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Berkshire Hathaway Inc. And Core Subsidiaries

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Berkshire Hathaway Inc. And Core Subsidiaries

SACP* Assessments		+			=	SACP*		+	Support		=	Ratings
Anchor	aa	+	Modifiers	1	=	aa+		+	0		=	Financial Strength Rating
Business Risk			ERM and Management	0		Liquidity	0		Group Support	0		AA+/Stable/--
Excellent												
Financial Risk			Holistic Analysis	1		Sovereign Risk	0		Gov't Support	0		
Very Strong												

*Stand-alone credit profile.
See Ratings Detail for a complete list of rated entities and ratings covered by this report.

Rationale

Business Risk Profile: Excellent

- Extremely strong competitive position based on well-diversified mix of insurance and reinsurance businesses and diversified noninsurance subsidiaries
- Leadership in U.S. personal auto segment and global reinsurance sector supports its competitive position
- Intermediate industry and country risk stemming from property/casualty (P/C), reinsurance, and life insurance operations

Financial Risk Profile: Very Strong

- Capital adequacy, according to Standard & Poor's Rating Services' risk-adjusted capital model, is extremely strong and redundant at the 'AAA' capital level
- Intermediate risk position because of stable earnings even in years of substantial catastrophe losses
- Strong financial flexibility supported by an active presence in the capital market, low financial leverage, and strong fixed-charge coverage

Other Factors

- Business risk adjustment that recognizes the consolidated outperformance on its operating and financial metrics relative to insurance peers in underwriting margins, cash flow, and relative competitive positions
- A one-notch uplift from its anchor financial strength rating score because of the relatively lower-risk nature of noninsurance operations, which comprise approximately 60% to 70% of total earnings
- Adequate enterprise risk management (ERM) and satisfactory management and governance assessment that support the rating

Factors Specific to the Holding Company

The long-term rating on Berkshire Hathaway Inc. (BRK) is one notch lower than that on its core operating insurance companies, which reflects the substantial diversity of its businesses, the earnings and dividend-paying capacity of the diversified operations, and the substantial amount of cash and investments at the holding company level. BRK is the only interactively rated insurer that has a holding company issuer credit rating that is less than two notches below the core insurance company ratings.

The vast majority of the dividending capacity within BRK stems from the insurance group, including BNSF and other noninsurance holdings that are owned by the insurance companies ($13 billion for 2014). As a result, dividends to the holding company are subject to applicable statutory limitations on the amount of dividends an insurer is permitted to pay without receiving special approval from the state insurance commissioner, in this case primarily the Nebraska Department of Insurance. Actual dividends have varied, but have typically been less than the maximum permissible amount.

The parent company maintains a significant amount of cash and equivalents and held $3.4 billion as of year-end 2013. The insurance subsidiaries have been the parent's predominant source of cash, and we expect this to continue. BRK has noncore operations that it could sell if it unexpectedly needs liquidity or capital. We would expect this to occur only under very extreme circumstances given the company's very strong capital and earnings profile and reluctance to sell any company once it has acquired full ownership.

Outlook: Stable

The outlook is stable. We believe BRK is subject to an aggressive acquisition strategy, but the insurance operating companies are expected to maintain extremely strong capitalization and sustained operating performance in our base-case scenario.

Downside scenario

We may lower our ratings if the capital adequacy of BRK's insurance operations relative to its risk profile deteriorates as a result of a material increase in investment risk exposure, a significant and sustained decline in equity markets, or the funding of a large acquisition. A significant and sustained deterioration of earnings from insurance and noninsurance subsidiaries relative to our base-case assumptions may also result in a downgrade.

Upside scenario

We do not expect to raise our ratings in the intermediate term given the sovereign rating cap.

Base-Case Scenario

Macroeconomic Assumptions

- Moderate improvement in U.S. economic conditions in 2014 and 2015; GDP growth to be 2.5% for 2014 and 3.2% for 2015
- Growth in private sector to offset the drag from government spending cuts; improvements in borrowers' balance sheets, positive impacts from consumer spending, and continued improvement in payroll employment result in continued GDP growth momentum into the next year
- Interest rates to rise modestly and gradually, with the 10-year Treasury rate forecasted to average 3.0% in 2014 and 3.3% in 2015

Company-Specific Assumptions

- Capital adequacy to remain extremely strong and capital and earnings to remain very strong on a sustained basis, although some volatility may be experienced as a result of new acquisitions
- Net premiums earned in 2014 to increase by about 6%, and the group to continue to exhibit discipline through the underwriting cycle
- P/C combined ratio on a U.S. generally accepted accounting principles (GAAP) basis between 92% and 97%; catastrophe losses to contribute about four to five percentage points on average to the loss ratio
- Investment income to decline somewhat as higher-yielding investments have matured or been repaid, and the low investment yield on the company's large holdings of cash and short-term investments
- Conservative use of financial leverage, remaining less than 15%, with fixed-charge coverage (excluding net realized capital gains/losses) to remain strong and in excess of 20x

Key Metrics

	--Year ended Dec. 31--				
(Mil. $)	**2015***	**2014***	**2013**	**2012**	**2011**
P/C net combined ratio (%)	92-97	92-97	91.6	95.3	99.2
Net premiums earned	41,000-42,000	38,000-39,000	36,684.0	34,545.0	32,075.0
Financial leverage (%)	<15	<15	9.5	12.4	13.9
Fixed-charge coverage (x)	>20	>20	25.6	22.7	22.2
S&P capital adequacy/redundancy	AAA	AAA	AAA	A	A

*Forecast data reflect Standard & Poor's base-case assumptions.

Company Description

BRK is a unique holding company that owns a large number of insurance and noninsurance subsidiaries. BRK's core business is its extensive insurance operations, which are reported as four business segments: Berkshire Hathaway Reinsurance Group, GEICO Insurance Group, General Re Group, and Berkshire Hathaway Primary Group, together BRKIS.

The noninsurance subsidiaries operate in a variety of sectors including utilities and energy, freight railroad transportation, consumer and business finance, and a wide variety of manufacturing, retailing, and business services. Prominent noninsurance affiliates based on earnings contributions include the rated entities Burlington Northern Santa

Fe LLC (BNSF), Berkshire Hathaway Energy Company (BHEC), and Clayton Homes Inc., as well as the unrated entities within Marmon Holdings Inc. and McLane Co. Inc.

Business Risk Profile: Excellent

We view the company's business risk profile as excellent, built on its extremely strong competitive position. BRK benefits from its very well-diversified business mix of insurance and reinsurance businesses as well as its diversified noninsurance subsidiaries.

Insurance industry and country risk

Berkshire faces intermediate industry and country risk, which is driven by low country risk and intermediate industry risks for its nonlife primary insurance and reinsurance operations. We view country risk as relatively low, given Berkshire's globally diversified book of business, mainly in developed countries. Berkshire's nonlife primary and reinsurance operations are exposed to intermediate industry risks because of the inherent product risk and consequent susceptibility to reserve and property catastrophe volatility. The litigious environment tied to the U.S. book of business also affects claims amounts and payment patterns. However, the relative stability of the global (re)insurance markets' profitability, market growth prospects, and overall institutional framework offset this weakness.

Table 1

Industry And Country Risk

Insurance sector		Business mix (%)
U.S. P/C	Intermediate risk	65
Global P/C reinsurance	Intermediate risk	19
Global life reinsurance	Low risk	14
U.S. life	Low risk	2

Competitive position

BRK's extremely strong competitive position is based on its very well-diversified mix of insurance and reinsurance businesses as well as its diversified noninsurance subsidiaries. BRKIS's leadership in the global reinsurance market and the U.S. personal auto insurance market also supports its competitive position. BRKIS is a direct writer of insurance and reinsurance businesses, which provides it with a competitive advantage and enables the company to maintain better expense margins and higher-quality data to use in pricing and underwriting, as compared with its peers that mostly use the broker distribution channel. The group has also demonstrated strong discipline through the P/C industry's underwriting cycles, where its consistently good underwriting results are a testament to the competitive advantages.

Table 2

Competitive Position - Insurance Operations

		--Year ended Dec. 31--				
(Mil. $)	2014*	2013	2012	2011	2010	2009
Gross premiums written	N.A.	37,999	36,409	33,579	31,505	28,532
Change in gross premiums written (%)	N.A.	4.4	8.4	6.6	10.4	3.4
Net premiums earned	18,739	36,684	34,545	32,075	30,749	27,884

Table 2

Competitive Position - Insurance Operations (cont.)						
Change in net premium earned (%)	3.0	6.2	7.7	4.3	10.3	9.2
Reinsurance utilization (%)	N.A.	2.1	1.9	2.0	1.9	2.3

*Data as of March 31, 2014

N.A. -- Not avaiable

Table 3

Business Statistics						
		--Year ended Dec. 31--				
(Mil. $)	**2014***	**2013**	**2012**	**2011**	**2010**	**2009**
Operating revenues						
Insurance	21,191	41,419	39,019	36,821	35,935	33,107
Manufacturing, service & retail	47,393	95,291	83,255	72,406	66,610	61,665
Railroad	11,182	22,014	20,835	19,548	15,059	N.A.
Utilities & energy	8,491	12,743	11,747	11,291	11,305	11,443
Finance & financial products	3,077	4,291	4,110	4,014	4,264	4,587
Total consolidated	91,334	175,758	158,966	144,080	133,173	110,802
Operating revenues (%)						
Insurance	23.2	23.6	24.5	25.6	27.0	29.9
Manufacturing, service & retail	51.9	54.2	52.4	50.3	50.0	55.7
Railroad	12.2	12.5	13.1	13.6	11.3	N.A.
Utilities & energy	9.3	7.3	7.4	7.8	8.5	10.3
Finance & financial products	3.4	2.4	2.6	2.8	3.2	4.1
Total consolidated	100.0	100.0	100.0	100.0	100.0	100.0
Operating revenue growth (%)						
Insurance	2.2	6.2	6.0	2.5	8.5	9.3
Manufacturing, service & retail	3.9	14.5	15.0	8.7	8.0	(6.7)
Railroad	5.4	5.7	6.6	29.8	N.A.	N.A.
Utilities & energy	37.6	8.5	4.0	(0.1)	(1.2)	(11.1)
Finance & financial products	6.1	4.4	2.4	(5.9)	(7.0)	(7.3)
Total consolidated	6.2	10.6	10.3	8.2	20.2	(3.0)

* Data as of June 30, 2014

N.A. -- Not available

Financial Risk Profile: Very Strong

We regard BRKIS's financial risk profile as very strong overall, which reflects its very strong capital and earnings, intermediate risk position, and strong financial flexibility.

Capital and earnings

The group's capital and earnings are very strong, which we expect to remain as such in our base case. We look at capitalization across all P/C and life insurance and reinsurance subsidiaries, both domestically and internationally on a consolidated basis.

Table 4

Capitalization Statistics

		--Year ended Dec. 31--				
(Mil. $)	**2014***	**2013**	**2012**	**2011**	**2010**	**2009**
Common shareholders' equity	234,005	221,890	187,647	164,850	157,318	131,102
Change in common shareholders' equity (%)	5.5	18.2	13.8	4.8	20.0	20.0

*Data as of June 30, 2014

Table 5

Earnings Statistics - Insurance Operations

		--Year ended Dec. 31--				
(Mil. $)	**2014***	**2013**	**2012**	**2011**	**2010**	**2009**
Total revenues	21,183	41,419	39,019	36,821	35,935	33,107
EBIT adjusted	3,796	7,802	6,079	4,973	7,158	6,732
Net income	2,723	5,703	4,443	3,709	5,161	5,220
Net expense ratio (%)	72.7	71.8	73.0	80.1	73.3	72.4
Net loss ratio (%)	20.1	19.8	22.3	19.1	20.2	22.4
Net combined ratio (%)	92.8	91.6	95.3	99.2	93.5	94.8
Return on revenue (%)**	17.9	18.8	15.6	13.5	19.9	20.3
Return on Equity (%)	N.A.	2.8	2.5	2.3	3.6	4.3

*Data as of June 30, 2014

**Excludes net realized capital gains/(losses)

N.A. -- Not available

The high exposure to equity-market volatility, potential for large-scale acquisitions such as Burlington Northern Santa Fe Corp. (BNSF) and Heinz, and the purchase of large preferred stock and subordinated debentures using insurance assets have hurt capital adequacy in the past, as measured by our capital adequacy model. Although capital adequacy has improved during the past year, these large acquisitions and the common equity holdings of the insurance companies can result in significant volatility to the capital base. We remain concerned about the use of insurance assets to finance future acquisitions, although we do not believe capital adequacy will be allowed to deteriorate to less than current levels on a sustained basis. The extremely strong competitive position across all the underwriting segments and relatively stable and very strong earnings mitigate some of our concern about the potential for reduced capitalization levels.

For first-half 2014, pretax operating income declined by 2% to $11.8 billion from the same period in 2013, mainly because of a decline in BRK's insurance segment. However, full-year 2013 pretax operating income increased nearly 16% to approximately $23 billion from $20 billion in 2012.

Risk position

BRK's risk position is intermediate, which reflects the minimal exposure to employee benefits and well-matched foreign exchange risks, partly offset by high exposure to high-risk assets. As of year-end 2013, BRKIS's investment portfolios included $114.8 billion of unaffiliated common equity investments (62% of total unaffiliated invested assets),

$27.1 billion of fixed maturities securities (15%), cash and cash equivalents of $32.6 billion (17%), and other investments of $12.3 billion (6%). BRKIS has a very high allocation to equities and a substantial concentration in a few individual names, which exposes BRKIS's statutory surplus to substantial market volatility. This was seen by the significant increase in consolidated shareholder equity and statutory surplus, which increased to $224 billion and $129 billion as of year-end 2013 from $192 billion and $106 billion as of year-end 2012, respectively.

Table 6

Risk Position - Insurance Operations						
		--Year ended Dec. 31--				
(Mil. $)	**2014***	**2013**	**2012**	**2011**	**2010**	**2009**
Total unaffiliated invested assets	193,894	186,797	158,579	140,340	136,357	139,721
Change in total invested assets (%)	3.8	17.8	13.0	2.9	-2.4	26.1
Net investment income	2,444	4,713	4,454	4,725	5,145	5,459
Net investment yield (%)**	2.6	2.7	3.0	3.4	3.7	4.4
Investment gains/losses	3,425	3,881	990	1,065	4,044	358
Net investment yield including all investment gains/(losses) (%)	6.2	5.0	3.6	4.2	6.7	4.6
Investment portfolio - insurance operations						
Cash and cash equivalents	38,178	32,572	26,458	21,571	24,818	18,655
Fixed-maturity securities	27,242	27,059	35,243	29,899	32,889	35,537
Unaffiliated common equity investments	116,277	114,832	86,694	75,759	59,517	56,289
Other investments	12,197	12,334	10,184	13,111	19,133	29,240
Total unaffiliated invested assets	193,894	186,797	158,579	140,340	136,357	139,721
Investment portfolio - insurance operations (%)						
Cash and cash equivalents	19.7	17.4	24.0	21.8	23.5	18.8
Fixed-maturity securities	14.0	14.5	20.8	20.3	22.9	23.8
Unaffiliated common equity investments	60.0	61.5	49.4	49.4	40.5	37.7
Other investments	6.3	6.6	5.8	8.5	13.1	19.6
Total unaffiliated invested assets	100.0	100.0	100.0	100.0	100.0	100.0

*Data as of June 30, 2014

**Annualized from Q1 2014 data

Financial flexibility

BRK has strong financial flexibility, which reflects its proven access to capital markets, low financial leverage (debt plus hybrids to economic capital), and ample liquidity. The company has a global equity and debt investor base and its future debt maturities are spread out.

BRK's adjusted financial leverage and fixed-charge coverage (excluding the separately rated subsidiaries BHEC and BNSF, and the borrowings used to fund the finance operations of Vanderbilt Mortgage & Finance Inc. that are treated as operating leverage) are conservative. BRK's adjusted financial leverage was 9% and EBITDA fixed-charge coverage was about 26x as of June 30, 2014. We expect financial leverage to remain less than 15%, which supports our rating on the holding company, Berkshire Hathaway Inc. We expect fixed-charge coverage to stay very strong and more than 22x in 2014.

BRK's 2013 adjusted debt-to-EBITDA ratio and adjusted EBITDA fixed-charge coverage ratios were 1.1x and 26x, respectively, as compared to the 'AA' U.S. corporate median (three-year average as of year-end 2012) of 0.9x and 19.6x, respectively.

Table 7

Financial Flexibility

		--Year ended Dec. 31--				
(x)	**2014***	**2013**	**2012**	**2011**	**2010**	**2009**
EBITDA fixed-charge coverage excluding realized and unrealized gains/(losses)	26.0	25.6	22.7	22.2	27.7	29.1
Financial leverage including pension deficit as debt (%)	9.0	9.5	12.4	13.9	11.7	6.2
Debt to adjusted EBITDA**	1.0	1.1	1.6	1.9	1.3	0.7

*Data as of June 30, 2014

**Annualized from Q2 2014 data

Other Assessments

Enterprise risk management

We consider the company's ERM as adequate and the importance of ERM as low. Positive scores for risk culture and emerging risk management, along with neutral scores for risk controls, risk models, and strategic risk management contribute to the overall assessment. Our view of BRK's ERM is constrained by how the firm downplays decision support systems such as decision-making tools and analytical support staff. BRK allows for autonomous decision making by the disparate businesses within the group. However, this approach also deemphasizes the importance of economic capital models and risk-optimization tools, which may result in outsize risk aggregations across the group and further aggravates the key-person risk.

Our adequate ERM score reflects our overall opinion of risk management across all BRK's insurance operations and may not fully reflect certain "pockets of strength" within individual operating companies, such as the General Re Group.

Management and governance

BRK's management and governance is satisfactory. It has a track record of diligent strategic planning, consistent strategy, and strong execution abilities. The company's growth strategy supplements organic growth with frequent acquisitions that are funded primarily by the cash its core insurance operations generates. BRK has a long history of making successful acquisitions, particularly the larger ones, which drive consolidated operating performance. Its success highlights our continuing concern with key-man risk and management succession for BRK.

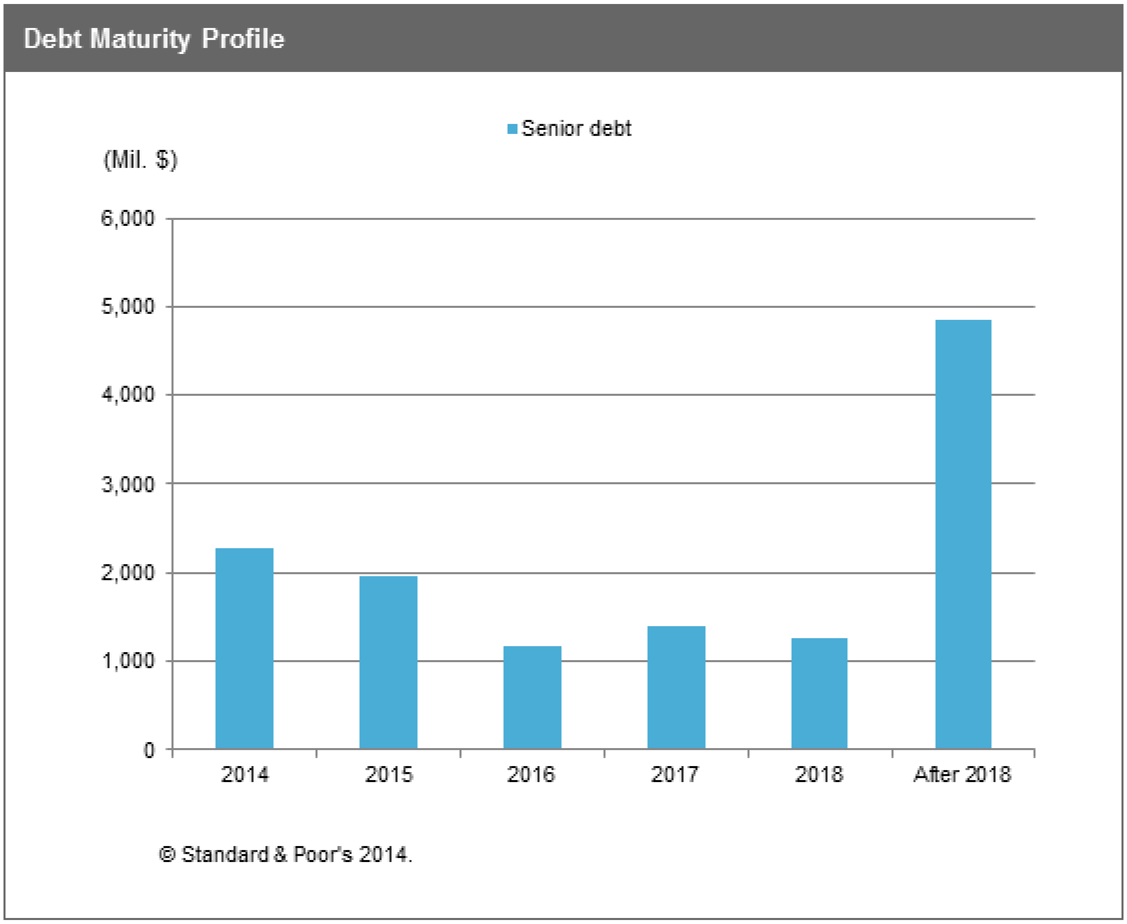
The company's historical policy of retaining earnings within the company rather than paying dividends to shareholders or engaging in share repurchases greatly assists in financing acquisitions with internal funds. This approach is being modified somewhat, as BRK has now stated a willingness to engage in share repurchases to a certain extent where share price does not exceed 120% of book value. However, we do not believe this will result in significant share repurchase activity.

BRKIS does not target market share, and it is generally unwilling to write business that does not meet its criteria for price adequacy. BRK has created a corporate culture focused on economic profits and, at BRKIS, price adequacy leading to underwriting profit. The emphasis on profitability over market share and strict underwriting discipline has permeated the various insurance and reinsurance operating companies, and we view this as a strength to the rating. BRKIS has a strong approach to cycle management because of its well-diversified insurance and reinsurance platform and the absence of shareholder pressure to produce higher short-term quarterly earnings at BRK. BRK's corporate strategy adjusts based on market conditions and risk in the insurance and reinsurance and capital markets. The strategy changes significantly from year to year depending on the perceived level of price adequacy in specific insurance and reinsurance markets.

Liquidity

We regard BRKIS's liquidity as exceptional as a result of an asset portfolio of $187 billion of unaffiliated investments at year end 2013, including $33 billion in cash and cash equivalents, strong operating cash flows, and the strength of available liquidity sources. We believe the group is capable of managing unexpectedly large claims, and BRKIS's cash holdings are substantially higher than the liquidity needs that any major natural catastrophes may trigger. We also view the holding company's liquidity position favorably, based on the consistently strong and growing earnings that result in increasingly large dividending capability of its subsidiaries, as well as a large amount of liquid assets maintained at the parent.

Contingent liquidity requirements include guarantees extended to provide liquidity to two large commercial paper programs, potential collateral posting requirements related to derivatives contracts, and the funding of acquisitions.



Accounting Considerations

We view BRKIS's accounting as neutral to the rating. All BRKIS's operating companies produce financial statements based on U.S. GAAP to consolidate them with BRK's financials. Our capital model for BRKIS is mostly run on a statutory basis, with the exception of Gen Re AG's capital model, which is run on a GAAP basis.

Our consolidated capital model required adjustments to incorporate natural catastrophe exposure, retroactive reinsurance reserves, and investment concentration. Because BHRG tracks its property catastrophe exposure on a full-limits basis, we have applied an analytical adjustment to the information provided by the company to make it more comparable to the one-in-250-year probable maximum loss (PML) we usually use in our capital adequacy assessment. For Gen Re, we used the one-in-250-year PML to obtain the appropriate property catastrophe charge. We reclassified certain amounts reported in statutory filings as "aggregate write-ins for liabilities" to retroactive reinsurance loss reserves and applied the corresponding reserve charge. We also included an investment-risk concentration charge for investments representing more than 10% of BRKIS's total adjusted capital. Also, in our analysis of BRKIS's capital adequacy we exclude all affiliated investments totaling about $65 billion, the largest of which is the $35 billion ownership of BNSF.

BHRG writes retroactive policies that provide large, but mostly limited, protection for past loss events. On a GAAP basis, the amortization of deferred charges (difference between premiums received and estimated ultimate loss reserve) is recorded as losses incurred, and produces underwriting losses during the expected loss-settlement period. As of Dec. 31, 2013, the amount of total unamortized deferred charges associated with BHRG's retroactive reinsurance contracts was $4.4 billion, and the corresponding gross unpaid losses were approximately $17.7 billion.

Related Criteria And Research

- Group Rating Methodology, Nov. 19, 2013
- Insurers: Rating Methodology, May 7, 2013
- Enterprise Risk Management, May 7, 2013
- Methodology For Linking Short-Term And Long-Term Ratings For Corporate, Insurance, And Sovereign Issuers, May 7, 2013
- Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
- Refined Methodology And Assumptions For Analyzing Insurer Capital Adequacy Using The Risk-Based Insurance Capital Model, June 7, 2010
- Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Hybrid Capital Handbook: September 2008 Edition, Sept. 15, 2008

Ratings Detail (As Of August 27, 2014)	
Operating Companies Covered By This Report	
National Indemnity Co.	
Financial Strength Rating	
Local Currency	AA+/Stable/--
Counterparty Credit Rating	
Local Currency	AA+/Stable/--
Berkshire Hathaway Assurance Corp.	
Financial Strength Rating	
Local Currency	AA+/Stable/--
Financial Enhancement Rating	
Local Currency	AA+/Stable/--
Berkshire Hathaway Homestate Insurance Company	
Financial Strength Rating	
Local Currency	AA+/Stable/--
Issuer Credit Rating	
Local Currency	AA+/Stable/--
Berkshire Hathaway International Insurance Ltd.	
Financial Strength Rating	
Local Currency	AA+/Stable/--
Issuer Credit Rating	
Local Currency	AA+/Stable/A-1+
Berkshire Hathaway Life Insurance Co. of NE	
Financial Strength Rating	
Local Currency	AA+/Stable/--

Ratings Detail (As Of August 27, 2014) (cont.)	
Issuer Credit Rating	
Local Currency	AA+/Stable/--
Financial Enhancement Rating	
Local Currency	AA+/Stable/--
Columbia Insurance Co.	
Financial Strength Rating	
Local Currency	AA+/Stable/--
Issuer Credit Rating	
Local Currency	AA+/Stable/--
Financial Enhancement Rating	
Local Currency	AA+/Stable/--
Continental Divide Insurance Co.	
Financial Strength Rating	
Local Currency	AA+/Stable/--
Issuer Credit Rating	
Local Currency	AA+/Stable/--
Cypress Insurance Co. (CA)	
Financial Strength Rating	
Local Currency	AA+/Stable/--
Issuer Credit Rating	
Local Currency	AA+/Stable/--
Faraday Reinsurance Co. Ltd.	
Financial Strength Rating	
Local Currency	AA+/Stable/--
GEICO Casualty Co.	
Financial Strength Rating	
Local Currency	AA+/Stable/--
Issuer Credit Rating	
Local Currency	AA+/Stable/--
GEICO General Insurance Co.	
Financial Strength Rating	
Local Currency	AA+/Stable/--
Issuer Credit Rating	
Local Currency	AA+/Stable/--
GEICO Indemnity Co.	
Financial Strength Rating	
Local Currency	AA+/Stable/--
Issuer Credit Rating	
Local Currency	AA+/Stable/--
General Reinsurance Africa Ltd.	
Financial Strength Rating	
Local Currency	AA+/Stable/--

Ratings Detail (As Of August 27, 2014) (cont.)	
General Reinsurance AG	
Financial Strength Rating	
Local Currency	AA+/Stable/--
Issuer Credit Rating	
Local Currency	AA+/Stable/--
General Reinsurance Australia Ltd.	
Financial Strength Rating	
Local Currency	AA+/Stable/--
Issuer Credit Rating	
Local Currency	AA+/Stable/--
General Reinsurance Corp.	
Financial Strength Rating	
Local Currency	AA+/Stable/--
Issuer Credit Rating	
Local Currency	AA+/Stable/--
General Reinsurance Life Australia Ltd.	
Financial Strength Rating	
Local Currency	AA+/Stable/--
General Re Life Corp.	
Financial Strength Rating	
Local Currency	AA+/Stable/--
General Star Indemnity Co.	
Financial Strength Rating	
Local Currency	AA+/Stable/--
Issuer Credit Rating	
Local Currency	AA+/Stable/--
General Star National Insurance Co.	
Financial Strength Rating	
Local Currency	AA+/Stable/--
Issuer Credit Rating	
Local Currency	AA+/Stable/--
Genesis Insurance Co.	
Financial Strength Rating	
Local Currency	AA+/Stable/--
Issuer Credit Rating	
Local Currency	AA+/Stable/--
Government Employees Insurance Co.	
Financial Strength Rating	
Local Currency	AA+/Stable/--
Issuer Credit Rating	
Local Currency	AA+/Stable/--
Medical Protective Co.	
Financial Strength Rating	
Local Currency	AA+/Stable/--

Ratings Detail (As Of August 27, 2014) (cont.)	
Issuer Credit Rating	
Local Currency	AA+/Stable/--
National Fire & Marine Insurance Co.	
Financial Strength Rating	
Local Currency	AA+/Stable/--
Issuer Credit Rating	
Local Currency	AA+/Stable/--
Financial Enhancement Rating	
Local Currency	AA+/Stable/--
National Indemnity Co. of Mid-America	
Financial Strength Rating	
Local Currency	AA+/Stable/--
Issuer Credit Rating	
Local Currency	AA+/Stable/--
National Indemnity Co. of the South	
Financial Strength Rating	
Local Currency	AA+/Stable/--
Issuer Credit Rating	
Local Currency	AA+/Stable/--
National Liability & Fire Insurance Co.	
Financial Strength Rating	
Local Currency	AA+/Stable/--
Issuer Credit Rating	
Local Currency	AA+/Stable/--
Redwood Fire & Casualty Insurance Co.	
Financial Strength Rating	
Local Currency	AA+/Stable/--
Issuer Credit Rating	
Local Currency	AA+/Stable/--
Related Entities	
Berkshire Hathaway Inc.	
Issuer Credit Rating	
Local Currency	AA/Stable/A-1+
Senior Unsecured	AA
GEICO Corp.	
Issuer Credit Rating	
Local Currency	AA/Stable/--
Senior Unsecured	AA
General Re Corp.	
Issuer Credit Rating	
Local Currency	AA/Stable/A-1+
Commercial Paper	
Local Currency	A-1+

Ratings Detail (As Of August 27, 2014) (cont.)	
General Re Financial Products Corp.	
Issuer Credit Rating	
Local Currency	AA/Stable/--
Domicile	Nebraska

*Unless otherwise noted, all ratings in this report are global scale ratings. Standard & Poor's credit ratings on the global scale are comparable across countries. Standard & Poor's credit ratings on a national scale are relative to obligors or obligations within that specific country.