



Great American Insurance Company  
(Incorporated in United States)  
Singapore Branch  
Company Registration No. T15FC0029B

**MAS 124 – Public Disclosure**  
Period from 11 March 2015 (date of registration) to  
31 December 2015

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## 1. Purpose

The disclosures in this document are made by Great American Insurance Company, Singapore Branch (the “Singapore Branch”) pursuant to the requirements in MAS Notice 124 (the “Notice”). The following disclosures are meant to complement the existing disclosures of the Singapore Branch, Great American Insurance Company, and our parent company, American Financial Group, Inc. (“AFG”)

## 2. Company profile

### Great American Insurance Company, Singapore Branch

The Singapore Branch is a branch of Great American Insurance Company, headquartered in Cincinnati, Ohio, United States of America. The Singapore Branch was registered under the Companies Act Cap. 50 on 11 March 2015 and a license to carry on general insurance business in Singapore was granted by the Monetary Authority of Singapore (“MAS”) on 15 May 2015.

The registered office of the Singapore Branch is 3 Temasek Avenue, #16-01, Centennial Tower, Singapore 039190.

#### *Financial Strength*

Great American Insurance Company was founded in 1872, is rated “A+” (Superior) as of May 12, 2016, and is one of only five property and casualty insurers to have maintained a financial strength rating of “A” (Excellent) or better from A.M. Best Company for over 100 years. Great American Insurance Company is the lead insurer of Great American Insurance Group (the “Group”).

## Nature of business

The principle activity of the Singapore Branch consists of underwriting of general insurance and reinsurance of different classes of insurance risks. The Singapore Branch’s comprehensive portfolio of general insurance products provides an insurance solution to a broad array of industries in Singapore and the Asia regions.

#### **Marine**

Covers Cargo, Hull & Liability insurance. The Marine Cargo insurance coverage includes single and open cover, annual cover, project cover and inland transit Cargo insurance. Hull insurance includes Hull & Machinery, Builders Risks and Pleasure craft, etc. Marine Liability insurance includes Protection & Indemnity, Transport operator liability, marine third party liability, ship repairer’s liability etc.

### **Financial Lines**

Covers Professional Indemnity, Medical Malpractice, Directors and Officers liability, Technology Liability and other forms of Errors and Omissions insurance for Professionals and Executives.

### **Property**

Covers insurance for Industrial All Risk, Fire and Business Interruption insurance, business package insurance for all types of properties.

### **Engineering**

Covers insurance for Contractors All Risk, Erection All Risk, Machinery All Risk, Electronic Equipment insurance, etc.

### **Casualty**

Covers General Liability, Commercial and Private automotive, Workmen Compensation, Personal Accident, Travel and Emergency evacuation, Householder All Risk, etc.

## Vision and Values

### *Our Vision*

“Delivered through our people, products and valued partnerships, we will create a world class insurer that is admired by customers, competitors and stakeholders.”

Our vision will be achieved by leveraging our team’s experiences and capabilities to build and consolidate our target market position in the Singapore and the Asia regions.

### *Our Values*

Our values underpin our business and will help drive us towards our stated vision. We encourage our employees to live our company values every day in business and in their communities. Our corporate values are:

- Accountability
- Clear & Open Communication
- Customer Focus
- Entrepreneurial Spirit
- Family
- Integrity
- Respect for Others
- Self-Discipline
- Specialization

### *Operating Philosophy*

**People.** Employing the right people based on technical competence, personal qualities and market relationships. Our people are trusted and have extensive experience in the local insurance markets.

**Products.** Developing the right products targeted to being the best coverage in our chosen segments. Focus on insurance products for which we have significant expertise and knowledge.

**Relationships.** Establishing valued two-way relationships with our distribution channels.

## Business strategy

Our business strategy is to offer a suite of solutions which will support companies in Singapore, giving them confidence to grow and innovate. To drive this strategy, the Singapore Branch has recruited an experienced team comprising of specialists with deep specialty knowledge across distribution, underwriting, and claims – some with more than 30 years of market experience.

Our underwriting strategy is conservative and targeted in areas that are profitable and less risky based on the extensive experience of our underwriting team.

Our long-term approach is to ensure optimal protection, continuity and capacity at rates that reflect value to our policyholders. We seek to have the best quality reinsurers supporting our treaties, we will use local companies where the underwriting teams are known to us and have a solid track record of success and underwriting profitability. By taking a meaningful net retention and purchasing quality reinsurance capacity to support our gross line sizes, we expect to effectively minimise downside risk and catastrophic loss exposure so as to deliver a consistent level of policyholder security and an adequate rate of return for our shareholders.

Our strategy is to build a business our team is familiar with, and with intermediaries and customers known to us and with whom we have trust. Adding to the strong connections we already have, we will continue to establish Great American Insurance Company's brand and our market position in Singapore.

## 3. Singapore Branch Corporate Governance Framework

### Risk Governance Overview

#### Singapore Management Board

The Singapore Management Board oversees the governance of key risks in the Singapore Branch's operations and ensures that the management process is in place and functioning effectively. The Singapore Management Board maintains a sound risk management system and internal controls to safeguard stakeholders' interests and the Singapore Branch's assets.

The Singapore Management Board comprises:

- From Great American Insurance Group's corporate office (the "Corporate Office")
  - Executive Vice President
  - Senior Vice President, Chief Financial Officer and Treasurer
  - Senior Vice President
- From the Singapore Branch
  - Chief Executive Officer
  - Chief Financial & Operating Officer

The Singapore Management Board meets at least four times a year.

#### Investment Committee

The Investment Committee was set up to assist the Singapore Management Board in fulfilling its oversight responsibilities for investment activities and the consideration of issues arising from them.

The Investment Committee comprises:

- From Corporate Office
  - Executive Vice President
  - Vice President and Assistant Treasurer
  
- From the Singapore Branch
  - Chief Executive Officer
  - Chief Financial & Operating Officer
  - Appointed Actuary (invitation)

#### Risk Management Committee

The Risk Management Committee was set up to assist the Singapore Management Board in fulfilling its governance responsibilities on effective risk management practices and sound internal controls, including the establishment of an Enterprise Risk Management (ERM) framework that provide an overview of the risk policy architecture and process.

The Risk Management Committee comprises:

- From Corporate Office
  - Executive Vice President
  - Vice President and Assistant Treasurer
  
- From the Singapore Branch
  - Chief Executive Officer
  - Chief Financial & Operating Officer
  - Senior Manager, Risk Management & Compliance

The responsibilities of the Risk Management Committee are to:

- Ensure that the material risks facing the Singapore Branch has been identified, that the risk profile adequately represents any issues relating to the Singapore Branch's control environment and that remedial actions are in place;
- Review reports on any material breaches of risk limits and the adequacy of proposed actions;
- Regularly review and monitor emerging risks, if any;
- Review Stress and Scenario Testing results and actions proposed or taken to address any identified risks and provide input into the selection appropriate stress and scenario tests.
- Review the Own Risk and Solvency Assessment (ORSA) approach and report; collaborate on the ORSA with Corporate Office.

The Risk Management Committee meets at least twice a year.

Our senior management team has the central role in maintaining adequate risk oversight of the business activities of the Singapore Branch. The members of this team are responsible for implementing processes and controls to measure and manage our business risks, as well as for ensuring compliance with regulatory requirements.

Our Corporate Office has oversight responsibility of our business activities and is consulted for feedback to improve our ERM and internal processes. Key management decisions are made by the Singapore Branch senior management. Corporate Office is kept informed and consulted where necessary. Through routine reporting and communication with Corporate Office, the Singapore Branch is aware of any developments at Corporate Office or Group level which may have an impact on the risk profile of the Singapore Branch. For the period under review, we did not note any material risk from Corporate Office or the Group that might affect the Singapore Branch.

The Singapore Branch's Risk Management & Compliance Department is responsible for establishing effective risk management policies and procedures, and disseminating changes in regulations to the appropriate parties.

The review of our risk management policies and procedures takes place annually, and/or as and when there are regulatory changes/updates during the first two years of our operations to validate that our policies and procedures are effective. Thereafter, the review will take place every three years, and/or as and when there are regulatory changes/updates.

## Enterprise Risk Management (ERM)

The Singapore Branch has an ERM process, with the objective of managing uncertainty from business and operational risks and maintaining policyholder protection through the Risk Assessment Models in order to identify and address any potential risk.

In order to strategically address risk, the Singapore Branch works closely with Corporate Office and takes into account the local insurance markets and local regulatory environments. The Singapore Branch's pre-determined risk types are:

<b>Risk Type</b>	<b>Definition of Risk Type</b>
1. Strategic Risk	The risk of the inability to implement appropriate business plans, to make decisions, to allocate resources or to adapt to changes in the business environment which adversely affect the Singapore Branch's competitive position and financial condition.
2. Insurance Risk	The risk of variations in the timing, frequency and severity of insured events and claims settlements, relative to the expectations at the time of underwriting.  Insurance risk relates to the following sub-risk types.
2(a) Catastrophe Risk	The risk of a material increase in claims occurring over a short period of time from a single event or series of events.
2(b) Reserve Risk	The risk of adverse reserve development on prior accident years which weakens the balance sheet and introduces additional uncertainty into pricing decisions.
2(c) Underwriting /	The risk of losses due to poor underwriting discipline or underpricing.

Pricing Risk	
2(d) Aggregations / Concentration Risk	The risk of losses due to either: <ul style="list-style-type: none"> <li>• Multiple business units covering the same and/or related exposures;</li> <li>• Related losses within markets, industries, or geographic area; or</li> <li>• High proportion of coverage or assets concentrated in specific agencies, agents, insureds, companies or markets.</li> </ul>
3. Credit Risk	The risk of not recovering money owed by third parties.
4. Market Risk	The risk of variability of the value of and returns on investments and the variability of interest rates, foreign exchange rates and economy-wide inflation on both assets and liabilities, excluding reserves.
5. Liquidity Risk	The risk to meet contractual obligations as they become due because of an inability to liquidate assets or obtain adequate funding without incurring unacceptable losses.
6. Operational Risk	The risk of loss from inadequate or failed internal processes, people and systems or from external events.  Operation risks relate to the following sub-risk types.
6(a) Fraud	An act or omission intended to gain dishonest or unlawful advantage for the party committing fraud or for other related parties.
6(b) Human Capital	The ability to recruit, educate, motivate and retain personnel who have the ability to carry out the Singapore Branch's strategic initiatives.
6(c) Legal & Regulatory	Compliance with current or proposed laws, rules, regulations and procedures; unfavourable rulings on litigation; and changes to laws and regulations that adversely impact the current or future state of our business.
6(d) Disasters	Include other external events causing an adverse material impact on the Singapore Branch's capability to carry on its day to day normal operations.
6(e) Information Technology	The capability, efficiency and reliability of our technology and data resources. Specific risks result from: <ul style="list-style-type: none"> <li>• Availability, Reliability and Recovery (interruption in data processing capabilities);</li> <li>• Information Security (internal/external breaches in safeguarding data);</li> <li>• Technology Architecture and Development (current and future organization needs are not supported); and</li> <li>• Data Quality and Integrity (complete, accurate and relevant information is not available.)</li> </ul>
6(f) Business Processing	Losses from failed transaction processing, including claims management.
7. Group Risk	The risk arising specifically from being part of the wider group, including financial impact and loss of support from the Corporate Office.
8. Reputation Risk	The risk arising specifically from being part of the wider group, including financial impact and loss of support from the Corporate Office.



