTek, Inc. (3)		DE	06-0954158
OBH Inc.		DE	04-2254452
BH Columbia Inc.		NE	47-0807566
Columbia Insurance Company	27812	NE	47-0530077
American All Risk Insurance Services, Inc.		CA	94-3381524
Berkshire Hathaway Assurance Corporation (5)	13070	NY	26-1599479
BHG Structured Settlements, Inc.		MO	47-0793577
TonicStar Limited		UK	AA-1127861
Medical Protective Corporation		IN	35-1620927
MedPro Risk Retention Services, Inc.		IN	26-3419943
MedPro RRG Risk Retention Group	13589	DC	26-4202047
The Medical Protective Company	11843	IN	35-0506406
Nederlandse Reassurantie Groep NV		Netherlands	
NRG America Holding Company		DE	23-2074221
Philadelphia Reinsurance Corporation	12319	PA	23-1620930
NRG Victory Holdings Limited		UK	
NRG Victory Reinsurance Limited		UK	
Ringwalt & Liesche Co.		NE	47-0775338
BHSF Inc.		DE	47-0701726
The Scott Fetzer Company		DE	47-0691256
Scott Fetzer Financial Group, Inc.		DE	36-2991302
Berkshire Hathaway Credit Corporation		NE	47-0679606
Blue Chip Stamps		CA	95-3858923
Wesco Financial Corporation (3)		DE	95-2109453
Wesco Holdings Midwest, Inc.		NE	47-0691907
CORT Business Services Corporation		DE	14-1543982
Wesco-Financial Insurance Company	19500	NE	47-0685686
The Kansas Bankers Surety Company	15962	KS	48-0287450
Brookwood Insurance Company	11014	IA	39-1981312
Central States of Omaha Companies, Inc. (3)		NE	47-0600248
Central States Indemnity Co. of Omaha	34274	NE	47-0591908
CSI Life Insurance Company	82880	NE	86-0287520
CSI Processing, LLC		NE	47-0591908
Cypress Insurance Company	10855	CA	95-6042929
The Fechheimer Brothers Company (3)		DE	31-1000330
Helzberg Diamond Shops, Inc.		MO	44-0553741
H.H. Brown Shoe Company, Inc.		DE	04-1127910
International Dairy Queen, Inc.		DE	52-2066843
National Fire & Marine Insurance Company	20079	NE	47-6021331
First Berkshire Properties, LLC (4)		NE	47-0823195
Fourth Berkshire Properties, LLC		NE	47-0837616
Redwood Fire and Casualty Insurance Company	11673	NE	47-0530076
Second Berkshire Properties, LLC		NE	52-2228912
Third Berkshire Properties, LLC		NE	52-2229136
National Indemnity Company *	20087	NE	47-0355979
Atlanta International Insurance Company	20931	NY	13-2668999
Berkshire Hathaway International Insurance Limited		UK	AA-1120030
Berkshire Hathaway Life Insurance Company of Nebraska	62345	NE	47-0766667
Cornhusker Casualty Company	20044	NE	47-0529945
First Berkshire Hathaway Life Insurance Company	11591	NY	91-1933661
FlightSafety International Inc.		NY	13-3916524
Oak River Insurance Company	34630	NE	47-0762702

BH Finance LLC		NE	47-0829238
Boat America Corporation		VA	52-0913637
Seaworthy Insurance Company	37923	MD	52-1658500
British Aviation Insurance Company (1)		UK	AA-1120290
Citadel Insurance Company	10685	TX	74-1595285
Continental Divide Insurance Company	35939	CO	84-0769120
FFG Insurance Company	43460	TX	75-2344200
Finial Holdings, Inc.		DE	06-1633829
Finial Reinsurance Company	39136	CT	06-1325038
GEICO Corporation		DE	52-1135801
Clayton Homes, Inc.		DE	62-1671360
GEICO Indemnity Company	22055	MD	52-0794134
GEICO Casualty Company	41491	MD	52-1264413
Government Employees Insurance Company	22063	MD	53-0075853
GEICO General Insurance Company	35882	MD	75-1588101
GEICO Insurance Agency, Inc.		MD	52-1168724
McLane Company, Inc.		TX	74-1478631
Plaza Resources Company		DE	52-1242003
TTI, Inc.		DE	20-8234316
National Indemnity Company of Mid-America	20060	IA	41-0971481
National Indemnity Company of the South	42137	FL	59-2266845
Tenecom Limited		UK	AA-1121575
Kyoei Fire & Marine Insurance Co (UK) Limited		UK	AA-1120840
Transfercom Limited		UK	AA-1120077
Unione Italiana Reinsurance Company of America, Inc.	36048	NY	13-2953213
National Liability & Fire Insurance Company	20052	CT	36-2403971
Nebraska Furniture Mart, Inc. (2)		NE	47-0428274
NetJets Inc.		DE	51-0383060
OCSAP, Ltd.		ME	01-0484469
R.C. Willey Home Furnishings		UT	87-0242145
Richline Group, Inc.		DE	26-0232774
Shaw Industries, Inc.		GA	58-1032521
The Pampered Chef, Ltd.		IL	36-3269007
U.S. Investment Corporation		PA	95-4834036
United States Liability Insurance Company	25895	PA	23-1383313
Mount Vernon Fire Insurance Company	26522	PA	23-1575334
U.S. Underwriters Insurance Company	35416	ND	23-2049904
XTRA Corporation		DE	95-4871586

\* National Indemnity Company is the largest affiliated insurer

Only non-insurers whose assets exceed 1/2 of 1% of the total assets of National Indemnity Company or appear on Schedule Y, Part 2 are listed.

- (1) Less than 50% ownership
- (2) More than 50% ownership but less than 80%
- (3) More than 80% ownership but less 100%
- (4) 97.5% owned by National Fire & Marine Insurance Company and 2.5% owned by other insurance affiliates
- (5) 51% owned by Columbia Insurance Company and 49% owned by National Indemnity Company



Appointment No. 30525

STATE OF NEW YORK  
INSURANCE DEPARTMENT

I, James J. Wrynn Superintendent of Insurance of the State of New York,  
pursuant to the provisions of the Insurance Law, do hereby appoint:

**Ryan Havick**

as proper person to examine into the affairs of the

**UNIONE ITALIANA REINSURANCE COMPANY OF AMERICA, INC.**

and to make a report to me in writing of the condition of the said

**Company**

with such other information as he shall deem requisite.

In Witness Whereof, I have hereunto subscribed by the  
name and affixed the official Seal of this Department, at  
the City of New York,

this 18th day of May, 2010



A handwritten signature in cursive script, reading "James J. Wrynn".

JAMES J. WRYNN

Superintendent of Insurance