



American Financial Group, Inc. Announces Agreement to Sell Run-off Lloyd's-based Insurer, Neon

September 28, 2020

- **Sale will complete AFG's exit from the Lloyd's of London marketplace**

CINCINNATI--(BUSINESS WIRE)--Sep. 28, 2020-- American Financial Group, Inc. (NYSE: AFG) today announced that it has reached a definitive agreement to sell GAI Holding Bermuda and its subsidiaries, comprising the legal entities that own its Lloyd's of London insurer, Neon, to RiverStone Holdings Limited ("RiverStone"). Upon closing of the sale, AFG expects release of all of its funds at Lloyd's (FAL) including release of the letters of credit and collateral pledge facility that AFG guarantees in support of Neon's FAL. This transaction will complete AFG's exit from the Lloyd's of London insurance market.

The transaction is expected to close in the fourth quarter of 2020, subject to customary conditions, including receipt of required regulatory approvals. In accordance with generally accepted accounting principles, it is expected that AFG will record the sale in the third quarter; the sale is not expected to have a material impact on AFG's ongoing results of operations. TigerRisk Capital Markets & Advisory acted as exclusive financial advisor to AFG.

Carl H. Lindner III, AFG's Co-Chief Executive Officer, stated: "The sale of Neon finalizes AFG's exit from the Lloyd's market, following AFG's decision to place this business into run-off effective in the fourth quarter of 2019. The exit allows us to provide continued focus on our other Specialty P&C businesses and enables us to redeploy capital, increase earnings and returns, and create long-term value for our shareholders."

Luke Tanzer, RiverStone's UK Managing Director stated: "We are delighted that AFG has selected RiverStone as their partner for this transaction. We have worked closely and collaboratively with AFG to ensure that their strategic objectives are achieved through this transaction, and we will ensure that Neon insureds continue to receive the highest possible level of service."

[About American Financial Group, Inc.](#)

American Financial Group is an insurance holding company, based in Cincinnati, Ohio with assets of approximately \$70 billion as of June 30, 2020. Through the operations of Great American Insurance Group, AFG is engaged primarily in property and casualty insurance, focusing on specialized commercial products for businesses, and in the sale of traditional fixed and indexed annuities in the retail, financial institutions, broker-dealer, and registered investment advisor markets. Great American Insurance Group's roots go back to 1872 with the founding of its flagship company, Great American Insurance Company.

[About RiverStone UK](#)

With over 20 years of experience, RiverStone UK is an industry leader in legacy insurance services, employing over 200 professionals in multiple locations across the UK. RiverStone UK has an outstanding reputation for excellence in both the Lloyd's and Insurance Company Markets and provides trusted, client focused and effective run-off solutions combined with the highest level of claims services for insureds.

[Forward Looking Statements](#)

This press release contains certain statements that may be deemed to be "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements in this press release not dealing with historical results are forward-looking and are based on estimates, assumptions and projections. Examples of such forward-looking statements include statements relating to: the Company's expectations concerning market and other conditions and their effect on future premiums, revenues, earnings, investment activities and the amount and timing of share repurchases; recoverability of asset values; expected losses and the adequacy of reserves for asbestos, environmental pollution and mass tort claims; rate changes; and improved loss experience.

Actual results and/or financial condition could differ materially from those contained in or implied by such forward-looking statements for a variety of reasons including, but not limited to: changes in financial, political and economic conditions, including changes in interest and inflation rates, currency fluctuations and extended economic recessions or expansions in the U.S. and/or abroad; performance of securities markets, including the cost of equity index options; new legislation or declines in credit quality or credit ratings that could have a material impact on the valuation of securities in AFG's investment portfolio; the availability of capital; changes in insurance law or regulation, including changes in statutory accounting rules and changes in regulation of the Lloyd's market, including modifications to capital requirements; changes in costs associated with the exit from the Lloyd's market and the run-off of AFG's Lloyd's-based insurer, Neon; the effects of the COVID-19 outbreak, including the effects on the international and national economy and credit markets, legislative or regulatory developments affecting the insurance industry, quarantines or other travel or health-related restrictions; changes in the legal environment affecting AFG or its customers; tax law and accounting changes; levels of natural catastrophes and severe weather, terrorist activities (including any nuclear, biological, chemical or radiological events), incidents of war or losses resulting from pandemics, civil unrest and other major losses; disruption caused by cyber-attacks or other technology breaches or failures by AFG or its business partners and service providers, which could negatively impact AFG's business and/or expose AFG to litigation; development of insurance loss reserves and establishment of other reserves, particularly with respect to amounts associated with asbestos and environmental claims; availability of reinsurance and ability of reinsurers to pay their obligations; trends in persistency and mortality; competitive pressures; the ability to obtain adequate rates and policy terms; changes in AFG's credit ratings or the financial strength ratings assigned by major ratings agencies to AFG's operating subsidiaries; the impact of the conditions in the international financial markets and the global economy relating to AFG's international operations; and other factors identified in AFG's filings with the Securities and Exchange Commission.

The forward-looking statements herein are made only as of the date of this press release. The Company assumes no obligation to publicly update any forward-looking statements.

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