

**Missing response for Note 24F01.**



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

## QUARTERLY STATEMENT

AS OF JUNE 30, 2024  
OF THE CONDITION AND AFFAIRS OF THE

# GREAT AMERICAN SECURITY INSURANCE COMPANY

NAIC Group Code 0084 0084 NAIC Company Code 31135 Employer's ID Number 31-1209419  
(Current) (Prior)

Organized under the Laws of Ohio, State of Domicile or Port of Entry Ohio

Country of Domicile United States of America

Incorporated/Organized 07/01/1987 Commenced Business 01/01/1988

Statutory Home Office 301 E. Fourth Street, Cincinnati, OH, US 45202  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 301 E. Fourth Street, Cincinnati, OH, US 45202  
(Street and Number) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 301 E. Fourth Street, Cincinnati, OH, US 45202  
(Street and Number) (City or Town, State, Country and Zip Code)

Internet Website Address www.greatamericaninsurancegroup.com

Statutory Statement Contact Judith Elaine Gill, 513-369-5000  
(Name) (Area Code) (Telephone Number)  
statutoryfilings@graig.com, 513-369-5830  
(E-mail Address) (FAX Number)

### OFFICERS

President	<u>David Lawrence Thompson Jr.</u>	Vice President & Controller	<u>Judith Elaine Gill</u>
Secretary	<u>Matthew David Felvus</u>	Vice President & Actuary	<u>Lisa Ann Hays</u>

### OTHER

<u>Anthony Joseph Mercurio, Executive Vice President</u>	<u>Michael Eugene Sullivan Jr., Executive Vice President</u>	<u>Sue Ann Erhart, Senior Vice President &amp; General Counsel</u>
<u>Annette Denise Gardner, Senior Vice President, Chief Financial Officer &amp; Treasurer</u>	<u>Aaron Beasy Latto, Senior Vice President</u>	<u>James Louis Muething, Senior Vice President</u>
<u>Bruce Robert Smith Jr., Senior Vice President</u>	<u>John William Tholen, Vice President</u>	<u>Magdalena Franziska Kulik Grossman, Chief Compliance Officer</u>
<u>Stephen Charles Beraha, Assistant Vice President &amp; Assistant Secretary</u>	<u>Matthew John Stevens, Assistant Treasurer</u>	<u>Robert Jude Zbacnik, Assistant Treasurer</u>

### DIRECTORS OR TRUSTEES

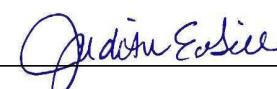
<u>Michelle Ann Gillis</u>	<u>Brian Scott Hertzman</u>	<u>Anthony Joseph Mercurio</u>
<u>Michael Eugene Sullivan Jr.</u>	<u>David Lawrence Thompson Jr.</u>	

State of Ohio SS: \_\_\_\_\_  
County of Hamilton

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

  
\_\_\_\_\_  
David Lawrence Thompson, Jr.  
President

  
\_\_\_\_\_  
Matthew David Felvus  
Secretary

  
\_\_\_\_\_  
Judith Elaine Gill  
Vice President & Controller

Subscribed and sworn to before me this  
9th day of August, 2024

  
\_\_\_\_\_  
Holly M. Clayton  
Notary Public State of Ohio  
April 28th, 2025

- a. Is this an original filing? ..... Yes [  ] No [  ]  
 b. If no,  
   1. State the amendment number.....  
   2. Date filed .....  
   3. Number of pages attached.....



# NOTES TO FINANCIAL STATEMENTS

**NOTE 1 Summary of Significant Accounting Policies and Going Concern**
**A. Accounting Practices**

The financial statements of Great American Security Insurance Company of ("the Company") are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance.

The Ohio Department of Insurance recognizes only statutory accounting practices as prescribed or permitted by the state of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for purposes of determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' ("NAIC") Accounting Practices and Procedures Manual has been adopted as a component of prescribed or permitted practices by the state of Ohio. The Company has no prescribed or permitted practices that would result in differences between NAIC Statutory Accounting Principles ("SAP") and the state of Ohio, as shown below:

	SSAP #	F/S Page	F/S Line #	2024	2023
<b>NET INCOME</b>					
(1) State basis (Page 4, Line 20, Columns 1 & 3)	XXX	XXX	XXX	\$ 216,640	\$ 378,875
(2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:					
				\$ -	\$ -
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP:					
				\$ -	\$ -
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	\$ 216,640	\$ 378,875
<b>SURPLUS</b>					
(5) State basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 16,730,161	\$ 16,517,413
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:					
				\$ -	\$ -
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP:					
				\$ -	\$ -
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	\$ 16,730,161	\$ 16,517,413

**C. Accounting Policy**
**(2) Basis for Bonds, Mandatory Convertible Securities, SVO-Identified Investments and Amortization Schedule**

Bonds with a NAIC rating 1 or 2 are stated at amortized cost using the interest method; all other are stated at the lower of amortized cost or fair value. Mandatory convertible bonds are stated at the lower of book value or fair value, regardless of the NAIC designation. The Company does not own any SVO-Identified Exchange Traded Funds.

**(6) Basis for Loan-Backed Securities and Adjustment Methodology**

For residential mortgage-backed securities ("RMBS"), commercial mortgage-backed securities ("CMBS"), and loan-backed and structured securities ("LBASS"), the NAIC has retained a third-party investment management firm to assist in the determination of the appropriate NAIC designations and Book Adjusted Carrying Values based on not only the probability of loss, but also the severity of loss. The RMBS, CMBS, and LBASS that are not modeled but receive a current year NAIC Credit Rating Provider ("CRP") rating equal to NAIC 1 or 2 are stated at amortized cost and NAIC 3 - 6 are stated at lower of amortized cost or fair value.

**D. Going Concern**

After review of the Company's financial condition, management does not have any doubts about the Company's ability to continue as a going concern.

**NOTE 2 Accounting Changes and Corrections of Errors**

No significant changes

**NOTE 3 Business Combinations and Goodwill**

No significant changes

**NOTE 4 Discontinued Operations**

No significant changes

**NOTE 5 Investments**
**D. Loan-Backed Securities**
**(1) Description of Sources Used to Determine Prepayment Assumptions**

The Company uses dealer-modeled prepayment assumptions for mortgage-backed securities and asset-backed securities at the date of purchase to determine effective yields; significant changes in estimated cash flows from the original purchase assumptions are accounted for on a prospective basis.

**(2) Other-Than-Temporary Impairments ("OTTI")**

The Company had no loan-backed securities with a recognized OTTI due to either the intent to sell or lack of intent to hold to recovery during the current year.

**(3) Recognized OTTI Securities**

The Company had no loan-backed securities with a credit-related OTTI recognized during the current year.

**(4) All impaired securities (fair value is less than cost or amortized cost) for which an OTTI has not been recognized in earnings as a realized loss (including securities with a recognized OTTI for non-interest related declines when a non-recognized interest related impairment remains):**

<b>a) The aggregate amount of unrealized losses:</b>	
1. Less than 12 Months	\$ -
2. 12 Months or Longer	\$ (203,969)
<b>b) The aggregate related fair value of securities with unrealized losses:</b>	
1. Less than 12 Months	\$ -
2. 12 Months or Longer	\$ 2,544,469

**(5) Information Investor Considered in Reaching Conclusion that Impairments are Not Other-Than-Temporary**

Based on cash flow projections received from independent sources (which reflect loan to collateral values, subordination, vintage and geographic concentration), implied cash flows inherent in security ratings and analysis of historical payment data, management believes that the Company will recover its cost basis in all securities with unrealized losses as of June 30, 2024. The Company has the intent to hold such securities until they recover in value or mature.

**E. Dollar Repurchase Agreements and/or Securities Lending Transactions**

The Company did not engage in dollar repurchase agreements or securities lending transactions.

**F. Repurchase Agreements Transactions Accounted for as Secured Borrowing**

The Company did not engage in repurchase transactions accounted for as secured borrowing.

## NOTES TO FINANCIAL STATEMENTS

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- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing  
The Company did not engage in reverse repurchase transactions accounted for as secured borrowing.
- H. Repurchase Agreements Transactions Accounted for as a Sale  
The Company did not engage in repurchase transactions accounted for as a sale.
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale  
The Company did not engage in reverse repurchase transactions accounted for as a sale.
- M. Working Capital Finance Investments  
The Company does not have any investments in working capital finance securities.
- N. Offsetting and Netting of Assets and Liabilities  
Not applicable
- O. 5GI Securities  
Not applicable
- Q. Prepayment Penalty and Acceleration Fees  
Not applicable
- R. Reporting Entity's Share of Cash Pool by Asset Type  
The Company does not participate in any cash pools.

**NOTE 6 Joint Ventures, Partnerships and Limited Liability Companies**

No significant changes

**NOTE 7 Investment Income**

No significant changes

**NOTE 8 Derivative Instruments**

The Company's investment objectives do not include holding or issuing derivative financial instruments.

**NOTE 9 Income Taxes**

No significant changes

**NOTE 10 Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties**

No significant changes

**NOTE 11 Debt**

- B. FHLB (Federal Home Loan Bank) Agreements  
The Company does not have any agreements with the Federal Home Loan Bank.

**NOTE 12 Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

- A. Defined Benefit Plan  
The Company does not have any defined benefit plans.

**NOTE 13 Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations**

No significant changes

**NOTE 14 Liabilities, Contingencies and Assessments**

No significant changes

**NOTE 15 Leases**

No significant changes

**NOTE 16 Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk**

No significant changes

**NOTE 17 Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

- B. Transfer and Servicing of Financial Assets  
Not applicable
- C. Wash Sales  
The Company was not involved in any wash sales during the current year.

**NOTE 18 Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**

No significant changes

**NOTE 19 Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**

No significant changes

**NOTE 20 Fair Value Measurements**

- A. Fair Value Measurements
  - (1) Fair Value Measurements at Reporting Date  
The Company does not have any assets carried at fair value.
  - (2) Fair Value Measurements in (Level 3) of the Fair Value hierarchy  
The Company does not have any Level 3 securities carried at fair value.
  - (3) Policies when transfers between levels are recognized:  
The Company recognizes and records the transfer of securities into and out of Level 3 due to changes in availability of market observable inputs. All transfers are reflected in the table above at fair value as of the end of the reporting period.
  - (4) Description of Valuation Techniques and Inputs Used in Fair Value Measurement  
The Company categorizes its financial instruments based on the degree of subjectivity inherent in the method by which they are valued into a fair value hierarchy of three levels as follows:
    - Level 1 - Quoted prices for identical assets or liabilities in active markets (markets in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis). The Company's Level 1 financial instruments consist primarily of publicly traded equity securities and highly liquid government bonds for which quoted market prices in active markets are available.

## NOTES TO FINANCIAL STATEMENTS

Level 2 - Quoted prices for similar instruments in active markets; quoted prices for identical or similar assets or liabilities in inactive markets (markets in which there are few transactions, the prices are not current, price quotations vary substantially over time or among market makers, or in which little information is released publicly); and valuations based on other significant inputs that are observable in active markets. The Company's Level 2 financial instruments include corporate and municipal fixed maturity securities, asset-backed securities, mortgage-backed securities, and non-affiliated common stocks priced using observable inputs. Level 2 inputs include benchmark yields, reported trades, corroborated broker/dealer quotes, issuer spreads, and benchmark securities. When non-binding broker quotes can be corroborated by comparison to similar securities priced using observable inputs, they are classified as Level 2.

Level 3 - Valuations derived from market valuation techniques generally consistent with those used to estimate fair value of Level 2 financial instruments in which one or more significant inputs are unobservable or when the market for a security exhibits significantly less liquidity relative to markets supporting Level 2 fair value measurements. The unobservable inputs may include management's own assumptions about the assumptions market participants would use based on the best information available at the valuation date. The Company's Level 3 is comprised of financial instruments whose fair value is estimated based on non-binding broker quotes or internally developed using significant inputs not based on, or corroborated by, observable market information.

The Company's investment manager, American Money Management Corporation ("AMMC"), is responsible for the valuation process and uses data from outside sources (including nationally-recognized pricing services and brokers/dealers) in establishing fair value. Valuation techniques utilized by pricing services and prices obtained from external sources are reviewed by AMMC's internal investment professionals who are familiar with the securities being priced and the markets in which they trade to ensure the fair value determination is representative of an exit price. To validate the appropriateness of the price obtained, these investment managers consider widely published indices (as benchmarks), recent trades, changes in interest rates, general economic conditions, and the credit quality of the specific issuers. In addition, AMMC communicates directly with the pricing service regarding the methods and assumptions used in pricing, including verifying, on a test basis, the inputs used by the service to value specific securities.

**(5) Fair Value Disclosures**  
Not applicable

**B. Fair Value Reporting under SSAP 100 and Other Accounting Pronouncements**  
The Company has no additional fair value disclosures.

**C. Fair Value Level**

The table below reflects the fair value and admitted values of all admitted assets and liabilities that are financial instruments excluding those accounted for under the equity method (subsidiaries, joint ventures, partnerships, and limited liability corporations). The fair values are also categorized into the three-level fair value hierarchy as described above in Note 20A.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
U.S. Government and government agencies	\$ 6,118,501	\$ 6,337,503	\$ 6,118,501	\$ -	\$ -	\$ -	\$ -
State, municipalities and political subdivisions	\$ 531,796	\$ 556,802	\$ -	\$ 531,796	\$ -	\$ -	\$ -
Residential MBS	\$ 2,713,766	\$ 2,832,872	\$ -	\$ 2,713,766	\$ -	\$ -	\$ -
Collateralized loan obligations	\$ 469,421	\$ 500,000	\$ -	\$ 469,421	\$ -	\$ -	\$ -
Asset backed securities	\$ 2,420,788	\$ 2,436,159	\$ -	\$ 2,420,788	\$ -	\$ -	\$ -
All other bonds	\$ 2,365,875	\$ 2,319,900	\$ -	\$ 2,365,875	\$ -	\$ -	\$ -
Cash and short term investments	\$ 1,686,804	\$ 1,686,804	\$ 1,686,804	\$ -	\$ -	\$ -	\$ -

**D. Not Practicable to Estimate Fair Value**  
The Company has no financial instruments that fall under this classification.

**E. NAV Practical Expedient Investments**  
Not applicable

**NOTE 21 Other Items**

No significant changes

**NOTE 22 Events Subsequent**

There have been no events subsequent to June 30, 2024, which the Company believes will have a material effect on the financial condition of the Company.

**NOTE 23 Reinsurance**

No significant changes

**NOTE 24 Retrospectively Rated Contracts & Contracts Subject to Redetermination**

**F. Risk Sharing Provisions of the Affordable Care Act**  
Not applicable

**NOTE 25 Change in Incurred Losses and Loss Adjustment Expenses**

The Company has no net loss and loss adjustment expense reserves as a result of its pooling agreement.

**NOTE 26 Intercompany Pooling Arrangements**

No significant changes

**NOTE 27 Structured Settlements**

No significant changes

**NOTE 28 Health Care Receivables**

No significant changes

**NOTE 29 Participating Policies**

No significant changes

**NOTE 30 Premium Deficiency Reserves**

No significant changes

**NOTE 31 High Deductibles**

No significant changes

**NOTE 32 Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses**

No significant changes

**NOTE 33 Asbestos/Environmental Reserves**

No significant changes

**NOTE 34 Subscriber Savings Accounts**

## NOTES TO FINANCIAL STATEMENTS

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No significant changes

**NOTE 35 Multiple Peril Crop Insurance**

No significant changes

**NOTE 36 Financial Guaranty Insurance**

The Company does not write financial guaranty insurance.