



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

MAS 124 – Public Disclosure
31 December 2023

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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 (the “Company”), and our parent company, American Financial Group, Inc. (“AFG”). The disclosures should be read in conjunction with the Singapore Branch’s FY2023 Audited Financial Statements.

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 affirmed “A+” (Superior) by A.M. Best as of 24 January 2024, and is one of only four property and casualty insurers to have maintained a financial strength rating of “A” (Superior) or better from A.M. Best Company for over 110 years. The Company was also affirmed “A+ (Strong)” by Standard & Poor’s as of 29 February 2024 and “A1 (Good)” by Moody’s affirmed in April 2024. Great American Insurance Company is the lead insurer of Great American Insurance Group (the “Group”).

Nature of Business

The principal activity of the Singapore Branch consists of underwriting 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 region.

Marine Insurance

Marine Insurance 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, Multi-model Transport Operator Liability, Marine Third Party Liability, and Ship Repairer’s Liability, etc.

Professional and Executive Risks Insurance

Professional and Executive Risks insurance covers Professional Indemnity, Cyber Insurance, Medical Malpractice, Directors' and Officers' liability, Technology liability and other forms of Errors and Omissions insurance for Professionals and Executives.

Property

Property covers insurance for Industrial All Risks, Fire and Business Interruption insurance for all types of properties, and householder insurance on their residential properties.

Engineering

Engineering covers insurance for Contractor's All Risks, Erection All Risks, Machinery Breakdown with Business Interruption, Electronic Equipment insurance, etc.

Casualty

Casualty covers General Liability, Commercial and Private automotive, Work Injury, Personal Accident, Travel, 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 region.

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. We employ talented people based on technical competence, personal qualities, and market relationships. Our people are trusted and have extensive experience in the local insurance markets.

Products. We develop products targeted to being the best coverage in our chosen segments. We focus on insurance products for which we have significant expertise and knowledge.

Relationships. We work hard to establish valued two-way relationships with our distribution channels.

Business Strategy

The Singapore Branch continues to focus on our core and preferred/profitable segments to achieve a sustainable outcome. We have taken leading positions in the specialty markets and the branch continues to invest in a team of experienced and highly regarded individual with strong underwriting discipline and expertise. The branch has further streamlined our operating structure to improve our intermediary management approach and enabled significant cost efficiency and improved risk management control.

We continue to work on improvement in our underwriting capability by taking a careful approach to risk selection, adopting a proactive claims management approach, improving the operational efficiency and ease of doing business. These strategies allow us to achieve consistency and efficiency in our business dealings.

As we enhance Great American's company culture across the Singapore Branch, today we are a more agile, disciplined, and progressive operation; and these qualities have well placed us in the market. Our people have readily adapted to changes as the branch continue to execute our business plans and enhance our operating model.

These strategies have shown results in our FY 2023 financial performance, which also demonstrated our ability to withstand and navigate the challenges ahead.

3. Singapore Branch Corporate Governance Framework

Corporate and Risk Governance Overview

The Company and the Singapore Branch maintain a high standard of corporate and risk governance. The corporate governance framework for the Singapore Branch is established in accordance with the guidelines issued by the Monetary Authority of Singapore and aligned with the Group's governance structure. The framework is developed to ensure there is proper governance and oversight by the Management Board and Group over the business and operations, internal controls and risk management of the Singapore Branch.

Singapore Executive Committee

The Singapore Executive Committee (“EC”) oversees the day-to-day management of the Branch and ensures that all operations are functioning effectively. The EC members have the responsibility to ensure: all employees maintain strict conformance to company policies and procedures; that employees conform to the sound risk management and internal control systems that safeguard the interest of the Branch; review and ensure that the Singapore Operation manages and complies with technology risk governance and oversight and that the Branch is always in full compliance with all regulations.

The Singapore Executive Committee comprises:

- Chief Executive Officer (“CEO”)
- Chief Financial & Operating Officer (“CFOO”)
- Director, Risk Management & Compliance
- Director, Marine Asia
- Director, Korea Market
- Director, Distribution
- Director, P&C Underwriting
- Director, Claims
- Director, IT

The Singapore Executive Committee meets monthly, and ad-hoc meetings are scheduled by the CEO as and when required.

Singapore Management Board

The Singapore Management Board (“SMB”) oversees the governance of key risks including technology risk in the Branch operations and ensures that management processes across all business functions are in place and functioning effectively. Through regular reporting by the Risk management function to the SMB, the SMB ensures that the Branch maintains a sound risk management system and internal controls to safeguard stakeholders’ interests and the Branch’s assets.

The SMB comprises:

- From Great American Insurance Company’s corporate officers (the “Corporate Officers”)
 - Senior Vice President
 - Senior Vice President, Chief Financial Officer, and Treasurer
 - Senior Vice President, IT and Chief Information Officer
 - Divisional Senior Vice President, Assistant General Counsel & Secretary (invitation)
- From the Singapore Branch
 - Chief Executive Officer
 - Chief Financial & Operating Officer
 - Appointed Actuary (invitation)

The SMB meets at least four times annually.

Investment Committee

The Investment Committee (“IC”) was set up to assist the SMB in fulfilling its oversight responsibilities for investment activities and the consideration of issues arising from them.

The IC comprises:

- The Corporate Officers
 - Senior Vice President
 - Senior Vice President, Chief Financial Officer, and Treasurer
 - Divisional Senior Vice President, Assistant General Counsel & Secretary (invitation)

- From the Singapore Branch
 - Chief Executive Officer
 - Chief Financial & Operating Officer
 - Appointed Actuary (invitation)

The IC meets twice a year.

Risk Management Committee

The Risk Management Committee (“RMC”) was set up to assist the SMB 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 RMC comprises:

- The Corporate Officers
 - Senior Vice President
 - Senior Vice President, Chief Financial Officer and Treasurer
 - Divisional Senior Vice President, Assistant General Counsel & Secretary (invitation)

- From the Singapore Branch
 - Chief Executive Officer
 - Chief Financial & Operating Officer
 - Director, Risk Management & Compliance

The responsibilities of the RMC are to:

- Ensure that the material risks facing the Branch have 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 of appropriate stress and scenario tests.
- Review the Own Risk and Solvency Assessment (“ORSA”) approach and report; collaborate on the ORSA with Corporate Office.

- Review, monitor and ensure compliance with the branch and MAS Environment Risk Management Guidelines.

The Risk Management Committee meets at least twice a year.

Our Executive committee team, comprised of the CEO, CFOO, Director, Risk Management & Compliance, Director, IT, and the Divisional Heads, has the central role in maintaining adequate risk oversight of the business and operating activities of the Singapore Branch. The members of this team are responsible for implementing processes and controls to measure and manage our business, operation, and technology 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 Executive committee team. The Corporate Office is kept informed and consulted where necessary. Through routine reporting and communication with the 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 the 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 Branch adopts a three-tier risk management and defence approach. This encourages risk identification and awareness at all levels within the organisation. The three tiers are as follows:

- First line of defence — The Singapore Branch's Executive committee team is the risk owner and is responsible for implementing the appropriate internal controls on risk management. Ensuring sound and prudent policies, standards, and procedures for managing technology risks are established and maintained, and that standards and procedures are implemented effectively.
- Second line of defence – The Risk Management Committee is responsible for fulfilling the governance responsibilities on effective risk management practices, including owning the ERM process including Environment Risk Management Framework that provides an overview of risk policy architecture and process. The committee is also responsible for reviewing the risks and actions taken by the first line of defence.
- Third line of defence – Group Internal Audit provides an independent assurance and review of the effectiveness of risk management and internal controls.

The RMC reviews our risk management policies and procedures annually and when there are regulatory changes/updates to ensure that our policies and procedures are effective.

Enterprise Risk Management

The Singapore Branch has a robust 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.

The Singapore Branch's approach to risk management also relies on an effective governance structure. Our EC team play the central role in maintaining risk oversight of the business activities, take responsibility for implementing processes and controls to measure and manage the Branch's risks. In addition, the branch works closely with the Corporate Office and take into account the local insurance markets and local regulatory environments. The Singapore Branch's pre-determined risk types are:

Risk Type	Definition of Risk Type
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 increases 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 / Pricing Risk	The risk of losses due to poor underwriting discipline or underpricing.
2(d) Aggregations / Concentration Risk	The risk of losses due to either: <ul style="list-style-type: none"> • Multiple business units covering the same and/or related exposures. • Related losses within markets, industries, or geographic area; or • High proportion of coverage or assets concentrated in specific agencies, agents, insureds, companies or markets.
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. Operational 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	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"> • Availability, Reliability and Recovery (interruption in data processing capabilities); • Information Security (internal/external breaches in safeguarding data); • Technology Architecture and Development (current and future organization needs are not supported); and • Data Quality and Integrity (complete, accurate and relevant information is not available).
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 to earnings and capital arising from an adverse perception of the Branch on the part of existing and potential stakeholders, i.e. clients, employees, intermediaries, and regulators.
9. Environmental Risk	Environmental risk is defined as the potential adverse impact of changes in the environment on economic activities and human well-being. Environmental issues that are of concern include climate change, loss of biodiversity, pollution, and changes in land use.

Environmental Risk Management

In line with MAS' Environmental Risk Management Guidelines for insurers and Taskforce on Climate-related Financial Disclosures recommendations, the branch developed its Environment Risk Management Framework which took effect from June 2022. The framework sets the guidelines and process of managing environment risk through sound risk management practices. The branch's Environmental Risk is the 9th category in its Enterprise Risk Management Framework.

Governance Overview

The SMB and EC oversee the governance of environmental risk and disclosure. It maintains an institution-wide view of the branch's environmental risk exposures and oversees the integration of such risks into the branch's enterprise risk management framework.

The RMC assists the SMB and EC in fulfilling its governance responsibilities on effective environment risk management practices and sound internal controls.

The Branch has a designated manager to oversee environmental risk.

In the implementation of environmental risk management, the Branch imposed underwriting assessment criteria on environmental risks based on business segment, product, territory, etc. Insurance conditions are imposed in policies such that all applicable environmental regulations are complied with.

The Branch will also monitor, assess, and manage the potential and actual impact of environmental risks on its investment portfolio on ongoing basis. This will be discussed and reported at the branch's Investment Committee meetings. The branch does not underwrite industries that have direct and clear evidence of immitigable adverse impact to the environment.

Assessment

The Branch continues to assess how its business (both assets and liabilities) perform under stress testing associated with climate change. Results from past tests informed that we are well capitalized to withstand the shocks applied. The Branch's current risk appetites for perils have been evaluated in 2023 and are assessed to be appropriate.

The Branch will continue to assess how its business (both assets and liabilities) perform under stress testing associated with climate change. Results from past tests informed that we are well capitalized to withstand the shocks applied.

The Branch's investment approach and outlook remain conservative for the foreseeable future, with investments primarily weighted towards sovereign bonds. As climate change impacts both the liability and asset sides of its balance sheets, the Branch have also considered the correlation between the two in analyzing climate risks and did not identify any material correlation.

The Branch considered how climate-related events, such as flooding, could have an adverse impact on its assets (including property, equipment, information technology systems, and human resources) and business continuity (including outsourced activities). The Branch's assets and business continuity are not located in flood prone areas and therefore, are not exposed to flood risk. Its assessment is that any consequential increase in operational costs and reputational or liability risks is minimal.

Applying the considerations outlined above, the Branch determine that environmental risks, including climate risks, are not currently material to its business.

The Branch will continue to review and fine tune our assessment on our exposure given MAS and the insurance industry is still deliberating on the assessment of the industry by climate-relevant sectors and the challenges of projecting such exposures due to the lack of available information.

4. Investment and Capital Management

Investment

The primary investment objective of the Singapore Branch is to ensure that the funds will be available to meet the Company's primary insurance and reinsurance obligations. The investment portfolio shall be managed with a view to preserve capital and achieve reasonable returns relative to the applicable benchmark defined.

Capital Management

The primary objective of the Branch's capital management is to safeguard the Branch's ability to continue as a going concern, to maintain healthy capital ratios and to provide an adequate return to the shareholders.

The Branch is required to satisfy the Fund Solvency and Capital Adequacy Requirements prescribed under the Singapore Insurance Act (Chapter 142). The Branch monitors its capital level on a regular basis to assess whether such requirements are met, and reports to the MAS its fund solvency and capital adequacy positions at each quarter and annually. The Branch has complied with the solvency requirements during the financial year ended 31 December 2023.