

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

X Quarterly Report Under Section 13 or 15 (d) of the Securities
----- Exchange Act of 1934

For the Quarterly Period Ended June 30, 1995

----- Transition Report Pursuant to Section 13 or 15 (d) of the
Securities Exchange Act of 1934

Commission File Number 0-4604

CINCINNATI FINANCIAL CORPORATION

(Exact name of registrant as specified in its charter)

An Ohio Corporation	31-0746871
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

6200 South Gilmore Road
Fairfield, Ohio 45014-5141

(Address of principal executive offices)

Registrant's telephone number, including area code: 513/870-2000

*Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

YES X . NO .
----- -----

Securities registered pursuant to Section 12(g) of the Act:

\$2.00 Par Common--53,031,628 shares outstanding at June 30, 1995

\$80,000,000 of 5-1/2% Convertible Senior Debentures Due 2002

PART I

ITEM 1. FINANCIAL STATEMENTS

CINCINNATI FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	(Unaudited) June 30, 1995	December 31, 1994
	-----	-----
ASSETS		

Cash.	\$ 42,755,375	\$ 48,254,464
Investments		
Fixed Maturities (Cost: 1995--\$2,159,769,130; 1994--\$1,976,314,328).	2,271,257,761	1,943,116,277
Equity Securities (Cost: 1995--\$1,351,988,098; 1994--\$1,289,443,730).	2,506,468,133	2,230,246,516
Other Invested Assets.	39,178,754	38,815,948
Finance Receivables	18,273,961	16,168,514
Premiums Receivable	145,539,762	141,972,017
Reinsurance Receivable.	88,916,230	67,125,191
Prepaid Reinsurance Premiums.	22,929,973	24,066,171
Investment Income Receivable.	61,926,122	56,069,113
Land, Buildings and Equipment for Company Use (at Cost Less Accumulated Depreciation)	33,584,162	32,672,741
Deferred Acquisition Costs Pertaining to Unearned Premiums and to Life Policies in Force	113,596,429	109,503,487
Other Assets.	22,633,795	26,268,434
	-----	-----
Total Assets	\$5,367,060,457	\$4,734,278,873
	=====	=====
LIABILITIES		

Insurance Reserves:		
Life Policy Reserves	\$ 384,518,494	\$ 370,095,301
Losses and Loss Expenses	1,659,565,942	1,552,296,866
Unearned Premiums	389,668,751	382,119,017
Notes Payable	197,085,884	129,115,650
5-1/2% Convertible Senior Debentures Due 2002	80,000,000	80,000,000
Federal Income Taxes		
Current.	7,560,607	-0-
Deferred	314,320,464	195,447,391
Other Liabilities	76,944,913	85,157,413
	-----	-----
Total Liabilities	3,109,665,055	2,794,231,638
	-----	-----
SHAREHOLDERS' EQUITY		

*Common Stock, \$2 per Share; Authorized 80,000,000 Shares; Issued 1995--53,050,239; 1994--52,957,773 Shares; Outstanding 1995--53,031,628; 1994--52,938,838 Shares	106,100,478	100,871,948
Paid-In Capital	235,639,221	105,791,761
Retained Earnings	1,083,729,554	1,133,104,811
Unrealized Gain on Investments, Less Taxes.	832,829,449	601,192,480
	-----	-----
	2,258,298,702	1,940,961,000
	-----	-----
*Less Treasury Shares at Cost (1995--18,611 Shares; 1994--18,935 Shares)	(903,300)	(913,765)
	-----	-----
Total Shareholders' Equity.	2,257,395,402	1,940,047,235
	-----	-----
Total Liabilities and Shareholders' Equity . . .	\$5,367,060,457	\$4,734,278,873
	=====	=====

*Adjusted to reflect 5% stock dividend effective March 17, 1995.

Accompanying notes are an integral part of these financial statements.

10Q/sa

CINCINNATI FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

	Six Months Ended June 30,		Three Months Ended June 30,	
	1995	1994	1995	1994

Revenues:				
Premiums Earned:				
Property and Casualty	\$ 618,417,000	\$ 573,765,314	\$311,270,075	\$292,038,043
Life	21,676,950	21,190,071	10,727,106	10,460,735
Accident and Health	3,691,634	3,593,501	1,858,488	1,781,934
	-----	-----	-----	-----
Net Premiums Earned	643,785,584	598,548,886	323,855,669	304,280,712
Investment Income, Less Expenses	147,445,314	129,648,340	75,631,619	65,873,768
Realized Gain on Investments	23,635,133	24,824,622	2,617,132	5,900,547
Other Income	4,844,563	5,501,223	2,918,375	2,765,524
	-----	-----	-----	-----
Total Revenues	819,710,594	758,523,071	405,022,795	378,820,551

Benefits & Expenses:				
Ins. Losses and Policyholder Ben.	471,041,115	440,493,384	237,656,089	205,951,288
Commissions	121,852,125	115,248,954	62,634,476	61,785,628
Other Operating Expenses	46,660,856	41,503,681	21,855,762	20,948,284
Taxes, Licenses & Fees	19,356,089	20,812,382	10,411,477	12,184,832
Increase in Deferred Acquisition Costs Pertaining to Unearned Premiums and to Life Policies in Force	(4,092,942)	(1,011,253)	(3,082,564)	(935,530)
Interest Expense	7,982,569	4,245,866	4,319,598	2,307,300
Other Expenses	3,458,467	1,369,807	1,598,507	609,870
	-----	-----	-----	-----
Total Expenses	666,258,279	622,662,821	335,393,345	302,851,672
	-----	-----	-----	-----
Income Before Income Taxes	153,452,315	135,860,250	69,629,450	75,968,879
	-----	-----	-----	-----
Provision (Benefit) for Inc. Taxes				
Current	39,084,866	39,298,831	17,771,499	16,944,824
Deferred	(4,017,730)	(11,020,929)	(3,282,629)	(58,823)
	-----	-----	-----	-----
Total	35,067,136	28,277,902	14,488,870	16,886,001
	-----	-----	-----	-----
Net Income	\$ 118,385,179	\$ 107,582,348	\$ 55,140,580	\$ 59,082,878
	=====	=====	=====	=====
Weighted Average Shares				
Outstanding	54,906,680	54,845,216*	54,948,398	54,839,064*
	=====	=====	=====	=====
Per Common Share:				
Total Net Income	\$2.18	\$1.99*	\$1.02	\$1.09*
	=====	=====	=====	=====
Cash Dividends Declared	\$.66	\$.61*	\$.34	\$.30*
	=====	=====	=====	=====

*Adjusted to reflect 5% stock dividend effective March 17, 1995.

Accompanying notes are an integral part of these financial statements.

10Q/sa

CINCINNATI FINANCIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
(UNAUDITED)SIX MONTHS ENDED JUNE 30, 1995

	Common Stock Shares	Amount	Treasury Stock	Paid-In Capital	Retained Earnings	Unrealized Capital Gains (Losses)
	-----	-----	-----	-----	-----	-----
Balance December 31, 1994	50,435,974	\$100,871,948	\$(913,765)	\$105,791,761	\$1,133,104,811	\$601,192,480
Net Income					118,385,179	
Change in Unrealized Gains Net of Income Taxes of \$124,727,599						231,636,969
Dividends Declared					(35,195,553)	
5% Stock Dividend at Market	2,521,546	5,043,092		127,338,073	(132,564,883)	
Issuance of Treasury Shares			10,465	4,437		
Stock Options Exercised	92,719	185,438		2,504,950		
	-----	-----	-----	-----	-----	-----
Balance June 30, 1995	53,050,239	\$106,100,478	\$(903,300)	\$235,639,221	\$1,083,729,554	\$832,829,449
	=====	=====	=====	=====	=====	=====

Accompanying notes are an integral part of these financial statements.

10Q/sa

CINCINNATI FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Six Months Ended June 30,	
	1995	1994
	----	----
Cash flows from operating activities:		
Net income	\$118,385,179	\$107,582,348
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	4,481,336	4,287,216
Increase in net unearned premiums	8,685,932	1,212,276
Increase in net life policy reserves	14,423,193	13,817,376
Increase in net loss and loss expense reserves	85,478,037	74,058,249
Increase in net premiums receivable	(3,567,745)	(4,378,882)
Increase in deferred acquisition costs	(4,092,942)	(1,011,253)
Decrease in other liabilities	(10,311,315)	(18,621,376)
Increase in investment income receivable	(5,857,009)	(3,975,197)
(Decrease) increase in policy loans and accounts receivable	(643,620)	2,231,123
Decrease in deferred income taxes	(5,854,526)	(11,020,929)
Increase (decrease) in current income taxes	9,497,385	(10,529,114)
Realized gain on investments	(23,635,133)	(24,824,622)
Other	1,684,260	(534,368)
Net cash provided by operating activities	188,673,032	128,292,847
Cash flows from investing activities:		
Sale of fixed maturities investments	64,233,845	49,031,602
Maturity of fixed maturities investments	112,954,561	159,854,590
Sale of equity securities investments	164,065,642	61,980,975
Collection of mortgage loans	345,359	484,654
Collection of finance receivables	3,981,692	3,216,825
Purchase of fixed maturities investments	(363,332,837)	(260,144,559)
Purchase of equity securities investments	(201,775,268)	(160,482,124)
Investment in mortgage loans	-0-	(1,007,740)
Investment in land, buildings and equipment	(5,627,325)	(5,922,911)
Investment in finance receivables	(6,087,139)	(4,447,014)
Investment in real estate and other	(124,477)	(827,190)
Net cash used in investing activities	(231,365,947)	(158,262,892)
Cash flows from financing activities:		
Proceeds from stock options exercised	2,690,388	1,859,802
Issuance (purchase) of treasury shares	14,902	(149,607)
Increase in notes payable	67,970,234	30,750,860
Payment of cash dividends to shareholders	(33,481,698)	(30,195,376)
Net cash provided by financing activities	37,193,826	2,265,679
Net decrease in cash	(5,499,089)	(27,704,366)
Cash at beginning of period	48,254,464	48,113,639
Cash at end of period	\$ 42,755,375	\$ 20,409,273
Supplemental disclosures of cash flow information		
Interest paid	\$ 7,159,249	\$ 3,839,554
Income taxes paid	\$ 35,000,000	\$ 50,000,000

Accompanying notes are an integral part of these financial statements.

10Q/sa

CINCINNATI FINANCIAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE I - ACCOUNTING POLICIES

The consolidated financial statements include the accounts of the Company and all of its subsidiaries, each of which is wholly owned, and are presented in conformity with generally accepted accounting principles. All significant inter-company investments and transactions have been eliminated in consolidation. The December 31, 1994 consolidated balance sheet amounts are derived from the audited financial statements but do not include all disclosures required by generally accepted accounting principles.

INVESTMENTS--Fixed maturities and equity securities have been classified as available for sale and are carried at fair values at June 30, 1995 and December 31, 1994.

UNREALIZED GAINS AND LOSSES--The increases (decreases) in unrealized gains for fixed maturities and equity securities (net of income tax effect) for the six-month and three-month periods ended June 30 are as follows:

	Fixed Maturities -----	Equity Securities -----	Total -----
Six-Month Periods Ended			
June 30, 1995	\$ 92,746,757	\$ 138,890,212	\$ 231,636,969
June 30, 1994	(56,690,056)	(107,624,240)	(164,314,296)
Three-Month Periods Ended			
June 30, 1995	\$ 45,439,678	\$ 72,880,280	\$ 118,319,958
June 30, 1994	(28,253,966)	13,907,200	(14,346,766)

Such amounts are included as additions to and deductions from shareholders' equity.

REINSURANCE--Premiums earned are net of premiums on ceded business, and insurance losses and policyholder benefits are net of reinsurance recoveries in the accompanying statements of income for the six-month and three-month periods ended June 30 as follows:

	Ceded Premiums -----	Reinsurance Recoveries -----
Six-Month Periods Ended		
June 30, 1995	\$40,606,219	\$28,217,348
June 30, 1994	61,277,857	7,563,024
Three-Month Periods Ended		
June 30, 1995	\$21,886,051	\$13,599,806
June 30, 1994	36,692,244	4,133,639

NOTE II - STOCK OPTIONS

The Company has primarily qualified stock option plans under which options are granted to employees of the Company at prices which are not less than market price at the date of grant and which are exercisable over a five-year period, or over a ten-year period if granted on or after July 25, 1990. On June 30, 1995, outstanding options for Stock Option Plan No. III totalled 87,977 shares with purchase prices ranging from a low of \$12.46 to a high of \$23.13 and outstanding options for Stock Option Plan No. IV totalled 737,536 shares with purchase prices ranging from a low of \$23.50 to a high of \$59.29. All outstanding shares have been adjusted for the 5% stock dividend declared February 4, 1995, payable April 28, 1995 to shareholders of record of March 17, 1995.

NOTE III - INTERIM ADJUSTMENTS

The preceding summary of financial information for Cincinnati Financial Corporation and consolidated subsidiaries is unaudited, but the Company believes that all adjustments (consisting only of normal recurring accruals) necessary for fair presentation have been made. The results of operations for interim periods are not necessarily indications of results to be expected for this year.

10Q/sa

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Premiums earned for the six months ended June 30, 1995 have increased \$45,236,698 (8%) over the six months ended June 30, 1994. Also, premiums earned have increased \$19,574,957 (6%) for the three months ended June 30, 1995 over the three months ended June 30, 1994. For the six-month period ended June 30, 1995, the growth rate of our property and casualty subsidiaries is greater than last year on both a gross written and earned premium basis. For the three-month period ended June 30, 1995, the growth rate is approximately the same as the second quarter of 1994 on both a gross written and earned premium basis. The increase in new business, some rate increases, and lower reinsurance costs were somewhat offset by the continued softness of the commercial lines market. The premium volume of our life and health subsidiary has increased 2% for the six months ended June 30, 1995 and 3% for the three months ended June 30, 1995 compared to the comparable periods of 1994. The premium growth in our life subsidiary is the result of slight increases in life and health insurance sales. For the six-month and three-month periods ended June 30, 1995, investment income, net of expenses, has increased \$17,796,974 (14%) and \$9,757,851 (15%) when compared with the first six months and second three months of 1994, respectively. This increase is the result of the growth of the investment portfolio because of investing cash flows from increased premiums written. The growth rate is greater than last year because of higher yields on new investments, increased cash flow provided by operating activities, and lower catastrophe claim payments.

Realized gains on investments for the six months ended June 30, 1995 amounted to \$23,635,133 compared to \$24,824,622 for the six-month period ended June 30, 1994, and \$2,617,132 for the three-month period ended June 30, 1995 compared to \$5,900,547 for the three-month period ended June 30, 1994. The realized gains are predominantly the result of the sale of equity securities and management's decision to realize the gains and reinvest the proceeds at higher yields.

Insurance losses and policyholder benefits (net of reinsurance recoveries) increased \$30,547,731 (7%) for the first six months of 1995 over the same period in 1994 and increased \$31,704,801 (15%) for the second quarter when compared to the second quarter of 1994. The losses and benefits of the property and casualty companies have increased \$28,656,185 for the six-month period and increased \$31,080,149 for the second quarter of 1995 compared to the comparable periods of 1994. The losses for the first six months and for the second quarter have increased because of the growth of new business and a higher incidence of claims. Catastrophe losses were \$4.5 million and \$18.2 million, respectively, for the first six months of 1995 and 1994 and were \$4.4 million and \$(.6) million, respectively, for the second quarter of 1995 and 1994. These losses were substantially lower in the first quarter of 1995 compared to the first quarter of 1994 because of a lower incidence and severity of these weather related claims. The losses for the second quarter of 1995 compared to the same quarter of 1994 were higher because of a higher incidence and severity of claims in 1995 while 1994 reflected a negative catastrophe claim expense because of favorable claim development on prior catastrophes.

Policyholder benefits of the life insurance subsidiary increased \$1,891,546 for the first six months of 1995 over the same period of 1994 and increased \$624,652 for the second quarter when compared to the second quarter of 1994. The majority of the six-month and second quarter increase is the result of a higher incidence of death and disability income claims and related costs.

Commission expenses increased \$6,603,171 for the six-month period ended June 30, 1995 compared to the same period for 1994 and increased \$848,848 for the second quarter of 1995 compared to the same period in 1994. The increase is mainly attributable to the increases in new business and the effects of favorable underwriting results. Other operating expenses increased \$5,157,175 for the six-month period ended June 30, 1995 compared to the same period for 1994 and increased \$907,478 for the second quarter of 1995 compared to the same period in 1994. The increase is the result of general wage increases and the increase in the number of employees from 1,975 at December 31, 1993 to 2,200 at June 30, 1995 and the related expenses associated with the production of new business.

Taxes, licenses and fees decreased \$1,456,293 for the first six months of 1995 compared to the same period for 1994 and decreased \$1,773,355 for the second quarter when compared to the second quarter of 1994. The decrease in taxes is the result of lower state corporate income taxes and state guaranty fund assessments.

Provision for income taxes, current and deferred, have increased by \$6,789,234 for the first six months of 1995 compared to the first six months of 1994 and have decreased \$2,397,131 for the second quarter of 1995 compared to the second quarter of 1994. The increase in taxes for the first six months is attributable to higher operating income in our property casualty companies and higher taxable investment income and net dividends received for the corporation. The decrease in taxes for the second quarter of 1995 compared to 1994 is the result of lower taxable income in our property casualty subsidiaries because of a higher incidence and severity of losses and lower capital gains for the corporation. These decreases more than offset increases in taxable income in our noninsurance companies. The Company did not incur an alternative minimum tax in the first six months nor second quarter of 1995 and 1994.

Notes payable increased \$67,970,234 for the first six months and increased \$57,469,687 for the second quarter of 1995. The Company borrowed the additional funds to pay for the increased losses in the property and casualty companies instead of paying the losses from cash flow because the Company decided to take advantage of the investment opportunities that were available at that time.

Unrealized appreciation will fluctuate with changes in the overall fixed maturities and equity securities market. Changes in unrealized appreciation are discussed in Note 1. The Company's equity investment portfolio continues to be primarily investments in common stocks of public utility companies and financial institutions.

PART II
OTHER INFORMATION

ITEM 1. Legal Proceedings

The Company is involved in no material litigation other than routine litigation incident to the nature of the insurance industry.

ITEM 2. Changes in Securities

On February 4, 1995, the Company declared a 5% stock dividend payable on April 28, 1995 to shareholders of record of March 17, 1995.

ITEM 3. Defaults Upon Senior Securities

The Company has not defaulted on any interest or principal payment, and no arrearage in the payment of dividends has occurred.

ITEM 4. Submission of Matters to a Vote of Security Holders

No special matters were voted upon by security holders during the second quarter.

ITEM 5. Other Information

No matters to report.

ITEM 6. Exhibits and Reports on Form 8-K

(a) Exhibits included:

Exhibit 11--Statement re Computation of Per Share Earnings.
Exhibit 27--Financial Data Schedule

(b) The Company was not required to file any reports on Form 8-K during the quarter ended June 30, 1995.

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CINCINNATI FINANCIAL CORPORATION

(Registrant)

Date August 11, 1995

By /s/ Robert J. Driehaus

R. J. Driehaus
Financial Vice President & Treasurer
(Principal Financial Officer)

EXHIBIT 11

CINCINNATI FINANCIAL CORPORATION
 STATEMENT RE COMPUTATION OF PER SHARE EARNINGS
 (in thousands except for per share amounts)

	Six Months Ended June 30,		Three Months Ended June 30	
	1995	1994*	1995	1994*
	-----	-----	-----	-----
Weighted average shares outstanding	52,998	52,851	53,020	52,868
Equivalent shares assumed to be outstanding for:				
Stock options	202	277	221	265
Convertible debentures	1,707	1,707	1,707	1,707
	-----	-----	-----	-----
Number of shares for primary computation	54,907	54,835	54,948	54,840
Other dilutive equivalent shares-- stock options	-0-	-0-	-0-	-0-
	-----	-----	-----	-----
Number of shares assuming full dilution	54,907	54,835	54,948	54,840
	=====	=====	=====	=====
Net income	\$118,385	\$107,582	\$55,140	\$59,083
Interest on convertible debentures-- net of tax	1,430	1,430	715	715
	-----	-----	-----	-----
Net income for per share computation	\$119,815	\$109,012	\$55,855	\$59,798
	=====	=====	=====	=====
Earnings per share:				
Total Primary	\$ 2.18	\$ 1.99	\$ 1.02	\$ 1.09
	=====	=====	=====	=====
Fully Diluted	\$ 2.18	\$ 1.99	\$ 1.02	\$ 1.09
	=====	=====	=====	=====

*Common shares and their equivalent have been adjusted to reflect the 5% stock dividend effective March 17, 1995.

10Q/sa

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED BALANCE SHEETS AND CONSOLIDATED STATEMENTS OF INCOME AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

6-MOS	
	DEC-31-1995
	JAN-01-1995
	JUN-30-1995
2,271,257,761	
0	
0	
2,506,468,133	
5,250,044	
15,717,724	
4,816,904,648	
42,755,375	
3,786,656	
113,596,429	
5,367,060,457	
1,996,958,798	
389,668,751	
44,242,260	
5,752,680	
277,085,884	
105,197,178	
0	
0	
2,152,198,224	
5,367,060,457	
643,785,584	
147,445,314	
23,635,133	
4,844,563	
471,041,115	
38,495,590	
156,721,574	
153,452,315	
35,067,136	
118,385,179	
0	
0	
0	
118,385,179	
2.18	
2.18	
1,510,150,293	
0	
0	
0	
0	
1,615,323,682	
0	

F1--Equals the sum of Fixed Maturities, Equity Securities and other Invested Assets

F2--Equals the sum of Life Policy Reserves and Losses and Loss Expenses less the Life Company liability for Supplementary Contracts without Life Contingencies of \$2,883,378 which is classified as Other Policyholder Funds

F3--Equals the sum of Notes Payable and the 5-1/2% Convertible Senior Debenture

F4--Equals the Total Shareholders Equity

F5--Equals the Sum of Commissions, Other Operating Expenses, Taxes licenses and Fees, Increase in deferred acquisition costs, Interest expense and other expenses

F6--Equals the reserve for unpaid claims for the property casualty subsidiaries less loss checks payable as of December 31, 1994

F7--Equals the reserve for unpaid claims for the property casualty subsidiaries less loss checks payable as of June 30, 1995