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FILED
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Department of Insurance
State of Idaho

BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE

STATE OF IDAHO

In the Matter of:	Docket No. 18-3474-18
BERKSHIRE HATHAWAY SPECIALTY INSURANCE COMPANY, NAIC No. 22276 Idaho Certificate of Authority No. 594; and NATIONAL INDEMNITY COMPANY, NAIC No. 20087 Idaho Certificate of Authority No. 326.	**ORDER ADOPTING REGULATORY SETTLEMENT AGREEMENT**

On or about December 12, 2017, the Idaho Department of Insurance ("**Department**") received notice of a proposed regulatory settlement agreement involving Berkshire Hathaway Specialty Insurance Company and National Indemnity Company (collectively, "**Companies**"). The Director of the Department ("**Director**"), having reviewed the same, makes the following findings and conclusions:

1. The Director has jurisdiction in the state of Idaho over matters involving insurance regulation, pursuant to the Idaho Insurance Code, Idaho Code § 41-101 *et seq.*

2. Berkshire Hathaway Specialty Insurance Company is a Nebraska-domiciled insurer holding Idaho Certificate of Authority No. 594 and is authorized to transact insurance in the state of Idaho.

3. National Indemnity Company is a Nebraska-domiciled insurer holding Idaho Certificate of Authority No. 326 and is authorized to transact insurance in the state of Idaho.

4. The insurance regulators for the states of Missouri, Minnesota, Ohio, Oklahoma, Pennsylvania, and Utah (the "**Lead States**") undertook targeted market conduct examinations of certain travel insurance companies, including Berkshire Hathaway Specialty Insurance Company and National Indemnity Company, regarding the companies' travel insurance practices. As part of the examination, the Lead States raised a number of regulatory issues with the Companies.

5. The Companies deny any wrongdoing or violations of law.

6. Based on a mutual desire to resolve issues raised in the examination without the need for a hearing or for further administrative action, the Lead States and the Companies have entered into a Regulatory Settlement Agreement ("**Agreement**"), which is attached hereto as Exhibit 1.

7. The Director finds that the terms of the Agreement are appropriate and adoption of the Agreement is in the best interests of the state of Idaho.

8. The Director having signed the Participating State Adoption Form, attached hereto as Exhibit 2, on January 5, 2018, and the Agreement having become effective on February 23, 2018, based on its adoption by a requisite number of jurisdictions, the Director now wishes to memorialize the Agreement by entry of this order.

NOW, THEREFORE, in consideration of the premises,

IT IS HEREBY ORDERED that the Agreement is hereby approved, adopted, and fully

incorporated herein by reference. The Companies shall comply with all terms and conditions of the Agreement in accordance with its provisions.

DATED this 20th day of March, 2018.

STATE OF IDAHO
DEPARTMENT OF INSURANCE

DEAN L. CAMERON, Director

NOTIFICATION OF RIGHTS

This Order constitutes a final order of the Director. Any party may file a motion for reconsideration of this final order within fourteen (14) days of the service date of this order. The Director will dispose of the petition for reconsideration within twenty-one (21) days of its receipt, or the petition will be considered denied by operation of law. *See*, Idaho Code § 67-5246(4).

Pursuant to Idaho Code §§ 67-5270 and 67-5272, any party aggrieved by this final order may appeal it by filing a petition for judicial review in the district court of the county in which: (1) the hearing was held; or (2) the final agency action was taken; or (3) the aggrieved party resides or operates its principal place of business in Idaho; or (4) the real property or personal property that was the subject of the agency decision is located. An appeal must be filed within twenty-eight (28) days of: (a) the service date of this final order; or (b) an order denying a petition for reconsideration; or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration, whichever is later. *See*, Idaho Code § 67-5273. The filing of a petition for judicial review does not itself stay the effectiveness or enforcement of the order under appeal.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 22nd day of March, 2018, I caused a true and correct copy of the foregoing ORDER ADOPTING REGULATORY SETTLEMENT AGREEMENT to be served upon the following by the designated means:

Berkshire Hathaway Specialty Insurance Company
1314 Douglas Street, Suite 1400
Omaha, NE 68102-1944

- [x] first class mail
- [ ] certified mail
- [ ] hand delivery
- [ ] via facsimile

National Indemnity Company
1314 Douglas Street, Suite 1400
Omaha, NE 68102-1944

- [x] first class mail
- [ ] certified mail
- [ ] hand delivery
- [ ] via facsimile

Missouri Department of Insurance
Chlora Lindley-Myers, Director
P.O. Box 690
Jefferson City, MO 65102-0690

- [x] first class mail
- [ ] certified mail
- [ ] hand delivery
- [ ] via facsimile

Minnesota Department of Insurance
Jessica Looman, Commissioner
85 7th Place East, Suite 500
St. Paul, MN 55101-2198

- [x] first class mail
- [ ] certified mail
- [ ] hand delivery
- [ ] via facsimile

Ohio Department of Insurance
Jillian Froment, Director
50 West Town Street
Third Floor, Suite 300
Columbus, OH 43215

- [x] first class mail
- [ ] certified mail
- [ ] hand delivery
- [ ] via facsimile

Oklahoma Department of Insurance
John Doak, Commissioner
7645 E. 63rd Street, Suite 102
Tulsa, OK 74133

- [x] first class mail
- [ ] certified mail
- [ ] hand delivery
- [ ] via facsimile

Pennsylvania Insurance Department
Jessica Altman, Commissioner
1326 Strawberry Square, 13th Floor
Harrisburg, PA 17120

- [x] first class mail
- [ ] certified mail
- [ ] hand delivery
- [ ] via facsimile

Utah Insurance Department
Todd Kiser, Commissioner
3110 State Office Building
Salt Lake City, UT 84114

☒ first class mail
☐ certified mail
☐ hand delivery
☐ via facsimile

Judy L. Geier
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☐ first class mail
☐ certified mail
☐ hand delivery
☐ via facsimile
☒ via email

Pamela Murray

IN THE MATTER OF
BERKSHIRE HATHAWAY SPECIALTY INSURANCE COMPANY
NAIC # 22276

NATIONAL INDEMNITY COMPANY
NAIC #20087

REGULATORY SETTLEMENT AGREEMENT

This Regulatory Settlement Agreement ("Agreement") is entered into as of this 12 day of December, 2017 by and between Berkshire Hathaway Specialty Insurance Company, National Indemnity Company, the Signatory Lead States and the insurance regulators who, on behalf of their agencies, have executed the form of "Participating State Adoption" set forth as Exhibit A, pursuant to the definitions, terms and conditions set forth below.

A. Recitals

1. At all relevant times during the Examination Period Berkshire Hathaway and National Indemnity have been licensed insurance companies domiciled in the State of Nebraska and authorized to write Travel Insurance in the Participating States. The Companies have offered and sold Travel Insurance policies in the Participating States.

2. Beginning in 2014, the Lead States initiated an investigation of the Travel Insurance industry by conducting targeted market conduct examinations of several travel insurance companies, including Berkshire Hathaway and National Indemnity. Market conduct examination warrants were issued by the Missouri Department of Insurance in May 2016 to Berkshire Hathaway and National Indemnity regarding travel insurance practices relating to policyholder service, claims, producer licensing, marketing and sales, complaints, and operations/management," covering the period from January 1, 2014 through December 31, 2015 and relating to underwriting and rating covering the period from January 1, 2014 to June 30,

EXHIBIT
1

2017. The Examinations were supported by the efforts of the National Association of Insurance Commissioners' Market Actions Working Group.

3. As part of the Examinations, the Lead States have raised a number of regulatory issues with the Companies which the Lead States seek to address, clarify or remedy by this Agreement.

4. Berkshire Hathaway and National Indemnity have cooperated with the Lead States and their examiners and vendors during the course of the Examinations by making their books and records available for examination, responding to questions from, and meeting on multiple occasions with the Lead States and their consultants, and making their personnel and agents available to assist as requested by the Lead States. The Companies assert that at all times relevant to this Agreement, including, but not limited to, the Exam Period, the Companies and their officers, directors, employees, agents and representatives acted in good faith and in a manner they believed to be in the best interest of the Companies' policyholders and in compliance with all applicable Insurance Laws.

5. The Companies deny any wrongdoing or activity that violates any applicable laws or regulations, but in light of the complicated issues raised and the probability that long-term litigation and/or administrative proceedings would be required to resolve the disputes between the Parties hereto, the Parties have agreed to resolve all issues relating to the Examinations and the regulatory issues through this Agreement. The Participating States and the Companies voluntarily enter into this Agreement solely for the purpose of reaching a compromise and settlement to fully and finally resolve the issues raised in the Examinations without the need for a hearing or further administrative action.

6. All matters encompassed within the scope of this Agreement and addressed in this Agreement, shall be fully and finally resolved according to the terms of this Agreement without further regulatory or administrative processes or any actions, requirements or monetary payments beyond those enumerated herein.

7. The terms and conditions of this Agreement will apply in all of the Participating States unless inconsistent with a Participating State's Insurance Laws in which case the inconsistent provision of the Agreement will be rendered ineffective only in the Participating State(s) whose Insurance Laws conflict with the provision.

8. This Agreement sets forth (B) Definitions, (C) Business Reforms, and (D) Other Provisions.

B. Definitions.

1. "Administrators" means both Third Party Administrators, as defined by the law in each Participating State and Managing General Agents, as defined by the law in each Participating State.

2. "Agreement" means this Regulatory Settlement Agreement, including all Exhibits.

3. "Assistance Services" means one or more of the following non-insurance services that may be distributed by Distribution Participants or other entities including, but not limited to:

- Multilingual Assistance that is not related to the purchase of Travel Insurance by the consumer nor related to the handling of a Travel Insurance claim;
- Concierge Services, including restaurant referrals, event ticketing and excursion and recreation reservations, relaying urgent messages or providing information

relating to the purchaser's trip, .

- Any other service that is furnished in connection with planned travel and is not directly or indirectly related to Travel Insurance, the administration of Travel Insurance coverage or covered under a policy of Travel Insurance.

4. "Berkshire Hathaway" means Berkshire Hathaway Specialty Insurance Company and its subsidiaries and affiliated entities that sell or underwrite Travel Insurance, and their successors, assigns, officers, directors and employees.

5. "Companies" means collectively Berkshire Hathaway and National Indemnity.

6. "Distribution Participants" means all producers, as defined by the law in each Participating State, Limited Lines Travel Insurance Producers, Travel Retailers, business entities as defined by the law in each Participating State, which may include travel websites, tour operators, airlines, cruise lines, vacation package promoters, sellers of event tickets, hoteliers, property management companies, timeshare operators, rental car companies, other travel and tourism suppliers, and other entities selling or offering Companies Travel Insurance.

7. "Effective Date" means the date this Regulatory Settlement Agreement has been executed by the Companies and executed or adopted by thirty (30) states or jurisdictions. This Regulatory Settlement Agreement will not become effective unless the Companies and at least thirty (30) states have adopted or executed the Agreement within the timeframe permitted under Section B (19), unless an extension is agreed to by the Signatory Lead States and the Companies.

8. "Examinations" mean the market conduct examinations conducted by the Lead States reviewing the Companies' Travel Insurance practices during the Examination Period.

9. "Examination Period" means for policyholder services, claims, producer licensing, marketing and sales, complaints and operations/management the period from January

1, 2014 to December 31, 2015 and continuing through the end of the Monitoring Time Period and for underwriting and rating the period from January 1, 2014 to June 30, 2017.

10. "Execution Date" means the date the Agreement is signed by the Managing Lead State.

11. "Illusory Travel Insurance" means an insurance policy that could never result in payment of any claim for an insured under the policy.

12. "Insurance Laws" means the Insurance Statutes, Rules and Regulations and case law in effect in each Participating State. For purposes of this Agreement, the term shall also include bulletins, notices and official interpretations of law in effect in a Participating State unless reliance on such bulletins, notices or official interpretations is prohibited by a Participating State's law. The term shall not include any informal correspondence between a Participating State and the Company, nor shall the term include product, rate or form filings made in a Participating State or correspondence in regard to such filings.

13. "Lead States" means the states of Missouri, Minnesota, Ohio, Oklahoma, Pennsylvania and Utah.

14. "Limited Lines Travel Insurance Producer" means, unless otherwise defined by Insurance Laws in a Participating State, a (i) licensed managing general agent or third party administrator, or (ii) a limited lines insurance producer.

15. "Managing Lead State" means the Missouri Department of Insurance, Financial Institutions and Professional Registration.

16. "Monitoring Time Period" begins on the Effective Date and ends three years from the date the Company has adopted and implemented each of the Business Reforms set forth in Section C of this Agreement.

17. "National Indemnity" means National Indemnity Company and its subsidiaries and affiliated entities that sell or underwrite Travel Insurance, and their successors, assigns, officers, directors and employees.

18. "Opt-Out Marketing Plan" means, unless otherwise defined by the law in a Participating State, an offer or agreement to sell or provide the Companies' Travel Insurance, in a way under which the customer's silence or failure to take affirmative action (such as checking or unchecking a box to remove coverage), to reject the Companies' Travel Insurance results in a) Travel Insurance coverage becoming effective or b) the Companies or any of their Distribution Participants collecting or attempting to collect payment from the customer for the Travel Insurance.

19. "Participating States" means the Managing Lead State, the Signatory Lead States and the states and U.S. territories that have executed the "Participating State Adoption" form in Exhibit A within forty five (45) days of the Execution Date. Participating States shall include the Managing Lead State and the Signatory Lead States, unless otherwise or separately identified.

20. "Parties" means collectively Companies, Signatory Lead States and Participating States.

21. "Self-Funding Insurance Coverages" is where a Distribution Participant, without a valid certificate of authority to engage in the business of insurance, undertakes to engage in the business of insurance as defined by the Insurance Law in any of the Participating States. "Self-Funding Insurance Coverages" does not include Assistance Services or Travel Cancellation Fee Waivers.

22. "Signatory Lead States" means the Lead States that execute this Agreement.

23. "Travel Cancellation Fee Waiver" means, unless otherwise provided by Insurance Law, a contractual agreement between a Distribution Participant and its customer where the Distribution Participant waives its own products/services (including pre-purchased packages of travel products/services for which the Distribution Participant is contractually obligated) and refunds all or part of the full purchase price without regard to the reason for cancellation.

24. "Travel Insurance" means insurance coverage for personal risks incident to planned travel, including, but not limited to:

- Interruption or cancellation of trip or event;
- Loss or delay of baggage or personal effects;
- Damages to accommodations or rental vehicles;
- Sickness, accident, disability or death occurring during travel and any related medical services;
- Missed connection;
- Emergency evacuation and repatriation and any related emergency services;
- Accidental death and dismemberment;
- Repatriation of remains;
- Loss due to travel delay;
- Any other contractual obligation to indemnify a specified amount to the traveler that constitutes insurance under the law in any of the Participating States.

"Travel Insurance" does not include:

- Major medical plans which provide comprehensive medical protections for travelers with trips lasting six (6) months or longer, including, but not limited to, those working overseas as expatriate or military personnel deployed overseas;

- Assistance Services; or
- Travel Cancellation Fee Waivers.

25. "Travel Retailer" means, unless otherwise defined by Insurance Laws in a Participating State, a business entity that makes, arranges or offers travel services and may offer and disseminate Travel Insurance as a service to its customers on behalf of and under the direction of a Limited Lines Travel Insurance Producer.

C. Business Reforms.

The Companies agree that to the extent the following business reforms have not already been adopted by the Companies the Companies will adopt and implement such business reforms subject to Section A(7). The Companies will have six (6) months from the Effective Date to adopt and implement such business reforms, unless a different date is prescribed herein.

Distribution Participants

1. Licensing and Registration. Companies agrees to ensure that all Distribution Participants, through which their travel insurance products are distributed, will be properly licensed or registered, where required, under applicable state Insurance Law. Companies will ensure that for all Distribution Participants operating on their behalf, all registries will be maintained according to the Insurance Laws of each of the Participating States. Companies also agree that they will not provide compensation to any entities or individuals offering or selling Travel Insurance on their behalf or to provide compensation to any entity or individual unless such entity or individual is lawfully permitted to receive such compensation in accordance with applicable state Insurance Law. Within thirty (30) business days after the Effective Date, Companies further agree to provide a notice in the form of Exhibit B to all Distribution Participants who are required to be licensed or registered under the Participating State's Insurance

Laws and involved in the sale or distribution of their Travel Insurance. Companies further agree to work in good faith with their licensed and registered Distribution Participants to ensure that Exhibit B is provided to all Distribution Participants that offer or sell Companies' Travel Insurance. Within forty-five (45) business days after the Effective Date, Companies will provide the Signatory Lead States with a list of all Distribution Participants provided with Exhibit B.

2. Third Party Oversight. Companies agree to audit all Administrators operating on their behalf pursuant to the terms of this section. During the Monitoring Time Period, such audits will occur at least twice annually and will review business practices, adherence to contractual obligations, compliance with any fiduciary duties established pursuant to applicable state law, and separation of funds according to the requirements of applicable state law. At least one of the two audits per year will be conducted at the office of the entity, which is being audited. Details of each audit, including the audit plan, date performed, items reviewed, concerns noted, if any, and corrective action taken, if any, will be documented and retained by Companies during the Monitoring Time Period and thereafter in accordance with applicable record retention laws in the Participating States. Companies also agree to develop and maintain a procedure manual for conducting such audits. After the expiration of the Monitoring Time Period, Companies agree to audit all Administrators operating on their behalf as required by applicable state Insurance Law. Companies further agree, during the Monitoring Time Period, to notify Signatory Lead States of any changes in Administrators acting on their behalf. This includes Administrators with new contracts and Administrators that have contracts terminated with the Companies.

Rates and Forms

3. Filing and Timing. Companies agree to review their policy forms, rates, and rules used in connection with the sale of Travel Insurance and the results of the actuarial reviews conducted as part of these multi-state examinations to determine if the policy forms, rates and

rules comply with state Insurance Law in each of the Participating States and with the Participating State's implementation of this Agreement. The Companies will file, re-file, or certify existing filings for their policy forms, rates, and rules in the Participating States on or before nine (9) months from the Effective Date, where necessary to be in compliance with a Participating State's Insurance Law and the Participating State's implementation of this Agreement. Companies will have twelve (12) months (with the opportunity to request additional time from the Signatory Lead States) after such filings are approved or accepted to implement related requirements, including, but not limited to, provisions relating to emergency medical transportation and repatriation of remains, for that product under Participating State Insurance Law and subject to Section A (7) under this Agreement. The Companies may request confidential treatment of rating and underwriting information that they file pursuant to the Insurance Laws of the Participating States. Companies further agree that on or before twelve (12) months from the Effective Date, each will provide the Signatory Lead States with a list of all Participating States where each Company does not intend to refile or file policy forms, but intends to write Travel Insurance business, and a list of all Participating States where each Company intends to file or re-file its policy forms, rates or rules.

4. Filed Rate Elements. Pursuant to the filing and timing provisions specified in Section C (3) above, Companies agree that in all Participating States, they will follow that state's filing requirements as set out in the state's Insurance Law, including, if required by that state, filing all elements used in its rating process such that rates can be replicated based upon their rate filings.

5. Policy Details. All coverage benefits, limits, exclusions and deductibles shall be contained in a written document, or where not prohibited by state Insurance Law, in an electronic

document provided to the policy purchaser at the time of purchase. Limits include, but are not limited to, per person, per accident, and aggregate coverage limits, if applicable.

6. No Unfair Discrimination. Companies agree not to utilize any unfair discrimination, as defined by the Insurance Laws in each Participating State, in their Travel Insurance rate and rule filings for use in the Participating States.

7. Rate Filings. Pursuant to the filing and timing provisions specified in Section C (3) above, in Participating States where Travel Insurance rate filings are required, Companies agree to comply with each Participating State's Insurance Laws, and, where required by that state, to file specific rates, factors, and inputs for rating each coverage or coverages that are actuarially justified, including all elements used in the development of Travel Insurance premium rates for any coverage. Where required by a state, the filings shall include clear definitions of all terms used. Companies also agree to ensure that the calculation of Travel Insurance premiums charged by the Companies or by Distribution Participants to individuals insured under the Companies' coverages are not excessive, inadequate or unfairly discriminatory, to the extent required by the Insurance Laws in each Participating State..

8. Consistent Rates. Pursuant to the filing and timing provisions specified in Section C (3) above, where required by Participating State Insurance Laws, the Companies agree that the premium charged to the insured for Travel Insurance will not vary between Distribution Participants when the trip cost, state of residence, coverages, and all other factors are the same. Where required by a Participating State's Insurance Law, the Companies will maintain a means to identify the forms and rates used by each Distribution Participant and for each amount charged to an insured, and the amounts charged must be able to be independently calculated by a

Participating State based on the forms and rates identified (and any other factors used in determining the amount charged).

9. Charges and Fees. Pursuant to the filing and timing provisions specified in Section C (3) above, Companies agree that the cost of their Travel Insurance will be the filed rate. Companies agree that they will not engage in unfair discrimination, as defined by the Insurance Laws of each Participating State, and will contractually require their Distribution Participants to adhere to the Insurance Laws of each Participating State, including laws relating to unfair discrimination, in the application of any premium or fees charged for Travel Insurance, at any point in the sales transaction for the sale of the Companies' Travel Insurance coverage. Pursuant to the filing and timing provisions specified in Section C (3) above, any fees charged for the sale of the Companies' Travel Insurance coverage that are charged to a consumer must relate directly back to a charge incurred or a service provided.

10. Self-Funding Insurance Coverages. Companies agree that within six (6) months from the Effective Date, they will contractually prohibit Distribution Participants operating, selling, or conducting business on their behalf from Self-Funding Insurance Coverages, including but not limited to, trip cancellation, trip interruption, emergency medical transportation, repatriation of remains or other coverages unless the entity that is self-funding has a valid certificate of authority issued by the applicable Participating State Department of Insurance. Companies further agree to include in Exhibit B, a written notice along with non-confidential sections of this Agreement, to all Distribution Participants, who are required to be licensed or registered under the Participating State's Insurance Laws and are involved in the sale or distribution of the Companies' Travel Insurance, informing each Distribution Participant that state Insurance Laws for Self-Funding Insurance Coverages must be complied with if any coverage is

unauthorized insurance. Companies agree to report to the Signatory Lead States, during the Monitoring Time Period, any instances where they become aware that Distribution Participants, offering or selling the Companies' Travel Insurance, are self-funding any insurance coverages in contravention of the terms of this section.

11. Free Insurance. Except as permitted by law, Companies agree that they will not provide and will contractually prohibit their Distribution Participants, in the sale of the Company's Travel Insurance, from providing basic Travel Insurance coverage free of charge, but then charge a fee for any upgraded Travel Insurance product or service. Companies further agree that they will not advertise and will contractually prohibit their Distribution Participants from advertising that its Travel Insurance is free for children or included at no additional cost when a surcharge or any additional charge is placed on coverage for adults.

12. Free Look Refunds. Where a Travel Insurance contract contains a free look provision, in the event of a valid cancellation of Travel Insurance, Companies agrees to refund all amounts collected, including premium and fees, for Travel Insurance from the purchaser by the Company or a Distribution Participant, unless the Insurance Law of a Participating State provides otherwise. No contract that contains a free look provision shall allow any Distribution Participants to keep any fees collected from the purchaser for the sale of the Companies' Travel Insurance if a valid cancellation of the Travel Insurance occurs. Refunds shall be made within thirty (30) days of the cancellation of the Travel Insurance unless the time for making refunds is prescribed by the applicable Participating State's Insurance Law.

13. Insurance Documents to Comply with State Law. Companies agree that all insurance-related documents, including but not limited to, policy forms, endorsements, and certificates of insurance, will be in compliance with applicable state Insurance Law in each of the

Participating States. Companies further agree that their claims manuals, underwriting procedures manuals, and related documents follow the contracts of Travel Insurance issued and are in compliance with applicable state Insurance Law in each of the Participating States.

Sales Practices

14. Unfair Discrimination. Companies agree that they will not engage in unfair discrimination, as defined by the Insurance Laws of each Participating State, and will contractually prohibit their Distribution Participants from engaging in unfair discrimination, as defined by the Insurance Laws of each Participating State, in the application of any Travel Insurance premium or fees charged, at any point during the sale of the Companies' Travel Insurance coverage. Any premium or fees for the Travel Insurance coverage that is charged to a consumer must relate directly back to the filed rating plan. Pursuant to the filing and timing provisions specified in Section C (3) above, the Companies agree that any premium or fees charged to a consumer by the Company or by a Distribution Participant for the Companies' Travel Insurance coverage must relate directly back to an approved rate filing or a service provided. Companies also agree to contractually prohibit any Distribution Participants from charging a separate fee for Travel Insurance in addition to the Travel Insurance premium or to add any charges or fees for any of the Companies' Travel Insurance products or related insurance services without a separate written agreement with the insured, unless permitted by a Participating State under its Insurance Law. Companies agree to report to the Signatory Lead States, during the Monitoring Period, any instances of which the Companies become aware of where Distribution Participants charge a separate fee in addition to the Travel Insurance premium, for the Companies' Travel insurance, without a separate written agreement with the insured.

15. Prohibited Sales Practices. Companies agree that they will not engage in any deceptive, fraudulent or misleading sales practices, as defined by the Insurance Laws of the Participating States, in connection with the sale of the Companies' Travel Insurance and will contractually prohibit their Distribution Participants from engaging in any deceptive, fraudulent or misleading sales practices, as defined by the Insurance Laws of the Participating States, in connection with the sale of the Companies' Travel Insurance. Companies further agree that they will not offer or sell Travel Insurance policies using an Opt-Out Marketing Plan in any Participating State unless the use of such Opt-Out Marketing Plan is permitted by the Participating State's Insurance Law, and will contractually prohibit their Distribution Participants from offering or selling the Companies' Travel Insurance policies using an Opt-Out Marketing Plan in any Participating State unless the use of such Opt-Out Marketing Plan is permitted by the Participating State's law.

16. Compulsory Insurance. Except as permitted by the Insurance Laws of a Participating State, Companies agree that they will not require or mandate, and will contractually prohibit their Distribution Participants, in the sale of Companies' Travel Insurance, from requiring or mandating the purchase of Companies' Travel Insurance or any specific Travel Insurance product offered by their Distribution Participants as a condition for the purchase of the trip or travel package. This prohibition includes representing to any consumer that the purchase of Companies' or any specific Travel Insurance is compulsory, but does not prohibit a consumer who exercises freedom of choice from purchasing the Companies' Travel Insurance or other Travel Insurance Product offered by Companies' Distribution Participants.

17. Illusory Travel Insurance. Companies agree that they will not offer or sell Illusory Travel Insurance Coverage and will contractually prohibit their Distribution Participants from offering or selling Illusory Travel Insurance Coverage.

18. Advertising and Marketing. Companies agree to ensure that all sales materials, advertising materials, marketing materials and other client-facing documents comply with the Insurance Laws of the Participating States to the effect that they: a) are consistent with all insurance-related documents, including but not limited to, forms, endorsements, policies and certificates of insurance, b) reflect filed rates, c) do not contain ambiguous language where such language is not permitted by a Participating State's law, and d) are not untrue, deceptive or misleading.

19. Policy Interpretation. Any disputes regarding Travel Insurance policy language will be interpreted consistent with each Participating State's Insurance Law governing the interpretation of insurance contracts.

20. Trusts. Pursuant to the filing and timing provisions specified in Section C (3) above, Companies agree that they will not sell, and will contractually prohibit their Distribution Participants, in the sale of the Companies' Travel Insurance, from selling its Travel Insurance through a trust in a Participating State where the Participating State does not authorize the sale of Travel Insurance through a trust.

21. Group and Blanket Coverage. Pursuant to the filing and timing provisions specified in Section C (3) above, Companies agree that they will not sell Travel Insurance, containing property and casualty benefits, and will contractually prohibit their Distribution Participants from selling Companies' Travel Insurance, containing property and casualty benefits, on a group or blanket basis in a Participating State where the Participating State

prohibits the sale of Travel Insurance, containing property and casualty benefits, on a group or blanket basis. Companies further agree that where the sale of Travel Insurance, containing property and casualty benefits, on a group or blanket basis is not prohibited by a Participating State, any coverage documents based on a group or blanket policy will not be issued to residents of a Participating State that prohibits Travel Insurance, containing property and casualty benefits, on a group or blanket basis to be sold in the Participating State. All sales of the Companies' Travel Insurance to residents of Participating States that prohibit the sale of Travel insurance, containing property and casualty benefits, on a group or blanket basis shall be on an individual basis.

Claims and Claims Practices

22. Handling of Claims. Companies agree that claims for Travel Insurance benefits, including pre-existing conditions claims, will be adjudicated based on the Insurance Laws of the Participating State where the purchaser resides and based on the relevant insurance policy language. Companies agree that unless otherwise specified or subject to another term, condition or exclusion under the policy, a pre-existing condition waiver waives all pre-existing conditions.

23. Coordination of Benefits. Companies shall pay claims in accordance with Participating State's coordination of benefit laws, when applicable.

Record Retention

24. Companies agrees that they will maintain documentation of its underwriting, rating, complaint, and claims files in accordance with applicable state law in the Participating States.

Insurance and Assistance Services

25. Pursuant to the filing and timing provisions specified in Section C (3) above, and where prohibited by law in a Participating State, Company agrees not to combine and package the cost of Assistance Services or Travel Cancellation Fee Waivers with the cost of Travel Insurance in its rate filings and in the sale of its Travel Insurance to consumers, and will contractually prohibit its Distribution Participants from combining and packaging the cost of Assistance Services or Travel Cancellation Fee Waivers with the cost of Travel Insurance in the sale of its Travel Insurance to consumers. Pursuant to the filing and timing provisions specified in Section C (3) above, and where combining and packaging the cost of Assistance Services or Travel Cancellation Fee Waivers with the cost of Travel Insurance is not prohibited by law in a Participating State, Company agrees that it will provide all disclosures in connection with the sale of the combined and packaged product that are required by Insurance Law in a Participating State.

Premium Tax

26. Companies agree that they will pay premium tax on all sales of Travel Insurance as required by the laws of the Participating States.

27. Unless otherwise provided for by law, Companies agrees to report premiums collected by the Companies and by Distribution Participants, and to pay premium tax for Travel Insurance premiums, that are included in a policy and in a rate filing, to the appropriate Participating State, based on the state of residence of a) the primary Travel Insurance policyholder for sales of individual policies, b) the blanket Travel Insurance policyholder for sales of blanket policies that are permitted under Section C (21), and c) the primary Travel Insurance certificate holders for sales of group policies that are permitted under Section C (21). Companies further agree to obtain and maintain documentation of specific identifying information necessary to determine the state to which premium tax should be reported, including but not limited to, the

policyholder's or certificate holder's name, address and zip code pursuant to the applicable Participating State's law.

Miscellaneous

28. Companies agree that, in connection with the offer or sale of their Travel Insurance, they will comply with anti-rebating laws in the Participating States and will contractually require their Distribution Participants to adhere to the anti-rebating laws in the Participating States. Companies agree to monitor Distribution Participants to ensure compliance with anti-rebating laws in the Participating States in connection with the offer or sale of their Travel Insurance.

29. Berkshire Hathaway agrees that, in connection with the offer or sale of its Travel Insurance, it will adopt and implement in each of the Participating States, except Pennsylvania, all Forward Looking Guidelines for Rate Filings contained in the Merlinos & Associates Report for Berkshire Hathaway Specialty Insurance Company dated July 14, 2017, which is part of the confidential examination workpapers for Examination Numbers 1603-24-TGT, to the extent that such guidelines are consistent with the Insurance Laws in the applicable Participating State. National Indemnity agrees that, in connection with the offer or sale of its Travel Insurance, it will adopt and implement in each of the Participating States, except Pennsylvania, all Forward Looking Guidelines for Rate Filings contained in the Merlinos & Associates Report for National Indemnity Company dated July 14, 2017, which is part of the confidential examination workpapers for Examination Numbers 1603-25-TGT, to the extent that such guidelines are consistent with the Insurance Laws in the applicable Participating State.

30. Companies agrees that they will adopt and implement in each of the Participating States all recommended corrective actions contained in the Corrective Actions for Claims Report

dated December 1, 2016, which is part of the confidential examination workpapers for Examination Numbers 1603-24-TGT and 1603-25-TGT, to the extent such corrective actions are consistent with the Insurance Laws in the applicable Participating State.

D. Other Provisions

1. Authority to Execute. The Parties represent and warrant that the person(s) executing this Agreement on behalf of each Party has the legal authority to bind the Party to the terms of this Agreement.

2. Full and Final Agreement. This Agreement represents the entire understanding between the Companies and the Participating States with respect to the subject matter contained herein and supersedes any and all prior or existing understandings, agreements, plans and negotiations, whether written or oral, between the Companies and any Participating State. This Agreement constitutes full and final resolution of the issues raised in the Examinations in each of the Participating States.

3. Participating State Adoption Forms. Within twenty (20) business days after the Effective Date, the Signatory Lead States will provide the Companies with a copy of each Participating State's signed State RSA Adoption Form (Exhibit A).

4. Monitoring. During the Monitoring Time Period, the Companies shall provide the Signatory Lead States with semi-annual reports, in a format acceptable to the Signatory Lead States, beginning six (6) months from the Effective Date addressing the implementation and execution of the requirements of this Agreement. Each report shall be delivered to each of the Signatory Lead States within thirty (30) days following the end of the applicable reporting period. During the Monitoring Time Period, the Signatory Lead States may provide feedback to the Companies regarding its meeting the requirements of this Agreement.

5. Confidentiality of Monitoring. The monitoring of the Companies for compliance with the terms of this Agreement constitutes ongoing examinations by each of the Signatory Lead States pursuant to each of their respective jurisdiction's laws. To the extent permitted by State law, all audit reports, statistical reports, work papers, documents and any other information produced, obtained, or disclosed in connection with the Examinations and any follow-up examinations of the Companies contemplated under this Agreement, regardless of the manner of production or disclosure, shall be given confidential, trade secret, and privileged treatment, shall not be subject to subpoena, and shall not be made public, and are not public records subject to disclosure. Nothing in this Agreement is intended to, nor shall it, preclude Participating States from sharing records and other information relating to the Examinations, the Agreement or disclosing the results of compliance with the Agreement to other regulatory or law enforcement entities to the extent permitted by State law.

6. Monitoring Costs. During the Monitoring Time Period, the reasonable costs and expenses of the Signatory Lead States related to the monitoring of the Companies' compliance with this Agreement, including the costs and expenses of conducting the ongoing examinations referenced in Section D (4), shall be borne by the Companies.

7. No Additional Exams. During the Monitoring Time Period, if the Companies comply with all provisions contained in this Agreement, the Participating States agree they will not initiate any market conduct examinations and/or investigations relating to any of the issues subject to this Agreement other than the ongoing examinations by the Signatory Lead States referenced in Section D (4) above.

8. Enforcement. The execution of this Agreement by the Signatory Lead States and the timely adoption of this Agreement by the Participating States pursuant to Section D (23)

constitute the entry of an Order by each Lead and Participating State. Any enforcement action brought by any Participating State shall be in conformity with the provisions of this paragraph. If a Participating State believes that Berkshire Hathaway or National Indemnity have breached a provision of this Agreement, including, but not limited to, the Business Reforms that Participating State shall provide written notice of the alleged breach to that Company and will also notify the Signatory Lead States that the alleged breach has occurred. The Company so notified shall have the opportunity, within fifteen (15) business days of receipt of such notice, to present evidence in writing and/or through appearance before the state insurance regulator in an attempt to rebut the allegation(s) or to seek an extension to address the alleged breach. Said Company shall then have ninety (90) business days from the date of receipt of the state's determination of the alleged breach to cure the alleged breach, unless extensions are agreed to. The Participating State and the Companies agree to act and negotiate in good faith to resolve any alleged breach of the Agreement. A breach constitutes a breach of the entire Agreement only if the breach is deemed material, which for purposes of this Agreement means a significant, substantial failure in the performance of the Agreement, and central to the entire Agreement. A breach may be deemed material in a Participating State without being material in all Participating States. A material breach of this Agreement shall constitute the violation of an Order where determined in any Participating State in which the material breach occurs. A Participating State shall not pursue any enforcement action against the Companies until the 90-day cure period has expired, but may then seek, without limitation, to enforce the provisions of this Agreement through administrative or legal enforcement actions and may seek penalties for violations of this Agreement. Any enforcement action brought by any Participating State shall be governed by the laws and regulations of that Participating State.

9. Expiration of this Agreement. The provisions contained in Section C of this Agreement will expire on the later of five (5) years from the Effective Date or the end of the Monitoring Time Period.

10. Governing Law. This Agreement shall be governed by, and interpreted in accordance with each Participating State's law. Any action or proceeding to enforce the provisions of this Agreement brought by any Participating State shall be governed by the laws and regulations of such Participating State.

11. Release. Each Participating State hereby agrees to and does release the Companies and any of their parents and subsidiaries, successors, assigns, officers directors and employees from any and all claims, sanctions, losses, demands, interest, penalties, actions or other causes of action that each Participating State may have by reason of any matter, cause or thing whatsoever, regarding or relating to these Examinations and the issues raised in these Examinations or encompassed by the scope of this Agreement or as a result of any practices revealed by the Examinations, to the extent such practices commenced prior to the Effective Date of this Agreement. Notwithstanding the foregoing, this Agreement is not intended to, nor may it be construed to, limit a Participating State's authority to investigate, examine or act upon any noncompliance of the Companies with Insurance Laws or regulations regarding matters not within the scope of this Agreement. Further, nothing in this Agreement limits the authority of the Participating States to conduct any regulatory functions, including but not limited to dealing with specific instances of consumer complaints, licensing of insurers, Administrators, producers and other entities, or rate and form filing reviews which occur as part of Participating State's normal product filing review process. This Agreement is not intended and may not be construed to limit the authority of any Participating State to investigate, examine and take appropriate

action as to matters outside the scope of this Agreement. Except as provided herein, nothing in this Agreement shall be construed to waive or limit any rights the Participating States may have to regulate the Companies or to seek such other remedies for a violation of law or regulation.

12. Subsequent Law. If a Participating State adopts an Insurance Law relating to or conflicting with any provision of this Agreement, then application of such provision of this Agreement shall be superseded by such Insurance Law as it applies in that Participating State (and that state alone), and that all other unaffected terms and conditions of the Agreement shall remain in full force and effect.

13. Non-Admissibility. Neither this Agreement nor any part thereof, nor any act performed or document executed pursuant to or in furtherance of this Agreement, is now or may be deemed in the future to be an admission of or evidence of liability or any wrongdoing by the Companies or any of their parents and subsidiaries, successors assigns, officers, directors and employees.

14. No Admission of Liability. This Agreement does not constitute an admission of liability, violation, or wrongdoing by the Companies and the Companies expressly deny that any of their actions or alleged actions were knowingly committed or represented a pattern and/or business practice that would violate the insurance unfair trade practice laws, claims settlement laws, or any other applicable statutes or regulations of any of the Participating States. Neither this Agreement nor any part thereof, nor any related negotiations, statements or court proceedings shall be offered by the Companies, the Signatory Lead States, the Participating States or any third party as evidence of an admission, denial or concession of any liability or wrongdoing whatsoever on the part of any person or entity, including but not limited to the Companies or the Participating States, as a waiver by the Companies or the Participating States

of any applicable defenses, including without limitation any applicable statute of limitations or statute of frauds; or as a waiver by the Participating States of any regulatory authority regarding the matters or issues addressed in the Examinations.

15. No Impairment of Legal Activity. This Agreement does not impair, restrict, suspend or disqualify the Companies from engaging in any lawful business in any jurisdiction, based upon, or arising out of, the Examinations regarding any alleged act or omission of the Companies.

16. No Impact on Current Travel Insurance. Nothing in this Agreement or any of its terms and conditions shall be interpreted to alter in any way the terms or the validity of any of the Companies' Travel Insurance policies or certificates issued prior to the Effective Date. Nothing in this Agreement shall be interpreted to release the Companies from their obligation to pay claims in accordance with policy provisions. Further, nothing in this Agreement shall be interpreted to relieve the Companies of their obligations to process consumer complaints in accordance with applicable law.

17. Extensions. The Signatory Lead States and the Companies may mutually agree, in writing, to any reasonable extensions of time that might become necessary to carry out the provisions of this Agreement. In the event the Companies believes it will be unable to meet a deadline under the Agreement, the Companies will promptly, but in no event less than fourteen (14) business days prior to the deadline in question, inform the Signatory Lead States. The Companies will use their reasonable best efforts to meet any such deadline as soon as practicable. The Signatory Lead States agree that they will consider all requests for extensions from the Companies in good faith.

18. Amendments. No amendments shall be made to this Agreement except in writing and where agreed to by the Companies and the Signatory Lead States on behalf of the Participating States. Nothing in this Agreement is meant to prohibit a Participating State from entering into a separate agreement with the Companies regarding their Travel Insurance practices and procedures in that state.

19. Notice and Request for Modification. The Signatory Lead States will notify the Companies of any Agreements or terms of Agreements that they enter into with any other Travel Insurance companies that is inconsistent with the Business Reforms adopted in Section C of this Agreement. Upon receipt of such notice, Companies may seek a modification to this Agreement relating to the Business Reform at issue from the Signatory Lead States, and the Signatory Lead States will not unreasonably withhold consent to such a request for modification.

20. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be deemed an original and all of which, when taken together, shall constitute one and the same Agreement. Execution and delivery of this Agreement may be performed by e-mail or facsimile transmission.

21. Headings. The section headings herein are intended for reference and shall not by themselves determine the construction or interpretation of this Agreement.

22. Severability. If any term or provision of this Agreement is determined by any court, regulatory or governmental agency to be illegal, unenforceable or invalid in whole or in part for any reason, such illegal, unenforceable or invalid provision or part thereof shall be deemed stricken from this Agreement, and such provision shall not affect the legality, enforceability or validity of the remainder of this Agreement. Additionally, in the event that a court, regulatory or governmental agency determines that the Company has failed to satisfy a

provision of this Agreement, pursuant to the Enforcement provision in paragraph D (8), it is the intent of the Parties that the remainder of this Agreement and its corresponding obligations and provisions are not affected thereby and remain in effect.

23. Preservation of Rights. This Agreement shall not confer any rights upon any persons or entities other than the Parties to it or extinguish any such rights, and the Agreement is not intended to be used for any other purpose. Nor shall the Agreement be deemed to create any intended or incidental third-party beneficiaries, and the matters addressed herein shall remain within the sole and exclusive jurisdiction of the Participating States.

24. Participating State Adoption. States may adopt this Agreement and become Participating States only if they execute and return to the Signatory Lead States a Participating State Adoption in the form of Exhibit A on or before forty five (45) days from the date this Agreement is executed by the Managing Lead State.

IN WITNESS WHEREOF THE PARTIES HAVE EXECUTED THIS AGREEMENT AS OF THE DATE SET FORTH AFTER EACH OF THEIR NAMES.

[SIGNATURE PAGES IMMEDIATELY FOLLOW]

Berkshire Hathaway Specialty Insurance Company

By: Ralph Stefanowicz III Esq. Title: Director / Senior Vice President

Date: 8/17/2017

National Indemnity Company

By: Ralph Stefanowicz III Esq. Title: Officer / Vice President

Date: 8/17/2017

Missouri Department of Insurance, Financial Institutions and Professional Registration

By: Chlara Lindley-Myers

Title: DIRECTOR

Date: 12 December 2017

Minnesota Department of Commerce

By: Anne O'Connor

Title: Deputy

Date: 9.15.17

Ohio Department of Insurance

By: _____

Title: Jillian Froment, Director

Date: 9/13/17

Oklahoma Insurance Department

By: Joel L. Sander
Joel L. Sander

Title: Deputy Commissioner, Finance

Date: October 18, 2017

Pennsylvania Insurance Department

By: Jessica K. Altman

Title: Acting Insurance Commissioner

Date: August 22, 2017

Utah Insurance Department

By: _____

Title: Commissioner / Utah

Date: 8·22·17

Exhibit A

Exhibit A
PARTICIPATING STATE ADOPTION
of
REGULATORY SETTLEMENT AGREEMENT

MARKET CONDUCT EXAMINATION OF
TRAVEL INSURANCE PRACTICES

IN THE MATTER OF
BERKSHIRE HATHAWAY SPECIALTY
INSURANCE COMPANY
NAIC #22276

NATIONAL INDEMNITY COMPANY
NAIC #20087

On behalf of [STATE INSURANCE REGULATORY AGENCY], I, [EXECUTING OFFICIAL], as [EXECUTING OFFICIAL'S TITLE], hereby adopt, agree, and approve the Regulatory Settlement Agreement dated [EFFECTIVE DATE] by and between the above-named Companies and the regulatory agencies named therein.

[STATE INSURANCE REGULATORY
AGENCY]
By:_____
Title:_____
Date:_____

Please provide the following information as to how your jurisdiction's allocation of the Multi-State Administrative Payment should be sent from the Berkshire Hathaway and National Indemnity Companies.

CONTACT NAME:

MAILING ADDRESS:

PHONE NUMBER:

EMAIL:

PAYMENT MADE TO:

Please return this form to:

Stewart Freilich, Senior Regulatory Affairs Counsel
Missouri Department of Insurance, Financial
Institutions and Professional Registration
PO Box 690
Jefferson City, MO 65102
Stewart.freilich@insurance.mo.gov

Exhibit B
Content of Notice to Distribution Participants

To: Distribution Participants

From: Berkshire Hathaway Specialty Insurance Company

Re: Regulatory Settlement Agreement

Dear Colleagues:

In 2014, several state insurance departments initiated market conduct examinations and investigations of the travel insurance industry generally. To resolve these examinations and investigations, participating states insurance departments have offered the opportunity for many of these insurance companies to enter into a Regulatory Settlement Agreement (the "Agreement") without any admission of wrongdoing. In an effort to get this matter resolved, Berkshire Hathaway Specialty Insurance Company ("Berkshire Hathaway" or"Company") thought it in its best interest for itself and its partners and clients to enter into this Agreement. Attached is a copy of (or link to) the Agreement, including all exhibits thereto, which we are required to provide you pursuant to Section C (1) thereof. Please note the requirements contained in the Agreement as they relate to Distribution Participants.

All travel insurance companies have a duty to ensure that their distribution participants (including agents and administrators such as TPA's and MGA's) comply with all applicable laws and regulations for agents and administrators who are acting on the Company's behalf. Pursuant to the terms of the Agreement, Berkshire Hathaway hereby notifies you of the following specific regulatory requirements:

- The solicitation and purchase of insurance is governed by applicable state law and anyone found violating state law may be subject to license revocation, administrative fines, civil penalties and other remedial actions provided for by applicable state law.

- No one may charge a separate fee for travel insurance in addition to the travel insurance premium or add any charges or fees for any of the Company's travel insurance products or related services without a separate written agreement with the insured, unless permitted by applicable law, and must comply with all state anti-rebating laws in connection with the sale of travel insurance.

- No one may offer or sell travel insurance policies using an opt-out marketing -plan unless using opt-out for insurance is permitted by applicable law.

- No one may undertake to engage in underwriting or taking risk that would be considered the business of insurance, as defined by law, without a valid certificate of authority to do so, unless permitted by applicable law.

- No one may represent that travel insurance is compulsory, or require or mandate the sale of travel insurance as a condition for the purchase of a trip or travel package, unless permitted by applicable law.

- Where prohibited by the Insurance Laws of the applicable Participating State, no one may sell in the same package or include or require in the sale of travel insurance the costs of non-insurance assistance services or travel cancellation fee waivers to consumers, or conversely sell in the same package or include or require in the sale of non-insurance assistance services or travel cancellation fee waivers, the cost of travel insurance.

Berkshire Hathaway is required to work in good faith with its licensed and registered distribution participants to ensure that this Notice is provided to all distribution participants that offer or sell Company's travel insurance. Please forward a copy of this Notice to all travel retailers and business entities offering or selling Berkshire Hathaway's Travel Insurance. Please contact [insert name of company contact and contact information] if you have any questions.

To: Distribution Participants

From: National Indemnity Company

Re: Regulatory Settlement Agreement

Dear Colleagues:

In 2014, several state insurance departments initiated market conduct examinations and investigations of the travel insurance industry generally. To resolve these examinations and investigations, participating states insurance departments have offered the opportunity for many of these insurance companies to enter into a Regulatory Settlement Agreement (the "Agreement") without any admission of wrongdoing. In an effort to get this matter resolved, National Indemnity Company ("National Indemnity" or "Company") thought it in its best interest for itself and its partners and clients to enter into this Agreement. Attached is a copy of (or link to) the Agreement, including all exhibits thereto, which we are required to provide you pursuant to Section C (1) thereof. Please note the requirements contained in the Agreement as they relate to Distribution Participants.

All travel insurance companies have a duty to ensure that their distribution participants (including agents and administrators such as TPA's and MGA's) comply with all applicable laws and regulations for agents and administrators who are acting on the Company's behalf. Pursuant to the terms of the Agreement, National Indemnity hereby notifies you of the following specific regulatory requirements:

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- No one may charge a separate fee for travel insurance in addition to the travel insurance premium or add any charges or fees for any of the Company's travel insurance products or related services without a separate written agreement with the insured, unless permitted by applicable law, and must comply with all state anti-rebating laws in connection with the sale of travel insurance.

- No one may offer or sell travel insurance policies using an opt-out marketing -plan unless using opt-out for insurance is permitted by applicable law.

- No one may undertake to engage in underwriting or taking risk that would be considered the business of insurance, as defined by law, without a valid certificate of authority to do so, unless permitted by applicable law.

- No one may represent that travel insurance is compulsory, or require or mandate the sale of travel insurance as a condition for the purchase of a trip or travel package, unless permitted by applicable law.

- Where prohibited by the Insurance Laws of the applicable Participating State, no one may sell in the same package or include or require in the sale of travel insurance the costs of non-insurance assistance services or travel cancellation fee waivers to consumers, or conversely sell in the same package or include or require in the sale of non-insurance assistance services or travel cancellation fee waivers, the cost of travel insurance.

National Indemnity is required to work in good faith with its licensed and registered distribution participants to ensure that this Notice is provided to all distribution participants that offer or sell Company's travel insurance. Please forward a copy of this Notice to all travel retailers and business entities offering or selling National Indemnity's Travel Insurance. Please contact [insert name of company contact and contact information] if you have any questions.

Exhibit A

PARTICIPATING STATE ADOPTION
of
REGULATORY SETTLEMENT AGREEMENT

MARKET CONDUCT EXAMINATION OF
TRAVEL INSURANCE PRACTICES
MAWG Travel Exam # 1603-24-TGT
MAWG Travel Exam #1603-25-TGT

IN THE MATTER OF
Berkshire Hathaway Specialty Insurance Company
NAIC #22276

IN THE MATTER OF
National Indemnity Company
NAIC #20087

On behalf of Idaho Department of Insurance, I, Dean L. Cameron, as Director, hereby adopt, agree, and approve the Regulatory Settlement Agreement dated December 12, 2017 by and between the above-named Company and the regulatory agencies named therein.

Idaho Department of Insurance
By: Dean L Cameron

Title:
Director

Date: 1/5/18

Please return this form to:
Stewart Freilich, Senior Regulatory Affairs
Counsel Missouri Department of Insurance,
Financial Institutions and Professional
Registration
PO Box 690
Jefferson City, MO 65102
Stewart.freilich@insurance.mo.gov

EXHIBIT
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