



INSURANCE GROUP

(NYSE:AFG)

www.greatamericaninsurance.com

Great American's roots go back to the 1800's with the founding of Great American Insurance Company in 1872, based in New York City. The company symbol was an eagle. The company's first policy was written on March 19, 1872. Through the remainder of the 1800's, Great American continued to grow and attract more agents. Great American entered the twentieth century as one of the most respected and financially stable companies in America with an excellent reputation for paying claims.

Great American's extraordinary strength enabled it, like the rest of the country, to weather the hard years of the Great Depression. New legislation cleared the way for multiple-line operations and Great American began to write both property and casualty policies. Great American grew steadily in the 1950s and by the early 60s, had assets exceeding \$450 million with 11 major 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. It left its home of 94 years and moved to Los Angeles.

Halfway in between New York and LA, a skilled businessman in Cincinnati was becoming interested in the property and casualty industry that Great American had always served. Asked by the Ohio Insurance Department to come to the financial aid of a floundering local carrier, Carl H. Lindner was introduced to a line of business that intrigued him. Five years later, in 1973, Lindner merged his own American Financial Corporation with National General to acquire majority ownership of Great American. In the transitional year that followed, he pared National General's holdings down to only the insurance operations and moved their headquarters into his own town, Cincinnati, Ohio. Under the Lindner family's leadership, Great American focused its market presence as a specialty insurer and became the flagship company of American Financial.

In the late 1950s Great American established a life insurance operation, Great American Life Insurance Company. Great American Life began marketing insurance products in 1959 and, over the years, became a leader in providing retirement annuities to the education market. Great American Financial Resources, Inc., formerly American Annuity Group, was formed in 1992 as the holding company for the annuity and life insurance operations of American Financial. Great American Financial Resources is a public company listed on the New York Stock Exchange (NYSE:GFR) and American Financial owns approximately 83 percent of its outstanding common stock. Great American Financial Resources has diversified itself over the years and today its subsidiaries offer a broad range of products, including annuities, life, supplemental health and long-term care insurance products.

Over the years, American Financial divested certain business interests and acquired significant interests in numerous businesses, including American Premier Underwriters, Inc. (formerly The Penn Central Corporation), a New York Stock Exchange listed public company. American Financial was a major shareholder of American Premier and Carl Lindner was named to its Board of Directors in 1982. In 1983, he became Chairman of the Board and was made Chief Executive Officer in 1987, the same year that American Premier's headquarters moved to Cincinnati, Ohio. Under the Lindner family leadership, American Premier made a number of strategic acquisitions and divestitures in order to focus on property and casualty insurance businesses. In 1989, American Premier acquired Republic Indemnity of America, which writes

workers' compensation insurance principally in California, and in the early 1990s, it purchased a group of auto insurance companies (Atlanta Casualty Companies, Windsor Group, Infinity Group and Leader Group).

American Premier continued to seek acquisition and investment opportunities primarily in the property and casualty insurance area and, in 1994, engaged an independent investment banking firm to assist in considering various investment opportunities. After several months of review and analysis, the firm presented various alternatives to American Premier's Board of Directors, one of which resulted in the formation of American Financial Group, Inc. (NYSE: AFG) in April 1995 through mergers of American Financial and American Premier.

During the 1990's, the insurance industry was mired in a downcycle and the company began to take steps to realign its property and casualty operations. It was time for some changes. In December of 1998, Great American sold its "mainstreet" commercial lines business and focused on its core strength as a niche insurer in both specialty commercial and personal auto insurance.

Then in early 1999, American Financial Group and Great American adopted a new logo, featuring the traditional symbol of the American eagle as well as the time-honored colors of red and blue. The new look made full use of Great American's brand equity and positioned it as a more modern, forward-looking company.

To continue building national brand image, Great American became the naming rights sponsor for the new home of the Cincinnati Reds, America's first professional baseball team. In the fall of 2000, ground was broken for construction of Great American Ball Park. An alliance with the nation's most beloved sport brings fresh enthusiasm — and national visibility — to the company. Opening Day 2003: an exciting new chapter in the Great American story!

In early 2003, a major shift in the profile of Great American Insurance Group resulted from the sale of its agency-based personal lines business in connection with the public offering of Infinity Property and Casualty Corporation ("Infinity") by American Financial Group. Former members of Great American Insurance Group, Atlanta Casualty Companies, Infinity Group, Leader Group and Windsor Group, are now owned by Infinity. In addition, Great American Insurance Company transferred to Infinity its personal lines insurance business written through independent agents. AFG indirectly owns approximately 39% of Infinity's outstanding common stock.

This move set the stage for Great American to be a stronger niche player in the specialty lines insurance business. Great American's Specialty Group continues to strengthen the links between its specialized business lines focused on providing products and services primarily to businesses and institutions.

Today, Great American Insurance Group, owned by American Financial Group (NYSE:AFG), is engaged primarily in specialty property and casualty insurance businesses and in the sale of retirement annuities, life and supplemental health insurance products. The Carl Lindner family remains a significant holder of AFG's common stock.

With the power of generations behind it, Great American Insurance Group grows and changes with discipline and integrity. We're proud of who we are, where we've been and where we're going. Our industry is changing and Great American is changing as well. However, our commitment to providing quality products and service to our customers will never change.

Great American Insurance Group

Financial Strength Rating Profile

	A. M. Best	Standard & Poor's
Property & Casualty Insurance Group		
American Empire Surplus Lines Pool	A (Excellent)	A (Strong)
Great American Insurance Companies	A (Excellent)	A (Strong)
Mid-Continent Group	A (Excellent)	A (Strong)
National Interstate Insurance Company	A- (Excellent)	Not Rated
Republic Indemnity Insurance Pool	A- (Excellent)	A (Strong)
Annuity, Life & Health Group		
Annuity Investors Life Insurance Co.	A (Excellent)	A- (Strong)
Great American Life Insurance Co.	A (Excellent)	A- (Strong)
Great American Life Insurance Co. of New York	A (Excellent)	A- (Strong)
Great American Life Assurance Company	A (Excellent)	Not Rated
Great American Life Assurance Company of Puerto Rico	A (Excellent)	Not Rated
Loyal American Life Insurance Co.	A (Excellent)	Not Rated
United Teacher Associates Ins. Co.	A- (Excellent)	Not Rated

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