

FORM A

**STATEMENT REGARDING THE ACQUISITION OF
CONTROL OF OR MERGER WITH A DOMESTIC INSURER**
(this "Statement")

Filed with the Iowa Insurance Division
(the "Insurance Division")

Applied Underwriters Captive Risk Assurance Company, Inc.
Continental Indemnity Company
Illinois Insurance Company
Pennsylvania Insurance Company
(the "Domestic Insurers")

BY

Steven M. Menzies
(the "Applicant")

Date: April 3, 2019, as amended
and supplemented August 30, 2019

Name, Title, Address and Telephone Number of Individual to Whom Notices and Correspondence
Concerning this Statement Should be Addressed:

Jeffrey A. Silver
10805 Old Mill Road
Omaha, Nebraska 68154
Telephone: 402-342-4200, Ext. 4141
Facsimile: 402-393-8558
jeffreysilver@silver-law.net

This Form A Statement seeks the approval of the Commissioner of the Insurance Division of Iowa pursuant to Section 521A.3 of the Iowa Insurance Code for the proposed acquisition of control of the Domestic Insurers by the Applicant.

ITEM I. INSURER AND METHOD OF ACQUISITION

(a) The Domestic Insurers.

The names and addresses of the Domestic Insurers to which this Statement relates are:

Applied Underwriters Captive Risk Assurance Company, Inc.
526 Second Avenue SE
Cedar Rapids, IA 52406
FEIN No.: 45-3353082
NAIC No.: 14144

Continental Indemnity Company
526 Second Avenue SE
Cedar Rapids, IA 52406
FEIN No.: 31-1191023
NAIC No.: 28258

Illinois Insurance Company
526 Second Avenue SE
Cedar Rapids, IA 52406
FEIN No.: 58-1811419
NAIC No.: 35246

Pennsylvania Insurance Company
526 Second Avenue SE
Cedar Rapids, IA 52406
FEIN No.: 23-1471444
NAIC No.: 21962

(b) The Acquisition of Control.

The following is a summary of the proposed acquisition of control of the Domestic Insurers by the Applicant (the "Proposed Acquisition"). The summary of the principal terms of the Proposed Acquisition is qualified in its entirety by reference to the specific agreements identified below.

The Domestic Insurers are indirect wholly-owned subsidiaries of AU Holding Company, Inc., a Delaware corporation ("AU Holding"). Berkshire Hathaway Inc. ("Berkshire") currently owns eighty-one percent (81%) of the issued and outstanding shares of AU Holding, Steven Menzies ("Applicant") currently owns eleven and one-half percent (11½%) of AU Holding, and Sidney Ferenc ("Ferenc") currently owns seven and one-half percent (7½%) of AU Holding.

AU Holding owns all of the issued and outstanding shares of Applied Underwriters, Inc. ("AUI") and all of the issued and outstanding shares of North American Casualty Co. ("NAC"). AUI owns all the issued and outstanding shares of several non-insurance business services companies. NAC owns all of the issued and outstanding shares of several insurance companies, including each of the Domestic Insurers.

The purpose of the Proposed Acquisition is for the Applicant to acquire sole ownership of AU Holding and all its insurance subsidiaries, including the Domestic Insurers, and for United Insurance Company ("UIC"), through its subsidiary, Bernard Acquisition Company, LLC ("BAC"), to acquire sole ownership of AUI and all its non-insurance business services subsidiaries. Neither UIC nor BAC will acquire any ownership interest, directly or indirectly, in the Domestic Insurers as a result of the Proposed Acquisition. The Applicant currently holds no ownership interest in UIC or BAC and, upon completion of the Proposed Acquisition, will hold no ownership interest in UIC or BAC. The Proposed Acquisition will be consummated through the transactions described in the following paragraphs.

On January 31, 2019, Berkshire, UIC and Applicant entered into a Stock Purchase Agreement (the “Berkshire SPA”) whereby UIC agreed, subject to receipt of all required regulatory approvals, to purchase from Berkshire, by no later than September 30, 2019, the 263,250 shares of AU Holding held by Berkshire (the “Berkshire AU Holding Shares”) for a purchase price of \$737,100,000. Upon execution of the Berkshire SPA, a non-refundable deposit of \$50,000,000 was paid to Berkshire as follows: (a) UIC paid Berkshire cash in the amount of \$37,000,000 (the “Cash Deposit”), and (b) Applicant delivered an irrevocable letter of credit with Berkshire named as beneficiary in the amount of \$13,000,000 (the “Letter of Credit”). On January 30, 2019, UIC and Ferenc entered into a Stock Purchase Agreement (the “Ferenc SPA”) whereby UIC agreed, subject to receipt of all regulatory approvals, to purchase from Ferenc by no later than September 30, 2019 the 24,375 shares of AU Holding held by Ferenc (the “Ferenc AU Holding Shares”). The purchase price to be paid for the Ferenc AU Holding Shares will be determined in accordance with Section IV of the Ferenc SPA which involves a process for determining the fair market value of AU Holding. Currently an independent valuation process is being undertaken to determine valuation after UIC/BAC made an offer of \$54,900,000 for the Ferenc AU Holding Shares, which offer was not accepted by Mr. Ferenc. On April 1, 2019, UIC assigned the Berkshire SPA and Ferenc SPA (collectively the “UIC Assignments”) to BAC. However, as a result of the transactions contemplated by the Menzies Assignment (as defined and described below), neither UIC nor BAC will acquire any direct or indirect equity or voting interest in any of the Domestic Insurers. The Berkshire SPA, the Ferenc SPA and the UIC Assignments are attached hereto as Appendices 1, 2, 3 and 4, respectively.

On April 1, 2019, the Applicant entered into an Assignment Agreement (the “Menzies Assignment”) with BAC whereby the Applicant agreed: (a) to accept all of BAC’s right, title and interest in and to the Berkshire SPA and Ferenc SPA (and indirectly all of the outstanding shares of the Domestic Insurers); and (b) as consideration for the Assignment, Applicant will cause AU Holding to transfer to BAC all of the issued and outstanding shares of AUH and its non-insurance subsidiaries held by AU Holding (the “AUH Shares”). Accordingly, upon completion of the Proposed Acquisition, control of the Domestic Insurers will be solely with Applicant. Except as reflected in the Menzies Assignment and the Tax Indemnification Agreement (as described below), there will be no exchange of consideration between UIC/BAC and the Applicant in connection with the Proposed Acquisition. The Menzies Assignment is attached hereto as Appendix 5.

Pursuant to the Menzies Assignment, the Applicant would acquire through NAC, subject to the receipt of all required regulatory approvals and to the closing of the transactions contemplated by the Berkshire SPA and the Ferenc SPA, all of the outstanding capital stock of the Domestic Insurers under the Proposed Acquisition. The Menzies Assignment contains customary representations, warranties and covenants and other terms and conditions. The closing of the Proposed Acquisition must occur on or before September 30, 2019 or the parties will be under no contractual obligation to consummate the transactions contemplated by the Berkshire SPA and the Menzies Assignment, and Berkshire will be entitled to retain the \$50 million deposit that was previously paid to Berkshire under the Berkshire SPA.

The closing of the Proposed Acquisition will be effected through two escrow arrangements as follows. The Berkshire SPA will be closed through an Escrow Agreement (the “Berkshire Escrow Agreement”) entered into by and among UIC, BAC, the Applicant, AU Holding and Wilmington Trust, National Association, as Escrow Agent. Under the terms of the Berkshire Escrow Agreement, at closing: (i) UIC and BAC will deliver the amount of the cash purchase price (less the amount of the Cash Deposit) for the Berkshire AU Holding Shares to the Escrow Agent, and (ii) AU Holding will deliver to the Escrow Agent

the stock certificates representing the AUI Shares duly endorsed in blank. Upon the receipt by the Escrow Agent of joint written instructions from each of the parties to the Berkshire Escrow Agreement, the Escrow Agent will deliver the cash payment to Berkshire and, upon Berkshire's receipt of the cash payment, Berkshire, at the direction of UIC pursuant to the Berkshire SPA, will deliver to the Escrow Agent the stock certificates representing the Berkshire AU Holding Shares duly endorsed in blank along with the Letter of Credit. The Escrow Agent shall then deliver the stock certificates for the AUI Shares to BAC and the stock certificates representing the Berkshire AU Holding Shares and the Letter of Credit to the Applicant. The Applicant will not be responsible for payment of any portion of the purchase price for the Berkshire AU Holding Shares, as UIC and BAC are obligated to make this payment to Berkshire through the Berkshire Escrow Agreement as noted above. The Ferenc SPA will similarly be closed through an Escrow Agreement (the "Ferenc Escrow Agreement") by and among UIC, BAC, Ferenc, the Applicant and Wilmington Trust, a National Association, as Escrow Agent. Under the terms of the Ferenc Escrow Agreement, at closing: (a) Ferenc will deliver to the Escrow Agent the stock certificates representing the Ferenc AU Holding Shares duly endorsed in blank, and (b) UIC and BAC will deliver to the Escrow Agent the cash purchase price for the Ferenc AU Holding Shares. Upon receipt of the Escrow Agent of joint written instructions from each of the parties, the Escrow Agent will deliver the cash purchase price to Ferenc and the stock certificates representing the Ferenc AU Holding Shares to the Applicant. The closing of the Berkshire SPA and the Ferenc SPA will occur simultaneously. The Berkshire Escrow Agreement and the Ferenc Escrow Agreement are attached hereto as Appendices 6 and 7, respectively.

As a result of the manner in which the Berkshire SPA and the Ferenc SPA will be closed through the Berkshire Escrow Agreement and the Ferenc Escrow Agreement, respectively, neither UIC nor BAC will ever acquire, directly or indirectly, any voting stock or other equity interest in any of the Domestic Insurers.

A Tax Election Agreement has been entered into by and between AU Holding, AUI and BAC whereby AU Holding and AUI have agreed to make a timely election under Section 336(e) of the Internal Revenue Code and the Treasury Regulations (and under any comparable statutes in any other jurisdiction) for AUI and each direct and indirect subsidiary of AUI that is treated as an association taxed as a domestic corporation for U.S. federal income tax purposes with respect to the transfer of the AUI Shares from AU Holding to BAC pursuant to the Menzies Assignment. The Tax Election Agreement is attached hereto as Appendix 8.

A Tax Indemnification Agreement has been entered into by and among BAC, AUI, AU Holding and the Applicant whereby BAC and AUI have agreed, on a joint and several basis, contingent upon the closing of the Proposed Acquisition, to indemnify and hold harmless AUH and the Applicant and their respective successors and assigns from any and all U.S. federal, state and local taxes (including applicable penalties or fees) imposed on or incurred by AUH or the Applicant, with respect to, resulting from or arising in connection with the Proposed Acquisition. The Tax Indemnification Agreement is attached hereto as Appendix 9.

Apart from the Berkshire SPA, the Ferenc SPA, the UIC Assignments, the Menzies Assignment, and the other agreements specifically referenced in this Item 1, there are no other agreements, understandings, side agreements or arrangements made between or among the parties related to the Proposed Acquisition.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

(a) Name and Address of the Applicant.

The name and address of the Applicant seeking to acquire control over the Domestic Insurers is:

Steven M. Menzies
6515 North 159 Street
Omaha, Nebraska 68116

(b) Nature of Business Operations of the Applicant.

The Applicant is an individual with twenty-five years in the insurance business including serving as the President and Chief Operating Officer of the Domestic Insurers for the past fifteen years. He is also the sole owner of Constitution Insurance Company, a New York domiciled insurance company rated A- by A.M. Best (and not involved in this transaction).

The Applicant intends to continue business operations of the Domestic Insurers as currently conducted, subject to changes in a manner consistent with sound business practices and the growth and stability of their business, and in accordance with applicable law including any required regulatory approvals. Prior to submitting this Statement, Applicant submitted a Form A Statement to the California Department of Insurance for California Insurance Company domiciled in California, and will submit a Form A to the Texas Department of Insurance for Texas Insurance Company domiciled in Texas. A statement to the Hawaii Department of Insurance for Commercial General Indemnity Company will be submitted. All of these regulatory approvals must be obtained for the Proposed Acquisition to close.

However, the transactions contemplated by the Ferenc SPA may occur independently of the closing of the Proposed Acquisition.

An overview of the Corporate History of the Domestic Insurers and their affiliates is attached hereto as Appendix 10.

(c) Organizational Chart.

A list setting forth the identities of and interrelationships among the Applicant before and after the Proposed Acquisition are attached hereto as Appendices 11 and 12, respectively. There are no court proceedings involving the Applicant.

ITEM 3. IDENTITY AND BACKGROUND OF INDIVIDUALS ASSOCIATED WITH THE APPLICANT

(a) Names and Business Address of Directors and Executive Officers of the Applicant.

Applicant is an individual and does not have any directors or executive officers. The name of the Applicant is Steven M. Menzies. Applicant is an individual with a business address at 6515 North 159 Street, Omaha, Nebraska 68116.

(b) Names and Business Address of the Applicant.

The name of the Applicant is Steven M. Menzies. Applicant is an individual with a business address at 6515 North 159 Street, Omaha, Nebraska 68116.

(c) Biographical Affidavits.

The present principal business activity, occupation or employment and other required biographical information of the Applicant is set forth in the biographical affidavit of the Applicant, which is attached hereto as Appendix 13.

(d) Convictions.

The person listed in Item 3(a) or Item 3(b) has never been convicted in a criminal proceeding (excluding minor traffic violations) during the 10 years immediately preceding the date of this Statement.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) Nature, Source and Amount of Consideration.

The consideration to be paid by the Applicant for the Proposed Acquisition (the “Consideration”) is set forth in the Menzies Assignment and consists of all the AUI Shares to be transferred from AU Holding to BAC. Since no monies are being paid by Applicant to BAC, Applicant does not require any financing for the Proposed Acquisition.

(b) Criteria for Determination of Consideration.

The nature and amount of the Consideration involved in the Proposed Acquisition were determined through arm’s length negotiations between unrelated parties with the advice of their respective financial, legal, actuarial and other advisors. The parties have evaluated the value of the interests being transferred and determined, on an arms-length basis, that such transferred interests have approximately equal value. Specifically, the Applicant, with the assistance of his advisors, and UIC/BAC, with the assistance of their advisors, determined through arms-length negotiation that the value of the Applicant’s pre-transaction holdings in AU Holding is essentially equal to the value of AU Holding’s interest in NAC and its insurance subsidiaries (including the Domestic Insurers) and, accordingly, that transfer of the AUI Shares from AU Holding to BAC at closing would be sufficient consideration for BAC’s assignment of the Berkshire SPA and the Ferenc SPA to the Applicant.

ITEM 5. THE APPLICANT’S FUTURE PLANS FOR THE INSURER

Following completion of the Proposed Acquisition, the following persons will serve as directors and officers of the Domestic Insurers:

<u>Directors</u>	<u>Officers</u>
Sidney R. Ferenc	Steven M. Menzies, President
Steven M. Menzies	Robert L. Stafford, Vice President
Jeffrey A. Silver	Justin N. Smith, Vice President/Chief Actuary
Jon M. McCright	Jeffrey A. Silver, Secretary
Marc M. Tract	

This is the identical list of directors and officers currently serving in such roles at the Domestic Insurers, each of which has previously submitted a Biographical Affidavit to the Insurance Division. Mr. Ferenc will serve as Chairman Emeritus. The Biographical Affidavits of the directors and officers (apart from the Applicant) are attached hereto as Appendix 14.

Following completion of the Proposed Acquisition, the following persons will serve as directors and officers of AU Holding and NAC:

<u>Directors</u>	<u>Officers</u>
Sidney R. Ferenc	Steven M. Menzies, President
Steven M. Menzies	Sidney R. Ferenc, Vice President
Jeffrey A. Silver	Jeffrey A. Silver, Vice President & Secretary

After the Acquisition, the business operations of the Domestic Insurers will remain the same but may change in a manner consistent with sound business practices and the growth and stability of its businesses, including maintaining a conservative ratio of premium writings to surplus and in accordance with applicable law, including any required regulatory approvals.

There will be no change of management and as described in this paragraph, the Applicant has no present plans for the Domestic Insurers to declare a dividend (whether or not extraordinary), to liquidate the Domestic Insurers, to sell any of its assets, or to merge the Domestic Insurer with any person or persons.

There is an existing relationship between the Domestic Insurers, on the one hand, and AUI, on the other hand, reflected in various service agreements between AUI and the Domestic Insurers which have been previously approved by the Insurance Division. These service agreements are expected to continue in effect following the Proposed Acquisition. Certain amendments to these agreements, which extend the notice period required for termination to six (6) months, are attached hereto as Appendices 15 and 16, respectively. In addition, one of the Domestic Insurers, Continental Indemnity Company, has entered into a Management Services Agreement with AUI, a copy of which is attached hereto as Appendix 17. Apart from the amendments to the service agreements contained in Appendices 15 and 16 and the new Management Services Agreement to be entered into by Continental Indemnity Company contained in Appendix 17, the Applicant does not currently contemplate that any other changes to the services agreements currently in place between AUI and the Domestic Insurers will be made on a post-closing basis.

UIC/BAC will not have any equity or voting interests in the Domestic Insurers as a result of the transactions contemplated by the Menzies Assignment.

The parties contemplate entering into future negotiations concerning the acquisition of some or all of UIC's subsidiaries by the Domestic Insurers. If such a transaction were to occur that would trigger the requirement for a Form A filing with the Insurance Division, an appropriate Form A would be filed. There is currently no contractual arrangement or side agreement providing for such transaction or otherwise.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

After closing of the Proposed Acquisition upon the terms and subject to the conditions set forth in the Menzies Assignment, the Applicant will directly own all of the outstanding shares of AU Holding and will indirectly own all the outstanding shares of NAC and all of the Domestic Insurers. The nature and amount of the Consideration involved in the Proposed Acquisition were determined through arm's length negotiations between unrelated parties with the advice of their respective financial, legal, actuarial and other advisors.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

Following the closing of the Proposed Acquisition as contemplated by the Berkshire SPA, Ferenc SPA and Menzies Assignment, only the Applicant will own indirectly all of the voting securities of the Domestic Insurers and no other individual or entity will have any right to acquire beneficial ownership, directly or indirectly, of any voting security of the Domestic Insurers. As disclosed in Item 1 of this Statement, the Applicant currently holds 37,375 shares of AU Holding, which indirectly owns the Domestic Insurers today.

ITEM 8. CONTRACTS, ARRANGEMENTS, OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE INSURER

Other than the Berkshire SPA, the Ferenc SPA, the UIC Assignment Agreements, the Menzies Assignment and the other agreements described in Item 1 of this Statement, there are no contracts, arrangements or understandings with respect to any voting security of the Domestic Insurers in which the Applicant or his affiliates is involved.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

There have been no purchases of any voting securities of the Domestic Insurers by the Applicant or his affiliates during the 12 calendar months preceding the filing of this Statement.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

There have been no recommendations to purchase any voting security of the Domestic Insurers made by the Applicant or his affiliates, or by anyone based upon interviews or at the suggestion of the Applicant or his affiliates during the 12 calendar months preceding the filing of this Statement.

ITEM 11. AGREEMENTS WITH BROKER – DEALERS

There are no broker-dealers involved in this transaction. However, AU Holding has engaged Merrill Lynch, Pierce, Fenner & Smith Incorporated in connection with the transactions contemplated by the SPA and any fee payable under that engagement would be paid by AU Holding.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

(a) Listing of Appendices.

A complete listing of the Appendices to this Statement follows:

Appendix	Description
1.	Berkshire Stock Purchase Agreement (the “Berkshire SPA”)
2.	Ferenc Stock Purchase Agreement (the “Ferenc SPA”)
3.	Assignment of Berkshire SPA from UIC to BAC (the “UIC Assignment”)
4.	Assignment of Ferenc SPA from UIC to BAC (the “UIC Assignment”)
5.	Assignment Agreement of Berkshire SPA and Ferenc SPA from BAC to Applicant (the “Menziess Assignment”)
6.	Berkshire Escrow Agreement
7.	Ferenc Escrow Agreement
8.	Tax Election Agreement (Submitted Confidentially)
9.	Tax Indemnification Agreement (Submitted Confidentially)
10.	Corporate History
11.	Pre-Acquisition Organizational Chart
12.	Post-Acquisition Organizational Chart
13.	Biographical Affidavit of Applicant ¹
14.	Biographical Affidavits for Proposed Directors and Officers ²
15.	Addendums to Management Services Agreements (Submitted Confidentially)
16.	Addendums to Agreement with Applied Risk Services, Inc. (Submitted Confidentially)
17.	Management Services Agreement between Continental Indemnity Company and Applied Underwriters, Inc. (Submitted Confidentially)
18.	Financial Statement of Applicant (Submitted Confidentially, but Letter Regarding Net Worth Included)
19.	5 Year Pro-Forma Financial Statement on NAIC UCAA Forms for each of the Domestic Insurers and in the Aggregate (Submitted Confidentially)
20.	Proposed Plan of Operation (Submitted Confidentially)
21.	Enterprise Risk Management (Submitted Confidentially)

¹ Since a Form A was submitted to California, the California Biographical Affidavit has been used to avoid duplication.

² Since a Form A was submitted to California, the California Biographical Affidavits have been used to avoid duplication.

(b) Description of Financial Statements.

The financial statements of Applicant have been submitted confidentially under separate cover, but a letter of the Applicant confirming his net worth is attached hereto as Appendix 18.

(c) Tender Offers, etc.

The Applicant is not aware of any tender offers for, requests or invitations for tenders of, exchange offers for or agreements to acquire or exchange any voting securities of the Domestic Insurers or any additional soliciting material relating thereto.

The Applicant has not proposed or entered into any employment, consultation, advisory, management contracts concerning the Domestic Insurers.

The Domestic Insurers do not issue annual reports to their stockholders.

ITEM 13. AGREEMENT REGARDING ENTERPRISE RISK MANAGEMENT

The Risk Appetite Statement of NAC and the Domestic Insurers is attached hereto as Appendix 21.

Request for Confidentiality

As to certain Exhibits hereto, annexes, exhibits and schedules thereto, or parts thereof which are submitted under separate cover (Appendices 8, 9, 15, 16, 17, 18, 19, 20 and 21), marked “Confidential” as described above, the Applicant hereby respectfully request that (i) such materials be provided confidential treatment, (ii) the Applicant be notified in advance of any proposed disclosure by the Insurance Division and (iii) the Applicant be given reasonable opportunity to seek a protective order or to take other action to prevent or limit such disclosure.

Commitment

Applicant has been involved with the Domestic Insurers since they became members of AU Holding. Applicant is committed to retaining control of the Domestic Insurers as a long term investment and to maintain their current domiciliary status in Iowa.

ITEM 14. SIGNATURE AND CERTIFICATION

Signature and certification required as follows:

SIGNATURE


Pursuant to the requirements of the Iowa Insurance Code, Steven M. Menzies has caused this application to be duly signed on his behalf in the City of Omaha, Nebraska on the 30th day of August, 2019.



STEVEN M. MENZIES


CERTIFICATION

The undersigned deposes and says that he has duly executed this Amended and Supplemented Form A dated August 30, 2019 and that he is familiar with the Statement and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

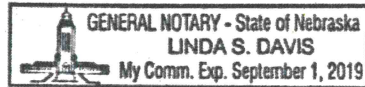


Steven M. Menzies

Subscribed and sworn to this
30th day of August, 2019



Notary Public
My commission expires on 9-1-19



APPENDIX 1

Berkshire Stock Purchase Agreement

STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement (this "Agreement") is entered into this 30th day of January, 2019 by and among Berkshire Hathaway Inc. ("Seller"), Steven Menzies ("Founder") and United Insurance Company ("Buyer"). Seller, Founder and Buyer are each a "Party" and collectively the "Parties".

WHEREAS, Seller owns 263,250 common shares of AU Holding Company, Inc. (the "Company" and such common shares, the "Berkshire Owned Shares");

WHEREAS, Founder and Sidney Ferenc ("Ferenc") collectively own all of the outstanding common shares of the Company that are not Berkshire Owned Shares;

WHEREAS, Buyer has agreed to acquire from Seller, and Seller has agreed to sell to Buyer, all of the Berkshire Owned Shares for a purchase price of \$737,100,000 (the "Purchase Price") and to close on such sale as soon as possible upon the granting of any required regulatory or other approvals (the "Closing" and the date on which the Closing occurs, the "Closing Date"), but under any and all circumstances (but still subject to the granting of such required regulatory and other approvals) no later than September 30, 2019; and

WHEREAS, on or prior to January 31, 2019, Buyer shall pay to Seller a non-refundable deposit of \$50,000,000, the cash portion of which shall be credited against the Purchase Price on the Closing Date but shall, subject to the terms hereof, be retained by Seller should the transaction fail to close on or before the Closing Date;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

- I. The Deposit. On or before January 31, 2019, Buyer shall pay, or cause to be paid, to Seller the non-refundable deposit of \$50,000,000, payable as follows: (i) Buyer shall pay, or cause to be paid, to Seller cash in the amount of \$37,000,000 by wire transfer to Seller pursuant to instructions in Exhibit A hereto (the "Cash Deposit") and (ii) Founder shall deliver, or cause to be delivered, to Seller a sight draft, clean, irrevocable letter of credit with Seller as named beneficiary, in a form acceptable to Seller and drawn on a U.S. chartered bank acceptable to Seller, in the amount of \$13,000,000 (the "Letter of Credit" and, together with the Cash Deposit, the "Deposit"). Except in the case of a material breach by Seller of its obligations under this Agreement, the Deposit is fully non-refundable under any circumstances, howsoever arising, upon receipt. Buyer acknowledges that the Deposit is reasonable consideration for the obligations of Seller under this Agreement, and that Seller would not have entered this Agreement without the Deposit on these terms. Anything to the contrary in this Agreement notwithstanding, so long as Buyer used good faith efforts to (A) obtain any required regulatory or other approvals, (B) secure any debt or other financing to allow Buyer to fund payment of the Purchase Price and (C) otherwise to effect the Closing, each of Buyer, Seller and Founder acknowledges and agrees that Seller's sole and exclusive remedy against Buyer for any breach of,

EXHIBIT

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inaccuracy in or non-fulfillment of any representation or warranty of Buyer or any breach, nonfulfillment or default in the performance of any covenant or agreement of Buyer contained in this Agreement prior to the Closing shall be Seller's right to retain the entire \$50,000,000 Deposit, including the Cash Deposit and the proceeds of the Letter of Credit.

II. Seller's Promises and Obligations.

- (a) Seller represents and warrants to Buyer that as of the date hereof and as of the Closing Date (i) it has good and valid title to the Berkshire Owned Shares, (ii) that the Berkshire Owned Shares are not subject to any liens or encumbrances, (iii) that the Berkshire Owned Shares constitute at least 81% of the outstanding common shares of the Company and (iv) other than the Berkshire Owned Shares and the common shares owned by Founder and Ferenc, there are no outstanding equity or voting interests of the Company or any securities convertible into equity interests of the Company. Subject to a waiver of Founder and Ferenc's rights under Section 3.1 of the Participation Agreement dated as of May 19, 2006 by and among Seller, Ferenc and Founder (the "Participation Agreement"), Seller also represents and warrants that it has full authority to enter into this Agreement and to deliver to Buyer the Berkshire Owned Shares as set forth herein.
- (b) Seller covenants to Buyer that, from the date of this Agreement through the Closing Date (and other than as required by law and/or with the consent of Buyer), or such earlier date upon which it is established that that Closing will not occur by the Closing Date, it will (i) continue to allow the Company to be run and managed in the same manner as it has been run and managed prior to the date of this Agreement, (ii) not and will not permit the Company to declare any dividends from the Company to or for the benefit of Seller or any of its affiliates, or otherwise permit the transfer of any Company assets to or for the benefit of Seller or any of its affiliates, (iii) not permit the Company to pledge, encumber, transfer or dispose of any shares of its capital stock or other equity interests or securities and (iv) not exercise its rights to acquire shares from either Ferenc or Founder under the Participation Agreement.
- (c) Seller will cooperate with reasonable requests of Buyer to assist Buyer in (i) the regulatory approval process for any regulatory approvals sought by Buyer, including but not limited to (A) Form A filings in the States of California, Delaware, Florida, Iowa and Texas concerning a change in control of the Company and/or any of its subsidiaries, (B) the expiration or termination of any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and (C) any filing Buyer elects to make with The Committee on Foreign Investment in the United States and (ii) Buyer or its affiliates securing debt or other financing to effect the Closing. Under no circumstances shall Seller or any of its affiliates (x) be required to take any action or to permit or suffer to exist any restriction, condition, limitation or requirement imposed by any government authority on Seller and its affiliates (other than the Company) in connection with the transactions contemplated by this Agreement or (y) be required to take any action with respect to any requirement

relating to contributions of capital, keep-wells, guarantee or capital maintenance arrangements, including the establishment or maintenance of a collateral trust or any other guarantees of the liability of the Company or its subsidiaries, or to provide any other financial support of any kind.

- (d) From the date hereof until the Closing, neither Seller nor any of its affiliates shall, directly or indirectly, take any action to effect, negotiate, solicit, initiate or encourage the submission of a transaction in respect of the Berkshire Owned Shares or any transaction that would be reasonably expected to interfere with or materially delay the Closing.

III. Buyer's and Founder's Promises and Obligations.

- (a) Buyer represents and warrants that, prior to the date of this Agreement, it has engaged in and concluded so much of any due diligence or inquiry into the any and all matters relating to the Company and its subsidiaries as they have deemed sufficient to enter into this Agreement and to acquire the Berkshire Owned Shares as set forth herein. Other than as expressly set forth herein, Buyer (i) is not relying on any representation or warranty of by Seller of any matters relating to the Company and/or its subsidiaries and (ii) is acquiring the Berkshire Owned Shares from Seller "as is," and under no warranties or assurances of any kind by Seller. Buyer acknowledges and agrees that all costs and expenses relating to sale of the Berkshire Owned Shares as set forth herein shall be borne by the Company, and Seller shall have no responsibility for such costs and expenses.
- (b) As of the Closing Date, (i) Buyer releases and holds harmless Seller from any claims, demands, causes of action or any other liability arising from or relating to the Company and (ii) without the consent of Seller, Buyer will refrain from using or allowing the Company to use Seller's name or the names of Seller's subsidiaries in the Company's marketing or similar materials, and shall surrender and refrain from using any names, marks, and trademarks that incorporate the terms "Berkshire", "Berkshire Hathaway," or "BH" or related or derivative logos of such terms.
- (c) Prior to the Closing Date, Buyer will make such filings and use its reasonable best efforts to obtain any and all regulatory and other requisite approvals to effect the Closing. Buyer will provide Seller with notice and copies of any such filings that name or refer to Seller or its subsidiaries (but with redactions for any personally identifiable or commercially sensitive information).
- (d) Founder covenants to Seller that, from the date of this Agreement through the Closing Date, Founder will (i) continue to run and manage the Company in the same manner as it has been run and managed prior to the date of this Agreement, (ii) not exercise his rights to put his shares in the Company to Seller under the Participation Agreement; and (iii) will not take any action that would cause the Company or any of its subsidiaries to take any action that would violate Section II(b) of this Agreement.

- (e) Founder hereby waives his rights under Section 3.1 of the Participation Agreement with respect to the sale of the Berkshire Owned Shares hereunder.

IV. The Closing.

- (a) The Closing shall take place as soon as reasonably practicable following the granting of all necessary approvals for the transaction, but in any case (but still subject to the granting of such required regulatory and other approvals) no later than September 30, 2019. If for any reason whatsoever, other than a material breach by Seller of its obligations under this Agreement, the Closing does not occur on or before September 30, 2019, Seller shall be under no obligation to close and Seller shall retain the Deposit in full.
- (b) As soon as reasonably practicable following the granting of all necessary approvals for the sale of the Berkshire Owned Shares, Buyer shall confirm to Seller that the approvals have been granted, and provide to Seller reasonable evidence of same. Buyer and Seller shall then mutually agree on a subsequent date, which such date shall be no later than September 30, 2019, for the Closing.
- (c) On the Closing Date, (i) Buyer shall pay to Seller the sum of (A) the Purchase Price less (B) any cash consideration received by Seller on or prior to the Closing Date, including any cash amounts in respect of the Deposit, by wire transfer (or alternatively the Company or its subsidiaries may redeem or purchase some or all of the Berkshire Owned Shares), (ii) Seller shall (A) deliver to Buyer, or an entity or entities designated by Buyer, the Berkshire Owned Shares (to the extent not redeemed or purchased by the Company or its affiliates), together with resignations by all Seller board members and/or officers of the Company and/or its subsidiaries and (B) return the Letter of Credit and (iii) Seller and Founder shall mutually release the other under the Participation Agreement, Founder shall release of Seller from any liability or claims related to the Company and Seller shall release of Founder from any liability or claim related to the Company.
- (d) The Seller's obligation to close shall be conditioned upon the Seller's receipt of a release by Ferenc of Seller and its affiliates that mirrors the mutual release of Seller and Founder described in subsection (c) above.

V. Miscellaneous.

- (a) This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without respect to its applicable principles or rules of conflicts of laws to the extent such principles or rules are not mandatorily applicable by statute and would permit or require the application of the law of another jurisdiction.
- (b) This Agreement constitutes the entire agreement among the Parties hereto with respect to the subject matter hereof and supersedes all prior agreements and

understandings, oral or written, with respect to such matters, except for the Confidentiality Agreement, dated September 4, 2018 between the Company and Buyer, which will remain in full force and effect until the Closing to the extent not in conflict with this Agreement.

- (c) This Agreement may be executed in one or more counterparts, each of which will be deemed to constitute an original, but all of which shall constitute one and the same agreement, and may be delivered by facsimile or other electronic means intended to preserve the original graphic or pictorial appearance of a document.
- (d) All notices and other communications under this Agreement shall be in writing and shall be deemed given (i) when delivered personally by hand, (ii) when sent by facsimile or email or (iii) one (1) business day following the day sent by an internationally recognized overnight courier, in each case, at the following addresses, facsimile numbers and email addresses (or to such other address, facsimile number or email address as a party may have specified by notice given to the other party pursuant to this provision):

to Seller: Berkshire Hathaway Group of Insurance Companies
100 First Stanford Place
Stanford, Connecticut 06902
Attention: Bruce Byrnes
 Brian Snover
Email: **bbyrnes@berkre.com**
 bsnover@berkre.com

to Founder: Steven Menzies
6515 North 159 Street,
Omaha, NE 68116
Email: **steve@auw.com**

to Buyer: United Insurance Company
94 Solaris Avenue, 2nd Floor
Camana Bay
P.O. Box 69
Grand Cayman KY1-1102
Cayman Islands
Attention: Jamie Sahara
Email: **jsahara@uicinsurance.com**

with a copy to: Debevoise & Plimpton LLP
919 Third Avenue
New York, New York 10022
Attention: Alexander R. Cochran
Email: **arcochran@debevoise.com**

- (e) Nothing expressed or implied in this Agreement is intended to confer any rights, benefits, remedies, obligations or liabilities upon any person other than the Parties hereto and their respective heirs, executors, administrators, successors and legal representatives.
- (f) The Parties hereto shall agree on the form and content of any initial press release and, except with the prior written consent of the other Parties hereto (which consent shall not be unreasonably withheld, delayed or conditioned), shall not issue any other press release or other public statement or public communication with respect to this Agreement or the transactions contemplated hereby; provided that the Parties hereto may, without the prior written consent of the other Parties hereto, make such public statement or issue such public communication as may be required by applicable law or stock exchange rules.

VI. Termination.

- (a) In the event the Deposit is not paid to Seller on or before January 31, 2019, this Agreement shall automatically terminate and the Parties hereto shall have no further obligation to the others.
- (b) This Agreement may be terminated at any time prior to the Closing by Buyer or Seller if (i) the Deposit has not been delivered in full to Seller by January 31, 2019, or (ii) the Closing shall not have occurred on or before September 30, 2019.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above by their duly authorized representatives.

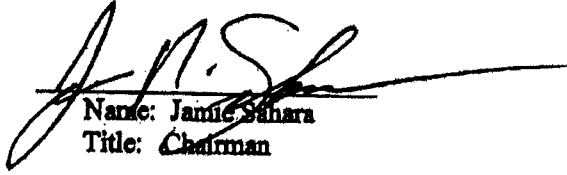
BERKSHIRE HATHAWAY INC.

By: Marc D. Amarel
Name: MARC D. AMAREL
Title: Senior Vice President - CFO

STEVEN MENZIES – solely for purposes of Sections I, III(d) & (e), IV(c), V and VI(a)

A handwritten signature in black ink, appearing to read 'Steven Menzies', is written over a horizontal line.

UNITED INSURANCE COMPANY



Name: Jamie Sahara
Title: Chairman

EXHIBIT A - WIRE INSTRUCTIONS

Bank:



ABA #

Acct name:

Acct #

APPENDIX 2

Ferenc Stock Purchase Agreement

STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement (this "Agreement") is entered into this 30th day of January, 2019 by and between Sidney Ferenc ("Seller") and United Insurance Company ("Buyer"). Seller and Buyer are each a "Party" and collectively the "Parties".

WHEREAS, Seller owns directly or indirectly 24,375 common shares of AU Holding Company, Inc. (the "Company") (the "Ferenc Owned Shares");

WHEREAS, Steven Menzies ("Menzies") and Berkshire Hathaway Inc. ("Berkshire") collectively own all of the outstanding common shares of the Company that are not Ferenc Owned Shares;

WHEREAS, Seller, Menzies and Berkshire have entered into a Participation Agreement dated May 19, 2006 which provides Seller with certain rights with respect to the Ferenc Owned Shares, a copy of which is attached as Exhibit 1;

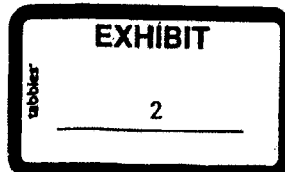
WHEREAS, concurrently with the date of this Agreement, Buyer has entered into a stock purchase agreement with Berkshire and Menzies (the "Berkshire Purchase Agreement"), pursuant to which Buyer has agreed to acquire from Berkshire, and Berkshire has agreed to sell to Buyer all 263,250 common shares of the Company owned by Berkshire the "Berkshire Owned Shares") for a purchase price of \$737,100,000 and to close on such sale as soon as possible upon the granting of any required regulatory or other approvals (the "Berkshire Closing" and the date on which the Berkshire Closing occurs, the "Berkshire Closing Date"), but under any and all circumstances (but still subject to the granting of such required regulatory and other approvals) no later than September 30, 2019;

WHEREAS, in connection with, and subject to the consummation of the Berkshire Closing, Buyer has agreed to acquire from Seller, and Seller has agreed to sell to Buyer, all of the Ferenc Owned Shares for a purchase price determined pursuant to Section IV of this Agreement (the "Purchase Price") and to close on such sale as soon as possible upon the granting of any required regulatory or other approvals (the "Closing" and the date on which the Closing occurs, the "Closing Date"), but under any and all circumstances (but still subject to the granting of such required regulatory and other approvals) no later than September 30, 2019 with the Berkshire Closing and Closing occurring simultaneously; and

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

I. Seller's Promises and Obligations.

- (a) Seller represents and warrants to Buyer that as of the date hereof and as of the Closing Date (i) he has good and valid title to the Ferenc Owned Shares, (ii) that the Ferenc Owned Shares are not subject to any liens or encumbrances, and (iii) that the Ferenc Owned Shares constitute seven and a half percent (7.5%) of the



outstanding common shares of the Company as of the date of this Agreement (the "Ferenc Ownership Percentage"). Seller also represents and warrants that it has full authority to enter into this Agreement and to deliver to Buyer the Ferenc Owned Shares as set forth herein except as to the consent of Berkshire as required in the Participation Agreement.

- (b) Seller will cooperate with reasonable requests of Buyer to assist Buyer in (i) the regulatory approval process for any regulatory approvals sought by Buyer, including but not limited to (A) Form A filings in the States of California, Delaware, Florida, Hawaii, Iowa and Texas concerning a change in control of the Company and/or any of its subsidiaries, (B) the expiration or termination of any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and (C) any filing Buyer elects to make with The Committee on Foreign Investment in the United States. Any failure to do so shall not constitute a breach of this Agreement by Seller.
- (c) From the date hereof until the Closing, Seller shall not, directly or indirectly, take any action to effect, negotiate, solicit, initiate or encourage the submission of a transaction in respect of the Ferenc Owned Shares or any transaction that would be reasonably expected to interfere with or materially delay the Closing. In the event of a termination of this Agreement or the Berkshire Purchase Agreement for any reason at any time before Closing then this section I. (c) is not enforceable and void.

II. Buyer's Promises and Obligations.

- (a) Buyer represents and warrants that, prior to the date of this Agreement, it has engaged in and concluded so much of any due diligence or inquiry into the any and all matters relating to the Company and its subsidiaries as they have deemed sufficient to enter into this Agreement and to acquire the Ferenc Owned Shares. Other than as expressly set forth herein, Buyer (i) is not relying on any representation or warranty of by Seller of any matters relating to the Company and/or its subsidiaries and (ii) is acquiring the Ferenc Owned Shares from Seller "as is," and under no warranties or assurances of any kind by Seller. Buyer acknowledges and agrees that all costs and expenses relating to sale of the Ferenc Owned Shares as set forth herein shall be borne by the Buyer, and Seller shall have no responsibility for such costs and expenses including Seller's legal expenses.
- (b) Prior to the Closing Date, Buyer will make such filings and use its reasonable best efforts to obtain any and all regulatory and other requisite approvals to effect the Closing. Buyer will provide Seller with notice and copies of any such filings that name or refer to Seller or its subsidiaries (but with redactions for any personally identifiable or commercially sensitive information).

III. The Closing.

- (a) The Closing shall take place as soon as reasonably practicable following (i) the granting of all necessary approvals for the transaction and (ii) contemporaneously with, but prior to the Berkshire Closing, but in any case (but still subject to the granting of such required regulatory and other approvals) no later than September 30, 2019. If for any reason whatsoever the Closing does not occur on or before September 30, 2019 or if Buyer breaches any of its obligations under this Agreement, Seller shall be under no obligation to close and this Agreement shall automatically terminate.
- (b) As soon as reasonably practicable following the granting of all necessary approvals for the sale of the Ferenc Owned Shares, Buyer shall confirm to Seller in writing that the approvals have been granted, and provide to Seller reasonable evidence of same. Buyer and Seller shall then mutually agree to a subsequent date, which such date shall be (i) no later than September 30, 2019 and (ii) contemporaneously with, but prior to the Berkshire Closing Date, for the Closing.
- (c) On the Closing Date, (i) Buyer shall pay to Seller the Purchase Price by wire transfer of immediately available funds in United States dollars to an account designated by Seller; (ii) Seller shall deliver to Buyer, or an entity or entities designated by Buyer, the Ferenc Owned Shares, together with resignations by Seller from all positions as a board member and/or an officer of the Company and/or its subsidiaries; and (iii) Seller shall terminate his participation in the Participation Agreement and enter into mutual releases with Berkshire that are reasonably acceptable to Berkshire and Seller, subject to Berkshire closing on the Berkshire Purchase Agreement on or before the Berkshire Closing Date.

IV. Purchase Price. The Purchase Price payable hereunder shall be calculated in strict accordance with this Section IV. As soon as practicable following the date of this Agreement, Buyer and Seller shall initiate the procedures set forth in Section 4.3 (*Purchase Price*) of the Participation Agreement so as to finally determine the Purchase Price (such procedures, the "Valuation Procedures"). Under Section 4.3 (a) of the Participation Agreement, the purchase price per share will be the fair market value as of the date of this Agreement with such shares valued on a going-concern basis as though AU Holding Company, Inc. were a publicly traded company with reasonable liquidity in the market for its shares (and assuming the shares being sold were registered and freely transferable) and without a controlling shareholder and without attributing any change of control premium to the sale of such shares, and taking into account all aspects of the AU Holding Company, Inc. capital structure and the various components of its business. Each of Buyer and Seller shall (i) use their respective reasonable best efforts to cause the Valuation Procedures to be completed such that the Purchase Price is finally determined and (ii) direct the appraiser appointed pursuant to Section 4.3 (c) of the Participation Agreement to finally determine the Purchase Price as expeditiously as possible but in no event later than September 30, 2019. The valuation process shall begin immediately following the execution of this agreement. Buyer shall be responsible for all costs in connection with the Valuation Procedures.

V. The Participation Agreement.

- (a) From the date hereof until the Closing or in the event of earlier termination of this Agreement or the Berkshire Purchase Agreement, Seller (i) shall not exercise his rights to put his shares in the Company to Berkshire under the Participation Agreement and (ii) hereby waives his rights under Section 3.1 of the Participation Agreement with respect to the Berkshire Purchase Agreement. Nothing contained herein is intended to waive any other of Seller's rights under the Participation Agreement, all of which rights are specifically reserved. In the event this Agreement is terminated, Seller shall continue to have any and all rights under the Participation Agreement. Seller furthermore acknowledges and agrees that the Valuation Procedures set forth herein are not being conducted under the Participation Agreement, and the results of such Valuation Procedures shall have no binding effect on Berkshire or Seller in any respect as to Seller's or Berkshire's rights under the Participation Agreement.
- (b) Berkshire Consent. This Agreement is subject to Seller receiving an acceptable and unconditional Consent from Berkshire under the Participation Agreement Section 5.2 to sell the Ferenc Owned Shares to Buyer.
- (c) Menzies Consent. This Agreement is subject to Seller receiving an acceptable Consent from Menzies under the Participation Agreement to sell the Ferenc Owned Shares to Buyer.

VI. Miscellaneous.

- (a) This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without respect to its applicable principles or rules of conflicts of laws to the extent such principles or rules are not mandatorily applicable by statute and would permit or require the application of the law of another jurisdiction.
- (b) This Agreement constitutes the entire agreement among the Parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, with respect to such matters.
- (c) This Agreement may be executed in one or more counterparts, each of which will be deemed to constitute an original, but all of which shall constitute one and the same agreement, and may be delivered by facsimile or other electronic means intended to preserve the original graphic or pictorial appearance of a document.
- (d) All notices and other communications under this Agreement shall be in writing and shall be deemed given (i) when delivered personally by hand, (ii) when sent by facsimile or email or (iii) one (1) business day following the day sent by an internationally recognized overnight courier, in each case, at the following addresses, facsimile numbers and email addresses (or to such other address, facsimile number or email address as a party may have specified by notice given to the other party pursuant to this provision):

to Seller: Sidney Ferenc
2363 South Ocean Boulevard
Highland Beach, Florida 33487
Email: mail2sid@yahoo.com

to Buyer: United Insurance Company
94 Solaris Avenue, 2nd Floor
Camana Bay
P.O. Box 69
Grand Cayman KY1-1102
Cayman Islands
Attention: Jamie Sahara
Email: jsahara@uicinsurance.com

with a copy to: Debevoise & Plimpton LLP
919 Third Avenue
New York, New York 10022
Attention: Alexander R. Cochran
Email: arcochran@debevoise.com

- (e) Nothing expressed or implied in this Agreement is intended to confer any rights, benefits, remedies, obligations or liabilities upon any person other than the Parties hereto and their respective heirs, executors, administrators, successors and legal representatives.
- (f) The Parties hereto shall agree on the form and content of any initial press release and, except with the prior written consent of the other Parties hereto (which consent shall not be unreasonably withheld, delayed or conditioned), shall not issue any other press release or other public statement or public communication with respect to this Agreement or the transactions contemplated hereby.

VII. Termination.

- (a) In the event that the Berkshire Purchase Agreement is terminated, this Agreement shall automatically terminate and the Parties hereto shall have no further obligation to the others.
- (b) In the event that either (i) this Agreement is terminated or (ii) the Berkshire Closing does not occur, Seller hereby acknowledges and agrees that Buyer shall have no further obligation to Seller and, in such circumstances, Buyer releases and agrees to indemnify, defend and hold harmless Seller from any and all claims, demands, causes of action or any other liability arising from or relating to the transactions contemplated by this Agreement and Buyer shall reimburse Seller for any and all legal fees and expenses incurred with respect to this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above by their duly authorized representatives.

SIDNEY FERENC (Seller)

Sidney Ferenc

[Signature Page to Ferenc Stock Purchase Agreement]

RF

UNITED INSURANCE COMPANY (Buyer)



Name: Jamie Sahara
Title: Chairman

APPENDIX 3

Assignment of Berkshire SPA from UIC to BAC

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Agreement (this "Agreement") made as of the 1st day of April, 2019, between UNITED INSURANCE COMPANY, a Cayman Island Insurance Company ("Assignor") and BERNARD ACQUISITION COMPANY, LLC, a Delaware Limited Liability Company ("Assignee"). Assignor and Assignee are each a "Party" and collectively the "Parties".

WITNESSETH:

WHEREAS, Assignor is a party to a Stock Purchase Agreement dated January 30, 2019 by and between Assignor and Berkshire Hathaway Inc. (the "Berkshire SPA"); and

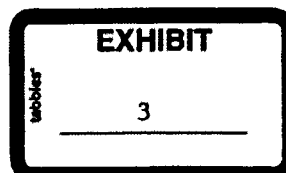
WHEREAS, Assignor desires to assign all of its right, title and interest in, to and under the Berkshire SPA to Assignee, upon the terms and conditions hereof; and

WHEREAS, Assignee desires to assume all of Assignor's obligations under the Berkshire SPA, upon the terms and conditions hereof.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the Parties agree as follows:

1. Assignor hereby assigns to Assignee, its successors and assigns, effective as of the "Assignment Effective Date" (as hereinafter defined), all of its right, title and interest in, to and under the Berkshire SPA, to have and to hold the same, subject to the terms and conditions of the Berkshire SPA.

2. Assignee hereby accepts this Assignment, and covenants and agrees with Assignor that Assignee assumes and shall fully perform, pay and observe all of the terms,



covenants and conditions of the Berkshire SPA to be performed, paid and observed on the part of the Assignee thereunder accruing from and after the Assignment Effective Date as if Assignee had been an original party to the Berkshire SPA.

3. Assignee hereby agrees to indemnify, hold harmless and defend Assignor from and against any and all claims, liabilities, damages, costs and expenses (including without limitation reasonable attorneys' fees) arising out of any violation or default on the Assignee's part to be performed under the Berkshire SPA accruing from and after the Assignment Effective Date.

4. The "Assignment Effective Date" hereof shall be April 1, 2019.

5. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and assigns.

6. If a provision of this Agreement is determined to be unenforceable in any respect, the enforceability of the provision in any other respect and of the remaining provisions of this Agreement will not be impaired.

7. The Parties will sign other documents and take other actions reasonably necessary to further effect and evidence this Agreement.

8. This Agreement is governed by the laws of the State of New York, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing this Agreement.

9. Any action, suit, or proceeding arising out of the subject matter of this Agreement will be litigated in courts located in New York County, New York. Each party consents and submits to the jurisdiction of any local, state, or federal court located in New York, New York.

10. If any arbitration, action, suit, or proceeding is instituted to interpret, enforce, or rescind this Agreement, or otherwise in connection with the subject matter of this Agreement, including but not limited to any proceeding brought under the United States Bankruptcy Code, the prevailing party on a claim will be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing party's reasonable attorney's fees and other fees, costs, and expenses of every kind, incurred in connection with the arbitration, action, suit, or proceeding, any appeal or petition for review, the collection of any award, or the enforcement of any order, as determined by the arbitrator or court.

11. This Agreement contains the entire understanding of the Parties regarding the subject matter of this Agreement and supersedes all prior and contemporaneous negotiations and agreements, whether written or oral, between the Parties with respect to the subject matter of this Agreement. This Agreement may not be amended, modified or terminated except by an instrument, in writing, duly executed by the Parties hereto.

12. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. This Agreement may be signed by electronic signature such as DocuSign, through facsimile transmission, or by scanned and emailed PDF, JPEG or TIF signatures.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

Signature Page To Follow

UNITED INSURANCE COMPANY ("Assignor")

By: 

Printed Name: James N. Subura

Title: Chairman of the Board

BERNARD ACQUISITION COMPANY, LLC,
A Delaware Limited Liability Company
("Assignee")

By: 

Printed Name: Peter Welts

Title: General Counsel

APPENDIX 4

Assignment of Ferenc SPA from UIC to BAC

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Agreement (this "Agreement") made as of the 1st day of April, 2019, between UNITED INSURANCE COMPANY, a Cayman Island Insurance Company ("Assignor") and BERNARD ACQUISITION COMPANY, LLC, a Delaware Limited Liability Company ("Assignee"). Assignor and Assignee are each a "Party" and collectively the "Parties".

WITNESSETH:

WHEREAS, Assignor is a party to a Stock Purchase Agreement dated January 30, 2019 by and between Assignor and Sidney Ferenc (the "Ferenc SPA"); and

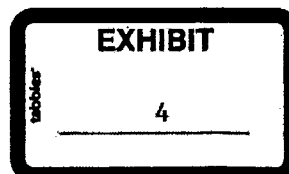
WHEREAS, Assignor desires to assign all of its right, title and interest in, to and under the Ferenc SPA to Assignee, upon the terms and conditions hereof; and

WHEREAS, Assignee desires to assume all of Assignor's obligations under the Ferenc SPA, upon the terms and conditions hereof.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the Parties agree as follows:

1. Assignor hereby assigns to Assignee, its successors and assigns, effective as of the "Assignment Effective Date" (as hereinafter defined), all of its right, title and interest in, to and under the Ferenc SPA, to have and to hold the same, subject to the terms and conditions of the Ferenc SPA.

2. Assignee hereby accepts this Assignment, and covenants and agrees with Assignor that Assignee assumes and shall fully perform, pay and observe all of the terms,



covenants and conditions of the Ferenc SPA to be performed, paid and observed on the part of the Assignee thereunder accruing from and after the Assignment Effective Date as if Assignee had been an original party to the Ferenc SPA.

3. Assignee hereby agrees to indemnify, hold harmless and defend Assignor from and against any and all claims, liabilities, damages, costs and expenses (including without limitation reasonable attorneys' fees) arising out of any violation or default on the Assignee's part to be performed under the Ferenc SPA accruing from and after the Assignment Effective Date.

4. The "Assignment Effective Date" hereof shall be April 1, 2019.

5. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and assigns.

6. If a provision of this Agreement is determined to be unenforceable in any respect, the enforceability of the provision in any other respect and of the remaining provisions of this Agreement will not be impaired.

7. The Parties will sign other documents and take other actions reasonably necessary to further effect and evidence this Agreement.

8. This Agreement is governed by the laws of the State of New York, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing this Agreement.

9. Any action, suit, or proceeding arising out of the subject matter of this Agreement will be litigated in courts located in New York County, New York. Each party consents and submits to the jurisdiction of any local, state, or federal court located in New York, New York.

10. If any arbitration, action, suit, or proceeding is instituted to interpret, enforce, or rescind this Agreement, or otherwise in connection with the subject matter of this Agreement, including but not limited to any proceeding brought under the United States Bankruptcy Code, the prevailing party on a claim will be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing party's reasonable attorney's fees and other fees, costs, and expenses of every kind, incurred in connection with the arbitration, action, suit, or proceeding, any appeal or petition for review, the collection of any award, or the enforcement of any order, as determined by the arbitrator or court.

11. This Agreement contains the entire understanding of the Parties regarding the subject matter of this Agreement and supersedes all prior and contemporaneous negotiations and agreements, whether written or oral, between the Parties with respect to the subject matter of this Agreement. This Agreement may not be amended, modified or terminated except by an instrument, in writing, duly executed by the Parties hereto.

12. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. This Agreement may be signed by electronic signature such as DocuSign, through facsimile transmission, or by scanned and emailed PDF, JPEG or TIF signatures.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

Signature Page To Follow

UNITED INSURANCE COMPANY ("Assignor")

By: 

Printed Name: Samuel Sater

Title: Chairman of the Board

BERNARD ACQUISITION COMPANY, LLC,
A Delaware Limited Liability Company
("Assignee")

By: 

Printed Name: Peter Wells

Title: General Counsel

APPENDIX 5

Assignment Agreement of Berkshire SPA and Ferenc SPA from BAC to Applicant

ASSIGNMENT AGREEMENT

This Assignment Agreement (this "Agreement") is made this 15th day of April, 2019 by and among Bernard Acquisition Company LLC, a Delaware limited liability company ("BAC"), Steven Menzies ("Menzies"), Applied Underwriters, Inc. ("AUI"), a Nebraska corporation and North American Casualty Co. ("NAC"), a Nebraska corporation. BAC, Menzies, AUI and NAC are each a "Party" and collectively the "Parties".

WHEREAS, United Insurance Company, a Cayman Island insurance company ("UIC") and Menzies entered into a Stock Purchase Agreement (the "Berkshire SPA") with Berkshire Hathaway Inc. ("Berkshire") on January 30, 2019 whereby UIC agreed to purchase, by no later than September 30, 2019, 263,250 common shares of AU Holding Company, Inc. ("AU Holding") (such purchase, the "Berkshire Sale");

WHEREAS, UIC entered into a Stock Purchase Agreement (the "Ferenc SPA") with Sidney R. Ferenc ("Ferenc") on January 30, 2019 whereby UIC agreed to purchase by no later than September 30, 2019 24,373 common shares of AU Holding (such purchase, the "Ferenc Sale");

WHEREAS, UIC assigned all of its right, title and interest in the Berkshire SPA and Ferenc SPA to BAC on or about April 2, 2019;

WHEREAS, AUI is a wholly owned subsidiary of AU Holding and provides multiple services to NAC and the NAC Insurance Companies (each as defined below);

WHEREAS, NAC is a direct wholly-owned subsidiary of AU Holding and the direct parent of the following insurance companies: (1) California Insurance Company; (2) Continental Indemnity Company; (3) Applied Underwriters Captive Risk Assurance Company, Inc.; (4) Texas Insurance Company; (5) Pennsylvania Insurance Company; (6) Illinois Insurance Company; and (7) Commercial General Indemnity Company (collectively, the "NAC Insurance Companies");

WHEREAS, Menzies owns 37,875 shares in AU Holding (the "Menzies AU Holding Shares");

WHEREAS, effective immediately prior to, but contingent upon the occurrence of the closing of the Berkshire Sale, BAC desires to transfer to Menzies all of BAC's right, title and interest in and to the Berkshire SPA and Ferenc SPA in exchange for the transfer by AUH to BAC of all of AUI's Shares;

WHEREAS, BAC desires to disclaim any and all interest in NAC and the NAC Insurance Companies, and will make any necessary filings in respect of such disclaimer of control with applicable state insurance regulators to that effect;

WHEREAS, there is certain Intellectual Property (as defined below) owned by AU Holding that is particularly applicable to NAC and the NAC Insurance Companies. For purposes of this Agreement, "Intellectual Property" means, collectively, all United States registered and unregistered (a) patents and pending patent applications and disclosures relating thereto (and any

EXHIBIT

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patents that issue as a result of those patent applications), and any renewals, reissues, reexaminations, extensions, continuations, continuations-in-part, divisions and substitutions relating to any of the patents and patent applications, as well as disclosures relating thereto, (b) trademarks, trade names, trade dress, service marks, assumed names, brand names, business names, corporate names, logos, slogans, internet domain names and any other indicia of source or origin, whether registered or unregistered, and all registrations and applications for registration of any of the foregoing, together with all goodwill of the NAC Insurance Companies symbolized by any of the foregoing, (c) rights in works of authorship including any copyrights and copyrightable subject matter whether registered or unregistered, including moral rights, and any registrations and applications for registration thereof, (d) trade secrets and other rights in know-how and confidential or proprietary information (including any business plans, designs, technical data, financial information, pricing and cost information or other similar information), (e) rights in databases and data collections (including knowledge databases, customer lists and customer databases) whether registered or unregistered, and any applications for registration therefor, (f) URL and domain name registrations, (g) inventions (whether or not patentable) and improvements thereto, and all prior user rights, (h) all claims and causes of action arising out of or related to infringement or misappropriation of any of the foregoing and (i) tangible embodiments of any of the foregoing;

WHEREAS, as additional consideration for the transfer of AUI to BAC, AUI desires to assign all of its right, title and interest in and to the Intellectual Property to NAC and the NAC Insurance Companies; and

WHEREAS, contingent upon the occurrence of the closing of the Berkshire Sale, the Parties agree to close the transactions contemplated hereby as soon as reasonably practicable upon the granting of any required regulatory or other approvals (the "Closing"), but in any event no earlier than the date on which the closing of the Berkshire Sale occurs (the date on which the Closing occurs, the "Closing Date").

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Parties agree as follows:

1. ASSIGNMENT. At the Closing, (a) BAC shall transfer to Menzies all of BAC's right, title and interest in and to the Berkshire SPA and Ferenc SPA (and, indirectly, all of the outstanding shares of the NAC Insurance Companies), (b) Menzies shall accept all of BAC's right, title and interest in and to the Berkshire SPA and Ferenc SPA (and, indirectly, all of the outstanding shares of the NAC Insurance Companies), and (c) AUH shall transfer to BAC all of AUH's right, title and interest in and to all of the AUI Shares.

2. BAC DISCLAIMER OF ANY INTEREST IN NAC AND THE NAC INSURANCE COMPANIES. Effective as of the Closing, BAC hereby irrevocably and unconditionally disclaims any and all interest in and to NAC and the NAC Insurance Companies for all purposes and will make any necessary filings in respect of such disclaimer of control with applicable state insurance regulators to that effect.

3. MENZIES REPRESENTATIONS.

a. Menzies represents and warrants to BAC that as of the date hereof and as of the Closing Date (i) he has good and valid title to the Menzies AU Holding Shares, (ii) that the Menzies AU Holding Shares are not subject to any liens or encumbrances (other than transfer restrictions imposed by applicable securities laws), subject to a waiver of Berkshire's rights under Section 4.2 of the Participation Agreement dated as of May 19, 2006 by and among Berkshire, Sidney Ferenc and Menzies and (iii) that he has full authority to enter into this Agreement. Menzies acknowledges and agrees that all costs and expenses relating to sale of AUH as set forth herein shall be borne by AUH, and BAC shall have no responsibility for such costs and expenses, it being understood that any fees and expenses payable to Merrill Lynch, Pierce, Fenner & Smith Incorporated and Skadden, Arps, Slate, Meagher & Flom LLP in connection with the transactions contemplated hereby or by the Berkshire SPA are the sole responsibility of AU Holding and the fees and expenses of Debevoise & Plimpton LLP in connection with the transactions contemplated hereby are the sole responsibility of UIC or BAC, as the case may be.

b. Prior to the Closing Date, Menzies will make such filings and use his reasonable best efforts to obtain any and all regulatory and other requisite approvals to effect the Closing. Menzies will provide BAC with notice and copies of any such filings and other written materials that name or refer to BAC, UIC, NAC or the NAC Insurance Companies (but with redactions for any personally identifiable information). Menzies shall promptly (and in no event later than twenty-four (24) hours after receipt) advise BAC upon receiving any communication from any governmental authority whose approval is required for consummation of the transaction contemplated by this Agreement or the Berkshire SPA, including promptly furnishing BAC copies of any written or electronic communications, and shall promptly advise BAC when any such communication causes Menzies to believe that there is a reasonable likelihood that any such approval will not be obtained or that the receipt of any such approval will be materially delayed or conditioned. Menzies shall not participate in any live or telephonic meeting (other than non-substantive scheduling or administrative calls) with any governmental authority in respect of any filings, investigation or other inquiry relating to the transactions contemplated by this Agreement or the Berkshire SPA unless he consults with BAC in advance and, to the extent permitted by applicable law and such governmental authority, gives BAC the opportunity to attend and participate in such meeting.

4. BAC COOPERATION. BAC will reasonably cooperate with requests by Menzies to assist Menzies in the regulatory approval process for any regulatory approvals sought by Menzies, including but not limited to, (a) Form A filings in the States of California, Iowa and Texas concerning a change in control of the NAC Insurance Companies and (b) any filing or notification that may be required under the Hart-Scott Rodino Antitrust Improvements Act of 1976.

5. THE CLOSING.

a. Contingent upon the occurrence of the closing of the Berkshire Sale and Ferenc Sale, the Closing shall take place as soon as reasonably practicable following the granting of all necessary regulatory approvals for the transactions contemplated hereby, but in any case no later than September 30, 2019 and no earlier than the date on which the closing of the Berkshire Sale and Ferenc Sale occurs. If for any reason whatsoever, the Closing does not occur on or before September 30, 2019, none of BAC, AUI or Menzies shall be under any obligation to close and no Party shall have any further obligation hereunder to the other; *provided, however*, that if such failure of the Closing to occur on or before September 30, 2019 is due to the material breach by such Party of its obligations under this Agreement, then such Party shall not be entitled to rely upon this provision.

b. As soon as reasonably practicable following the granting of all necessary approvals for the sale of the NAC Insurance Companies, Menzies shall confirm to BAC that the approvals have been granted, and provide to BAC reasonable evidence of same. Menzies and BAC shall then mutually agree on a date for the Closing to occur, which date shall be no later than September 30, 2019 and no earlier than the date on which the closing of the Berkshire Sale occurs.

c. On the Closing Date, (1) AUH shall deliver all of the outstanding shares of AUI to BAC duly endorsed in blank and (2) AUI shall execute an assignment of the Intellectual Property as identified on Exhibit 1 attached hereto.

6. MISCELLANEOUS.

a. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without respect to its applicable principles or rules of conflicts of laws to the extent such principles or rules are not mandatorily applicable by statute and would permit or require the application of the law of another jurisdiction.

b. This Agreement (including Exhibit 1 attached hereto) and the Berkshire SPA constitute the entire agreement among the Parties hereto with respect to the subject matter hereof and supersede all prior agreements and understandings, oral or written, with respect to such matters.

c. This Agreement may be executed in one or more counterparts, each of which will be deemed to constitute an original, but all of which shall constitute one and the same agreement, and may be delivered by facsimile or other electronic means intended to preserve the original graphic or pictorial appearance of a document.

d. All notices and other communications under this Agreement shall be in writing and shall be deemed given (i) when delivered personally by hand, (ii) when sent by facsimile or email or (iii) one (1) business day following the day sent by an internationally recognized overnight courier, in each case, at the following addresses, facsimile numbers and email addresses (or to such other address, facsimile number or

email address as a party may have specified by notice given to the other party pursuant to this provision):

To Menzies: Steven Menzies
6515 North 159 Street
Omaha, NE 68116
Email: steve@auw.com

With a copy (which shall not constitute notice) to: Jeffrey A. Silver
10805 Old Mill Road
Omaha, NE 68154
Email: jeffreysilver@silver-law.net

To AUI: Applied Underwriters, Inc.
Attention: Steven Menzies
10805 Old Mill Road
Omaha, NE 68154
Email: steve@auw.com

With a copy (which shall not constitute notice) to: Jeffrey A. Silver
10805 Old Mill Road
Omaha, NE 68154
Email: jeffreysilver@silver-law.net

To NAC: North American Casualty Co.
Attention: Steven Menzies
10805 Old Mill Road
Omaha, NE 68154
Email: steve@auw.com

With a copy (which shall not constitute notice) to: Jeffrey A. Silver
10805 Old Mill Road
Omaha, NE 68154
Email: jeffreysilver@silver-law.net

To BAC: Bernard Acquisition Company, LLC
94 Solaris Avenue, 2nd Floor
Camana Bay
P.O. Box 69
Grand Cayman KY1-1102
Cayman Islands
Attention: Jamie Sahara
Email: jsahara@uicinsurance.com

With a copy (which shall not constitute notice) to: Debevoise & Plimpton LLP
919 Third Avenue
New York, New York 10022
Attention: Alexander R. Cochran
Email: arcochran@debevoise.com

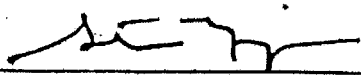
e. Nothing expressed or implied in this Agreement is intended to confer any rights, benefits, remedies, obligations or liabilities upon any person other than the Parties hereto and their respective heirs, executors, administrators, successors and legal representatives.

f. The Parties hereto shall agree on the form and content of any initial press release and, except with the prior written consent of the other Parties hereto (which consent shall not be unreasonably withheld, delayed or conditioned), shall not issue any other press release or other public statement or public communication with respect to this Agreement or the transactions contemplated hereby; provided that the Parties hereto may, without the prior written consent of the other Parties hereto, make such public statement or issue such public communication as may be required by applicable law or stock exchange rules.

g. The Parties shall execute and deliver, or shall cause to be executed and delivered, such documents and other papers and shall take, or shall cause to be taken, such further actions as may be reasonably required to carry out the provisions of this Agreement and give effect to the transactions contemplated by this Agreement. The Parties shall keep each other reasonably apprised of the status of the matters relating to the completion of the transactions contemplated by this Agreement. From time to time following the Closing, the Parties shall execute, acknowledge and deliver all reasonable further conveyances, notices, assumptions, releases, acquittances and instruments, and shall take such reasonable actions as may be necessary or appropriate to make effective the transactions contemplated by this Agreement as may be reasonably requested by the other Parties.

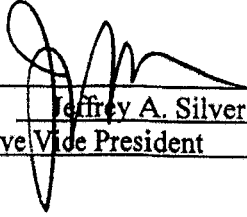
7. **TERMINATION.** In the event of termination of this Agreement, this Agreement shall forthwith become void and there shall be no liability hereunder on the part of BAC or Menzies or any of their respective officers, directors, stockholders or affiliates. This Agreement may be terminated at any time prior to the Closing by any Party (a) if the Berkshire SPA is terminated in accordance with its terms or (b) subject to Section 5(a), if the Closing shall not have occurred on or before September 30, 2019.

[Signature pages follow]



STEVEN M. MENZIES ("Menzies")


APPLIED UNDERWRITERS, INC.
("AUI")

By:  _____

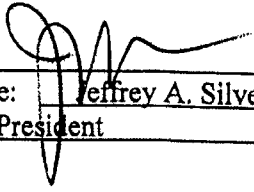
Printed Name: Jeffrey A. Silver

Title: Executive Vice President

BERNARD AQUISITION COMPANY, LLC
("BAC")

By: 
Printed Name: Same D. Sordun
Title: President

NORTH AMERICAN CASUALTY CO.
("NAC")

By: 
Printed Name: Jeffrey A. Silver
Title: Vice President

APPENDIX 6

Berkshire Escrow Agreement

ESCROW AGREEMENT

This Escrow Agreement (the "Agreement") dated this ___ day of August, 2019, is entered into by and among United Insurance Company, a Cayman Island insurance company ("United"), Bernard Acquisition Company, LLC ("BAC" and together with United, "Buyer"), Steven M. Menzies ("Menzies"), AU Holding Company, Inc. ("AUH"), and together with Buyer, the "Parties," and individually, a "Party"), and WILMINGTON TRUST, NATIONAL ASSOCIATION, a national association, as escrow agent ("Escrow Agent").

RECITALS

- A. United and non-party Berkshire Hathaway Inc. ("Seller") entered into a Stock Purchase Agreement for the sale of Seller's eighty-one percent (81%) interest in AUH (the "SPA") for a purchase price (the "Purchase Price") of Seven Hundred Thirty-Seven Million One Hundred Thousand Dollars (\$737,100,000.00) (the "Transaction").
- B. United assigned all of its right, title and interest in and to the SPA to BAC (the "United Assignment") and BAC assigned all of its right, title and interest in and to the SPA to Menzies.
- C. AUH owns one hundred percent (100%) of Applied Underwriters, Inc. ("AUI").
- D. In connection with the Transaction and in accordance with certain regulatory communications, Buyer and Menzies agree to place in escrow certain funds and stock certificates and the Escrow Agent agrees to hold and distribute such funds and stock certificates in accordance with the terms of this Agreement.
- C. Schedule I to this Agreement sets forth the wire transfer instructions for the Seller.

In consideration of the promises and agreements of the Parties and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties and the Escrow Agent agree as follows:

ARTICLE 1 ESCROW DEPOSIT

Section 1.1. Receipt of Escrow Property. Upon the satisfaction of the conditions to closing set forth in the SPA, (a) Buyer shall deliver to the Escrow Agent the amount of the Purchase Price minus \$37,000,000.00 in immediately available funds (the "Cash Escrow Property") and (b) AUH shall deliver to the Escrow Agent the AUI stock certificate(s) standing in its name, duly endorsed in blank (the "AUI Stock Certificates" and the Cash Escrow Property, the "Escrow Property").

Section 1.2. Investments.

(a) The Escrow Agent shall invest the Cash Escrow Property, including any and all interest and investment income, in accordance with the written instructions provided to the Escrow Agent and signed by the Parties. In the absence of such joint written investment instructions, the Escrow Agent shall deposit and invest the Cash Escrow Property, including any and all interest and investment income, in the M&T Bank Corporate Deposit Account (the "Account"), which is further described herein on **Exhibit A**. Any investment earnings and income on the Cash Escrow Property shall become part of the Cash Escrow Property, and shall be disbursed in accordance with Section 1.3 or Section 1.5 of this Agreement.

(b) The Escrow Agent is hereby authorized and directed to sell or redeem any such investments as it deems necessary to make any payments or distributions required under this Agreement. The Escrow Agent shall have no responsibility or liability for any loss which may result from any investment or sale of investment made in good faith pursuant to, and in accordance with the terms of, this Agreement. The Escrow Agent is hereby authorized, in making or disposing of any investment permitted by this Agreement, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or any such affiliate is acting as agent of the Escrow Agent or for any third person or dealing as principal for its own account. The Parties acknowledge that the Escrow Agent is not providing investment supervision, recommendations, or advice.

(c) Although the Parties recognize that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Parties hereby agree that confirmations of permitted investments are not required to be issued by the Escrow Agent for each month in which a monthly statement is rendered.

Section 1.3. Disbursements.

(a) Upon the receipt by the Escrow Agent of joint written instructions from each of the Parties, the Escrow Agent shall deliver the Cash Escrow Property to Seller. Upon receipt of the Cash Escrow Property by Seller, Escrow Agent shall receive the AUH Stock Certificates duly endorsed in blank along with the Letter of Credit and shall then deliver the AUJ Stock Certificates to BAC.

(b) The Escrow Agent shall comply with any judgments or orders issued by a court of competent jurisdiction with respect to the Escrow Property, including without limitation any attachment, levy or garnishment (a "Judgment"), without any obligation to determine such court's jurisdiction in the matter and in accordance with its normal business practices. In the event the Escrow Agent receives any such Judgment, the Escrow Agent shall promptly, but in any event within two (2) business days after receipt of such judgment or order, deliver part or all of the Escrow Property to the appropriate Party or Parties in accordance with such Judgment. The Escrow Agent shall promptly notify each Party upon receipt of

any Judgment. If the Escrow Agent complies with any such Judgment, then it shall not be liable to any Party or any other person by reason of such compliance, regardless of the final disposition of any such Judgment.

(c) In the event that a Party gives funds transfer instructions (other than in writing at the time of execution of this Agreement), whether in writing, by telecopier or otherwise, the Escrow Agent is authorized to seek confirmation of such instructions by telephone call-back to the authorized person or persons of such Party, and the Escrow Agent may rely upon the confirmations of anyone purporting to be the person or persons so designated provided no call back is required if the Escrow Agent receives original instructions. The persons and telephone numbers for callbacks may be changed only in a writing received and acknowledged by the Escrow Agent. The Parties agree that such security procedure is commercially reasonable.

(d) The Escrow Agent will furnish monthly statements to the Parties setting forth the activity in the Account.

Section 1.4. Security Procedure for Funds Transfer. Concurrent with the execution of this Agreement, the Parties shall deliver to the Escrow Agent authorized signers' forms in the form of Exhibit B-1, Exhibit B-2 and Exhibit B-3 to this Escrow Agreement. The Escrow Agent shall confirm each funds transfer instruction received in the name of Parties by confirming with an authorized individual as evidenced in Exhibit B-1, Exhibit B-2 and Exhibit B-3. Once delivered to the Escrow Agent, Exhibit B-1, Exhibit B-2 or Exhibit B-3 may be revised or rescinded only in writing signed by an authorized representative of the Party. Such revisions or rescissions shall be effective only after actual receipt and following such period of time as may be necessary to afford the Escrow Agent a reasonable opportunity to act on it. If a revised Exhibit B-1, Exhibit B-2 or Exhibit B-3 or a rescission of an existing Exhibit B-1, Exhibit B-2 or Exhibit B-3 is delivered to the Escrow Agent by an entity that is a successor-in-interest to either party, such document shall be accompanied by additional documentation satisfactory to the Escrow Agent showing that such entity has succeeded to the rights and responsibilities of the Parties. The Parties understand that the Escrow Agent's inability to receive or confirm funds transfer instructions may result in a delay in accomplishing such funds transfer, and agree that the Escrow Agent shall not be liable for any loss caused by any such delay.

Section 1.5. Income Tax Allocation and Reporting.

(a) The Parties agree that, for tax reporting purposes, all interest and other income from investment of the Escrow Property shall, as of the end of each calendar year and to the extent required by the Internal Revenue Code of 1986, as amended thereunder (the "Code"), be reported as having been earned by Seller, whether or not such income was disbursed during such calendar year. The Escrow Agent shall be deemed the payor of any interest or other income paid upon investment of the Escrow Property for purposes of performing tax reporting. With respect to any other payments made under this Agreement, the Escrow Agent's

shall not be deemed the payor and shall have no responsibility for performing tax reporting. The Escrow Agent's function of making such payments is solely ministerial and upon express direction of the Parties.

(b) Prior to closing, the Parties shall provide the Escrow Agent with certified tax identification numbers by furnishing appropriate forms W-9 or W-8 and such other forms and documents that the Escrow Agent may request. The Parties understand that if such tax reporting documentation is not provided and certified to the Escrow Agent, the Escrow Agent may be required by the Code, and the regulations promulgated thereunder, to withhold a portion of any interest or other income earned on the investment of the Escrow Property.

(c) To the extent that the Escrow Agent becomes liable for the payment of any taxes in respect of interest or other income derived from the investment of the Escrow Property, the Escrow Agent shall satisfy such liability to the extent possible from the Escrow Property. The Parties, jointly and severally, shall indemnify, defend and hold the Escrow Agent harmless from and against any tax, late payment, interest, penalty or other cost or expense that may be assessed against the Escrow Agent on or with respect to the Escrow Property and the investment thereof unless such tax, late payment, interest, penalty or other expense was directly caused by the gross negligence or willful misconduct of the Escrow Agent.

Section 1.6. Termination. Upon the disbursement of all of the Escrow Property, this Agreement shall terminate and be of no further force and effect. In the event the Escrow Agent has not received all of the Escrow Property by 5:00 p.m. Eastern Time on September 30, 2019, the Escrow Agent is directed to return the received Escrow Property to the respective provider of each of the components of the Escrow Property and this Agreement shall terminate. Notwithstanding the foregoing, the terms of Sections 1.5(c), 3.1, 3.4 and 4.6 hereto shall survive the termination of this Agreement and the resignation or removal of the Escrow Agent.

ARTICLE 2 DUTIES OF THE ESCROW AGENT

Section 2.1. Scope of Responsibility. Notwithstanding any provision to the contrary, the Escrow Agent is obligated only to perform the duties specifically set forth in this Agreement, which shall be deemed purely ministerial in nature. Under no circumstances will the Escrow Agent be deemed to be a fiduciary to any Party or any other person under this Agreement. The Escrow Agent will not be responsible or liable for the failure of any Party to perform in accordance with this Agreement. The Escrow Agent shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, including but not limited to any instrument or document other than this Agreement, any Judgment or joint written instruction delivered pursuant hereto, whether or not an original or a copy of such agreement has been provided to the Escrow Agent; and the Escrow Agent shall have no duty to know or inquire as to the performance or nonperformance of any provision of any such agreement, instrument, or document. References in this

Agreement to any other agreement, instrument, or document are for the convenience of the Parties, and the Escrow Agent has no duties or obligations with respect thereto. This Agreement sets forth all matters pertinent to the escrow contemplated hereunder, and no additional obligations of the Escrow Agent shall be inferred or implied from the terms of this Agreement or any other agreement.

Section 2.2. Attorneys and Agents. The Escrow Agent shall be entitled to rely on and shall not be liable for any action taken or omitted to be taken by the Escrow Agent in good faith in accordance with the reasonable advice of counsel or other professionals retained or consulted by the Escrow Agent. The Escrow Agent shall be reimbursed as set forth in Section 3.1 for any and all compensation (fees, expenses and other costs) paid and/or reimbursed to such counsel and/or professionals. The Escrow Agent may perform any and all of its duties through its agents, representatives, attorneys, custodians, and/or nominees.

Section 2.3. Reliance. The Escrow Agent shall not be liable for any action taken or not taken by it in good faith in accordance with the written direction or consent of the Parties or their respective agents, representatives, successors, or assigns. The Escrow Agent shall not be liable for acting or refraining from acting upon any notice, request, consent, direction, requisition, certificate, order, affidavit, letter, or other paper or document reasonably believed by it to be genuine and correct and to have been signed or sent by an Authorized Representative set forth on Exhibit B-1, Exhibit B-2 or Exhibit B-3, without further inquiry into the person's or persons' authority.

Section 2.4. Right Not Duty Undertaken. The permissive rights of the Escrow Agent to do things enumerated in this Agreement shall not be construed as duties.

Section 2.5. No Financial Obligation. Except as otherwise expressly provided herein, no provision of this Agreement shall require the Escrow Agent to incur any out-of-pocket costs or expenses (other than out-of-pocket costs and expenses to be reimbursed pursuant to Section 3.1) in the performance of its duties or the exercise of its rights under this Agreement.

ARTICLE 3 PROVISIONS CONCERNING THE ESCROW AGENT

Section 3.1. Indemnification. The Parties hereby agree, severally and not jointly, to indemnify Escrow Agent, its directors, officers, employees and agents (collectively, the "Indemnified Parties"), and hold the Indemnified Parties harmless from any and against all liabilities, losses, actions, suits or proceedings at law or in equity, and any other expenses, fees or charges of any character or nature, including, without limitation, reasonable and documented out-of-pocket attorney's fees and out-of-pocket expenses, which an Indemnified Party incurs by reason of acting as or on behalf of Escrow Agent under this Agreement or arising out of the existence of the Escrow Account, except to the extent the same shall be directly caused by Escrow Agent's gross negligence or willful misconduct. Any

Indemnification payment made in accordance with this Agreement shall be borne fifty percent (50%) by Buyer and fifty percent (50%) by Menzies.

Section 3.2. Limitation of Liability. THE ESCROW AGENT SHALL NOT BE LIABLE, DIRECTLY OR INDIRECTLY, FOR ANY (I) DAMAGES, LOSSES OR EXPENSES ARISING OUT OF THE SERVICES PROVIDED HEREUNDER, OTHER THAN DAMAGES, LOSSES OR EXPENSES WHICH HAVE BEEN FINALLY ADJUDICATED TO HAVE DIRECTLY RESULTED FROM THE ESCROW AGENT'S FRAUD, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, OR (II) SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES OR LOSSES OF ANY KIND WHATSOEVER (INCLUDING WITHOUT LIMITATION LOST PROFITS), EVEN IF THE ESCROW AGENT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES AND REGARDLESS OF THE FORM OF ACTION.

Section 3.3. Resignation or Removal. The Escrow Agent may resign by furnishing written notice of its resignation to the Parties, and the Parties may remove the Escrow Agent by furnishing to the Escrow Agent a joint written notice of its removal along with payment of all fees and expenses to which it is entitled through the date of termination. Such resignation or removal, as the case may be, shall be effective thirty (30) calendar days after the delivery of such notice or upon the earlier appointment of a successor, and the Escrow Agent's sole responsibility thereafter shall be to safely keep the Escrow Property and to deliver the same to a successor escrow agent as shall be appointed by the Parties, as evidenced by a joint written notice filed with the Escrow Agent or in accordance with a court order. If the Parties have failed to appoint a successor escrow agent prior to the expiration of thirty (30) calendar days following the delivery of such notice of resignation or removal, the Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor escrow agent or for other appropriate relief, and any such resulting appointment shall be binding upon the Parties. Until such delivery is complete, the Escrow Agent's rights, duties and obligations shall be in full force and effect, and upon completion of such delivery, the Escrow Agent shall be discharged from any and all further duties and obligations under this Agreement, except as otherwise provided herein.

Section 3.4. Compensation. The Escrow Agent shall be entitled to compensation for its services as stated in the fee schedule attached hereto as Exhibit C, which compensation shall be paid fifty percent (50%) by Buyer and fifty percent (50%) by Menzies. The fee agreed upon for the services rendered hereunder is intended as compensation for the Escrow Agent's services as contemplated by this Agreement; provided, however, that in the event that the conditions for the disbursement of property under this Agreement are not fulfilled, or the Escrow Agent renders any necessary service not contemplated in this Agreement, or there is any assignment of interest in the subject matter of this Agreement, or any material modification hereof, or if any material controversy arises hereunder, or the Escrow Agent is made a party to any litigation pertaining to this Agreement or the subject matter hereof, then the Escrow Agent shall be compensated for such extraordinary services at reasonable rates and reimbursed for all reasonable and documented out-of-pocket costs and expenses, including reasonable and documented attorneys' fees

and expenses, occasioned by any such delay, controversy, litigation or event. Any payment required under this Section 3.4 shall be borne fifty percent (50%) by Buyer and fifty percent (50%) by Menzies. If any amount due to the Escrow Agent hereunder is not paid within thirty (30) calendar days of the date due, the Escrow Agent in its sole discretion may charge interest on such amount up to the highest rate permitted by applicable law to the Party that has not made such payment in accordance with the preceding sentence.

Section 3.5. Disagreements. If any conflict, disagreement or dispute arises between, among, or involving any of the parties hereto concerning the meaning or validity of any provision hereunder or concerning any other matter relating to this Agreement, or the Escrow Agent is in doubt as to the action to be taken hereunder, the Escrow Agent shall be fully protected and may, at its option and after sending written notice to each of the Parties, retain the Escrow Property until the Escrow Agent (i) receives a final non-appealable order of a court of competent jurisdiction or a final non-appealable arbitration decision directing delivery of the Escrow Property, (ii) receives a written agreement executed by each of the parties involved in such disagreement or dispute directing delivery of the Escrow Property, in which event the Escrow Agent shall be authorized to disburse the Escrow Property in accordance with such final court order, arbitration decision, or agreement, or (iii) files an interpleader action in any court of competent jurisdiction, and upon the filing thereof, the Escrow Agent shall be relieved of all liability as to the Escrow Property and shall be entitled to recover its reasonable and documented out-of-pocket attorneys' fees, expenses and other costs incurred in commencing and maintaining any such interpleader action. The Parties hereto further agree to pursue any redress or recourse in connection with such dispute without making the Escrow Agent a party to the same. The Escrow Agent shall be entitled to act on any such agreement, court order, or arbitration decision without further question, inquiry, or consent.

Section 3.6. Merger or Consolidation. Any corporation or association into which the Escrow Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer all or substantially all of its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which the Escrow Agent is a party, shall be and become the successor escrow agent under this Agreement and shall have and succeed to the rights, powers, duties, immunities, privileges, responsibilities, obligations and liabilities as its predecessor, without the execution or filing of any instrument or paper or the performance of any further act.

Section 3.7. Attachment of Escrow Property; Compliance with Legal Orders. In the event that any Escrow Property shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting the Escrow Property, the Escrow Agent is hereby expressly authorized, in its sole discretion, to respond as it deems appropriate or to comply with all writs, orders or decrees so entered or issued, or which it is reasonably

advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction. In the event that the Escrow Agent obeys or complies with any such writ, order or decree it shall not be liable to any of the Parties or to any other person, firm or corporation, should, by reason of such compliance notwithstanding, such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

Section 3.8 Force Majeure. The Escrow Agent shall not be responsible or liable for any failure or delay in the performance of its obligation under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; wars; acts of terrorism; civil or military disturbances; sabotage; epidemic; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Escrow Agent shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

Section 3.9 Compliance with Legal Orders. Escrow Agent shall receive and may conclusively rely upon an opinion of counsel to the effect that such order is final, non-appealable and from a court of competent jurisdiction. Escrow Agent shall be entitled to consult with legal counsel in the event that a question or dispute arises with regard to the construction of any of the provisions hereof, and shall incur no liability and shall be fully protected in acting in accordance with the advice or opinion of such counsel.

Section 3.10 No Financial Obligation. Except as otherwise expressly provided herein, the Escrow Agent shall not be required to use its own funds in the performance of any of its obligations or duties or the exercise of any of its rights or powers, and shall not be required to take any action which, in the Escrow Agent's reasonable discretion, could involve it in expense or liability unless furnished with security and indemnity which it deems, in its reasonable discretion, to be satisfactory.

ARTICLE 4 MISCELLANEOUS

Section 4.1. Successors and Assigns. This Agreement shall be binding on and inure to the benefit of the Parties and the Escrow Agent and their respective successors and permitted assigns. No other persons shall have any rights under this Agreement. No assignment of the interest of any of the Parties shall be binding unless and until written notice of such assignment shall be delivered to the other Party and the Escrow Agent and shall require the prior written consent of the other Party and the Escrow Agent (such consent not to be unreasonably withheld).

Section 4.2. Escheat. The Parties are aware that under applicable state law, property which is presumed abandoned may under certain circumstances escheat to

the applicable state. The Escrow Agent shall have no liability to the Parties, their respective heirs, legal representatives, successors and assigns, or any other party, should any or all of the Escrow Property escheat by operation of law.

Section 4.3. Notices. All notices, account statements, requests, demands, and other communications required under this Agreement shall be in writing, in English, and shall be deemed to have been duly given if delivered (i) personally; (ii) by facsimile transmission with written confirmation of receipt; (iii) by overnight delivery with a reputable national overnight delivery service; (iv) by mail or by certified mail, return receipt requested, and postage prepaid, or (v) by electronic mail with an original delivered by the method described in (i), (ii), (iii) or (iv) above. If any notice is mailed, it shall be deemed given five business days after the date such notice is deposited in the United States mail. If any notice is given by electronic mail, it shall be deemed given upon actual receipt. If notice is given to a party, it shall be given at the address for such party set forth below. It shall be the responsibility of each Party to notify the Escrow Agent and the other Parties in writing of any name or address changes. In the case of communications delivered to the Escrow Agent, such communications shall be deemed to have been given on the date received by the Escrow Agent.

If to Buyer:
United Insurance Company
94 Solaris Avenue, 2nd Floor
Camaña Bay
P.O. Box 69
Grand Cayman KY1-1102
Cayman Islands
Attention: Jamie Sahara
Email: jsahara@uicinsurance.com

If to Menzies:
Steven Menzies
6515 North 159 Street
Omaha, Nebraska 68116
Email: steve@auw.com

With a Copy to:
Jeffrey A. Silver
10805 Old Mill Road
Omaha, Nebraska 68154
Email: jeffreysilver@silver-law.net

If to AUH:
10805 Old Mill Road
Omaha, Nebraska 68154
Attention: Jeffrey A. Silver
Email: jeffreysilver@silver-law.net

If to the Escrow Agent:

Wilmington Trust, National Association
Attn: Shane Holland
1100 N. Market Street
Wilmington, DE 19890
Telephone: 302-636-4093
Facsimile: 302-636-4145
Email: sholland1@wilmingtontrust.com

Section 4.4. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

Section 4.5. Entire Agreement. This Agreement, together with the Schedules and Exhibits hereto, sets forth the entire agreement and understanding of the parties related to the Escrow Property.

Section 4.6. Remedies. Notwithstanding anything set forth herein to the contrary, each of United, BAC, Menzies and AUH hereby acknowledge that nothing in this Agreement shall give any of United, BAC, Menzies or AUH any additional rights or remedies not expressly contemplated by the SPA.

Section 4.7. Amendment. This Agreement may be amended, modified, superseded, rescinded, or canceled only by a written instrument executed by the Parties and the Escrow Agent.

Section 4.8. Waivers. The failure of any party to this Agreement at any time or times to require performance of any provision under this Agreement shall in no manner affect the right at a later time to enforce the same performance. A waiver by any party to this Agreement of any such condition or breach of any term, covenant, representation, or warranty contained in this Agreement, in any one or more instances, shall neither be construed as a further or continuing waiver of any such condition or breach nor a waiver of any other condition or breach of any other term, covenant, representation, or warranty contained in this Agreement.

Section 4.9. Headings. Section headings of this Agreement have been inserted for convenience of reference only and shall in no way restrict or otherwise modify any of the terms or provisions of this Escrow Agreement.

Section 4.10. Counterparts. This Agreement may be executed in one or more counterparts, each of which when executed shall be deemed to be an original, and such counterparts shall together constitute one and the same instrument. Signatures to this Agreement transmitted by electronic mail in "portable document format (.pdf) from, or by any other electronic means such as facsimile intended to

preserve the original graphic and pictorial appearance of a document will have the same effect as physical delivery of the paper document bearing the original signatures.

Section 4.11. Waiver of Jury Trial. EACH OF THE PARTIES HERETO EXPRESSLY WAIVES THE RIGHT TO TRIAL BY JURY IN RESOLVING ANY CLAIM OR COUNTERCLAIM RELATING TO OR ARISING OUT OF THIS ESCROW AGREEMENT.

[The remainder of this page left intentionally blank.]

IN WITNESS WHEREOF, this Escrow Agreement has been duly executed as of the date first written above.

UNITED INSURANCE COMPANY

By: 

Printed Name: Jamie Sabara

Title: Chairman

BERNARD ACQUISITION COMPANY,
LLC

By: 

Printed Name: Peter Wells

Title: General Counsel

AU HOLDING COMPANY, INC.

By: 

Printed Name: STEVEN MENZIES

Title: PRESIDENT

STEVEN M. MENZIES

By: 

Printed Name: STEVEN MENZIES

WILMINGTON TRUST, NATIONAL
ASSOCIATION, as Escrow Agent

By: _____

Name: Shane Holland

Title: Assistant Vice President

Non-Party Berkshire Hathaway Inc. ("Seller") acknowledges this Agreement solely for the purpose of Section 1.3(a).

BERKSHIRE HATHAWAY INC.

By: Marc D Hamque

Printed Name: MARC HAMQUE

Title: Senior Vice President - CFO



Schedule I

Wire Transfer Instructions

Seller

Bank Name: _____

ABA Number: _____

Account Name: _____

Account Number: _____



EXHIBIT A

**Agency and Custody Account Direction
For Cash Balances
Manufacturers & Traders Trust Company Deposit Accounts**

Direction to use the following Manufacturers & Traders Trust Company (also known as M&T Bank) Deposit Account for Cash Balances for the escrow account or accounts (the "Account") established under the Escrow Agreement to which this Exhibit A is attached.

You are hereby directed to deposit, as indicated below, or as the Parties shall direct further in writing from time to time, all cash in the Account in the following deposit account of M&T Bank:

M&T Corporate Deposit Account

The Parties acknowledge that amounts on deposit in the M&T Bank Deposit Account are insured, subject to the applicable rules and regulations of the Federal Deposit Insurance Corporation (FDIC), in the basic FDIC insurance amount of \$250,000 per depositor, per insured bank. This includes principal and accrued interest up to a total of \$250,000.

The Parties acknowledge that they have full power to direct investments of the Account.

The Parties understand that they may change this direction at any time and that it shall continue in effect until revoked or modified by me by written notice to you.

**WILMINGTON
TRUST**

EXHIBIT B-1

**CERTIFICATE AS TO AUTHORIZED REPRESENTATIVES
OF BUYER**

United Insurance Company and Bernard Acquisition Company, LLC (collectively, the "Buyer") hereby designates each of the following persons as its Authorized Representatives for purposes of this Agreement, and confirms that the title, contact information and specimen signature of each such person as set forth below is true and correct. Each such Authorized Representative is authorized to initiate and approve transactions of all types for the Escrow Account[s] established under the Agreement to which this Exhibit B-1 is attached, on behalf of the Buyer.

Name (print):	
Specimen Signature:	
Title:	
Telephone Number (required): <i>If more than one, list all applicable telephone numbers.</i>	Office: Cell:
E-mail (required): <i>If more than one, list all applicable email addresses.</i>	Email 1: Email 2:

Name (print):	
Specimen Signature:	
Title:	
Telephone Number (required): <i>If more than one, list all applicable telephone numbers.</i>	Office: Cell:
E-mail (required): <i>If more than one, list all applicable email addresses.</i>	Email 1: Email 2:

Name (print):	
Specimen Signature:	



**WILMINGTON
TRUST**

Title:	
Telephone Number (required): <i>If more than one, list all applicable telephone numbers.</i>	Office: Cell:
E-mail (required): <i>If more than one, list all applicable email addresses.</i>	Email 1: Email 2:

COMPLETE BELOW TO UPDATE EXHIBIT B-1

If Buyer wishes to update this Exhibit B-1, Buyer must complete, sign and send to Escrow Agent an updated copy of this Exhibit B-1 with such changes. Any updated Exhibit B-1 shall be effective once signed by Buyer and Escrow Agent and shall entirely supersede and replace any prior Exhibit B-1 to this Agreement.

UNITED INSURANCE COMPANY

By: _____
Name:
Title:
Date:

BERNARD ACQUISITION COMPANY, LLC

By: _____
Name:
Title:
Date:

WILMINGTON TRUST, NATIONAL ASSOCIATION (as Escrow Agent)

By: _____
Name:
Title:
Date:

**WILMINGTON
TRUST**

EXHIBIT B-2

**CERTIFICATE AS TO AUTHORIZED REPRESENTATIVES
OF SELLER**

Berkshire Hathaway Inc. (the "Seller") designates each of the following persons as its Authorized Representatives for purposes of this Agreement, and confirms that the title, contact information and specimen signature of each such person as set forth below is true and correct. Each such Authorized Representative is authorized to initiate and approve transactions of all types for the Escrow Account[s] established under the Agreement to which this Exhibit B-2 is attached, on behalf of the Seller.

Name (print):	
Specimen Signature:	
Title:	
Telephone Number (required): <i>If more than one, list all applicable telephone numbers.</i>	Office: Cell:
E-mail (required): <i>If more than one, list all applicable email addresses.</i>	Email 1: Email 2:

Name (print):	
Specimen Signature:	
Title:	
Telephone Number (required): <i>If more than one, list all applicable telephone numbers.</i>	Office: Cell:
E-mail (required): <i>If more than one, list all applicable email addresses.</i>	Email 1: Email 2:

Name (print):	
Specimen Signature:	



Title:	
Telephone Number (required): <i>If more than one, list all applicable telephone numbers.</i>	Office: Cell:
E-mail (required): <i>If more than one, list all applicable email addresses.</i>	Email 1: Email 2:

COMPLETE BELOW TO UPDATE EXHIBIT B-2

If Seller wishes to update this Exhibit B-2, Seller must complete, sign and send to Escrow Agent an updated copy of this Exhibit B-2 with such changes. Any updated Exhibit B-2 shall be effective once signed by Seller and Escrow Agent and shall entirely supersede and replace any prior Exhibit B-2 to this Agreement.

BERKSHIRE HATHAWAY INC.

By: _____
Name:
Title:
Date:

WILMINGTON TRUST, NATIONAL ASSOCIATION (as Escrow Agent)

By: _____
Name:
Title:
Date:

**WILMINGTON
TRUST**

EXHIBIT B-3

**CERTIFICATE AS TO AUTHORIZED REPRESENTATIVES
OF MENZIES**

Steven M. Menzies ("Menzies") designates each of the following persons as his Authorized Representatives for purposes of this Agreement, and confirms that the title, contact information and specimen signature of each such person as set forth below is true and correct. Each such Authorized Representative is authorized to initiate and approve transactions of all types for the Escrow Account[s] established under the Agreement to which this Exhibit B-3 is attached, on behalf of Menzies.

Name (print):	
Specimen Signature:	
Title:	
Telephone Number (required): <i>If more than one, list all applicable telephone numbers.</i>	Office: Cell:
E-mail (required): <i>If more than one, list all applicable email addresses.</i>	Email 1: Email 2:

Name (print):	
Specimen Signature:	
Title:	
Telephone Number (required): <i>If more than one, list all applicable telephone numbers.</i>	Office: Cell:
E-mail (required): <i>If more than one, list all applicable email addresses.</i>	Email 1: Email 2:

Name (print):	
Specimen Signature:	
Title:	
Telephone Number	Office:



(required): If more than one, list all applicable telephone numbers.	Cell:
E-mail (required): If more than one, list all applicable email addresses.	Email 1: Email 2:

COMPLETE BELOW TO UPDATE EXHIBIT B-3

If Menzies wishes to update this Exhibit B-3, Menzies must complete, sign and send to Escrow Agent an updated copy of this Exhibit B-3 with such changes. Any updated Exhibit B-3 shall be effective once signed by Menzies and Escrow Agent and shall entirely supersede and replace any prior Exhibit B-3 to this Agreement.

STEVEN M. MENZIES

By: _____

Date: _____

WILMINGTON TRUST, NATIONAL ASSOCIATION (as Escrow Agent)

By: _____

Name: _____

Title: _____

Date: _____

**WILMINGTON
TRUST**

Exhibit C

Fees of Escrow Agent

Acceptance Fee:

WAIVED

Initial Fees as they relate to Wilmington Trust acting in the capacity of Escrow Agent – includes review of the Escrow Agreement; acceptance of the Escrow appointment; setting up of Escrow Account(s) and accounting records; and coordination of receipt of funds for deposit to the Escrow Account(s).

Acceptance Fee payable at time of Escrow Agreement execution

Escrow Agent One-Time Administration Fee:

\$3,500

For ordinary administrative services by Escrow Agent – includes daily routine account management; investment transactions; cash transaction processing (including wire and check processing); monitoring claim notices pursuant to the agreement; disbursement of funds in accordance with the agreement; and mailing of trust account statements to all applicable parties. **Administration Fee payable at time of Escrow Agreement execution**

Wilmington Trust's bid is based on the following assumptions:

- Number of Escrow Accounts to be established: One (1)
- Estimated Term: Less than one month
- Amount of Escrow: \$737MM
- Estimated number of cash transactions: One (1)
- Investment in M&T Deposit Products

Out-of-Pocket Expenses:

Billed At Cost

APPENDIX 7

Ferenc Escrow Agreement

ESCROW AGREEMENT

This Escrow Agreement (the "Agreement") dated this ___ day of August, 2019, is entered into by and among United Insurance Company, a Cayman Island insurance company ("United"), Bernard Acquisition Company, LLC ("BAC" and together with United, "Buyer"), Sidney R. Ferenc ("Seller"), Steven M. Menzies ("Menzies"), and together with Buyer and Seller, the "Parties," and individually, a "Party"), and WILMINGTON TRUST, NATIONAL ASSOCIATION, a national association, as escrow agent ("Escrow Agent").

RECITALS

A. United and Seller entered into a Stock Purchase Agreement for the sale of Seller's seven and one-half percent (7½%) interest in AUH (the "SPA") for a purchase price (the "Purchase Price") to be determined pursuant to the SPA (the "Purchase Price").

B. United assigned all of its right, title and interest in and to the SPA to BAC (the "United Assignment") and BAC assigned all of its right, title and interest in and to the SPA to Menzies.

C. In connection with the Transaction and in accordance with certain regulatory communications, Buyer and Seller agree to place in escrow certain funds and stock certificates and the Escrow Agent agrees to hold and distribute such funds and stock certificates in accordance with the terms of this Agreement.

D. Schedule I to this Agreement sets forth the wire transfer instructions for the Seller.

In consideration of the promises and agreements of the Parties and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties and the Escrow Agent agree as follows:

ARTICLE 1 ESCROW DEPOSIT

Section 1.1. Receipt of Escrow Property. Upon the satisfaction of the conditions to closing set forth in the SPA, (a) Seller shall deliver to the Escrow Agent the AUI stock certificate(s) standing in his name representing the AUH shares sold under the SPA, duly endorsed in blank (the "AUI Stock Certificates"), (b) Buyer shall deliver to the Escrow Agent the Purchase Price (the "Cash Escrow Property") and together with the AUH Stock Certificates and the Cash Escrow Property, the "Escrow Property").

Section 1.2. Investments.

(a) The Escrow Agent shall invest the Cash Escrow Property, including any and all interest and investment income, in accordance with the written instructions provided to the Escrow Agent and signed by the Parties. In the absence of such joint written investment instructions, the Escrow Agent shall deposit and invest the Cash Escrow Property, including any and all interest and investment income, in the M&T Bank Corporate Deposit Account (the "Account"), which is further described herein on **Exhibit A**. Any investment earnings and income on the Cash Escrow Property shall become part of the Cash Escrow Property, and shall be disbursed in accordance with Section 1.3 or Section 1.5 of this Agreement.

(b) The Escrow Agent is hereby authorized and directed to sell or redeem any such investments as it deems necessary to make any payments or distributions required under this Agreement. The Escrow Agent shall have no responsibility or liability for any loss which may result from any investment or sale of investment made in good faith pursuant to, and in accordance with the terms of, this Agreement. The Escrow Agent is hereby authorized, in making or disposing of any investment permitted by this Agreement, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or any such affiliate is acting as agent of the Escrow Agent or for any third person or dealing as principal for its own account. The Parties acknowledge that the Escrow Agent is not providing investment supervision, recommendations, or advice.

(c) Although the Parties recognize that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Parties hereby agree that confirmations of permitted investments are not required to be issued by the Escrow Agent for each month in which a monthly statement is rendered.

Section 1.3. Disbursements.

(a) Upon the receipt by the Escrow Agent of joint written instructions from each of the Parties, the Escrow Agent shall deliver the Cash Escrow Property to Seller and the AUH Stock Certificates duly endorsed in blank to Menzies.

(b) The Escrow Agent shall comply with any judgments or orders issued by a court of competent jurisdiction with respect to the Escrow Property, including without limitation any attachment, levy or garnishment (a "Judgment"), without any obligation to determine such court's jurisdiction in the matter and in accordance with its normal business practices. In the event the Escrow Agent receives any such Judgment, the Escrow Agent shall promptly, but in any event within two (2) business days after receipt of such judgment or order, deliver part or all of the Escrow Property to the appropriate Party or Parties in accordance with such Judgment. The Escrow Agent shall promptly notify each Party upon receipt of any Judgment. If the Escrow Agent complies with any such Judgment, then it shall

not be liable to any Party or any other person by reason of such compliance, regardless of the final disposition of any such Judgment.

(c) In the event that a Party gives funds transfer instructions (other than in writing at the time of execution of this Agreement), whether in writing, by telecopier or otherwise, the Escrow Agent is authorized to seek confirmation of such instructions by telephone call-back to the authorized person or persons of such Party, and the Escrow Agent may rely upon the confirmations of anyone purporting to be the person or persons so designated provided no call back is required if the Escrow Agent receives original instructions. The persons and telephone numbers for callbacks may be changed only in a writing received and acknowledged by the Escrow Agent. The Parties agree that such security procedure is commercially reasonable.

(d) The Escrow Agent will furnish monthly statements to the Parties setting forth the activity in the Account.

Section 1.4. Security Procedure for Funds Transfer. Concurrent with the execution of this Agreement, the Parties shall deliver to the Escrow Agent authorized signers' forms in the form of Exhibit B-1, Exhibit B-2 and Exhibit B-3 to this Escrow Agreement. The Escrow Agent shall confirm each funds transfer instruction received in the name of Parties by confirming with an authorized individual as evidenced in Exhibit B-1, Exhibit B-2 and Exhibit B-3. Once delivered to the Escrow Agent, Exhibit B-1, Exhibit B-2 or Exhibit B-3 may be revised or rescinded only in writing signed by an authorized representative of the Party. Such revisions or rescissions shall be effective only after actual receipt and following such period of time as may be necessary to afford the Escrow Agent a reasonable opportunity to act on it. If a revised Exhibit B-1, Exhibit B-2 or Exhibit B-3 or a rescission of an existing Exhibit B-1, Exhibit B-2 or Exhibit B-3 is delivered to the Escrow Agent by an entity that is a successor-in-interest to either party, such document shall be accompanied by additional documentation satisfactory to the Escrow Agent showing that such entity has succeeded to the rights and responsibilities of the Parties. The Parties understand that the Escrow Agent's inability to receive or confirm funds transfer instructions may result in a delay in accomplishing such funds transfer, and agree that the Escrow Agent shall not be liable for any loss caused by any such delay.

Section 1.5. Income Tax Allocation and Reporting.

(a) The Parties agree that, for tax reporting purposes, all interest and other income from investment of the Escrow Property shall, as of the end of each calendar year and to the extent required by the Internal Revenue Code of 1986, as amended thereunder (the "Code"), be reported as having been earned by Seller, whether or not such income was disbursed during such calendar year. The Escrow Agent shall be deemed the payor of any interest or other income paid upon investment of the Escrow Property for purposes of performing tax reporting. With respect to any other payments made under this Agreement, the Escrow Agent's shall not be deemed the payor and shall have no responsibility for performing tax

reporting. The Escrow Agent's function of making such payments is solely ministerial and upon express direction of the Parties.

(b) Prior to closing, the Parties shall provide the Escrow Agent with certified tax identification numbers by furnishing appropriate forms W-9 or W-8 and such other forms and documents that the Escrow Agent may request. The Parties understand that if such tax reporting documentation is not provided and certified to the Escrow Agent, the Escrow Agent may be required by the Code, and the regulations promulgated thereunder, to withhold a portion of any interest or other income earned on the investment of the Escrow Property.

(c) To the extent that the Escrow Agent becomes liable for the payment of any taxes in respect of interest or other income derived from the investment of the Escrow Property, the Escrow Agent shall satisfy such liability to the extent possible from the Escrow Property. The Parties, jointly and severally, shall indemnify, defend and hold the Escrow Agent harmless from and against any tax, late payment, interest, penalty or other cost or expense that may be assessed against the Escrow Agent on or with respect to the Escrow Property and the investment thereof unless such tax, late payment, interest, penalty or other expense was directly caused by the gross negligence or willful misconduct of the Escrow Agent.

Section 1.6. Termination. Upon the disbursement of all of the Escrow Property, this Agreement shall terminate and be of no further force and effect. In the event the Escrow Agent has not received all of the Escrow Property by 5:00 p.m. Eastern Time on September 30, 2019, the Escrow Agent is directed to return the received Escrow Property to the respective provider of each of the components of the Escrow Property and this Agreement shall terminate. Notwithstanding the foregoing, the terms of Sections 1.5(c), 3.1, 3.4 and 4.6 hereto shall survive the termination of this Agreement and the resignation or removal of the Escrow Agent.

ARTICLE 2 DUTIES OF THE ESCROW AGENT

Section 2.1. Scope of Responsibility. Notwithstanding any provision to the contrary, the Escrow Agent is obligated only to perform the duties specifically set forth in this Agreement, which shall be deemed purely ministerial in nature. Under no circumstances will the Escrow Agent be deemed to be a fiduciary to any Party or any other person under this Agreement. The Escrow Agent will not be responsible or liable for the failure of any Party to perform in accordance with this Agreement. The Escrow Agent shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, including but not limited to any instrument or document other than this Agreement, any Judgment or joint written instruction delivered pursuant hereto, whether or not an original or a copy of such agreement has been provided to the Escrow Agent; and the Escrow Agent shall have no duty to know or inquire as to the performance or nonperformance of any provision of any such agreement, instrument, or document. References in this Agreement to any other agreement, instrument, or document are for the

convenience of the Parties, and the Escrow Agent has no duties or obligations with respect thereto. This Agreement sets forth all matters pertinent to the escrow contemplated hereunder, and no additional obligations of the Escrow Agent shall be inferred or implied from the terms of this Agreement or any other agreement.

Section 2.2. Attorneys and Agents. The Escrow Agent shall be entitled to rely on and shall not be liable for any action taken or omitted to be taken by the Escrow Agent in good faith in accordance with the reasonable advice of counsel or other professionals retained or consulted by the Escrow Agent. The Escrow Agent shall be reimbursed as set forth in Section 3.1 for any and all compensation (fees, expenses and other costs) paid and/or reimbursed to such counsel and/or professionals. The Escrow Agent may perform any and all of its duties through its agents, representatives, attorneys, custodians, and/or nominees.

Section 2.3. Reliance. The Escrow Agent shall not be liable for any action taken or not taken by it in good faith in accordance with the written direction or consent of the Parties or their respective agents, representatives, successors, or assigns. The Escrow Agent shall not be liable for acting or refraining from acting upon any notice, request, consent, direction, requisition, certificate, order, affidavit, letter, or other paper or document reasonably believed by it to be genuine and correct and to have been signed or sent by an Authorized Representative set forth on Exhibit B-1, Exhibit B-2 or Exhibit B-3, without further inquiry into the person's or persons' authority.

Section 2.4. Right Not Duty Undertaken. The permissive rights of the Escrow Agent to do things enumerated in this Agreement shall not be construed as duties.

Section 2.5. No Financial Obligation. Except as otherwise expressly provided herein, no provision of this Agreement shall require the Escrow Agent to incur any out-of-pocket costs or expenses (other than out-of-pocket costs and expenses to be reimbursed pursuant to Section 3.1) in the performance of its duties or the exercise of its rights under this Agreement.

ARTICLE 3 PROVISIONS CONCERNING THE ESCROW AGENT

Section 3.1. Indemnification. The Parties hereby agree, severally and not jointly, to indemnify Escrow Agent, its directors, officers, employees and agents (collectively, the "Indemnified Parties"), and hold the Indemnified Parties harmless from any and against all liabilities, losses, actions, suits or proceedings at law or in equity, and any other expenses, fees or charges of any character or nature, including, without limitation, reasonable and documented out-of-pocket attorney's fees and out-of-pocket expenses, which an Indemnified Party incurs by reason of acting as or on behalf of Escrow Agent under this Agreement or arising out of the existence of the Escrow Account, except to the extent the same shall be directly caused by Escrow Agent's gross negligence or willful misconduct. Any

indemnification payment made in accordance with this Agreement shall be borne fifty percent (50%) by Buyer and fifty percent (50%) by Menzies.

Section 3.2. Limitation of Liability. THE ESCROW AGENT SHALL NOT BE LIABLE, DIRECTLY OR INDIRECTLY, FOR ANY (I) DAMAGES, LOSSES OR EXPENSES ARISING OUT OF THE SERVICES PROVIDED HEREUNDER, OTHER THAN DAMAGES, LOSSES OR EXPENSES WHICH HAVE BEEN FINALLY ADJUDICATED TO HAVE DIRECTLY RESULTED FROM THE ESCROW AGENT'S FRAUD, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, OR (II) SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES OR LOSSES OF ANY KIND WHATSOEVER (INCLUDING WITHOUT LIMITATION LOST PROFITS), EVEN IF THE ESCROW AGENT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES AND REGARDLESS OF THE FORM OF ACTION.

Section 3.3. Resignation or Removal. The Escrow Agent may resign by furnishing written notice of its resignation to the Parties, and the Parties may remove the Escrow Agent by furnishing to the Escrow Agent a joint written notice of its removal along with payment of all fees and expenses to which it is entitled through the date of termination. Such resignation or removal, as the case may be, shall be effective thirty (30) calendar days after the delivery of such notice or upon the earlier appointment of a successor, and the Escrow Agent's sole responsibility thereafter shall be to safely keep the Escrow Property and to deliver the same to a successor escrow agent as shall be appointed by the Parties, as evidenced by a joint written notice filed with the Escrow Agent or in accordance with a court order. If the Parties have failed to appoint a successor escrow agent prior to the expiration of thirty (30) calendar days following the delivery of such notice of resignation or removal, the Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor escrow agent or for other appropriate relief, and any such resulting appointment shall be binding upon the Parties. Until such delivery is complete, the Escrow Agent's rights, duties and obligations shall be in full force and effect, and upon completion of such delivery, the Escrow Agent shall be discharged from any and all further duties and obligations under this Agreement, except as otherwise provided herein.

Section 3.4. Compensation. The Escrow Agent shall be entitled to compensation for its services as stated in the fee schedule attached hereto as Exhibit C, which compensation shall be paid fifty percent (50%) by Buyer and fifty percent (50%) by Menzies. The fee agreed upon for the services rendered hereunder is intended as compensation for the Escrow Agent's services as contemplated by this Agreement; provided, however, that in the event that the conditions for the disbursement of property under this Agreement are not fulfilled, or the Escrow Agent renders any necessary service not contemplated in this Agreement, or there is any assignment of interest in the subject matter of this Agreement, or any material modification hereof, or if any material controversy arises hereunder, or the Escrow Agent is made a party to any litigation pertaining to this Agreement or the subject matter hereof, then the Escrow Agent shall be compensated for such extraordinary services at reasonable rates and reimbursed for all reasonable and documented out-of-pocket costs and expenses, including reasonable and documented attorneys' fees

and expenses, occasioned by any such delay, controversy, litigation or event. Any payment required under this Section 3.4 shall be borne fifty percent (50%) by Buyer and fifty percent (50%) by Menzies. If any amount due to the Escrow Agent hereunder is not paid within thirty (30) calendar days of the date due, the Escrow Agent in its sole discretion may charge interest on such amount up to the highest rate permitted by applicable law to the Party that has not made such payment in accordance with the preceding sentence.

Section 3.5. Disagreements. If any conflict, disagreement or dispute arises between, among, or involving any of the parties hereto concerning the meaning or validity of any provision hereunder or concerning any other matter relating to this Agreement, or the Escrow Agent is in doubt as to the action to be taken hereunder, the Escrow Agent shall be fully protected and may, at its option and after sending written notice to each of the Parties, retain the Escrow Property until the Escrow Agent (i) receives a final non-appealable order of a court of competent jurisdiction or a final non-appealable arbitration decision directing delivery of the Escrow Property, (ii) receives a written agreement executed by each of the parties involved in such disagreement or dispute directing delivery of the Escrow Property, in which event the Escrow Agent shall be authorized to disburse the Escrow Property in accordance with such final court order, arbitration decision, or agreement, or (iii) files an interpleader action in any court of competent jurisdiction, and upon the filing thereof, the Escrow Agent shall be relieved of all liability as to the Escrow Property and shall be entitled to recover its reasonable and documented out-of-pocket attorneys' fees, expenses and other costs incurred in commencing and maintaining any such interpleader action. The Parties hereto further agree to pursue any redress or recourse in connection with such dispute without making the Escrow Agent a party to the same. The Escrow Agent shall be entitled to act on any such agreement, court order, or arbitration decision without further question, inquiry, or consent.

Section 3.6. Merger or Consolidation. Any corporation or association into which the Escrow Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer all or substantially all of its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which the Escrow Agent is a party, shall be and become the successor escrow agent under this Agreement and shall have and succeed to the rights, powers, duties, immunities, privileges, responsibilities, obligations and liabilities as its predecessor, without the execution or filing of any instrument or paper or the performance of any further act.

Section 3.7. Attachment of Escrow Property; Compliance with Legal Orders. In the event that any Escrow Property shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting the Escrow Property, the Escrow Agent is hereby expressly authorized, in its sole discretion, to respond as it deems appropriate or to comply with all writs, orders or decrees so entered or issued, or which it is reasonably

advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction. In the event that the Escrow Agent obeys or complies with any such writ, order or decree it shall not be liable to any of the Parties or to any other person, firm or corporation, should, by reason of such compliance notwithstanding, such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

Section 3.8 Force Majeure. The Escrow Agent shall not be responsible or liable for any failure or delay in the performance of its obligation under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; wars; acts of terrorism; civil or military disturbances; sabotage; epidemic; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Escrow Agent shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

Section 3.9 Compliance with Legal Orders. Escrow Agent shall receive and may conclusively rely upon an opinion of counsel to the effect that such order is final, non-appealable and from a court of competent jurisdiction. Escrow Agent shall be entitled to consult with legal counsel in the event that a question or dispute arises with regard to the construction of any of the provisions hereof, and shall incur no liability and shall be fully protected in acting in accordance with the advice or opinion of such counsel.

Section 3.10 No Financial Obligation. Except as otherwise expressly provided herein, the Escrow Agent shall not be required to use its own funds in the performance of any of its obligations or duties or the exercise of any of its rights or powers, and shall not be required to take any action which, in the Escrow Agent's reasonable discretion, could involve it in expense or liability unless furnished with security and indemnity which it deems, in its reasonable discretion, to be satisfactory.

ARTICLE 4 MISCELLANEOUS

Section 4.1. Successors and Assigns. This Agreement shall be binding on and inure to the benefit of the Parties and the Escrow Agent and their respective successors and permitted assigns. No other persons shall have any rights under this Agreement. No assignment of the interest of any of the Parties shall be binding unless and until written notice of such assignment shall be delivered to the other Party and the Escrow Agent and shall require the prior written consent of the other Party and the Escrow Agent (such consent not to be unreasonably withheld).

Section 4.2. Escheat. The Parties are aware that under applicable state law, property which is presumed abandoned may under certain circumstances escheat to

the applicable state. The Escrow Agent shall have no liability to the Parties, their respective heirs, legal representatives, successors and assigns, or any other party, should any or all of the Escrow Property escheat by operation of law.

Section 4.3. Notices. All notices, account statements, requests, demands, and other communications required under this Agreement shall be in writing, in English, and shall be deemed to have been duly given if delivered (i) personally, (ii) by facsimile transmission with written confirmation of receipt, (iii) by overnight delivery with a reputable national overnight delivery service, (iv) by mail or by certified mail, return receipt requested, and postage prepaid, or (v) by electronic mail with an original delivered by the method described in (i), (ii), (iii) or (iv) above. If any notice is mailed, it shall be deemed given five business days after the date such notice is deposited in the United States mail. If any notice is given by electronic mail, it shall be deemed given upon actual receipt. If notice is given to a party, it shall be given at the address for such party set forth below. It shall be the responsibility of each Party to notify the Escrow Agent and the other Parties in writing of any name or address changes. In the case of communications delivered to the Escrow Agent, such communications shall be deemed to have been given on the date received by the Escrow Agent.

If to Buyer:

United Insurance Company
94 Solaris Avenue, 2nd Floor
Camana Bay
P.O. Box 69
Grand Cayman KY1-1102
Cayman Islands
Attention: Jamie Sahara
Email: jsahara@uicinsurance.com

If to Seller :

Sidney R. Ferenc

Email: mail2sid@yahoo.com

If to Menzies:

Steven Menzies
6515 North 159 Street
Omaha, Nebraska 68116
Email: steve@auw.com

With a Copy to:

Jeffrey A. Silver
10805 Old Mill Road
Omaha, Nebraska 68154
Email: jeffreysilver@silver-law.net

If to AUH:
10805 Old Mill Road
Omaha, Nebraska 68154
Attention: Jeffrey A. Silver
Email: jeffreysilver@silver-law.net

If to the Escrow Agent:

Wilmington Trust, National Association
Attn: Shane Holland
1100 N. Market Street
Wilmington, DE 19890
Telephone: 302-636-4093
Facsimile: 302-636-4145
Email: sholland1@wilmingtontrust.com

Section 4.4. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

Section 4.5. Entire Agreement. This Agreement, together with the Schedules and Exhibits hereto, sets forth the entire agreement and understanding of the parties related to the Escrow Property.

Section 4.6. Remedies. Notwithstanding anything set forth herein to the contrary, each of United, BAC, Menzies and Seller hereby acknowledge that nothing in this Agreement shall give any of United, BAC, Menzies or Seller any additional rights or remedies not expressly contemplated by the SPA.

Section 4.7. Amendment. This Agreement may be amended, modified, superseded, rescinded, or canceled only by a written instrument executed by the Parties and the Escrow Agent.

Section 4.8. Waivers. The failure of any party to this Agreement at any time or times to require performance of any provision under this Agreement shall in no manner affect the right at a later time to enforce the same performance. A waiver by any party to this Agreement of any such condition or breach of any term, covenant, representation, or warranty contained in this Agreement, in any one or more instances, shall neither be construed as a further or continuing waiver of any such condition or breach nor a waiver of any other condition or breach of any other term, covenant, representation, or warranty contained in this Agreement.

Section 4.9. Headings. Section headings of this Agreement have been inserted for convenience of reference only and shall in no way restrict or otherwise modify any of the terms or provisions of this Escrow Agreement.

Section 4.10. Counterparts. This Agreement may be executed in one or more counterparts, each of which when executed shall be deemed to be an original, and such counterparts shall together constitute one and the same instrument. Signatures to this Agreement transmitted by electronic mail in "portable document format (.pdf) from, or by any other electronic means such as facsimile intended to preserve the original graphic and pictorial appearance of a document will have the same effect as physical delivery of the paper document bearing the original signatures.

Section 4.11. Waiver of Jury Trial. **EACH OF THE PARTIES HERETO EXPRESSLY WAIVES THE RIGHT TO TRIAL BY JURY IN RESOLVING ANY CLAIM OR COUNTERCLAIM RELATING TO OR ARISING OUT OF THIS ESCROW AGREEMENT.**

[The remainder of this page left intentionally blank.]

IN WITNESS WHEREOF, this Escrow Agreement has been duly executed as of the date first written above.

UNITED INSURANCE COMPANY

By: 

Printed Name: Jamie Sahara

Title: Chairman

BERNARD ACQUISITION COMPANY,
LLC

By: 

Printed Name: Peter Walls

Title: General Counsel

SIDNEY R. FERENC

By: _____

Printed Name: _____

AU HOLDING COMPANY, INC.

By: 

Printed Name: STEVEN MENZIES

Title: PRESIDENT

STEVEN M. MENZIES

By: 

Printed Name: STEVEN MENZIES

**WILMINGTON TRUST, NATIONAL
ASSOCIATION, as Escrow Agent**

By: _____

Name: Shane Holland

Title: Assistant Vice President



**WILMINGTON
TRUST**

Schedule I

Wire Transfer Instructions

Seller

Bank Name:

ABA Number:

Account Name:

Account Number:



EXHIBIT A

**Agency and Custody Account Direction
For Cash Balances
Manufacturers & Traders Trust Company Deposit Accounts**

Direction to use the following Manufacturers & Traders Trust Company (also known as M&T Bank) Deposit Account for Cash Balances for the escrow account or accounts (the "Account") established under the Escrow Agreement to which this Exhibit A is attached.

You are hereby directed to deposit, as indicated below, or as the Parties shall direct further in writing from time to time, all cash in the Account in the following deposit account of M&T Bank:

M&T Corporate Deposit Account

The Parties acknowledge that amounts on deposit in the M&T Bank Deposit Account are insured, subject to the applicable rules and regulations of the Federal Deposit Insurance Corporation (FDIC), in the basic FDIC insurance amount of \$250,000 per depositor, per insured bank. This includes principal and accrued interest up to a total of \$250,000.

The Parties acknowledge that they have full power to direct investments of the Account.

The Parties understand that they may change this direction at any time and that it shall continue in effect until revoked or modified by me by written notice to you.



EXHIBIT B-1

**CERTIFICATE AS TO AUTHORIZED REPRESENTATIVES
OF BUYER**

United Insurance Company and Bernard Acquisition Company, LLC (collectively, the "Buyer") hereby designates each of the following persons as its Authorized Representatives for purposes of this Agreement, and confirms that the title, contact information and specimen signature of each such person as set forth below is true and correct. Each such Authorized Representative is authorized to initiate and approve transactions of all types for the Escrow Account[s] established under the Agreement to which this Exhibit B-1 is attached, on behalf of the Buyer.

Name (print):	
Specimen Signature:	
Title:	
Telephone Number (required): <i>If more than one, list all applicable telephone numbers.</i>	Office: Cell:
E-mail (required): <i>If more than one, list all applicable email addresses.</i>	Email 1: Email 2:

Name (print):	
Specimen Signature:	
Title:	
Telephone Number (required): <i>If more than one, list all applicable telephone numbers.</i>	Office: Cell:
E-mail (required): <i>If more than one, list all applicable email addresses.</i>	Email 1: Email 2:

Name (print):	
Specimen Signature:	



**WILMINGTON
TRUST**

Title:		
Telephone Number (required): <i>If more than one, list all applicable telephone numbers.</i>	Office:	Cell:
E-mail (required): <i>If more than one, list all applicable email addresses.</i>	Email 1:	Email 2:

COMPLETE BELOW TO UPDATE EXHIBIT B-1

If Buyer wishes to update this Exhibit B-1, Buyer must complete, sign and send to Escrow Agent an updated copy of this Exhibit B-1 with such changes. Any updated Exhibit B-1 shall be effective once signed by Buyer and Escrow Agent and shall entirely supersede and replace any prior Exhibit B-1 to this Agreement.

UNITED INSURANCE COMPANY

By: _____
Name:
Title:
Date:

BERNARD ACQUISITION COMPANY, LLC

By: _____
Name:
Title:
Date:

WILMINGTON TRUST, NATIONAL ASSOCIATION (as Escrow Agent)

By: _____
Name:
Title:
Date:



**WILMINGTON
TRUST**

EXHIBIT B-2

**CERTIFICATE AS TO AUTHORIZED REPRESENTATIVES
OF SELLER**

Berkshire Hathaway Inc. (the "Seller") designates each of the following persons as its Authorized Representatives for purposes of this Agreement, and confirms that the title, contact information and specimen signature of each such person as set forth below is true and correct. Each such Authorized Representative is authorized to initiate and approve transactions of all types for the Escrow Account[s] established under the Agreement to which this Exhibit B-2 is attached, on behalf of the Seller.

Name (print):	
Specimen Signature:	
Title:	
Telephone Number (required): <i>If more than one, list all applicable telephone numbers.</i>	Office: Cell:
E-mail (required): <i>If more than one, list all applicable email addresses.</i>	Email 1: Email 2:

Name (print):	
Specimen Signature:	
Title:	
Telephone Number (required): <i>If more than one, list all applicable telephone numbers.</i>	Office: Cell:
E-mail (required): <i>If more than one, list all applicable email addresses.</i>	Email 1: Email 2:

Name (print):	
Specimen Signature:	



**WILMINGTON
TRUST**

Title:	
Telephone Number (required): <i>If more than one, list all applicable telephone numbers.</i>	Office: Cell:
E-mail (required): <i>If more than one, list all applicable email addresses.</i>	Email 1: Email 2:

COMPLETE BELOW TO UPDATE EXHIBIT B-2

If Seller wishes to update this Exhibit B-2, Seller must complete, sign and send to Escrow Agent an updated copy of this Exhibit B-2 with such changes. Any updated Exhibit B-2 shall be effective once signed by Seller and Escrow Agent and shall entirely supersede and replace any prior Exhibit B-2 to this Agreement.

BERKSHIRE HATHAWAY INC.

By: _____
Name:
Title:
Date:

WILMINGTON TRUST, NATIONAL ASSOCIATION (as Escrow Agent)

By: _____
Name:
Title:
Date:



EXHIBIT B-3

CERTIFICATE AS TO AUTHORIZED REPRESENTATIVES
OF MENZIES

Steven M. Menzies ("Menzies") designates each of the following persons as his Authorized Representatives for purposes of this Agreement, and confirms that the title, contact information and specimen signature of each such person as set forth below is true and correct. Each such Authorized Representative is authorized to initiate and approve transactions of all types for the Escrow Account[s] established under the Agreement to which this Exhibit B-3 is attached, on behalf of Menzies.

Name (print):		
Specimen Signature:		
Title:		
Telephone Number (required): <i>If more than one, list all applicable telephone numbers.</i>	Office: Cell:	
E-mail (required): <i>If more than one, list all applicable email addresses.</i>	Email 1: Email 2:	

Name (print):		
Specimen Signature:		
Title:		
Telephone Number (required): <i>If more than one, list all applicable telephone numbers.</i>	Office: Cell:	
E-mail (required): <i>If more than one, list all applicable email addresses.</i>	Email 1: Email 2:	

Name (print):		
Specimen Signature:		
Title:		
Telephone Number	Office:	



(required): <i>If more than one, list all applicable telephone numbers.</i>	Cell:
E-mail (required): <i>If more than one, list all applicable email addresses.</i>	Email 1: Email 2:

COMPLETE BELOW TO UPDATE EXHIBIT B-3

If Menzies wishes to update this Exhibit B-3, Menzies must complete, sign and send to Escrow Agent an updated copy of this Exhibit B-3 with such changes. Any updated Exhibit B-3 shall be effective once signed by Menzies and Escrow Agent and shall entirely supersede and replace any prior Exhibit B-3 to this Agreement.

STEVEN M. MENZIES

By: _____

Date:

WILMINGTON TRUST, NATIONAL ASSOCIATION (as Escrow Agent)

By: _____

Name:

Title:

Date:



Exhibit C

Fees of Escrow Agent

Acceptance Fee:

WAIVED

Initial Fees as they relate to Wilmington Trust acting in the capacity of Escrow Agent – includes review of the Escrow Agreement; acceptance of the Escrow appointment; setting up of Escrow Account(s) and accounting records; and coordination of receipt of funds for deposit to the Escrow Account(s).

Acceptance Fee payable at time of Escrow Agreement execution

Escrow Agent One-Time Administration Fee:

\$3,500

For ordinary administrative services by Escrow Agent – includes daily routine account management; investment transactions; cash transaction processing (including wire and check processing); monitoring claim notices pursuant to the agreement; disbursement of funds in accordance with the agreement; and mailing of trust account statements to all applicable parties. **Administration Fee payable at time of Escrow Agreement execution**

Wilmington Trust's bid is based on the following assumptions:

- Number of Escrow Accounts to be established: **One (1)**
- Estimated Term: **Less than one month**
- Amount of Escrow: **\$737MM**
- Estimated number of cash transactions: **One (1)**
- Investment in M&T Deposit Products

Out-of-Pocket Expenses:

Billed At Cost

APPENDIX 8

Tax Election Agreement

Submitted Confidentially Under Separate Cover

APPENDIX 9

Tax Indemnification Agreement

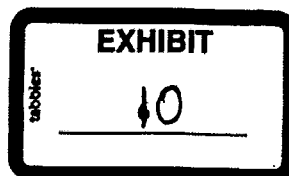
Submitted Confidentially Under Separate Cover

APPENDIX 10

Corporate History

CORPORATE HISTORY

- Steve Menzies and Sid Ferenc founded Applied Underwriters, Inc. ("AUI") in 1994.
- The entire company, up to the current day, was grown from scratch, and organically.
- Applied began its relationship with Union Bank of California in 1995.
- Applied acquired the California Insurance Company, its first admitted insurance company, in 2003 and financed its capitalization of \$50M.
- All business is centered on three pre-structured products, and the base form of each has changed little since its launch: SolutionOne® 1995, EquityComp® 2001, and JumboGC® 2016.
- Applied's products offerings consist of both insurance coverages and business services. For 2019, it is projected that approximately 50% of gross profit will derive from insurance, 50% from business services.
- Workers' compensation accounts for more than 95% of premium revenue.
- Applied created CoverStar® in 2017 to leverage Applied's large and expansive national retail distribution network.
- Applied has been consistently profitable in all market conditions for over two decades.
- Applied is committed to the research and development of its own proprietary products and underwriting methodologies. This framework creates a competitive advantage generating truly differentiated distribution and decision making.
- The average tenure of management (supervisory level and up) at Applied is currently 16 years.
- Applied's premium writings are diversified nationally, mirroring national premium distribution in general.
- Applied does not outsource; it performs almost every function internally from its centralized operations center.
- Applied's entire capital base is from organically generated retained earnings.
- Berkshire Hathaway Inc. ("Berkshire") purchased a majority of the equity in 2006, and the intent of the transaction was:
 - Create liquidity for the founders.
 - For Sid Ferenc to retire from active management and to reduce his holdings to a 7.5% share of the equity.
 - To be a passive, financial investment for Berkshire.



CORPORATE HISTORY

- Applied would be independent from the other insurance operations and report directly to Warren Buffet.
- Protections were granted to the founders given Warren's age.
- There would be no capital into or out of Applied or any of its subsidiaries.
- There would be no requirement to buy reinsurance, or anything else, from Berkshire.
- Berkshire would control Applied's investment portfolio.
- Applied grew autonomously and independently over the ensuing decade:
 - Applied grew its \$50M in capital at the end of 2006, through two major market cycles, to over \$1B in capital at the end of 2018.
 - Berkshire never contributed any capital, nor were any dividends ever declared.
 - Through these years, Applied built-out its operating platform. Applied has a zero outsource philosophy, internally handling every aspect of its business from the provision of payroll processing services, to its own national medical PPO's, to its own national special investigation operation, to its own national mail-order pharmacy.
 - While Berkshire retained the prerogative of control over investments, it never was able meaningfully to invest the assets at Applied, and returns on Applied's portfolio have averaged a mere 1% per year.
- Vision Post-Warren Buffet
 - Majority ownership to revert to its founder, Steve Menzies.
 - Applied will be essentially the same operationally the day after the proposed buy-out transaction as the day prior.
 - Applied will continue on its existing business plan. Management's strategic outlook has not changed.
 - While not reflected in its projections, management's outlook is much more optimistic now that it will be free from internal conflicts, such as marketing channel conflict, that have grown recently at Berkshire.

APPENDIX 11

Pre-Acquisition Organizational Chart

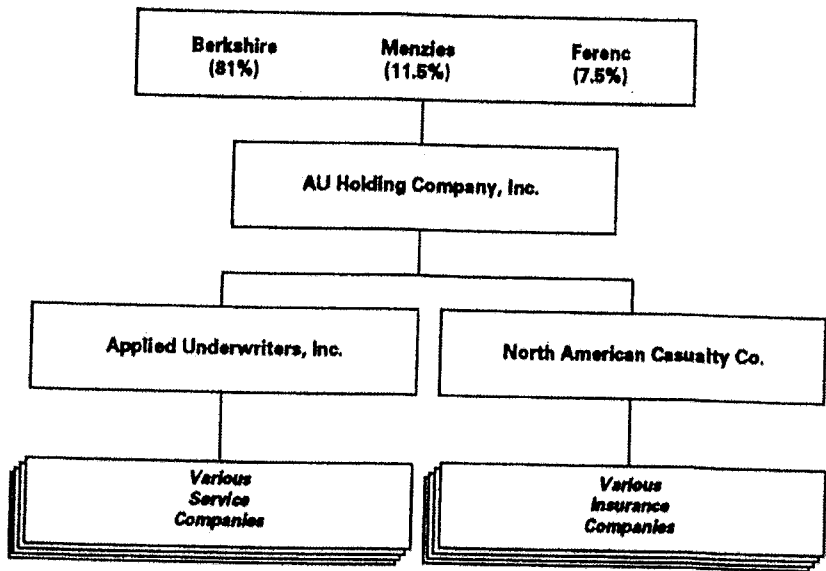


EXHIBIT
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APPENDIX 12

Post-Acquisition Organizational Chart

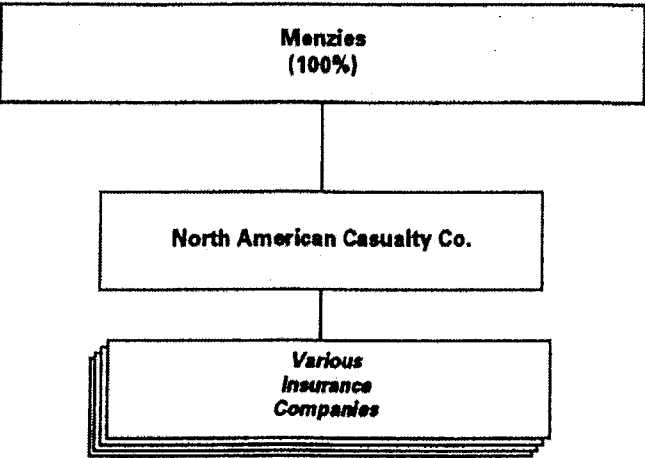


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APPENDIX 13

Biographical Affidavit of Applicant

STATE OF CALIFORNIA - DEPARTMENT OF INSURANCE
INDIVIDUAL AFFIDAVIT
CDI-017 (Rev. 11/2015)

See Affidavit Instructions for completing affidavit

Name of Insurer: California Insurance Company
Address: 950 Tower Lane, 14th Floor, Foster City, CA 94404
Type of Application: Form A

For the purpose of this Affidavit, the term "Insurance" or "Insurer" shall include:

1. Insurers
2. Reinsurers
3. Underwritten Title Companies
4. Motor Clubs
5. Reciprocal Insurers or Interinsurance Exchanges
6. Attorneys-in-Fact
7. Fraternal Benefit Societies
8. Grants and Annuities Societies
9. Insurance Agencies or Brokerages
10. Home Protection Companies
11. Life Settlement Companies

1. Name: Menzies, Steven Michael Director
Last First Middle Title or Position

2. Have you ever used another name? Yes No

If yes, list all names used:

Last First Middle

Last First Middle

3. Sex Male Female

4. Date of Birth: 06/10/1966 Place of Birth: Colorado Springs AFB, CO USA
County State Country

5. Height: 6'1" Weight: 190 Color of Eyes: Brown Color of Hair: Brown

6. Are you a citizen of a country other than the United States? Yes No

If yes, what country? _____

7. Social Security Number: _____

8. Driver's license number: _____ State: _____

9. Have you or your spouse even been affiliated or associated with or in any way connected with an insurance entity regulated by any Department of Insurance? Yes No

If yes, list all such entities and the State of Domicile.

See attached

10. Name of Spouse, if applicable: N/A
Last First Middle



STATE OF CALIFORNIA - DEPARTMENT OF INSURANCE
INDIVIDUAL AFFIDAVIT
CDI-017 (Rev. 11/2015)

11. Has your spouse ever used another name? Yes No

If yes, list all names:

12. Education. Please list the most recent education first.

College/University	Location	Dates Attended	Degree
Columbia University	New York, New York	1984-1988	BS
_____	_____	_____	_____
_____	_____	_____	_____

13. List Membership in Professional Societies or Associations:

N/A

14. I own (legally or beneficially) and/or control (directly or indirectly) 10% or more of the outstanding capital stock of the following insurer(s):

Name	Address
Constitution Insurance Company	15 West Main Street, Cambridge, NY 12816
_____	_____
_____	_____

15. Business and Employment record for the past ten (10) years. Please list the most recent first.

Dates	Employers Name	Address and Telephone	Office/Positions
10/94 - Current	Applied Underwriters, Inc.,	10805 Old Mill Road, Omaha, NE	402-342-4900; President
_____	_____	_____	_____
_____	_____	_____	_____

16. Residences for the past ten (10) years. Please list your current address first.

Dates	Address	City	County	State	Telephone
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

STATE OF CALIFORNIA - DEPARTMENT OF INSURANCE
INDIVIDUAL AFFIDAVIT
CDI-017 (Rev. 11/2015)

17. Have you ever filed for Bankruptcy? Yes No

If yes, please give the following details:

Date filed	Date discharged	Type of Bankruptcy	Location of Filing

18. Have you ever, anywhere, or anytime: forfeited bail, been convicted, fined, or placed on probation for any violation of the law other than for minor traffic offenses? Yes No

If any of these events have occurred, please list:

Date of Arrest	Place of Arrest	Offense	Disposition

19. Have you ever been found in violation of, pled no contest to, or settled any proceeding involving Insurance law, regulation or rule, or State of Federal securities laws, regulations or rules? Yes No

If any of these events have occurred, please list:

Date of Violation	Place of Violation	Violation	Disposition

20. During the past ten (10) years, have you ever held any professional, occupational and/or vocational licenses? Yes No

If yes, please list:

Issue Date	Expiration Date	License Type	Name and address of Issuing Authority

21. During the past ten (10) years, have you ever been refused a professional, occupational and/or vocational license, or has any such license held by you ever been suspended or revoked? Yes No

(If your answer is yes, explain in the space below or on an attached addendum.)

STATE OF CALIFORNIA - DEPARTMENT OF INSURANCE
INDIVIDUAL AFFIDAVIT
CDI-017 (Rev. 11/2015)

22. Have you ever been named a defendant in a suit or administrative hearing brought by any public or governmental licensing agency or regulatory authority for violation of, or to prevent the violation of, any securities or insurance law? Yes No

If yes, please list:

Date	Nature of the Action	Name of Accusing Party	Address	Disposition

23. Have you ever been found liable in a civil action for fraud? Yes No

If yes, please list:

Date	Nature of the Action	Name of Accusing Party	Address	Disposition

24. Have you ever been the subject of a cease and desist order, or entered into a settlement with any State or Federal regulatory agency? Yes No

If yes, please list:

Date	Nature of the Action	Name of Accusing Party	Address	Disposition

25. Within the past ten (10) years, has any insurer of which you were an officer, director, trustee, managing general agent, investment committee member or controlling stockholder ever become insolvent, placed in conservatorship, receivership, liquidation, or ordered to cease and desist doing business in whole or in part, or had its Certificate of Authority/License suspended, revoked or denied, or voluntarily withdrawn its application for a Certificate of Authority? Yes No

If yes, please list:

Date	Nature of the Action	Name of Accusing Party	Address	Disposition
See Attached				

STATE OF CALIFORNIA - DEPARTMENT OF INSURANCE
INDIVIDUAL AFFIDAVIT
CDI-017 (Rev. 11/2015)

26. Within the past ten (10) years, have you been an officer, director, controlling stockholder, trustee, partner or owner of any organization that has been the subject of conservatorship, liquidation or other receivership proceeding by a State or Federal Agency? Yes No

If yes, please list: Position within the Organization: _____

Date	Nature of the Action	Name of the Organization	Address

27. (Complete For Securities Permit Only) Have the shares in the original issue (the subject of this organizational permit), subscribed to by you as a member of the groups consisting of promoters, organizers, initial officers and directors, been purchased with funds that are now, or will at the time of purchase be your property without any other person having any legal, equitable or security interest in said shares, after purchase? Yes No

(If your answer is No, in the space below provide the name and address of the person or persons having such interest.)

Name	Address

I, the undersigned affiant, under the laws of the State of California, do declare that I have carefully examined each of the questions asked in this Individual Affidavit and each of my responses thereto, and do solemnly swear or affirm that all of my responses, information, exhibits, and documentary evidence submitted in support thereof are true and correct.

Dated and signed this 2nd day of April, 202019,

at (City) Omaha (State) Nebraska,

Signature ▶ 

SUPPLEMENT TO AFFIDAVIT QUESTION NO. 9

Insurer	Domicile
California Insurance Company	California
Commercial General Indemnity Company	Hawaii
Constitution Insurance Company	New York
Applied Underwriters Captive Risk Assurance Company, Inc.	Iowa
Illinois Insurance Company	Iowa
Continental Indemnity Company	Iowa
Pennsylvania Insurance Company	Iowa
Texas Insurance Company	Texas

SUPPLEMENT TO AFFIDAVIT QUESTION No. 25

California Insurance Company ("CIC") and Applied Underwriters Captive Risk Assurance Company, Inc. ("AUCRA") were issued a Notice of Hearing and Order to Cease and Desist from Issuance or Renewal of Workers' Compensation Insurance Policies and Collateral/Ancillary Agreements in Violation of Insurance code §§11658 and 11735 and California Code of Regulations, Title 10, Section 2251 and 2268 dated June 28, 2016 (the "Notice") by the Commissioner of the California Department of Insurance.

The Notice was resolved by the execution of a Stipulated Consent Cease and Desist Order by and between the Commissioner of the California Department of Insurance, CIC and AUCRA dated August 25, 2016.

In addition, Applied Risk Services, Inc., Continental Indemnity Company and AUCRA have been the subject of administrative proceedings in Vermont in 2015 and Wisconsin in 2015/2016 with no admission of any violations of law and Continental Indemnity Company remains in good standing in Vermont and Wisconsin.

On March 6, 2019, the New Jersey Department of Banking and Insurance issued an Order To Show Cause against Applied Risk Services, Inc., Applied Underwriters Captive Risk Assurance Company, Inc. and Continental Indemnity Company, all of which intend to vigorously defend against the Order to Show Cause.

APPENDIX 14

Biographical Affidavits for Proposed Directors and Officers

STATE OF CALIFORNIA - DEPARTMENT OF INSURANCE
INDIVIDUAL AFFIDAVIT
CDI-017 (Rev. 11/2015)

See Affidavit Instructions for completing affidavit

Name of Insurer: California Insurance Company
Address: 950 Tower Lane, 14th Floor, Foster City, CA 94404
Type of Application: Form A

For the purpose of this Affidavit, the term "insurance" or "insurer" shall include:

- | | |
|----------------------------------------------------|-------------------------------------|
| 1. Insurers | 7. Fraternal Benefit Societies |
| 2. Reinsurers | 8. Grants and Annuities Societies |
| 3. Underwritten Title Companies | 9. Insurance Agencies or Brokerages |
| 4. Motor Clubs | 10. Home Protection Companies |
| 5. Reciprocal Insurers or Interinsurance Exchanges | 11. Life Settlement Companies |
| 6. Attorneys-in-Fact | |

1. Name: Silver, Jeffrey Alan Director
Last First Middle Title or Position

2. Have you ever used another name? Yes No

If yes, list all names used:

Last First Middle

Last First Middle

3. Sex Male Female

4. Date of Birth: 10/29/1951 Place of Birth: Bronx New York USA
County State Country

5. Height: 5'11" Weight: 185 Color of Eyes: Blue Color of Hair: Brown

6. Are you a citizen of a country other than the United States? Yes No

If yes, what country? _____

7. Social Security Number: [REDACTED]

8. Driver's license number: [REDACTED] State: [REDACTED]

9. Have you or your spouse even been affiliated or associated with or in any way connected with an insurance entity regulated by any Department of Insurance? Yes No

If yes, list all such entities and the State of Domicile:
See attached

10. Name of Spouse, if applicable: Silver, Mary Francis
Last First Middle



STATE OF CALIFORNIA - DEPARTMENT OF INSURANCE
INDIVIDUAL AFFIDAVIT
CDI-017 (Rev. 11/2015)

11. Has your spouse ever used another name? Yes No

If yes, list all names:

Mary F. Gohsman

12. Education. Please list the most recent education first.

College/University	Location	Dates Attended	Degree
<u>Creighton University</u>	<u>Omaha, Nebraska</u>	<u>09/1972-06/1975</u>	<u>JS</u>
<u>St. John's University</u>	<u>Queens, New York</u>	<u>09/1968-06/1972</u>	<u>BA</u>

13. List Membership in Professional Societies or Associations:

American Bar Association; Nebraska Bar Association; Omaha Bar Association

14. I own (legally or beneficially) and/or control (directly or indirectly) 10% or more of the outstanding capital stock of the following insurer(s):

Name	Address
<u>None</u>	

15. Business and Employment record for the past ten (10) years. Please list the most recent first.

Dates	Employers Name	Address and Telephone	Office/Positions
<u>11/05 - Current</u>	<u>Applied Underwriters, Inc.,</u>	<u>10805 Old Mill Road, Omaha, NE</u>	<u>402-342-4900; Secretary & General Counsel</u>

16. Residences for the past ten (10) years. Please list your current address first.

Dates	Address	City	County	State	Telephone

STATE OF CALIFORNIA - DEPARTMENT OF INSURANCE
INDIVIDUAL AFFIDAVIT
CDI-017 (Rev. 11/2015)

17. Have you ever filed for Bankruptcy? Yes No

If yes, please give the following details:

Date filed	Date discharged	Type of Bankruptcy	Location of Filing

18. Have you ever, anywhere, or anytime: forfeited bail, been convicted, fined, or placed on probation for any violation of the law other than for minor traffic offenses? Yes No

If any of these events have occurred, please list:

Date of Arrest	Place of Arrest	Offense	Disposition

19. Have you ever been found in violation of, pled no contest to, or settled any proceeding involving Insurance law, regulation or rule, or State of Federal securities laws, regulations or rules? Yes No

If any of these events have occurred, please list:

Date of Violation	Place of Violation	Violation	Disposition

20. During the past ten (10) years, have you ever held any professional, occupational and/or vocational licenses? Yes No

If yes, please list:

Issue Date	Expiration Date	License Type	Name and address of Issuing Authority
06/75		Law License	Nebraska Supreme Court, Lincoln, NE 68059

21. During the past ten (10) years, have you ever been refused a professional, occupational and/or vocational license, or has any such license held by you ever been suspended or revoked? Yes No

(If your answer is yes, explain in the space below or on an attached addendum.)

STATE OF CALIFORNIA - DEPARTMENT OF INSURANCE
INDIVIDUAL AFFIDAVIT
CDI-017 (Rev. 11/2015)

22. Have you ever been named a defendant in a suit or administrative hearing brought by any public or governmental licensing agency or regulatory authority for violation of, or to prevent the violation of, any securities or insurance law? Yes No

If yes, please list:

Date	Nature of the Action	Name of Accusing Party	Address	Disposition

23. Have you ever been found liable in a civil action for fraud? Yes No

If yes, please list:

Date	Nature of the Action	Name of Accusing Party	Address	Disposition

24. Have you ever been the subject of a cease and desist order, or entered into a settlement with any State or Federal regulatory agency? Yes No

If yes, please list:

Date	Nature of the Action	Name of Accusing Party	Address	Disposition

25. Within the past ten (10) years, has any insurer of which you were an officer, director, trustee, managing general agent, investment committee member or controlling stockholder ever become insolvent, placed in conservatorship, receivership, liquidation, or ordered to cease and desist doing business in whole or in part, or had its Certificate of Authority/License suspended, revoked or denied, or voluntarily withdrawn its application for a Certificate of Authority? Yes No

If yes, please list:

Date	Nature of the Action	Name of Accusing Party	Address	Disposition
See Attached				

STATE OF CALIFORNIA - DEPARTMENT OF INSURANCE
INDIVIDUAL AFFIDAVIT
CDI-017 (Rev. 11/2015)

26. Within the past ten (10) years, have you been an officer, director, controlling stockholder, trustee, partner or owner of any organization that has been the subject of conservatorship, liquidation or other receivership proceeding by a State or Federal Agency? Yes No

If yes, please list: Position within the Organization: _____

Date	Nature of the Action	Name of the Organization	Address

27. **(Complete For Securities Permit Only)** Have the shares in the original issue (the subject of this organizational permit), subscribed to by you as a member of the groups consisting of promoters, organizers, initial officers and directors, been purchased with funds that are now, or will at the time of purchase be your property without any other person having any legal, equitable or security interest in said shares, after purchase? Yes No

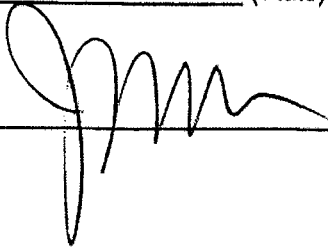
(If your answer is No, in the space below provide the name and address of the person or persons having such interest.)

Name _____ Address _____

I, the undersigned affiant, under the laws of the State of California, do declare that I have carefully examined each of the questions asked in this **Individual Affidavit** and each of my responses thereto, and do solemnly swear or affirm that all of my responses, information, exhibits, and documentary evidence submitted in support thereof are true and correct.

Dated and signed this 2nd day of April 202019,

at (City) Omaha (State) Nebraska.

Signature ►  _____

SUPPLEMENT TO AFFIDAVIT QUESTION NO. 9

Insurer	Domicile
California Insurance Company	California
Commercial General Indemnity Company	Hawaii
Constitution Insurance Company	New York
Applied Underwriters Captive Risk Assurance Company, Inc.	Iowa
Illinois Insurance Company	Iowa
Continental Indemnity Company	Iowa
Pennsylvania Insurance Company	Iowa
Texas Insurance Company	Texas

SUPPLEMENT TO AFFIDAVIT QUESTION No. 25

California Insurance Company ("CIC") and Applied Underwriters Captive Risk Assurance Company, Inc. ("AUCRA") were issued a Notice of Hearing and Order to Cease and Desist from Issuance or Renewal of Workers' Compensation Insurance Policies and Collateral/Ancillary Agreements in Violation of Insurance code §§11658 and 11735 and California Code of Regulations, Title 10, Section 2251 and 2268 dated June 28, 2016 (the "Notice") by the Commissioner of the California Department of Insurance.

The Notice was resolved by the execution of a Stipulated Consent Cease and Desist Order by and between the Commissioner of the California Department of Insurance, CIC and AUCRA dated August 25, 2016.

In addition, Applied Risk Services, Inc., Continental Indemnity Company and AUCRA have been the subject of administrative proceedings in Vermont in 2015 and Wisconsin in 2015/2016 with no admission of any violations of law and Continental Indemnity Company remains in good standing in Vermont and Wisconsin.

On March 6, 2019, the New Jersey Department of Banking and Insurance issued an Order To Show Cause against Applied Risk Services, Inc., Applied Underwriters Captive Risk Assurance Company, Inc. and Continental Indemnity Company, all of which intend to vigorously defend against the Order to Show Cause.

STATE OF CALIFORNIA - DEPARTMENT OF INSURANCE
INDIVIDUAL AFFIDAVIT
CDI-017 (Rev. 11/2015)

See Affidavit Instructions for completing affidavit

Name of Insurer: California Insurance Company
Address: 950 Tower Lane, 14th Floor, Foster City, CA 94404
Type of Application: Form A

For the purpose of this Affidavit, the term "insurance" or "insurer" shall include:

1. Insurers
2. Reinsurers
3. Underwritten Title Companies
4. Motor Clubs
5. Reciprocal Insurers or Interinsurance Exchanges
6. Attorneys-in-Fact
7. Fraternal Benefit Societies
8. Grants and Annuities Societies
9. Insurance Agencies or Brokerages
10. Home Protection Companies
11. Life Settlement Companies

1. Name: Smith, Justin Nicholas Vice President
Last First Middle Title or Position

2. Have you ever used another name? Yes No

If yes, list all names used:

Last First Middle
Last First Middle

3. Sex Male Female

4. Date of Birth: 05/15/1972 Place of Birth: Worcester UK
County State Country

5. Height: 6' Weight: 172 lb Color of Eyes: Gray Color of Hair: Brown

6. Are you a citizen of a country other than the United States? Yes No

If yes, what country? _____

7. Social Security Number: [REDACTED]

8. Driver's license number: [REDACTED] State: [REDACTED]

9. Have you or your spouse even been affiliated or associated with or in any way connected with an insurance entity regulated by any Department of Insurance? Yes No

If yes, list all such entities and the State of Domicile.
See attached

10. Name of Spouse, if applicable: Smith, Uma
Last First Middle

STATE OF CALIFORNIA - DEPARTMENT OF INSURANCE
INDIVIDUAL AFFIDAVIT
CDI-017 (Rev. 11/2015)

11. Has your spouse ever used another name? Yes No

If yes, list all names:

UMA MAHESWARI RETHINA SABAPATHY

12. Education. Please list the most recent education first.

College/University	Location	Dates Attended	Degree
University of Oxford	Oxford, UK	10/1990-05/1993	BA (1st Class)
University of Oxford	Oxford, UK	10/1994-05/2001	MA, MPhil, DPhil

13. List Membership in Professional Societies or Associations:

Casualty/Actuarial Society
American Academy of Actuaries

14. I own (legally or beneficially) and/or control (directly or indirectly) 10% or more of the outstanding capital stock of the following insurer(s):

Name	Address
None	

15. Business and Employment record for the past ten (10) years. Please list the most recent first.

Dates	Employers Name	Address and Telephone	Office/Positions
04/06 - Current	Applied Underwriters, Inc.,	10805 Old Mill Road, Omaha, NE	402-342-4900; Chief Actuar

16. Residences for the past ten (10) years. Please list your current address first.

Dates	Address	City	County	State	Telephone

STATE OF CALIFORNIA - DEPARTMENT OF INSURANCE
INDIVIDUAL AFFIDAVIT
CDI-017 (Rev. 11/2015)

17. Have you ever filed for Bankruptcy? Yes No

If yes, please give the following details:

Date filed	Date discharged	Type of Bankruptcy	Location of Filing
_____	_____	_____	_____
_____	_____	_____	_____

18. Have you ever, anywhere, or anytime: forfeited bail, been convicted, fined, or placed on probation for any violation of the law other than for minor traffic offenses? Yes No

If any of these events have occurred, please list:

Date of Arrest	Place of Arrest	Offense	Disposition
_____	_____	_____	_____
_____	_____	_____	_____

19. Have you ever been found in violation of, pled no contest to, or settled any proceeding involving Insurance law, regulation or rule, or State of Federal securities laws, regulations or rules? Yes No

If any of these events have occurred, please list:

Date of Violation	Place of Violation	Violation	Disposition
_____	_____	_____	_____
_____	_____	_____	_____

20. During the past ten (10) years, have you ever held any professional, occupational and/or vocational licenses? Yes No

If yes, please list:

Issue Date	Expiration Date	License Type	Name and address of Issuing Authority
_____	_____	_____	_____
_____	_____	_____	_____

21. During the past ten (10) years, have you ever been refused a professional, occupational and/or vocational license, or has any such license held by you ever been suspended or revoked? Yes No

(If your answer is yes, explain in the space below or on an attached addendum.)

STATE OF CALIFORNIA - DEPARTMENT OF INSURANCE
INDIVIDUAL AFFIDAVIT
CDI-017 (Rev. 11/2015)

22. Have you ever been named a defendant in a suit or administrative hearing brought by any public or governmental licensing agency or regulatory authority for violation of, or to prevent the violation of, any securities or insurance law? Yes No

If yes, please list:

Date	Nature of the Action	Name of Accusing Party	Address	Disposition

23. Have you ever been found liable in a civil action for fraud? Yes No

If yes, please list:

Date	Nature of the Action	Name of Accusing Party	Address	Disposition

24. Have you ever been the subject of a cease and desist order, or entered into a settlement with any State or Federal regulatory agency? Yes No

If yes, please list:

Date	Nature of the Action	Name of Accusing Party	Address	Disposition

25. Within the past ten (10) years, has any insurer of which you were an officer, director, trustee, managing general agent, investment committee member or controlling stockholder ever become insolvent, placed in conservatorship, receivership, liquidation, or ordered to cease and desist doing business in whole or in part, or had its Certificate of Authority/License suspended, revoked or denied, or voluntarily withdrawn its application for a Certificate of Authority? Yes No

If yes, please list:

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STATE OF CALIFORNIA - DEPARTMENT OF INSURANCE
INDIVIDUAL AFFIDAVIT
CDI-017 (Rev. 11/2015)

26. Within the past ten (10) years, have you been an officer, director, controlling stockholder, trustee, partner or owner of any organization that has been the subject of conservatorship, liquidation or other receivership proceeding by a State or Federal Agency? Yes No

If yes, please list: Position within the Organization: _____

Date	Nature of the Action	Name of the Organization	Address

27. (Complete For Securities Permit Only) Have the shares in the original issue (the subject of this organizational permit), subscribed to by you as a member of the groups consisting of promoters, organizers, initial officers and directors, been purchased with funds that are now, or will at the time of purchase be your property without any other person having any legal, equitable or security interest in said shares, after purchase? Yes No


(If your answer is No, in the space below provide the name and address of the person or persons having such interest.)

Name _____ Address _____

I, the undersigned affiant, under the laws of the State of California, do declare that I have carefully examined each of the questions asked in this Individual Affidavit and each of my responses thereto, and do solemnly swear or affirm that all of my responses, information, exhibits, and documentary evidence submitted in support thereof are true and correct.

Dated and signed this 2nd day of April 2019.

at (City) Foster City (State) California.

Signature ▶ 

SUPPLEMENT TO AFFIDAVIT QUESTION NO. 9

Insurer	Domicile
California Insurance Company	California
Applied Underwriters Captive Risk Assurance Company, Inc.	Iowa
Illinois Insurance Company	Iowa
Continental Indemnity Company	Iowa
Pennsylvania Insurance Company	Iowa
Texas Insurance Company	Texas

SUPPLEMENT TO AFFIDAVIT QUESTION No. 25

California Insurance Company ("CIC") and Applied Underwriters Captive Risk Assurance Company, Inc. ("AUCRA") were issued a Notice of Hearing and Order to Cease and Desist from Issuance or Renewal of Workers' Compensation Insurance Policies and Collateral/Ancillary Agreements in Violation of Insurance code §§11658 and 11735 and California Code of Regulations, Title 10, Section 2251 and 2268 dated June 28, 2016 (the "Notice") by the Commissioner of the California Department of Insurance.

The Notice was resolved by the execution of a Stipulated Consent Cease and Desist Order by and between the Commissioner of the California Department of Insurance, CIC and AUCRA dated August 25, 2016.

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STATE OF CALIFORNIA - DEPARTMENT OF INSURANCE
INDIVIDUAL AFFIDAVIT
CDI-017 (Rev. 11/2015)

See Affidavit Instructions for completing affidavit

Name of Insurer: California Insurance Company
Address: 950 Tower Lane, 14th Floor, Foster City, CA 94404
Type of Application: Form A

For the purpose of this Affidavit, the term "insurance" or "insurer" shall include:

- | | |
|----------------------------------------------------|-------------------------------------|
| 1. Insurers | 7. Fraternal Benefit Societies |
| 2. Reinsurers | 8. Grants and Annuities Societies |
| 3. Underwritten Title Companies | 9. Insurance Agencies or Brokerages |
| 4. Motor Clubs | 10. Home Protection Companies |
| 5. Reciprocal Insurers or Interinsurance Exchanges | 11. Life Settlement Companies |
| 6. Attorneys-In-Fact | |

1. Name: Ferenc, Sidney Ralph Director
Last First Middle Title or Position

2. Have you ever used another name? Yes No

If yes, list all names used:

Last First Middle

Last First Middle

3. Sex Male Female

4. Date of Birth: 04/12/1954 Place of Birth: Kings New York USA
County State Country

5. Height: 6' Weight: 195 Color of Eyes: Hazel Color of Hair: Brown

6. Are you a citizen of a country other than the United States? Yes No

If yes, what country? _____

7. Social Security Number: ██████████

8. Driver's license number: ██████████ State: ██████

9. Have you or your spouse even been affiliated or associated with or in any way connected with an insurance entity regulated by any Department of Insurance? Yes No

If yes, list all such entities and the State of Domicile.

See attached

10. Name of Spouse, if applicable: Ferenc, Kyra Jean
Last First Middle

STATE OF CALIFORNIA - DEPARTMENT OF INSURANCE
INDIVIDUAL AFFIDAVIT
CDI-017 (Rev. 11/2015)

11. Has your spouse ever used another name? Yes No

If yes, list all names:
Kyra Jean Guest

12. Education. Please list the most recent education first.

College/University	Location	Dates Attended	Degree
<u>Brooklyn College</u>	<u>Brooklyn, New York</u>	<u>09/1971-06/1975</u>	<u>BS-Accounting</u>

13. List Membership in Professional Societies or Associations:
American Institute of CPAs

14. I own (legally or beneficially) and/or control (directly or indirectly) 10% or more of the outstanding capital stock of the following insurer(s):

Name	Address
<u>None</u>	

15. Business and Employment record for the past ten (10) years. Please list the most recent first.

Dates	Employers Name	Address and Telephone	Office/Positions
<u>04/94-Present</u>	<u>Applied Underwriters, Inc.,</u>	<u>10805 Old Mill Rd., Omaha, NE</u>	<u>402-342-4900 CEO</u>

16. Residences for the past ten (10) years. Please list your current address first.

Dates	Address	City	County	State	Telephone

STATE OF CALIFORNIA - DEPARTMENT OF INSURANCE
INDIVIDUAL AFFIDAVIT
CDI-017 (Rev. 11/2015)

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STATE OF CALIFORNIA – DEPARTMENT OF INSURANCE
INDIVIDUAL AFFIDAVIT
CDI-017 (Rev. 11/2016)

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23. Have you ever been found liable in a civil action for fraud? Yes No

If yes, please list:

Date	Nature of the Action	Name of Accusing Party	Address	Disposition

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If yes, please list:

Date	Nature of the Action	Name of Accusing Party	Address	Disposition
See Attached				

STATE OF CALIFORNIA - DEPARTMENT OF INSURANCE
INDIVIDUAL AFFIDAVIT
CDI-017 (Rev. 11/2015)

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If yes, please list: Position within the Organization: _____

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27. **(Complete For Securities Permit Only)** Have the shares in the original issue (the subject of this organizational permit), subscribed to by you as a member of the groups consisting of promoters, organizers, initial officers and directors, been purchased with funds that are now, or will at the time of purchase be your property without any other person having any legal, equitable or security interest in said shares, after purchase? Yes No

(If your answer is No, in the space below provide the name and address of the person or persons having such interest.)

Name	Address

I, the undersigned affiant, under the laws of the State of California, do declare that I have carefully examined each of the questions asked in this **Individual Affidavit** and each of my responses thereto, and do solemnly swear or affirm that all of my responses, information, exhibits, and documentary evidence submitted in support thereof are true and correct.

Dated and signed this 2nd day of April 2019.

at (City) Highland Beach (State) Florida.

Signature ▶ Sidney Lerenc

SUPPLEMENT TO AFFIDAVIT QUESTION NO. 9

Insurer	Domicile
California Insurance Company	California
Commercial General Indemnity Company	Hawaii
Constitution Insurance Company	New York
Applied Underwriters Captive Risk Assurance Company, Inc.	Iowa
Illinois Insurance Company	Iowa
Continental Indemnity Company	Iowa
Pennsylvania Insurance Company	Iowa
Texas Insurance Company	Texas

SUPPLEMENT TO AFFIDAVIT QUESTION No. 25

California Insurance Company ("CIC") and Applied Underwriters Captive Risk Assurance Company, Inc. ("AUCRA") were issued a Notice of Hearing and Order to Cease and Desist from Issuance or Renewal of Workers' Compensation Insurance Policies and Collateral/Ancillary Agreements in Violation of Insurance code §§11658 and 11735 and California Code of Regulations, Title 10, Section 2251 and 2268 dated June 28, 2016 (the "Notice") by the Commissioner of the California Department of Insurance.

The Notice was resolved by the execution of a Stipulated Consent Cease and Desist Order by and between the Commissioner of the California Department of Insurance, CIC and AUCRA dated August 25, 2016.

In addition, Applied Risk Services, Inc., Continental Indemnity Company and AUCRA have been the subject of administrative proceedings in Vermont in 2015 and Wisconsin in 2015/2016 with no admission of any violations of law and Continental Indemnity Company remains in good standing in Vermont and Wisconsin.

On March 6, 2019, the New Jersey Department of Banking and Insurance issued an Order To Show Cause against Applied Risk Services, Inc., Applied Underwriters Captive Risk Assurance Company, Inc. and Continental Indemnity Company, all of which intend to vigorously defend against the Order to Show Cause.

STATE OF CALIFORNIA - DEPARTMENT OF INSURANCE
INDIVIDUAL AFFIDAVIT
CDI-017 (Rev. 11/2015)

See Affidavit Instructions for completing affidavit

Name of Insurer: California Insurance Company
Address: 950 Tower Lane, 14th Floor, Foster City, CA 94404
Type of Application: Form A

For the purpose of this Affidavit, the term "insurance" or "insurer" shall include:

1. Insurers
2. Reinsurers
3. Underwritten Title Companies
4. Motor Clubs
5. Reciprocal Insurers or Interinsurance Exchanges
6. Attorneys-In-Fact
7. Fraternal Benefit Societies
8. Grants and Annuities Societies
9. Insurance Agencies or Brokerages
10. Home Protection Companies
11. Life Settlement Companies

1. Name: Stafford, Robert Leslie Vice President
Last First Middle Title or Position

2. Have you ever used another name? Yes No

If yes, list all names used:

Last First Middle

Last First Middle

3. Sex Male Female

4. Date of Birth: 08/30/1958 Place of Birth: Thurston Nebraska USA
County State Country

5. Height: 5'11" Weight: 200 Color of Eyes: Blue Color of Hair: Blonde

6. Are you a citizen of a country other than the United States? Yes No

If yes, what country? _____

7. Social Security Number: [REDACTED]

8. Driver's license number: [REDACTED] State: [REDACTED]

9. Have you or your spouse even been affiliated or associated with or in any way connected with an insurance entity regulated by any Department of Insurance? Yes No

If yes, list all such entities and the State of Domicile.
See attached

10. Name of Spouse, if applicable: Stafford, Kimberley Alden
Last First Middle

STATE OF CALIFORNIA - DEPARTMENT OF INSURANCE
INDIVIDUAL AFFIDAVIT
CDI-017 (Rev. 11/2015)

11. Has your spouse ever used another name? Yes No

If yes, list all names:
Kimberley Ann Alden

12. Education. Please list the most recent education first.

College/University	Location	Dates Attended	Degree
<u>University of Nebraska</u>	<u>Lincoln, NE</u>	<u>1976-1981</u>	<u>BS</u>

13. List Membership in Professional Societies or Associations:

Nebraska Society of CPAs
American Institute of CPAs

14. I own (legally or beneficially) and/or control (directly or indirectly) 10% or more of the outstanding capital stock of the following insurer(s):

Name	Address
<u>None</u>	

15. Business and Employment record for the past ten (10) years. Please list the most recent first.

Dates	Employers Name	Address and Telephone	Office/Positions
<u>2000-Present</u>	<u>Applied Underwriters, Inc.</u>	<u>10805 Old Mill Rd., Omaha, NE 402-342-4900</u>	<u>Vice President</u>

16. Residences for the past ten (10) years. Please list your current address first.

Dates	Address	City	County	State	Telephone

STATE OF CALIFORNIA - DEPARTMENT OF INSURANCE
INDIVIDUAL AFFIDAVIT
CDI-017 (Rev. 11/2015)

17. Have you ever filed for Bankruptcy? Yes No

If yes, please give the following details:

Date filed	Date discharged	Type of Bankruptcy	Location of Filing

18. Have you ever, anywhere, or anytime: forfeited bail, been convicted, fined, or placed on probation for any violation of the law other than for minor traffic offenses? Yes No

If any of these events have occurred, please list:

Date of Arrest	Place of Arrest	Offense	Disposition

19. Have you ever been found in violation of, pled no contest to, or settled any proceeding involving Insurance law, regulation or rule, or State of Federal securities laws, regulations or rules? Yes No

If any of these events have occurred, please list:

Date of Violation	Place of Violation	Violation	Disposition

20. During the past ten (10) years, have you ever held any professional, occupational and/or vocational licenses? Yes No

If yes, please list:

Issue Date	Expiration Date	License Type	Name and address of Issuing Authority

21. During the past ten (10) years, have you ever been refused a professional, occupational and/or vocational license, or has any such license held by you ever been suspended or revoked? Yes No

(If your answer is yes, explain in the space below or on an attached addendum.)

STATE OF CALIFORNIA - DEPARTMENT OF INSURANCE
INDIVIDUAL AFFIDAVIT
CDI-017 (Rev. 11/2015)

22. Have you ever been named a defendant in a suit or administrative hearing brought by any public or governmental licensing agency or regulatory authority for violation of, or to prevent the violation of, any securities or insurance law? Yes No

If yes, please list:

Date	Nature of the Action	Name of Accusing Party	Address	Disposition

23. Have you ever been found liable in a civil action for fraud? Yes No

If yes, please list:

Date	Nature of the Action	Name of Accusing Party	Address	Disposition

24. Have you ever been the subject of a cease and desist order, or entered into a settlement with any State or Federal regulatory agency? Yes No

If yes, please list:

Date	Nature of the Action	Name of Accusing Party	Address	Disposition

25. Within the past ten (10) years, has any insurer of which you were an officer, director, trustee, managing general agent, investment committee member or controlling stockholder ever become insolvent, placed in conservatorship, receivership, liquidation, or ordered to cease and desist doing business in whole or in part, or had its Certificate of Authority/License suspended, revoked or denied, or voluntarily withdrawn its application for a Certificate of Authority? Yes No

If yes, please list:

Date	Nature of the Action	Name of Accusing Party	Address	Disposition
See Attached				

STATE OF CALIFORNIA - DEPARTMENT OF INSURANCE
INDIVIDUAL AFFIDAVIT
CDI-017 (Rev. 11/2015)

26. Within the past ten (10) years, have you been an officer, director, controlling stockholder, trustee, partner or owner of any organization that has been the subject of conservatorship, liquidation or other receivership proceeding by a State or Federal Agency? Yes No

If yes, please list: Position within the Organization: _____

Date	Nature of the Action	Name of the Organization	Address

27. **(Complete For Securities Permit Only)** Have the shares in the original issue (the subject of this organizational permit), subscribed to by you as a member of the groups consisting of promoters, organizers, initial officers and directors, been purchased with funds that are now, or will at the time of purchase be your property without any other person having any legal, equitable or security interest in said shares, after purchase? Yes No

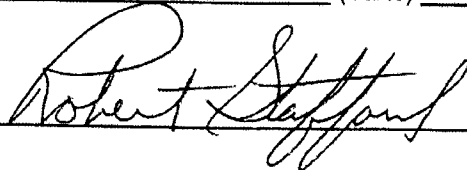
(If your answer is No, in the space below provide the name and address of the person or persons having such interest.)

Name	Address

I, the undersigned affiant, under the laws of the State of California, do declare that I have carefully examined each of the questions asked in this **Individual Affidavit** and each of my responses thereto, and do solemnly swear or affirm that all of my responses, information, exhibits, and documentary evidence submitted in support thereof are true and correct.

Dated and signed this 2nd day of April 2019,

at (City) Omaha (State) Nebraska.

Signature ▶ 

SUPPLEMENT TO AFFIDAVIT QUESTION NO. 9

Insurer	Domicile
California Insurance Company	California
Applied Underwriters Captive Risk Assurance Company, Inc.	Iowa
Illinois Insurance Company	Iowa
Continental Indemnity Company	Iowa
Pennsylvania Insurance Company	Iowa
Texas Insurance Company	Texas

SUPPLEMENT TO AFFIDAVIT QUESTION No. 25

California Insurance Company ("CIC") and Applied Underwriters Captive Risk Assurance Company, Inc. ("AUCRA") were issued a Notice of Hearing and Order to Cease and Desist from Issuance or Renewal of Workers' Compensation Insurance Policies and Collateral/Ancillary Agreements in Violation of Insurance code §§11658 and 11735 and California Code of Regulations, Title 10, Section 2251 and 2268 dated June 28, 2016 (the "Notice") by the Commissioner of the California Department of Insurance.

The Notice was resolved by the execution of a Stipulated Consent Cease and Desist Order by and between the Commissioner of the California Department of Insurance, CIC and AUCRA dated August 25, 2016.

In addition, Applied Risk Services, Inc., Continental Indemnity Company and AUCRA have been the subject of administrative proceedings in Vermont in 2015 and Wisconsin in 2015/2016 with no admission of any violations of law and Continental Indemnity Company remains in good standing in Vermont and Wisconsin.

On March 6, 2019, the New Jersey Department of Banking and Insurance issued an Order To Show Cause against Applied Risk Services, Inc., Applied Underwriters Captive Risk Assurance Company, Inc. and Continental Indemnity Company, all of which intend to vigorously defend against the Order to Show Cause.

STATE OF CALIFORNIA - DEPARTMENT OF INSURANCE
INDIVIDUAL AFFIDAVIT
CDI-017 (Rev. 11/2015)

See Affidavit Instructions for completing affidavit

Name of Insurer: California Insurance Company
Address: 950 Tower Lane, 14th Floor, Foster City, CA 94404
Type of Application: Form A

For the purpose of this Affidavit, the term "insurance" or "insurer" shall include:

- | | |
|----------------------------------------------------|-------------------------------------|
| 1. Insurers | 7. Fraternal Benefit Societies |
| 2. Reinsurers | 8. Grants and Annuities Societies |
| 3. Underwritten Title Companies | 9. Insurance Agencies or Brokerages |
| 4. Motor Clubs | 10. Home Protection Companies |
| 5. Reciprocal Insurers or Interinsurance Exchanges | 11. Life Settlement Companies |
| 6. Attorneys-In-Fact | |

1. Name: Tract, Marc Mitchell Director
Last First Middle Title or Position

2. Have you ever used another name? Yes No

If yes, list all names used:

Last First Middle

Last First Middle

3. Sex Male Female

4. Date of Birth: 09/20/1959 Place of Birth: New York New York USA
County State Country

5. Height: 5'9" Weight: 215 Color of Eyes: Blue Color of Hair: Blonde

6. Are you a citizen of a country other than the United States? Yes No

If yes, what country? _____

7. Social Security Number: [REDACTED]

8. Driver's license number: [REDACTED] State: [REDACTED]

9. Have you or your spouse even been affiliated or associated with or in any way connected with an insurance entity regulated by any Department of Insurance? Yes No

If yes, list all such entities and the State of Domicile.

See attached

10. Name of Spouse, if applicable: Tract, Sharon Beth
Last First Middle

STATE OF CALIFORNIA - DEPARTMENT OF INSURANCE
INDIVIDUAL AFFIDAVIT
CDI-017 (Rev. 11/2015)

11. Has your spouse ever used another name? Yes No

If yes, list all names:
Sharon Beth Widrow

12. Education. Please list the most recent education first.

College/University	Location	Dates Attended	Degree
Ithaca College	Ithaca, New York	09/1977-06/1981	BA
Pepperdine University	Malibu, California	09/1981-06/1984	JD

13. List Membership in Professional Societies or Associations:
See Attached

14. I own (legally or beneficially) and/or control (directly or indirectly) 10% or more of the outstanding capital stock of the following insurer(s):

Name	Address
None	

15. Business and Employment record for the past ten (10) years. Please list the most recent first.

Dates	Employers Name	Address and Telephone	Office/Positions
08/08/94-Current	Katten Muchin rosenman LLP	575 Madison Ave., New York, NY 10022 212-940-8760	Partner

16. Residences for the past ten (10) years. Please list your current address first.

Dates	Address	City	County	State	Telephone

STATE OF CALIFORNIA - DEPARTMENT OF INSURANCE
INDIVIDUAL AFFIDAVIT
 CDI-017 (Rev. 11/2015)

17. Have you ever filed for Bankruptcy? Yes No

If yes, please give the following details:

Date filed	Date discharged	Type of Bankruptcy	Location of Filing

18. Have you ever, anywhere, or anytime: forfeited bail, been convicted, fined, or placed on probation for any violation of the law other than for minor traffic offenses? Yes No

If any of these events have occurred, please list:

Date of Arrest	Place of Arrest	Offense	Disposition

19. Have you ever been found in violation of, pled no contest to, or settled any proceeding involving Insurance law, regulation or rule, or State or Federal securities laws, regulations or rules? Yes No

If any of these events have occurred, please list:

Date of Violation	Place of Violation	Violation	Disposition

20. During the past ten (10) years, have you ever held any professional, occupational and/or vocational licenses? Yes No

If yes, please list:

Issue Date	Expiration Date	License Type	Name and address of Issuing Authority
1985-Present		Law License	New York
1985-Present		Law License	New Jersey
1986-Present		Law License	District of Columbia

21. During the past ten (10) years, have you ever been refused a professional, occupational and/or vocational license, or has any such license held by you ever been suspended or revoked? Yes No

(If your answer is yes, explain in the space below or on an attached addendum.)

STATE OF CALIFORNIA - DEPARTMENT OF INSURANCE
INDIVIDUAL AFFIDAVIT
CDI-017 (Rev. 11/2016)

22. Have you ever been named a defendant in a suit or administrative hearing brought by any public or governmental licensing agency or regulatory authority for violation of, or to prevent the violation of, any securities or insurance law? Yes No

If yes, please list:

Date	Nature of the Action	Name of Accusing Party	Address	Disposition

23. Have you ever been found liable in a civil action for fraud? Yes No

If yes, please list:

Date	Nature of the Action	Name of Accusing Party	Address	Disposition

24. Have you ever been the subject of a cease and desist order, or entered into a settlement with any State or Federal regulatory agency? Yes No

If yes, please list:

Date	Nature of the Action	Name of Accusing Party	Address	Disposition

25. Within the past ten (10) years, has any insurer of which you were an officer, director, trustee, managing general agent, investment committee member or controlling stockholder ever become insolvent, placed in conservatorship, receivership, liquidation, or ordered to cease and desist doing business in whole or in part, or had its Certificate of Authority/License suspended, revoked or denied, or voluntarily withdrawn its application for a Certificate of Authority? Yes No

If yes, please list:

Date	Nature of the Action	Name of Accusing Party	Address	Disposition
See Attached				

STATE OF CALIFORNIA - DEPARTMENT OF INSURANCE
INDIVIDUAL AFFIDAVIT
CDI-017 (Rev. 11/2015)

26. Within the past ten (10) years, have you been an officer, director, controlling stockholder, trustee, partner or owner of any organization that has been the subject of conservatorship, liquidation or other receivership proceeding by a State or Federal Agency? Yes No

If yes, please list: Position within the Organization: _____

Date	Nature of the Action	Name of the Organization	Address

27. (Complete For Securities Permit Only) Have the shares in the original issue (the subject of this organizational permit), subscribed to by you as a member of the groups consisting of promoters, organizers, initial officers and directors, been purchased with funds that are now, or will at the time of purchase be your property without any other person having any legal, equitable or security interest in said shares, after purchase? Yes No


(If your answer is No, in the space below provide the name and address of the person or persons having such interest.)

Name	Address

I, the undersigned affiant, under the laws of the State of California, do declare that I have carefully examined each of the questions asked in this Individual Affidavit and each of my responses thereto, and do solemnly swear or affirm that all of my responses, information, exhibits, and documentary evidence submitted in support thereof are true and correct.

Dated and signed this 2nd day of April 202019,

at (City) New York (State) New York.

Signature 

Marc Mitchell Tract

No. 9b.

I am a partner of Katten Muchin Rosenman LLP, a law firm which provides professional services to a variety of clients. I am a member of the Board of Directors of the companies listed below:

AXA Art Insurance Corporation
Italian Academy Foundation, Inc.
The Navigators Group, Inc.
Rampart Insurance Company
Maya Assurance Company
Mapfre Re Holdings, Inc.
Reinsurance Management, Inc.
Continental Indemnity Company
California Insurance Company
Laurier Indemnity Company
UHAB Mutual Insurance Company

I own approximately 4.5% of The Navigators Group, Inc., which is publicly traded, as trustee under several instruments of trust established for the benefit of several beneficiaries. I disclaim beneficial ownership of these shares.

SUPPLEMENT TO AFFIDAVIT QUESTION NO. 9

Insurer	Domicile
California Insurance Company	California
Applied Underwriters Captive Risk Assurance Company, Inc.	Iowa
Illinois Insurance Company	Iowa
Continental Indemnity Company	Iowa
Pennsylvania Insurance Company	Iowa
Texas Insurance Company	Texas

MARC MITCHELL TRACT

No. 13

MEMBERSHIPS:

The Association of the Bar of the City of New York
New York State Bar Association
New Jersey State Bar Association
American Bar Association
New York County Lawyers Association
Economic Club of New York
American Council on Germany

SUPPLEMENT TO AFFIDAVIT QUESTION No. 25

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APPENDIX 15

Addendums to Management Services Agreements

Submitted Confidentially Under Separate Cover

APPENDIX 16

Addendums to Agreement with Applied Risk Services, Inc.

Submitted Confidentially Under Separate Cover

APPENDIX 17

Management Services Agreement between Continental Indemnity Company and Applied Underwriters, Inc.

Submitted Confidentially Under Separate Cover

APPENDIX 18

Financial Statement of Applicant

Submitted Confidentially Under Separate Cover
but Letter Regarding Net Worth Included

Steven M. Menzies
6515 North 159 Street
Omaha, Nebraska 68116

August 27, 2019

Via Electronic Mail Only

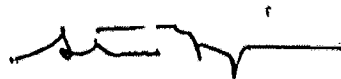
John D. Hunter, Esq.
Brown Winick
666 Grand Avenue, Suite 2000
Des Moines, Iowa 50309-2510

RE: Form A Statement regarding the acquisition of control of Applied Underwriters
Captive Risk Assurance Company, Inc., Continental Indemnity Company, Illinois
Insurance Company and Pennsylvania Insurance Company (collectively the
"Domestic Insurers") dated April 3, 2019 by Steven M. Menzies

Dear Mr. Hunter:

This will confirm that my net worth as of December 31, 2018 is in excess of \$275
million.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Steven M. Menzies', with a horizontal line extending to the right.

STEVEN M. MENZIES

SMM/lid

CC: File

APPENDIX 19

5 Year Pro-Forma Financial Statement on NAIC UCAA Forms for each of the Domestic Insurers and in the Aggregate

Submitted Confidentially Under Separate Cover

APPENDIX 20

Proposed Plan of Operation

Submitted Confidentially Under Separate Cover

APPENDIX 21

Enterprise Risk Management

Submitted Confidentially Under Separate Cover