The Great American Story

PROUD HISTORY TO BRIGHT FUTURE
began generations ago; in an old-fashioned time before airplanes flew; when ladies wore long dresses and children with buttoned shoes rolled hoops down brick-paved streets. Great American’s history continues, as it embraces the exciting challenges of the 21st century, carrying forward a proud tradition of strength with integrity.
When the German American Insurance Company was formed in 1872, it was the desire of its immigrant founders to create an insurance company of such financial stability that it might enjoy the unqualified confidence of the insuring public and its shareholders. In New York City, William F. Heins came up with the idea to begin an insurance company with a solid-sounding $1 million in capital. By early March, 1872, directors convened the first board meeting of the German American Insurance Company. The first policy was issued on March 19, 1872, insuring a factory that manufactured hard rubber combs.

The company symbol was an eagle.
By 1877, German American had over 1,000 agents throughout the country and was one of the most financially stable companies in America. The company was well-regarded as an insurer actually willing to pay claims. When the Baltimore fire struck in 1904, German American paid out $550,000 in claims from its assets of $14 million. Again in 1906, after an earthquake left San Francisco in shambles, German American paid over $2 million in claims — over a sixth of its total assets.

German American entered the twentieth century as one of the most respected businesses in the country. But now the world was at war and any affiliation with Germany — real or imagined — was soundly condemned. Yielding to the politics of the day, the company changed its name to Great American in 1918. In the decade that followed, the company increased its net worth over sevenfold and its assets by 300%.
Great American’s extraordinary strength enabled it, like the rest of the country, to weather the hard years of the Great Depression. Bolstered by Roosevelt’s Works Progress Administration and the second World War, America recovered, emerging from the battles with one of the strongest generations the country had ever produced. A surge of post-war expansion had begun and Great American enthusiastically joined in.

New legislation cleared the way for multiple-line operations and Great American began to write both property and casualty policies. Automobiles were everywhere; commercial and home building boomed. By the end of the 1940s, Great American was writing over $90 million in premiums.
Great American grew steadily and in 1959 sponsored the formation of Great American Life Insurance Company. By the early 60s, the two companies had combined assets exceeding $450 million and 11 regional underwriting and claim offices in the United States and Canada.

In 1968, Great American was acquired by National General Corporation and became a subsidiary of a conglomerate holding an eclectic mix of properties that included motion pictures, publishing, computer technology and fast food. After nearly 100 years in New York City, Great American’s home office was relocated to Los Angeles.

Throughout the late 60s, prominent Cincinnati businessman Carl H. Lindner Jr. was approached by the Ohio Insurance Department to provide financial assistance to a floundering local insurance carrier.
Over the next five years, Lindner became increasingly interested in the property and casualty insurance industry, and by 1973 had acquired majority stock ownership in Great American’s parent company, National General Corporation (NGC). In the following year, Lindner merged NGC into his own American Financial Corporation and began disposing of many of the non-insurance assets acquired as a result of the merger. In late 1974, Great American Insurance Company acquired a new company logo and established its headquarters at 580 Walnut Street in downtown Cincinnati.

Under American Financial’s ownership, Great American developed a market presence in specialized commercial products for businesses and personal line insurance products. At the same time, Great American Life was becoming a leader in providing retirement annuities to the education market.
Over the years, American Financial divested certain business interests and acquired new ones, including American Premier Underwriters, Inc. American Premier began to focus on property and casualty businesses and in 1989, acquired a California workers’ compensation insurer. Several years later, American Premier purchased a group of companies specializing in nonstandard auto insurance. In April of 1995, through mergers of American Financial and American Premier, American Financial Group, Inc. (NYSE/NASDAQ: AFG) was formed, creating a larger, more diverse and financially stronger insurance organization.

In April of 1995, American Financial Group, Inc. (NYSE/NASDAQ: AFG) was formed.
In 1999, Great American adopted a new corporate logo. Continuing to feature the traditional symbol of the American eagle in time-honored red, white and blue, the new mark made full use of Great American’s brand equity and gave the company a fresh, more contemporary presence. To continue building a national brand image, Great American acquired the naming rights to Great American Ball Park, the new home of the Cincinnati Reds, America’s first professional baseball team. Ground was broken for the construction of the ball park in 2000. An alliance with the nation’s most beloved sport brought national visibility to the company.
In 2003, American Financial Group divested ownership of its personal lines insurance holdings through a public stock offering, choosing to focus on specialty commercial insurance for businesses. This strategic decision set the stage for Great American to expand its presence in the niche market for specialty commercial lines insurance.

For the next several years, Great American continued to develop a diversified portfolio of businesses focused on specialty commercial property and casualty niches. Each of these specialty businesses focuses on distinct markets with unique products, services and distribution in which Great American is able to optimize its significant expertise, and, in some cases, enjoy leading market positions. Through start-ups, acquisitions or “bolt-on” business opportunities, Great American operates dozens of business units in over 100 locations in North America and Western Europe.

Great American serves over 100 specialty niche markets with nearly 7,000 employees in over 100 locations.
Great American Financial Resources, Inc. (GAFRI) was formed in 1992 as a holding company for AFG’s life and annuity operations, acquiring Great American Life Insurance Company in 1993. In 2007, GAFRI became a wholly owned subsidiary of AFG and today, proudly markets its products and services under the Great American Insurance Group brand.

Great American quickly emerged as a leader in the 403(b) annuity business, serving the K-12 retirement market. To recognize educators, Great American developed Teachers Deserve The Best, a multi-faceted program that honors teachers for their dedication and hard work in the classroom.

In 2006, Great American introduced fixed-indexed annuities and has ranked as a top provider of these retirement products ever since.

Riverside Elementary School in Chattaroy, WA received $10,000 from Teachers Deserve The Best’s “Classroom Makeover” initiative, which funds a facilities improvement to a school chosen by on-line public vote.
In early 2008, Great American announced its acquisition of Marketform Group, which includes a Lloyd’s of London insurer. This is an excellent platform to expand our specialty property and casualty businesses in the international marketplace.

In 2012, Great American further strengthened its commitment to overseas growth with the creation of a new executive team focused solely on our expansion strategy in the international insurance marketplace.

2008 saw another important milestone in the company’s long history: 100 consecutive years of earning an “A” or higher ranking from the A.M. Best Company.
At about the same time, Great American announced the signing of a 15-year lease as the majority tenant of a distinctive new office tower to be built in downtown Cincinnati, known as “Great American Insurance Group Tower at Queen City Square.” Great American consolidated many of its Cincinnati operations with the move to its new home in 2011.

Great American Tower is the tallest building in Cincinnati. It is also the city’s first and largest structure to receive the acclaimed LEED (Leadership in Energy and Environmental Design) Gold certification from the U.S. Green Building Council.
The founder of American Financial Group, Carl H. Lindner Jr., passed away on October 17, 2011, at the age of 92. He led a remarkable life in which he successfully balanced an extraordinary business career with loving devotion to his family, faith and his community. Under his steady guidance, the company prospered and is now the holding company for Great American Insurance Group.

During the five decades under his leadership, American Financial Group grew to a Fortune 500 company with dozens of specialty insurance operations, many which are leaders in the markets they serve. In fact, nearly half of gross written premium in the property and casualty operations is generated by business units that have a Top 10 market ranking. Similarly, the annuity business consistently ranks among the Top 5 in sales of fixed annuities through financial institutions and independent agents.
Today, Great American Insurance Group is under the combined leadership of Carl H. Lindner Jr.’s sons, Carl III and Craig Lindner. With the power of generations behind it, Great American Insurance Group grows and evolves with its characteristic discipline and focused business strategy.

As the insurance industry changes, so do we. We’re proud of who we are, where we’ve been and where we’re going. Our commitment to providing quality products and service to our customers is steadfast, from yesterday through today and into tomorrow.

S. Craig Lindner (left) and Carl Lindner III are Co-CEOs of Great American Insurance Group, continuing the legacy built by their father, Carl H. Lindner Jr.
Specialty Property & Casualty Insurance Operations

Property and Transportation Group

**Inland and Ocean Marine**
Builders' risk, contractors' equipment, property, motor truck cargo, marine cargo, boat dealers, marina operators/dealers and excursion vessels.

**Agricultural-related**
Federally reinsured multi-peril crop (allied lines) insurance covering most perils as well as crop-hail, equine mortality and other coverages for full-time operating farms/ranches and agribusiness operations on a nationwide basis.

**Commercial Automobile**
Coverage for vehicles (such as buses and trucks) in a broad range of businesses including the moving and storage and transportation industries and a specialized physical damage product for the trucking industry.

Specialty Casualty Group

**Executive and Professional Liability**
Liability coverage for directors and officers of businesses and non-profit organizations, errors and omissions and non-U.S. medical malpractice insurance.

**Umbrella and Excess Liability**
Liability coverage in excess of primary layers.

**Excess and Surplus**
Liability, umbrella and excess coverage for unique, volatile or hard-to-place risks, using rates and forms that generally do not have to be approved by state insurance regulators.

**General Liability**
Coverage for contractor-related businesses, energy development and production risks and environmental liability risks.

**Targeted Programs**
Coverage (primarily liability and property) for social service agencies, leisure, entertainment and non-profit organizations, customized solutions for other targeted markets and alternative risk programs using agency captives.

**Workers’ Compensation**
Coverage for prescribed benefits payable to employees who are injured on the job.

Specialty Financial Group

**Fidelity and Surety**
Fidelity and crime coverage for government, mercantile and financial institutions and surety coverage for various types of contractors and public and private corporations.

**Lease & Loan Services**
Coverage for insurance risk management programs for leasing and financing institutions, including equipment leasing and collateral and lender-placed mortgage property insurance.

Annuity Operations

**Traditional Fixed and Fixed-Indexed Annuities**
Sold primarily in the retail, financial institutions and education markets.

**Run-Off Long-Term Care and Life Insurance**
In-force blocks of business that are not actively marketed.

Great American’s history continues, carrying forward a proud tradition of strength with integrity.