



Welcome back to **Working Together**, published for the Taft-Hartley and Public Sector benefits community to provide relevant information and important current trends to this important market.

## From Warren's Annual Shareholder Letter

Each year Warren Buffett writes a highly anticipated letter to Shareholders of Berkshire Hathaway Inc. regarding Berkshire Hathaway's operations and performance. Berkshire Hathaway is a large and diverse set of companies with large holdings in other companies (such as Americans Express, Apple Computer, Coca-Cola, and many others), all of which contribute to its financial strength.

"Berkshire's situation is more favorable than that of insurers in general. Most important, our unrivaled mountain of capital, abundance of cash and a huge and diverse stream of non-insurance earnings allow us far more investment flexibility than is generally available to other companies in the industry. The many choices open to us are always advantageous – and sometimes have presented us with major opportunities".

[Click this link](#) to view Warren's full letter for 2019.



## BHSI and Coverage for Gene Therapy Drugs

The genes in the body's cells play a critical role in one's health, as a defective gene or genes can lead to serious health issues. Scientists have been working for decades to find ways to modify genes or replace faulty genes with healthy ones to treat, cure or prevent these diseases and/or medical conditions. For more information [click here](#).

The success of these studies has shown much promise with multiple FDA approved drugs. However, as the list of these drugs expands and the usage becomes more prevalent, the financial impact on self-funded plans will become even more weighty. The cost can have a onetime impact such as Yescarta for acute lymphoblastic leukemia (which can cost \$520K - \$820K) or Kymriah (with a onetime cost of around \$1 million.) Other gene therapies, such as Spinraza (for spinal muscle atrophy), can have a long-term impact on cost (which can cost over \$1 million the first year, and \$522K every year thereafter.)

Some plans have opted out of providing coverage for such therapy, but many plans are either covering this therapy or are silent in the Summary Plan Document. Our commitment to reimbursing eligible claims is our number one priority at BHSI, and therefore gene therapy would be eligible under our stop loss policy provided it is a covered benefit under the Plan and is FDA approved.

The best way to contain these high-dollar gene therapy costs is to identify the potential risk and be proactive by working with your TPA and/or your stop loss carrier to determine the best strategy for cost containment.



## Information Security

BHSI is committed to collecting, handling, and protecting personal information responsibly in compliance with applicable privacy and information security laws. Each one of BHSI's team members plays an important role in helping BHSI honor its data security commitment. By doing so, we protect BHSI's customers while providing BHSI with a competitive edge.

We have a robust security framework to protect our employees, assets, information, customers, integrity and reputation from potential threats.

## Stay Connected

While we are dealing with the impact of COVID-19, including missed opportunities to gather as a community, I would like to encourage all of us to stay all the more connected via phone calls and email. It is important to offer and receive support, factual information, and relationship building from our industry friends. Till we meet again - Elbow bump!

[Our Response to COVID 19 has been posted to our website.](#)



## Contact BHSI

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Berkshire Hathaway Specialty Insurance ([www.bhspecialty.com](http://www.bhspecialty.com)) provides commercial property, casualty, healthcare professional liability, executive and professional lines, surety, travel, programs, accident and health, medical stop loss, and homeowners insurance. The actual and final terms of coverage for all product lines may vary. It underwrites on the paper of Berkshire Hathaway's National Indemnity group of insurance companies, which hold financial strength ratings of A++ from AM Best and AA+ from Standard & Poor's. Based in Boston, Berkshire Hathaway Specialty Insurance has offices in Atlanta, Boston, Chicago, Houston, Indianapolis, Irvine, Los Angeles, New York, San Francisco, San Ramon, Seattle, Stevens Point, Adelaide, Auckland, Brisbane, Cologne, Dubai, Dublin, Hong Kong, Kuala Lumpur, London, Macau, Madrid, Melbourne, Munich, Paris, Perth, Singapore, Sydney and Toronto. For more information, contact [info@bhspecialty.com](mailto:info@bhspecialty.com).

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