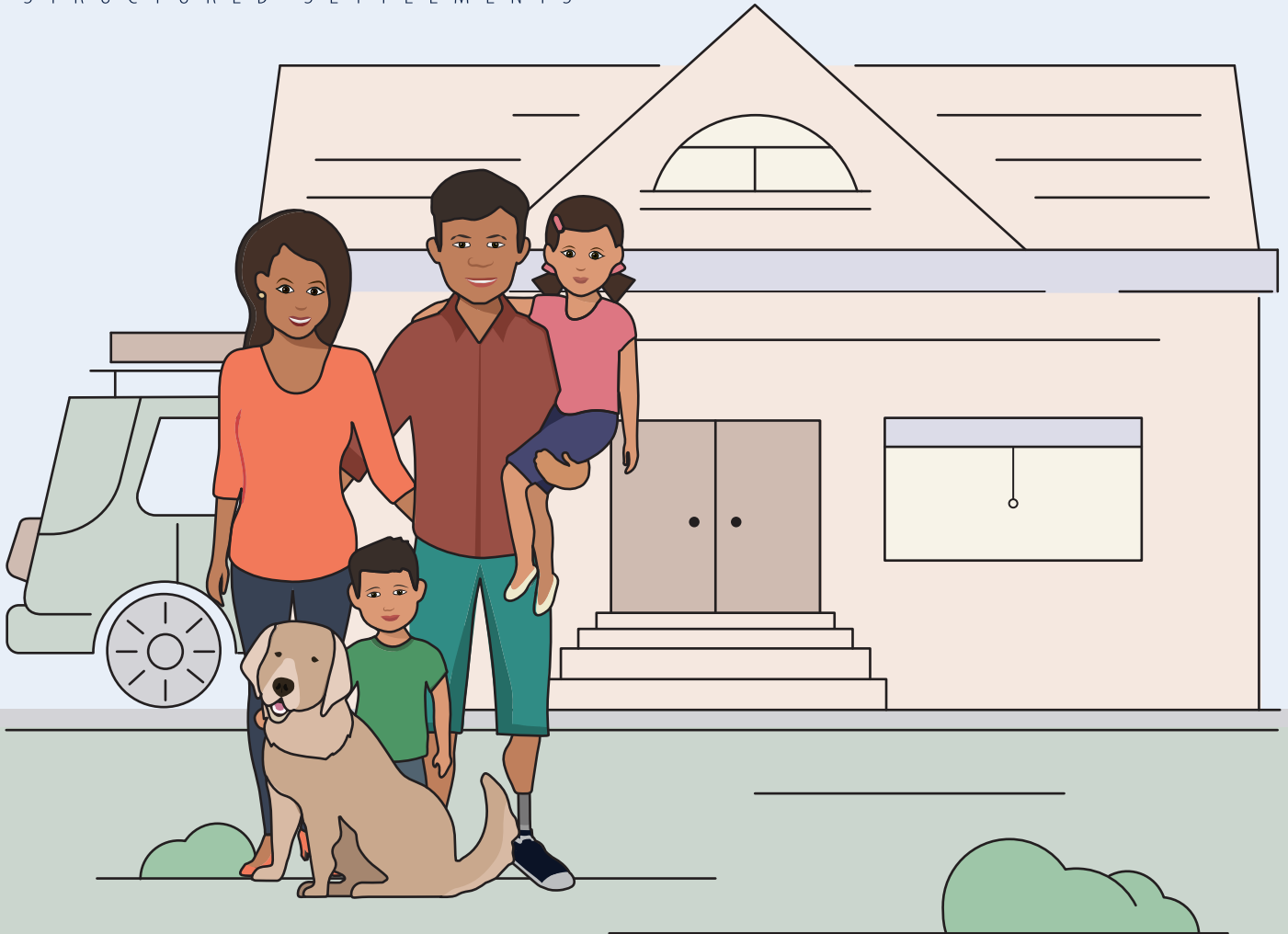


# BHGSS

**BerkshireHathawayGroup**  
STRUCTURED SETTLEMENTS



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## Securing Your Future

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Berkshire Hathaway Inc. is ranked No. 3 on Fortune Magazine's 2019 list of the World's Most Admired Companies and No. 1 in the category Insurance: Property and Casualty.

## WHAT IS A STRUCTURED SETTLEMENT?

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A structured settlement is an arrangement that allows you to accept a portion of the proceeds from your personal physical injury or workers compensation settlement in the form of future payments<sup>1</sup>. Since 1975, life insurers have issued structured settlement annuities in connection with approximately 930,000 cases with premiums totaling more than \$167 Billion<sup>2</sup>.

## WHY SHOULD I CONSIDER A STRUCTURED SETTLEMENT?

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### **Income Tax Free**

Your personal physical injury or workers compensation settlement will be free of federal, state and local income tax.<sup>3</sup> If you use a structured settlement for a portion of those proceeds, those funds will grow income tax free over time. However, earnings on funds you invest outside of a structured settlement may be subject to income tax<sup>4</sup>.



### **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?

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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 Nebraska<sup>5</sup> 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 important.

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

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You can count on the Berkshire Hathaway Group entities to meet their obligations. In addition to knowing that your future payments will come from Berkshire Hathaway Life Insurance Company of Nebraska<sup>5</sup>, you will also have the comfort that when cases are assigned to BHGSS, your payments will be guaranteed by Columbia Insurance Company. Columbia Insurance Company, BHGSS's parent, is an extraordinarily well-capitalized member of the Berkshire Hathaway group of insurance companies.

## 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.

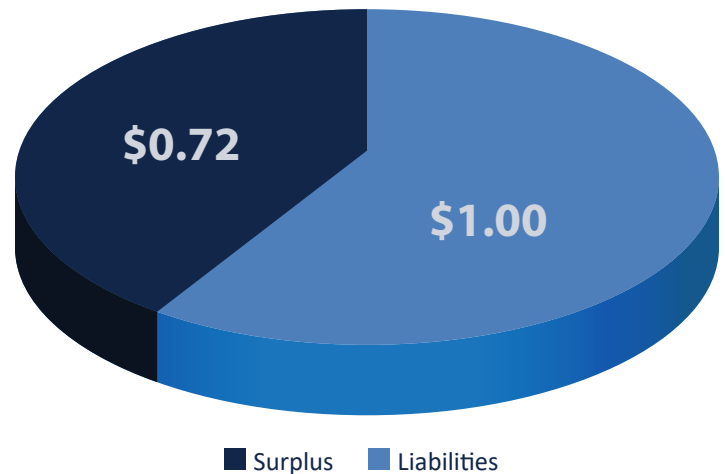
Likewise, a property & casualty insurance company's net worth (also called 'Surplus'), is the company's assets minus the company's liabilities. Columbia Insurance Company is extremely secure, with \$24 Billion of Admitted Assets, \$4.8 Billion of Liabilities, and \$19.2 Billion of Surplus as of December 31, 2018.

According to A.M. Best, the rating agency that specializes in insurance companies, there were 52 property & casualty insurance companies reporting \$3 Billion or more of Surplus as of year-end 2017. Seven are members of the Berkshire Hathaway group of insurance companies. When put together, the remaining 45 have \$0.72 of surplus beyond each \$1.00 of assets necessary to cover liabilities. Columbia Insurance Company has a remarkable \$4.01 of surplus beyond each \$1.00 of assets necessary to cover liabilities (more than 5 times as much).

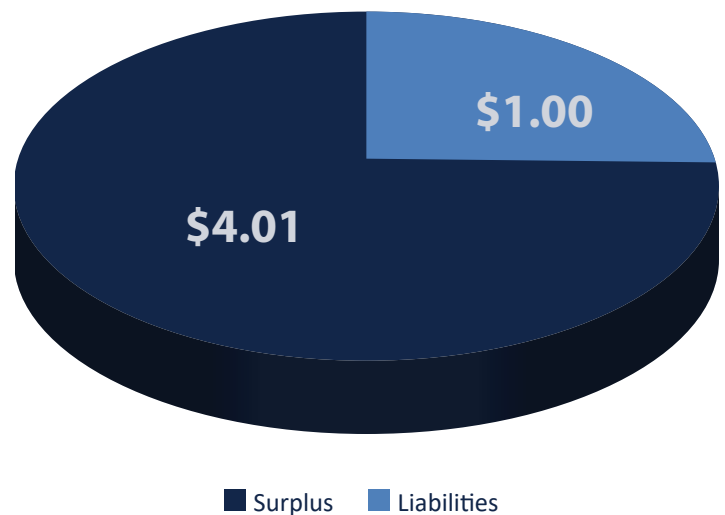
**Columbia Insurance Company's "extra" Surplus is available as a safety net to protect your payments and makes Columbia Insurance Company the ideal guarantor for a promise that can last a lifetime.**

### 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 23, 2017). [http://s2kmblog.typepad.com/rethinking\\_structured\\_set/2017/02/structured-settlement-2016-annuity-sales.html](http://s2kmblog.typepad.com/rethinking_structured_set/2017/02/structured-settlement-2016-annuity-sales.html). Updated based on Structured Settlement Industry Production report (Price/Loseman, Ringler Associates)
- 3 This tax does not apply to punitive damages and pre- and post-judgment interest.
- 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

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## 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	<b>ASSETS</b>	<b>LIABILITIES</b>	<b>SURPLUS*</b>
• AM Best Rating: A++ (Superior)	\$24 B	\$4.8 B	\$19.2 B

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## ANNUITY ISSUERS

Berkshire Hathaway Life Insurance Company of Nebraska ("BHLN")

• All States except New York	<b>ASSETS</b>	<b>LIABILITIES</b>	<b>SURPLUS*</b>
• Domiciled in Nebraska	\$18.4 B	\$13 B	\$5.4 B
• AM Best Rating: A++ (Superior)			

First Berkshire Hathaway Life Insurance Company ("FBHL")

• New York Only	<b>ASSETS</b>	<b>LIABILITIES</b>	<b>SURPLUS*</b>
• Domiciled in New York	\$215.4 M	\$96 M	\$119.3 M
• AM Best Rating: A+ (Superior)			

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## FLAGSHIP CARRIER / PARENT OF BHLN

National Indemnity Company

• Domiciled in Nebraska	<b>ASSETS</b>	<b>LIABILITIES</b>	<b>SURPLUS*</b>
• AM Best Rating: A++ (Superior)	\$228.2B	\$105.7 B	\$122.5 B

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## ULTIMATE PARENT

Berkshire Hathaway Inc.

<b>ASSETS</b>	<b>LIABILITIES</b>	<b>EQUITY**</b>
\$707.8 B	\$355.3 B	\$352.5 B

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\* 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 12/31/18.

\*\* Assets, Liabilities and Equity are prepared in conformity with accounting principles generally accepted in the United States ("GAAP") as of 12/31/18.

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.