
In the Matter of the Acquisition of Control of
Capitol Indemnity Corporation and Capitol
Specialty Insurance Corporation by Berkshire
Hathaway, Inc., O&M Acquisition Corp., and
Warren E. Buffett

PROPOSED DECISION

Petitioners.

Case No. 22-C44513

Case No. 22-C44514

Amy J. Malm, Hearing Examiner, Presiding

APPEARANCES**For the Office of the
Commissioner of Insurance:**

Mark McNabb, Company Licensing and Analytics Supervisor
Christopher Martin, Domestic Licensing Specialist

For the Petitioners:

Bruce Byrnes
Chief Compliance Officer, Vice President & Senior Counsel
Berkshire Hathaway group of insurance companies
100 First Stamford Place,
Stamford CT 06902
203-391-5239
bbyrnes@berkre.com

Zachary Bemis
Godfrey & Kahn, S.C.
One East Main Street, Suite 500
Madison, WI 53703
608-284-2224
zbemis@gklaw.com

For the Domestic Insurers:

Suzanne Broadbent
Associate General Counsel
Capitol Indemnity Corporation
Capitol Specialty Insurance Corporation
City Place I, Suite 1699
185 Asylum Street, Hartford CT 06103
860-494-4925
Sbroadbent@CapSpecialty.com

Ryan Byrnes
Chief Financial Officer
Capitol Indemnity Corporation
Capitol Specialty Insurance Corporation
City Place I, Suite 1699
185 Asylum Street, Hartford CT 06103
860-494-4999
rbyrnes@CapSpecialty.com

Antonio Celii
Vice President and Associate General Counsel
Alleghany Corporation
1411 Broadway, 34th floor, New York, NY 10018
212-508-8173
tcelii@alleghany.com

Allison J. Tam
Counsel for Alleghany and CapSpecialty
Willkie Farr & Gallagher LLP
787 Seventh Avenue, New York, NY 10019-6099
212-728-8282
atam@willkie.com

PRELIMINARY

Pursuant to a Notice of Hearing dated June 30, 2022, a hearing was held by teleconference on or about 11:30 a.m. on July 20, 2022, to determine whether the Petitioners' application for approval of the plan for acquisition of control should be granted. Based on the record, the Hearing Examiner makes the following:

PROPOSED FINDINGS OF FACT

(1) Berkshire Hathaway, Inc., a Delaware corporation, O&M Acquisition Corp., a Delaware Corporation, and Warren E. Buffett, an individual, each located at 5333 Farnam Street, Suite 1440, Omaha, Nebraska 68131.

(2) Capitol Indemnity Corporation and Capitol Specialty Insurance Corporation, the Domestic Insurers, 1600 Aspen Commons, Middleton, WI 53562.

(3) The Petitioner filed with the Office of the Commissioner of Insurance an application for approval of the acquisition of Capitol Indemnity Corporation and Capitol Specialty Insurance Corporation.

(4) The Petitioners were served with a Notice of Hearing.

(5) The Petitioners fulfilled the filing requirements of s. Ins 40.02, Wis. Adm. Code.

(6) The plan will not violate the law or be contrary to the interests of the insureds of Capitol Indemnity Corporation and Capitol Specialty Insurance Corporation.

(7) After the acquisition of control, Capitol Indemnity Corporation and Capitol Specialty Insurance Corporation, will be able to satisfy the requirements for the issuance of a license to write the lines of insurance for which it is presently licensed.

(8) The effect of the acquisition of control will not be to create a monopoly or substantially to lessen competition in any type or line of insurance in Wisconsin.

(9) The financial condition of Berkshire Hathaway, Inc., O&M Acquisition Corp., and Warren E. Buffett are not likely to jeopardize the financial stability of Capitol Indemnity Corporation and Capitol Specialty Insurance Corporation, or to prejudice the interests of its Wisconsin policyholders.

(10) There are no plans or proposals to liquidate the domestic insurers, Capitol Indemnity Corporation and Capitol Specialty Insurance Corporation, to sell its assets (other than investment portfolio transactions in the ordinary course of business), or to consolidate or merge it with any person or make any other material change in its business or corporate structure other than as described in the plan.

(11) The competence and integrity of the persons who will control the operation of the domestic insurers, Capitol Indemnity Corporation and Capitol Specialty Insurance Corporation, are such that it will be in the interest of the policyholders and the public to permit the acquisition of control.

PROPOSED CONCLUSION OF LAW

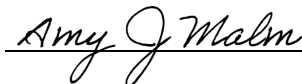
(12) The proposed findings of fact set forth above establish that the requirements of s. 611.72 and ch. 227 and 617, Wis. Stat., and ch. Ins 40, Wis. Adm. Code, have been satisfied and approval of the plan should be granted.

PROPOSED ORDER

NOW, THEREFORE, based upon the findings of fact and conclusion of law, I hereby recommend that:

(13) The Petitioners' request for approval of the plan for acquisition of control should be approved.

Dated at Madison, Wisconsin, this 20th day of July, 2022.



Amy J. Malm
Hearing Examiner