

## FOR IMMEDIATE RELEASE

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### **AM Best Affirms Credit Ratings of MLMIC Insurance Company**

**OLDWICK, N.J., January 31, 2024**—AM Best has affirmed the Financial Strength Rating of A+ (Superior) and the Long-Term Issuer Credit Rating of “aa-” (Superior) of MLMIC Insurance Company (MLMIC) (Albany, NY). The outlook of these Credit Ratings (ratings) is stable.

The ratings reflect MLMIC’s balance sheet strength, which AM Best assesses as strongest, as well as its adequate operating performance, limited business profile and appropriate enterprise risk management. The ratings benefit from the financial support provided by MLMIC’s direct parent company, National Indemnity Company, which is ultimately owned by Berkshire Hathaway Inc. [NYSE: BRK.A and BRK.B].

MLMIC has a long track record of favorable reserve development and adequate underwriting returns. In the past five years, the company’s net operating results have been skewed by the 100% loss portfolio transfer (LPT) and 85% quota share agreement with National Indemnity Company, which were executed in 2018. As a result, favorable reserve development related to prior accident years covered by the LPT (for all business written prior to the acquisition by National Indemnity Company in 2018) no longer benefits MLMIC’s underwriting results. The pace of favorable reserve development was likely further slowed by the impact of the COVID-19 pandemic on the New York court system, which reduced the speed with which claims were closed and delayed the recognition of possible favorable reserve development on more recent accident years that are not covered under the LPT. As a result, the company’s net underwriting results in the most recent years have not yet benefited

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from the same degree of reserve releases seen in previous years. The gross underwriting results remain in line with historical trends, however, and further support the current operating performance assessment of adequate. Over time, AM Best expects that MLMIC's calendar year underwriting results will continue to improve and approximate the company's historically stronger results.

MLMIC's insurance portfolio is concentrated in the medical professional liability (MPL) line of business. The company underwrites risks only within New York, which is one of the nation's most challenging and litigious markets for MPL. However, management has been able to operate successfully through underwriting cycles while maintaining MLMIC's leading market position within New York. In addition, risk management capabilities have proven appropriate for the company's risk profile.

**This press release relates to Credit Ratings that have been published on AM Best's website. For all rating information relating to the release and pertinent disclosures, including details of the office responsible for issuing each of the individual ratings referenced in this release, please see AM Best's [Recent Rating Activity](#) web page. For additional information regarding the use and limitations of Credit Rating opinions, please view [Guide to Best's Credit Ratings](#). For information on the proper use of Best's Credit Ratings, Best's Performance Assessments, Best's Preliminary Credit Assessments and AM Best press releases, please view [Guide to Proper Use of Best's Ratings & Assessments](#).**

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