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Press Release - FEBRUARY 04, 2016

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A.M. Best Affirms Ratings of Berkshire Hathaway GUARD Insurance Companies' (Formerly GUARD Insurance Group) Members

CONTACTS:

Greg Reisner
Assistant Vice President
(908) 439-2200, ext. 5224
greg.reisner@ambest.com

Christopher Sharkey
Manager, Public Relations
(908) 439-2200, ext. 5159
christopher.sharkey@ambest.com

Robert DeRose
Vice President
(908) 439-2200, ext. 5453
robert.derose@ambest.com

Jim Peavy
Assistant Vice President, Public Relations
(908) 439-2200, ext. 5644
james.peavy@ambest.com

Related Companies

For information about each company, including the A Credit Reports, group members (where applicable) a stories, click on the company name. An additional pu may be required.

AMB#	Company Name
000293	AmGUARD Insurance Company
018331	Berkshire Hathaway GUARD Insurance Co
058334	Berkshire Hathaway Inc.
000665	EastGUARD Insurance Company
002429	National Indemnity Company

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FOR IMMEDIATE RELEASE

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A.M. Best has affirmed the financial strength rating of A+ (Superior) and the issuer credit ratings of "aa-" of **WestGUARD Insurance Company, AmGUARD Insurance Company, EastGUARD Insurance Company** and **NorGUARD Insurance Company**, which operate under an intercompany pooling agreement. These companies are members of **Berkshire Hathaway GUARD Insurance Companies (GUARD)** and domiciled in Wilkes-Barre, PA. The outlook for all ratings is stable.

The ratings reflect GUARD's solid capitalization, favorable operating profitability achieved through disciplined underwriting initiatives and conservative reserving philosophy, which has resulted in favorable reserve development in recent years. The ratings also acknowledge the implicit and explicit financial support provided by GUARD's ultimate parent, **Berkshire Hathaway Inc.** (Berkshire) [NYSE: BRK A and BRK B], and Berkshire subsidiary, **National Indemnity Company**, including significant reinsurance transactions.

Partially offsetting these positive rating factors are the group's above-average growth in its core workers' compensation line and other commercial classes over the past several years. There is greater inherent risk associated with integrating new product lines and expansion into new states, along with a degree of concentration in several states and production sources. Also, the group's net investment ratio is below the workers' compensation composite and comparably rated peers. Despite these concerns, the outlooks reflect GUARD's enhanced financial flexibility provided by Berkshire, solid balance sheet and historical underwriting profitability.

A.M. Best believes GUARD's members are well-positioned at the current rating level. However, these ratings or outlooks could come under pressure should softer market conditions and a lack of underwriting discipline in their new product lines and expansion initiatives result in a decline in underwriting and overall profitability to levels underperforming their peers, or should Berkshire fail to provide adequate financial and operational support.

This press release relates to rating(s) that have been published on A.M. Best's

website. For all rating information relating to the release and pertinent disclosures, including details of the office responsible for issuing each of the individual ratings referenced in this release, please see A.M. Best's [Recent Rating Activity](#) web page.

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