

LAWRENCE G. WASDEN  
Attorney General

JOHN C. KEENAN  
Deputy Attorney General  
State of Idaho  
Department of Insurance  
700 W. State Street, 3<sup>rd</sup> Floor  
P.O. Box 83720  
Boise, Idaho 83720-0043  
Telephone: (208) 334-4283  
Facsimile: (208) 334-4298  
[john.keenan@doi.idaho.gov](mailto:john.keenan@doi.idaho.gov)  
I.S.B. No. 3873

**FILED**  
**AUG 26 2021** PM  
Department of Insurance  
State of Idaho

*Attorneys for the Department of Insurance*

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE**

**STATE OF IDAHO**

IDAHO DEPARTMENT OF INSURANCE,

Complainant,

vs.

BERKSHIRE HATHAWAY DIRECT  
INSURANCE COMPANY, a Nebraska-  
domiciled insurance company holding Idaho  
Certificate of Authority No. 1108,

Respondent.

Docket No. 18-3922-21

**STIPULATION AND  
FINAL ORDER**

**STIPULATION**

COME NOW the Idaho Department of Insurance (hereinafter "Department") and BERKSHIRE HATHAWAY DIRECT INSURANCE COMPANY, (hereinafter "Berkshire Hathaway") and do hereby enter into this Stipulation to settle the above-entitled matter as follows:

1. The Director of the Department (hereinafter “Director”) has jurisdiction over this matter in accord with Title 41, Idaho Code.

2. Berkshire Hathaway is a Nebraska-domiciled insurance company holding Idaho Certificate of Authority No. 1108, initially issued on July 9, 1975.

3. On July 21, 2021, the Department filed a complaint against Berkshire Hathaway alleging therein that it is a member of the National Council of Compensation Insurance, Inc., (hereinafter “NCCI”) which is rating organization within the meaning of chapter 16, title 41, Idaho Code.

4. The Department alleged that on or about October 23, 2019, Berkshire Hathaway submitted a request to the Director, in accordance with section 41-1614, Idaho Code, requesting a deviation from standard workers’ compensation rates.

5. On November 26, 2019, the Director entered an *Order Permitting Deviation from 2020 Workers’ Compensation Rates*. The Order stated that the deviation “will take effect on January 1, 2020, and shall remain in effect for one year from that date unless terminated soon with approval of the Director.”

6. On or about April 15, 2021, Berkshire Hathaway submitted to the Department a request for permission to deviate from the workers’ compensation rates filed by the NCCI for year 2021 by a uniform decrease of fifteen percent (15%), effective May 1, 2021. The Director entered an order permitting the requested deviation on April 28, 2021, with a May 2021, effective date.

7. In its April 15, 2021, request to the Department, Berkshire Hathaway admitted that it had neglected to timely file a request for permission to deviate from the workers’ compensation rates filed by the NCCI for year 2021 to have such deviation effective as of January 1, 2021.

8. Contrary to section 41-1614(1)(a), Idaho Code, Berkshire Hathaway continued to apply the expired rate deviation from January 1, 2021, through April 30, 2021, without receiving the Director's authorization.

9. In accordance with Idaho Code § 41-1432, the Director is authorized to impose penalties in accordance with Idaho Code § 41-114, which provides that each violation of title 41, Idaho Code, for which a greater penalty is not provided by a separate provision of title 41, Idaho Code, shall be an administrative penalty of not more than \$5,000 for each violation for any person other than an individual or natural person.

10. Based on the foregoing, the parties agree that this matter may be resolved by imposition of an administrative penalty of \$5,000 against Berkshire Hathaway.

11. The parties have agreed to the form of the Final Order as provided and agree to its entry herein by the Director.

12. Berkshire Hathaway acknowledges that it has had the opportunity to seek the advice of counsel with regard to this Stipulation and Final Order.

13. Berkshire Hathaway further acknowledges that it enters into this Stipulation and agrees to the entry of the Final Order knowingly and voluntarily and hereby waives its various rights in connection therewith, including but not limited to its rights to notice and hearing, and its rights to seek reconsideration and judicial review following entry of the Final Order.

14. The parties acknowledge that this Stipulation is subject to approval by the Director or the Director's designee and that, upon such approval by entry of the Final Order, binds all the parties to this Stipulation. Should the Director decline to approve this Stipulation, the Department and Berkshire Hathaway shall retain all of their rights, claims, and defenses, and any factual or legal admissions made by Berkshire Hathaway herein shall be withdrawn.

IT IS SO STIPULATED.

DATED this 19 day of August, 2021.

BERKSHIRE HATHAWAY DIRECT INSURANCE COMPANY, a Nebraska-domiciled insurance company

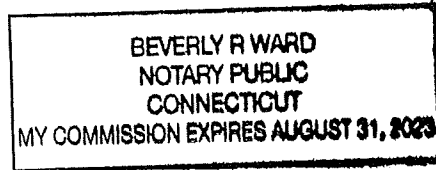
By [Signature]  
Bruce Byrnes  
Its V.P.

State of Connecticut )  
County of Fairfield )<sup>ss.</sup>

I, Beverly R. Ward, a notary public, do hereby certify that on this 19th day of August, 2021, personally appeared before me, Bruce Byrnes, who being by me first duly sworn, declared that s/he is the Vice President of BERKSHIRE HATHAWAY DIRECT INSURANCE COMPANY, that s/he signed the foregoing instrument as Vice President, of the corporation, and that the statements therein contained are true.

(SEAL)

[Signature]  
Notary Public for the state of CT  
My Commission Expires: 8-31-23




Approved as to Form:

By [Signature]  
MATTHEW G. GRANTHAM  
Assistant Compliance Counsel II  
Counsel for Berkshire Hathaway Direct Ins. Co.

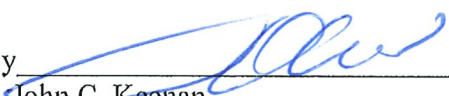
DATED this 26<sup>th</sup> day of August 2021.

IDAHO DEPARTMENT OF INSURANCE

By   
SHANNON HOHL  
Bureau Chief  
Market Oversight

Approved as to Form:

OFFICE OF THE ATTORNEY GENERAL

By  26 Aug 21  
John C. Keenan  
Deputy Attorney General  
Counsel for the Idaho Department of Insurance

**FINAL ORDER**

The parties hereto, BERKSHIRE HATHAWAY DIRECT INSURANCE COMPANY, a Nebraska-domiciled insurance company holding Idaho Certificate of Authority No. 1108, and the IDAHO DEPARTMENT OF INSURANCE, having entered a stipulation to settle and to make a final disposition of the above-entitled matter, and the Director having made a thorough review of the record and stipulation herein and in consideration of the premises, the Director enters the following findings, conclusions and Final Order:

The stipulated facts and violations of Idaho law as stated in the Stipulation are made a part of the record herein, are confirmed and adopted by the Director as his own findings and conclusions of law, and are incorporated herein as if set forth in full.

THEREFORE, based on the foregoing,

IT IS HEREBY ORDERED that within thirty (30) days of the date of entry of this Final Order, BERKSHIRE HATHAWAY DIRECT INSURANCE COMPANY shall pay to the Idaho Department of Insurance a total administrative penalty in the amount of \$5,000.00, with said sum to be made payable and delivered to the Idaho Department of Insurance.

IT IS SO ORDERED.

DATED this 26<sup>th</sup> day August, 2021.

IDAHO DEPARTMENT OF INSURANCE

by   
DEAN L. CAMERON  
Director

**CERTIFICATE OF SERVICE**

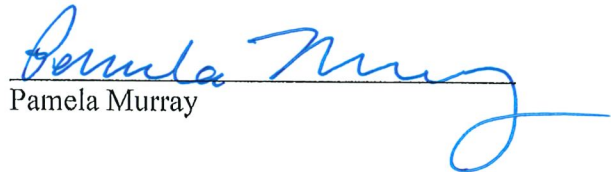
I HEREBY CERTIFY that on this 26<sup>th</sup> day of August, 2021, I caused a true and correct copy of the foregoing fully executed STIPULATION AND ORDER to be served upon the following by the designated means:

Berkshire Hathaway Direct Insurance  
Company  
ATTN: Matthew Grantham, 10<sup>th</sup> Floor  
1314 Douglas Street, Suite 1400  
Omaha, NE 68102-1944

- first class mail
- certified mail
- hand delivery
- via facsimile
- via email

John C. Keenan  
Deputy Attorney General  
Idaho Department of Insurance  
700 W. State Street, 3<sup>rd</sup> Floor  
P.O. Box 83720  
Boise, ID 83720-0043

- first class mail
- certified mail
- hand delivery
- via facsimile
- via email

  
Pamela Murray