

**NOTICE OF PUBLIC HEARING
ON PLAN OF CONVERSION
OF MEDICAL LIABILITY MUTUAL INSURANCE COMPANY
TO CONVERT FROM A MUTUAL INSURANCE COMPANY
TO A STOCK INSURANCE COMPANY**

A public hearing has been scheduled by the New York State Superintendent of Financial Services (the “**Superintendent**”), pursuant to Section 7307 of the New York Insurance Law, to consider the Plan of Conversion (the “**Plan**”) adopted by the Board of Directors of Medical Liability Mutual Insurance Company, a New York mutual insurance company (“**MLMIC**”) on May 31, 2018, which provides for the conversion of MLMIC, pursuant to Section 7307 of the New York Insurance Law from a property and casualty mutual insurance company to a property and casualty stock insurance company to be renamed and known as MLMIC Insurance Company (the “**Conversion**”).

THE PUBLIC HEARING WILL BE HELD AT THE OFFICES OF THE NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES, ONE STATE STREET, NEW YORK, NY, 10004 (6TH FLOOR IN THE MAIN HEARING ROOM), BEGINNING AT 10:00 A.M., EASTERN DAYLIGHT TIME, ON AUGUST 23, 2018.

The Superintendent is required by law to hold this public hearing on the Plan. The consummation of the Plan is subject to the Superintendent’s approval. The New York Insurance Law requires the Superintendent to approve the Plan if she finds that the Plan does not violate the New York Insurance Law, is not inconsistent with law, is fair and equitable and is in the best interests of the policyholders and the public.

Members of the public who wish to attend this hearing must register in advance at: mlmicdemutualization@dfs.ny.gov or (212) 709-7763 no later than August 19, 2018. All visitors must be registered in the building’s security system and show valid, government-issued identification upon arrival. Any questions regarding the hearing can be directed to: Bernard Lott, New York State Department of Financial Services, One State Street, New York, NY 10004, (212) 709-7763.

Any person wishing to make an oral statement at the public hearing must register to do so no later than August 17, 2018 by writing to the New York State Department of Financial Services, c/o Linda Krebs, Property Bureau - MLMIC Demutualization, One State Street, New York, NY 10004, or e-mailing mlmicdemutualization@dfs.ny.gov and must explain the need to comment orally, rather than only in writing. Not all such requests will be granted.

Any written testimony, comments or objections may be submitted to the same address or e-mail address on or before August 28, 2018.

The location for the hearing is reasonably accessible to persons with a mobility impairment. Interpreter services will be made available to deaf persons, at no charge, upon written request submitted by August 8, 2018. The written request must be addressed to New York State Department of Financial Services, c/o Linda Krebs, Property Bureau - MLMIC Demutualization, One State Street, 4th Floor, New York, NY 10004 or by e-mail to mlmicdemutualization@dfs.ny.gov. Additional information regarding the hearing will be posted on the Department’s website, <https://www.dfs.ny.gov/>.

The following is a summary of the Plan:

The Plan provides for the Conversion of MLMIC and the acquisition of MLMIC by National Indemnity Company, a subsidiary of Berkshire Hathaway Inc. (“**NICO**”). If consummated, the proposed transaction would convert MLMIC from a mutual insurance company that is owned by its policyholders to a stock insurance company that is owned by NICO.

If the Conversion is completed, all MLMIC policyholders will surrender their ownership interests in MLMIC. These interests are known as policyholder membership rights, and they provide policyholders of in-force policies with the right to vote on matters submitted to a vote of policyholders, the right to participate in any distribution of surplus, earnings and profits of MLMIC (including dividends), and the right to participate in meetings of members.

Governing law. Section 7307 of the New York Insurance Law governs the proposed Conversion and defines those policyholders that are entitled to vote on the Conversion and those that are entitled to receive a share of the cash consideration to be paid by NICO. MLMIC is responsible for determining the policyholders eligible to vote on the Conversion and those eligible to share in such cash consideration, each based on the dates set forth in the law.

Who may vote. Those persons or organizations who held MLMIC policies in effect on July 14, 2016 (which does not include tail coverage for policies with coverage periods ending before that date) are entitled to vote for or against the Plan, based on the voting allocations in MLMIC’s by-laws and described in the Plan. MLMIC is mailing to each policyholder entitled to vote: a Policyholder Information Statement, a copy of the Plan, a proxy card, and other relevant materials. The vote is contingent upon prior approval of the Plan by the Superintendent.

Estimated payouts and dispute mechanism. As described in greater detail in the Plan, each eligible policyholder is entitled to request from MLMIC an estimate of its payout amount, with a dispute resolution process available.

Who may receive payment. As part of the Conversion, eligible policyholders (policyholders with policies in effect from July 15, 2013 through July 14, 2016) (or their designees) will collectively receive, in total, a payment of \$2.502 billion. The amount distributed to each eligible policyholder (or its designee) will be determined by dividing the premiums properly and timely paid on each eligible policy and allocable to the period from July 15, 2013 through July 14, 2016, by the total eligible premium (\$1.303 billion) for all eligible policyholders allocable to that period. Such proportionate share will then be multiplied by the total cash consideration of \$2.502 billion received from NICO to determine the amount of cash allocable to such eligible policyholder. Those who were issued MLMIC policies with an effective date on or after July 15, 2016 or whose policies terminated prior to July 14, 2013 (regardless of whether an extended reporting period continues for a policy no longer in effect, otherwise known as “tail coverage”) will not be eligible for this cash payment.

An eligible policyholder may designate another party (such as a policy administrator or employer) to receive that policyholder’s share of the cash consideration by timely completing and returning to MLMIC a designation form to be provided by MLMIC. Previous appointments of designees by policyholders for certain purposes (such as submitting premium payments or receiving dividends on the policyholder’s behalf) are not valid for this purpose.

Impact of conversion. The officers and directors of MLMIC immediately prior to the completion of the Conversion will continue to serve as officers and directors of MLMIC after such completion until new officers and directors are duly elected pursuant to MLMIC’s charter and bylaws as they shall be amended in connection with the Conversion. The Conversion will have no effect on coverage under the in-force policies issued by MLMIC, and the transaction will not increase premiums due on such policies.

Upon the completion of the Conversion:

- (a) the corporate existence of MLMIC shall be continued as a stock insurance company;
- (b) all the rights, titles, franchises and interests of MLMIC as a mutual insurance company in and to every species of property, real, personal, and mixed, and things in action thereunto belonging, shall be deemed transferred to and vested in MLMIC as a stock insurance company without any deed or transfer; and
- (c) MLMIC as a stock insurance company shall be deemed to have assumed all the obligations and liabilities of MLMIC as a mutual insurance company.

The Plan is subject to approval and a vote. MLMIC’s Board of Directors voted to approve the Conversion, but the Conversion will not be completed unless the Plan and the Conversion are approved by the Superintendent and the Plan is then approved by a vote of at least two-thirds of the votes cast (in person or by proxy) by the policyholders who are entitled to vote on the Plan of Conversion at a special meeting of such policyholders scheduled to be held on September 14, 2018 at MLMIC’s home office at Two Park Avenue, Room 2500, New York, New York 10016, beginning at 10:00 a.m., Eastern Daylight Time. The special meeting will not occur unless the Superintendent first approves the Plan and the Conversion.

Material conditions. There are also conditions to the closing of the sale to NICO set forth in an Acquisition Agreement between MLMIC and NICO, including, but not limited to: a loss portfolio transfer with NICO whereby NICO will assume all of MLMIC’s existing insurance liabilities as of the closing (involving transferred assets and reserves currently estimated at \$3.11 billion as of March 31, 2018), an extraordinary dividend to NICO of \$1.905 billion, and a quota share reinsurance agreement with NICO and an affiliate of NICO whereby NICO and such affiliate will assume a combined 85% of MLMIC’s post-closing business. Each of the listed conditions requires the approval of the Superintendent. MLMIC will not convert to a stock insurer, even if the Plan is duly adopted as set forth above, unless the sale to NICO is completed.

Termination. MLMIC and NICO agreed to a termination date of September 30, 2018. If the Conversion has not closed by then, each party will have a termination right.

A copy of the Plan, including all exhibits thereto, may be obtained by making a written request to MLMIC at Two Park Avenue, New York, New York 10016, calling MLMIC at 1-888-919-2636, or reviewing the Plan on MLMIC’s website at www.mlmic.com.