FINANCIAL CONDITION REPORT ON EXAMINATION

OF THE

FIRST BERKSHIRE HATHAWAY LIFE INSURANCE COMPANY

AS OF DECEMBER 31, 2024

EXAMINER: **THOMAS J. ALLEN, CFE**

DATE OF REPORT: **MAY 20, 2026**

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June 3, 2026

Honorable Kaitlin Asrow
Acting Superintendent of Financial Services
New York, New York 10004

Dear Kaitlin Asrow:

In accordance with instructions contained in Appointment No. 32819, dated July 7, 2025, and annexed hereto, an examination has been made into the condition and affairs of First Berkshire Hathaway Life Insurance Company, hereinafter referred to as "the Company." The Company's home office is located at 85 Broad Street, Suite 500, New York, NY 10004. The Company's administrative office is located at 1314 Douglas Street, Suite 1400, Omaha, NE 68102.

Wherever "Department" appears in this report, it refers to the New York State Department of Financial Services.

The report indicating the results of this examination is respectfully submitted.

1. SCOPE OF EXAMINATION

The examination of the Company was a full-scope examination as defined in the National Association of Insurance Commissioners' ("NAIC") *Financial Condition Examiners' Handbook, 2025 Edition* (the "Handbook"). The examination covers the four-year period from January 1, 2021, to December 31, 2024. The examination was conducted observing the guidelines and procedures in the Handbook and, where deemed appropriate by the examiner, transactions occurring subsequent to December 31, 2024, but prior to the date of this report (i.e., the completion date of the examination) were also reviewed.

The examination was conducted on a risk-focused basis in accordance with the provisions of the Handbook published by the NAIC. The Handbook guidance provides for the establishment of an examination plan based on the examiner's assessment of risk in the insurer's operations and utilizing that evaluation in formulating the nature and extent of the examination. The examiner planned and performed the examination to evaluate the current financial condition as well as identify prospective risks that may threaten the future solvency of the insurer. The examiner identified key processes, assessed the risks within those processes and evaluated the internal control systems and procedures used to mitigate those risks. The examination also included assessing the principles used and significant estimates made by management, evaluating the overall financial statement presentation, and determining management's compliance with New York statutes and Department guidelines, Statutory Accounting Principles as adopted by the Department, and annual statement instructions.

The examination was called by the State of Nebraska in accordance with the Handbook guidelines, through the NAIC's Financial Examination Electronic Tracking System. The examination was conducted as part of the National Indemnity Company ("NICO") Group coordinated examination. The State of Nebraska served as the lead state with participation from the states of California, Colorado, Connecticut, Iowa and New York. Since the lead and participating states are all accredited by the NAIC, all states deemed it appropriate to rely on each other's work.

Information about the Company's organizational structure, business approach and control environment was utilized to develop the examination approach. The Company's risks and

management activities were evaluated incorporating the NAIC's nine branded risk categories. These categories are as follows:

- Pricing/Underwriting
- Reserving
- Operational
- Strategic
- Credit
- Market
- Liquidity
- Legal
- Reputational

The Company was audited annually, for the years 2021 through 2024, by the accounting firm Deloitte & Touche LLP ("D&T"). The Company received an unqualified opinion in all years under examination. Certain audit workpapers of the accounting firm were reviewed and relied upon in conjunction with this examination. The Company utilizes the internal audit departments of NICO and General Reinsurance Company, its affiliate, to assess the internal control structure and to ensure compliance with the Sarbanes-Oxley Act of 2002 ("SOX") and the NAIC's Model Audit Rule ("MAR"). Where applicable, SOX and MAR workpapers and reports were reviewed, and portions were relied upon for this examination.

The examiner reviewed the corrective actions taken by the Company with respect to the violations contained in the prior financial condition report on examination. The results of the examiner's review are contained in item 5 of this report.

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

2. DESCRIPTION OF COMPANY

A. History

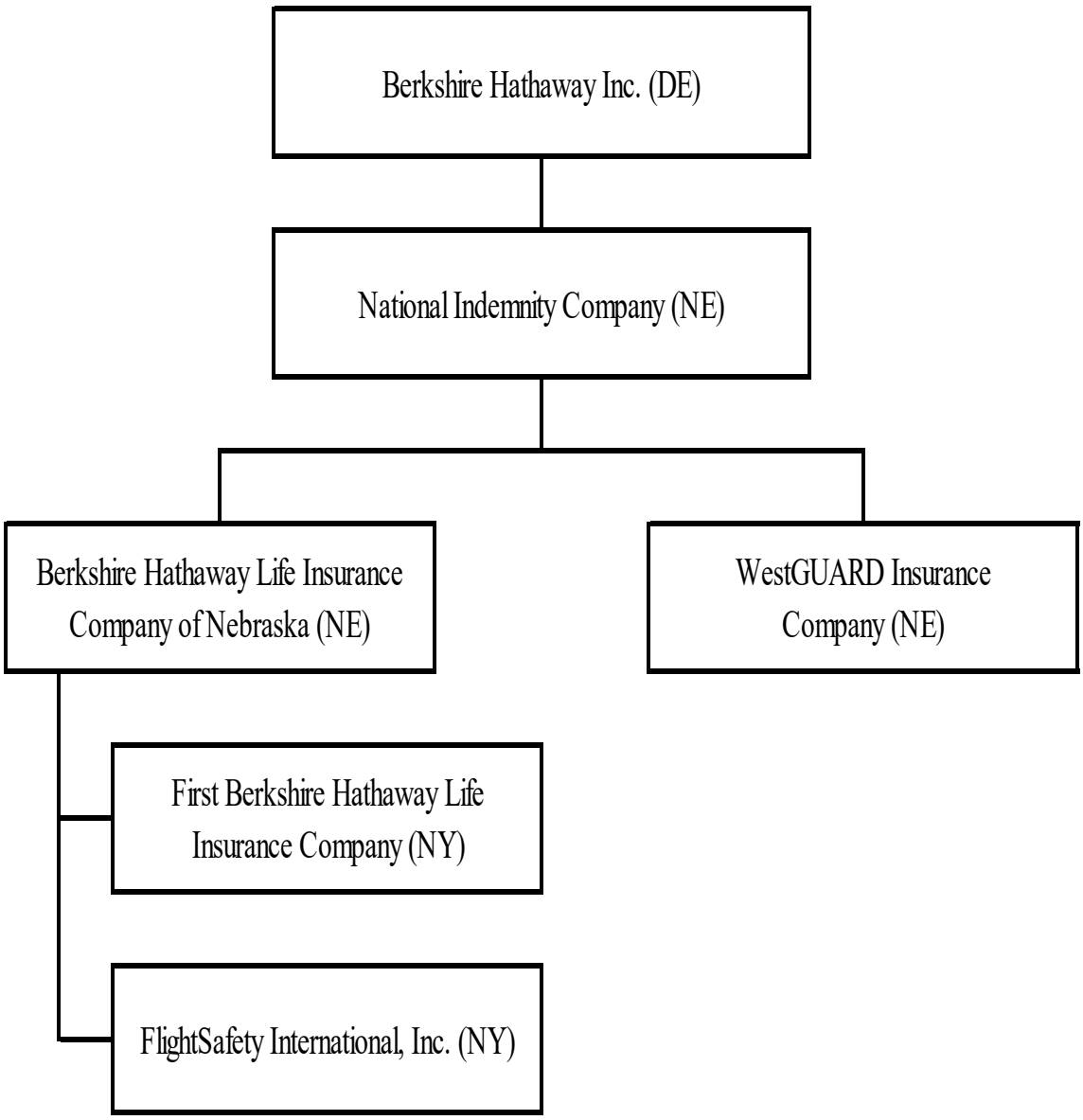
The Company was incorporated as a stock life insurance company under the laws of New York on September 22, 1998, and was licensed and commenced business on March 21, 2003. Initial resources of $8,000,000, consisting of common capital stock of $2,000,000 and paid in and contributed surplus of $6,000,000, were provided through the sale of 2,000 shares of common stock (with a par value of $1,000 each). There have been no changes in the capital of the Company since incorporation. Changes in the surplus of the Company since incorporation resulted in paid in and contributed surplus of $122,000,000, as of December 31, 2024.

B. Holding Company

The Company is a wholly owned subsidiary of Berkshire Hathaway Life Insurance Company of Nebraska ("BHLN"), a Nebraska domiciled life insurer and a New York accredited reinsurer. BHLN is in turn a wholly owned subsidiary of NICO, a Nebraska domiciled property and casualty insurance company. The ultimate parent of the Company is Berkshire Hathaway Inc., a Delaware corporation.

C. Organizational Chart

An organization chart reflecting the relationship between the Company and significant entities in its holding company system as of December 31, 2024, follows:



D. Service Agreements

The Company had two significant service agreements in effect with affiliates during the examination period.

Type of Agreement and Department File Number	Effective Date	Provider of Services	Recipient of Services	Specific Services Covered	Expense* For Each Year of the Examination
Investment Services Agreement File No. 25287A	12/01/2002	NICO	The Company	Investment management services	2021 $(89,476) 2022 $(91,968) 2023 $(65,330) 2024 $(55,045)
Intercompany Agreement File No. 25287A Amendment No. 1	12/01/2002 07/31/2022	NICO	The Company	Certain administrative and special services	2021 $(293,884) 2022 $(195,365) 2023 $(220,175) 2024 $(220,180)
Intercompany Services Agreement File No. 36093 Amendment No. 1 Amendment No. 2 Amendment No. 3	12/01/2006 12/01/2011 11/30/2016 12/01/2017 Terminated 12/31/2022	FlightSafety International, Inc.	The Company	Provide certain property, equipment, and facilities for its day-to-day operations	2021 $0** 2022 $0
Administrative Agreement File No. 59776	11/23/2020	WestGUARD Insurance Company	The Company	Provide facilities as reasonably necessary for mail processing, recordkeeping, and other services ancillary to the maintenance of a statutory home office.	2021 $0*** 2022 $0 2023 $0 2024 $0

*Amount of Expense Incurred by the Company

**The Company did not incur any expenses under the intercompany services agreement with FlightSafety International, Inc. ("FlightSafety") during the examination period as the Company changed its home office in late 2020 and entered into a similar agreement with WestGUARD Insurance Company ("WestGUARD"). At that point, there were no services or facilities provided

by FlightSafety to the Company. The intercompany services agreement with FlightSafety was terminated on December 31, 2022.
***The Company made a one-time payment of $382.50 to WestGUARD on December 28, 2020 for WestGUARD to provide administrative services for the entirety of the term of the agreement. The administrative agreement with WestGUARD was terminated on February 11, 2025.

The Company participates in a federal income tax allocation agreement with its parent company and affiliates.

E. Management

The Company's by-laws provide that the board of directors shall be comprised of not less than seven and not more than 13 directors. Directors are elected for a period of one year at the annual meeting of the stockholder held in May of each year. As of December 31, 2024, the board of directors consisted of eight members. Meetings of the board are held quarterly.

The eight board members and their principal business affiliation, as of December 31, 2024, were as follows:

Name and Residence	Principal Business Affiliation	Year First Elected
Marcia D. Alazraki* New York	Retired Attorney Mannatt, Phelps & Phillips, LLP	2021
John D. Arendt Connecticut	Vice President First Berkshire Hathaway Life Insurance Company	1999
Bruce J. Byrnes New York	Vice President First Berkshire Hathaway Life Insurance Company	2014
Robert M. LeBlanc* Connecticut	Managing Director Onex Investment Corporation	1998
Peter M. Shelley Connecticut	Vice President National Liability & Fire Insurance Company	2019
Brian G. Snover Connecticut	Vice President and Secretary First Berkshire Hathaway Life Insurance Company	2013
Kevin G. Snover* New York	Attorney Self Employed	1998

Name and Residence	Principal Business Affiliation	Year First Elected
Sandra J. Wilson* Florida	Comptroller A&A Surplus, Inc.	2007

*Not affiliated with the Company or any other company in the holding company system

In May, 2025, Bruce J. Byrnes resigned from the board and was replaced by Akshay Jain.

The examiner's review of the minutes of the meetings of the board of directors and its committees indicated that meetings were well attended and that all except one director attended a majority of the meetings. One director attended only 44% of the meetings of the board of directors and 50% of the meetings of the audit committee during the examination period.

The following is a listing of the principal officers of the Company as of December 31, 2024:

Name	Title
Donald F. Wurster	President
Brian G. Snover	Vice President and Secretary
Brooke L. Gregory	Controller
Dale D. Geistkemper	Treasurer
John D. Arendt*	Vice President
Bruce J. Byrnes	Vice President

*Designated consumer services officer per Section 216.4(c) of 11 NYCRR 216 (Insurance Regulation 64)

In May, 2025, Bruce J. Byrnes resigned as Vice President. Mr. Byrnes was re-elected Vice President on October 27, 2025.

3. TERRITORY AND PLAN OF OPERATIONS

The Company is authorized to write life insurance and annuities insurance as defined in paragraphs 1 and 2 of Section 1113(a) of the New York Insurance Law.

The Company is licensed to transact business in three states, namely Missouri, Nebraska, and New York. During 2021 and 2022, 100% of premiums (annuity considerations and deposit type funds) were received from Missouri. In 2020, the Company made the strategic decision to reduce writing new business, and in 2022 to cease writing new business. As a result, the Company had no annuity considerations in 2023, but it did report consideration of $150,454 on deposit-type contracts. The Company had no premiums in 2024.

A. Statutory and Special Deposits

As of December 31, 2024, the Company had $1,200,000 (par value) of United States Treasury bonds on deposit with the State of New York, its domiciliary state, for the benefit of all policyholders, claimants and creditors of the Company. The State of Missouri was holding an additional $630,000 as reported in Schedule E of the 2024 filed annual statement.

B. Direct Operations

Prior to 2023, the Company marketed structured settlement annuities, individual immediate annuities, and deposit-type contracts. In 2020, the Company made the strategic decision to reduce writing new business, and in 2022 to cease writing all business.

During 2021 and 2022, prior to ceasing writing new business, annuities were established principally to fund structured settlements to New York settlement recipients and to provide for retirement income and asset diversification. The deposit-type contracts are non-life contingent fixed annuity obligations, primarily issued in conjunction with structured settlements for third-party claims.

The Company primarily sold life contingent and non-life contingent fixed annuities to its affiliate BHG Structured Settlements, Inc. (“BHGSS”), a Missouri corporation, to fund BHGSS’ structured settlement business. As of December 31, 2024, the Company had 439 structured settlements and 3 immediate annuities in force.

The Company also offered property-casualty insurers and defendants the opportunity to purchase annuities issued by the Company to fund structured settlements that have a guaranteed payout pattern. Additionally, the Company offered individual annuities with a guaranteed payout pattern directly to individual consumers, although it is presently not engaged in this business.

The Company has no agency operations.

C. Reinsurance

As of December 31, 2024, the Company had two reinsurance treaties in effect with its parent, BHLN, an authorized reinsurer. The Company's annuity business is reinsured on a coinsurance basis. Reinsurance is provided on an automatic basis.

4. FINANCIAL STATEMENTS

The following statements show the assets, liabilities, capital and surplus as of December 31, 2024, as contained in the Company's 2024 filed annual statement, a condensed summary of operations and a reconciliation of the capital and surplus account for each of the years under review. The examiner's review of a sample of transactions did not reveal any differences which materially affected the Company's financial condition as presented in its financial statements contained in the December 31, 2024, filed annual statement.

A. Independent Accountants

The firm of D&T was retained by the Company to audit the combined statutory basis statements of financial position of the Company as of December 31 of each year in the examination period, and the related statutory-basis statements of operations, capital and surplus, and cash flows for the years then ended.

D&T concluded that the statutory financial statements presented fairly, in all material respects, the financial position of the Company at the respective audit dates. Balances reported in these audited financial statements were reconciled to the corresponding years' annual statements with no discrepancies noted.

B. Net Admitted Assets

Bonds	$ 71,767,109
Stocks:	
Common stocks	42,623,448
Cash, cash equivalents and short-term investments	145,531,385
Investment income due and accrued	1,175,887
Reinsurance:	
Amounts recoverable from reinsurers	2,087,355
Other amounts receivable under reinsurance contracts	2,147,416
Other assets	881
Total admitted assets	$265,333,481

C. Liabilities, Capital and Surplus

Aggregate reserve for life policies and contracts	$ 64,404,664
Liability for deposit-type contracts	45,619,680
Contract claims:	
Life	301,992
Contract liabilities not included elsewhere:	
Interest maintenance reserve	753
General expenses due or accrued	13,237
Taxes, licenses and fees due or accrued, excluding federal income taxes	22,450
Current federal and foreign income taxes	1,010,017
Net deferred tax liability	6,790
Miscellaneous liabilities:	
Asset valuation reserve	9,008,504
Payable to parent, subsidiaries and affiliates	173,660
Outstanding deposit-type contract payments due	228,830
Total liabilities	$120,790,577
Common capital stock	$ 2,000,000
Gross paid in and contributed surplus	122,000,000
Unassigned funds (surplus)	20,542,904
Surplus	$142,542,904
Total capital and surplus	$144,542,904
Total liabilities, capital and surplus	$265,333,481

D. Condensed Summary of Operations

	2021	2022	2023	2024
Premiums and considerations	$1,892,740	$ 724,299	$ 0	$ 0
Investment income	5,159,002	6,512,692	8,243,251	11,216,728
Commissions and reserve adjustments on reinsurance ceded	817,969	516,898	272,738	252,494
Total income	$7,869,711	$7,753,889	$8,515,989	$11,469,222
Annuity benefits	$1,535,304	$1,867,133	$1,796,213	$ 1,831,009
Interest and adjustments on contract or deposit-type contract funds	1,449,805	1,477,277	1,398,517	1,402,821
Increase in reserves	2,292,205	686,014	231,069	269,282
Commissions	655,988	237,258	30,091	0
General expenses and taxes	364,273	408,865	310,831	315,618
Miscellaneous deductions	224	0	9,881	0
Total deductions	$6,297,799	$4,676,547	$3,776,602	$ 3,818,730
Net gain	$1,571,912	$3,077,342	$4,739,387	$ 7,650,492
Federal and foreign income taxes incurred	398,570	714,912	1,054,942	1,649,885
Net gain from operations before net realized capital gains	$1,173,342	$2,362,430	$3,684,445	$ 6,000,607
Net realized capital gains	0	(1,254,202)	1,773,526	(440,737)
Net income	$1,173,342	$1,108,228	$5,457,971	$ 5,559,870

E. Capital and Surplus Account

	2021	2022	2023	2024
Capital and surplus, December 31, prior year	$119,896,694	$129,096,495	$128,283,549	$132,284,583
Net income	$ 1,173,342	$ 1,108,228	$ 5,457,971	$ 5,559,870
Change in net unrealized capital gains (losses)	9,753,887	(7,164,666)	1,780,296	7,020,056
Change in net deferred income tax	(194,306)	51,522	108,056	89,674
Change in non-admitted assets and related items	4,166,564	(1,949,053)	389,183	1,627,871
Change in asset valuation reserve	(5,699,686)	7,141,023	(3,734,472)	(2,039,150)
Net change in capital and surplus for the year	$ 9,199,801	$ (812,946)	$ 4,001,034	$ 12,258,321
Capital and surplus, December 31, current year	$129,096,495	$128,283,549	$132,284,583	$144,542,904

5. PRIOR REPORT SUMMARY AND CONCLUSIONS

Following are the violations contained in the prior report on examination and the subsequent actions taken by the Company in response to each citation:

Item	Description
A	The Company violated Section 1505(d)(3) of the New York Insurance Law by changing the billing terms of its Intercompany Services Agreement without notifying the Superintendent in writing of its intention at least thirty days prior thereto. The examination revealed that the Company took corrective action in amending the billing terms of its Intercompany Services Agreement and did not reveal any instances where agreements with affiliates were amended without notifying the Superintendent at least thirty days prior thereto.
B	The Company violated Section 325(a) of the New York Insurance Law by failing to keep and maintain at its principal office in New York its book of account, specifically its trial balance detail in a format that would allow for reconstruction of the Company's financial records. After the conclusion of the prior examination, on July 22, 2022, the Department issued Insurance Circular Letter No. 9 (2022) which permitted insurers licensed in New York to store its books and records electronically on information systems in the cloud, on an internal server hosted by the insurer or one of its affiliates, or externally with a third-party service provider if they are easily accessible from the insurer's New York State principal office and the insurer meets certain other requirements. The examiner's review of the Company's books and records revealed that the Company maintained its books and records electronically and were easily accessible from the Company's New York principal office, as prescribed in the circular letter.

Respectfully submitted,

Thomas J. Allen, CFE
Examination Resources, LLC

STATE OF IOWA)
) SS:
COUNTY OF DALLAS)

Thomas J. Allen, being duly sworn, deposes and says that the foregoing report, subscribed by him, is true to the best of his knowledge and belief.

Thomas J. Allen

Subscribed and sworn to before me

this 2nd day of June, 2026

JESUS RODRIGUEZ
Commission Number 855808
My Comm. Expires 05/02/2027

Respectfully submitted,

/s/
Vincent Targia
Principal Insurance Examiner

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

Vincent Targia, being duly sworn, deposes and says that the foregoing report, subscribed by him, is true to the best of his knowledge and belief.

/s/
Vincent Targia

Subscribed and sworn to before me

this_____ day of _____

APPOINTMENT NO. 32819

NEW YORK STATE

DEPARTMENT OF FINANCIAL SERVICES

*I, **ADRIENNE A. HARRIS**, Superintendent of Financial Services of the State of New York, pursuant to the provisions of the Financial Services Law and the Insurance Law, do hereby appoint:*

THOMAS J. ALLEN
(EXAMINATION RESOURCES, LLC.)

as a proper person to examine the affairs of the

FIRST BERKSHIRE HATHAWAY LIFE INSURANCE COMPANY OF NEW YORK

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

COMPANY

with such other information as he shall deem requisite.

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

this 7th day of July, 2025

ADRIENNE A. HARRIS
Superintendent of Financial Services

By: Mark McLeod

MARK MCLEOD
DEPUTY CHIEF - LIFE BUREAU