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, 2000

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--160,967,000 shares outstanding at June 30, 2000

$31,411,000 of 5.5% Convertible Senior Debentures Due 2002

$419,621,000 of 6.9% Senior Debentures Due 2028

PART I

ITEM 1. FINANCIAL STATEMENTS

CINCINNATI FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	(000's omitted) (Unaudited) June 30, 2000	December 31, 1999
ASSETS		
Investments		
Fixed maturities (cost: 2000--$2,773,773; 1999--$2,692,154)	$ 2,636,926	$ 2,617,412
Equity securities (cost: 2000--$2,102,176; 1999--$2,022,555)	6,723,471	7,510,918
Other invested assets	68,808	65,909
Cash	37,247	339,554
Investment income receivable	84,208	80,128
Finance receivables	31,623	32,931
Premiums receivable	195,260	166,585
Reinsurance receivable	193,826	159,229
Prepaid reinsurance premiums	24,497	24,684
Deferred acquisition costs pertaining to unearned premiums and to life policies in force	161,389	154,385
Land, buildings and equipment for company use (at cost less accumulated depreciation)	118,249	107,784
Other assets	112,222	120,695
Assets held in separate accounts	313,742	-0-
Total Assets	$ 10,701,468	$ 11,380,214
LIABILITIES		
Insurance reserves:		
Losses and loss expenses	$ 2,180,549	$ 2,154,149
Life policy reserves	578,085	860,561
Unearned premiums	490,747	480,453
Notes payable	173,000	118,000
5.5% Convertible senior debentures due 2002	31,411	36,759
6.9% Senior debentures due 2028	419,621	419,614
Federal income taxes		
Current	77,766	30,492
Deferred	1,399,547	1,719,673
Other liabilities	168,462	139,229
Liabilities related to separate accounts	313,742	-0-
Total Liabilities	5,832,930	5,958,930
SHAREHOLDERS' EQUITY		
Common stock, $2 per share; authorized 200,000 Shares; issued 2000--172,645; 1999--171,862 Shares; outstanding 2000--160,967; 1999--162,021 Shares	345,289	343,725
Paid-in capital	250,719	237,859
Retained earnings	1,716,779	1,623,890
Accumulated other comprehensive income	2,926,142	3,530,104
	5,238,929	5,735,578
Less treasury shares at cost (2000--11,678 shares; 1999--9,841 shares)	(370,391)	(314,294)
Total Shareholders' Equity	4,868,538	5,421,284
Total Liabilities and Shareholders' Equity	$ 10,701,468	$ 11,380,214

Accompanying notes are an integral part of these financial statements.

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

(000's omitted except per share data)

	Six Months Ended June 30, 2000	Six Months Ended June 30, 1999	Three Months Ended June 30, 2000	Three Months Ended June 30, 1999
Revenues:				
Premiums earned:				
Property and casualty	$ 880,089	$804,637	$ 449,719	$ 408,540
Life	37,015	32,336	20,003	16,804
Accident and health	1,476	4,576	765	2,405
Net premiums earned	918,580	841,549	470,487	427,749
Investment income, less expenses	209,020	190,524	102,741	94,709
Realized gains on investments	17,624	38,788	3,100	14,041
Other income	4,853	7,119	2,479	4,822
Total revenues	1,150,077	1,077,980	578,807	541,321
Benefits & expenses:				
Insurance losses and policyholder benefits	646,895	611,097	329,605	286,631
Commissions	169,706	153,331	86,984	80,416
Other operating expenses	82,698	73,232	41,184	35,425
Taxes, licenses & fees	27,313	23,667	14,092	13,459
Increase in deferred acquisition costs pertaining to unearned premiums and to life policies in force	(7,004)	(898)	(5,553)	(796)
Interest expense	19,141	15,391	9,979	7,606
Other expenses	11,160	3,758	5,876	2,239
Total benefits & expenses	949,909	879,578	482,167	424,980
Income before income taxes	200,168	198,402	96,640	116,341
Provision for income taxes:				
Current	41,027	52,974	19,449	32,135
Deferred	5,084	(5,303)	2,497	(2,048)
Total provision for income taxes	46,111	47,671	21,946	30,087
Net income	$ 154,057	$ 150,731	$ 74,694	$ 86,254
Average shares outstanding	161,527	165,507	161,623	163,105
Average shares outstanding (diluted)	164,895	170,028	165,549	167,750
Per common share:				
Net income	$ .95	$ .91	$ .46	$ .53
Net income (diluted)	$ .94	$ .89	$ .45	$ .52
Cash dividends declared	$ .38	$ .34	$ .19	$ .17

Accompanying notes are an integral part of these financial statements.

CINCINNATI FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
(UNAUDITED)

(000's omitted)

SIX MONTHS ENDED JUNE 30, 1999 AND 2000

	Common Shares	Stock Amount	Treasury Stock	Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total Shareholders' Equity
Bal. Dec. 31, 1998	170,435	$340,871	$ (97,196)	$ 218,328	$1,480,914	$ 3,678,019	$5,620,936
Net Income					150,731		150,731
Change in unreal. gains net of inc. taxes of $28,039						(104,166)	(104,166)
Comprehensive income							46,565
Div. declared					(56,200)		(56,200)
Purchase/issuance of treasury shares			(91,239)	9			(91,230)
Stock options exercised	258	517		4,078			4,595
Conversion of debentures	595	1,189		7,657			8,846
Bal. June 30, 1999	171,288	$342,577	$ (188,435)	$ 230,072	$ 1,575,445	$ 3,573,853	$5,533,512
Bal. Dec. 31, 1999	171,862	$343,725	$ (314,294)	$ 237,859	$ 1,623,890	$ 3,530,104	$5,421,284
Net income					154,057		154,057
Change in unreal. gains net of inc. taxes of $325,210						(603,962)	(603,962)
Comprehensive income							(449,905)
Div. declared					(61,168)		(61,168)
Purchase/issuance of treasury shares			(56,097)	4			(56,093)
Stock options exercised	423	846		8,226			9,072
Conversion of debentures	360	718		4,630			5,348
Bal. June 30, 2000	172,645	$ 345,289	$ (370,391)	$ 250,719	$ 1,716,779	$ 2,926,142	$4,868,538

Accompanying notes are an integral part of these financial statements.

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

	(000's omitted) Six Months Ended June 30, 2000	1999
Cash flows from operating activities:		
Net income	$ 154,057	$ 150,731
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	8,252	6,701
Increase in investment income receivable	(9,011)	(1,148)
Increase in premiums receivable	(28,675)	(11,489)
Increase in reinsurance receivable	(34,597)	(2,842)
Decrease in prepaid reinsurance premiums	187	3,284
Increase in deferred acquisition costs	(7,004)	(898)
Decrease in accounts receivable	26,136	13,145
Increase in other assets	(7,031)	(14,662)
Increase in loss and loss expense reserves	58,471	24,092
Increase (decrease) in life policy reserves	25,286	4,318
Increase in unearned premiums	10,294	449
Increase (decrease) in other liabilities	3,675	18,965
Increase (decrease) in deferred income taxes	5,084	(5,303)
Realized gains on investments	(17,624)	(38,788)
Increase in current income taxes	47,274	34,359
Transfer of cash to separate account	(11,394)	0
Other	(12,624)	(16,822)
Net cash provided by operating activities	(210,756)	164,092
Cash flows from investing activities:		
Sale of fixed maturities	21,512	46,280
Call or maturity of fixed maturities investments	305,611	211,359
Sale of equity securities investments	56,868	95,770
Collection of finance receivables	7,892	8,838
Purchase of fixed maturities investments	(708,523)	(268,629)
Purchase of equity securities investments	(118,742)	(123,012)
Investment in land, buildings and equipment	(17,884)	(24,318)
Investment in finance receivables	(6,584)	(8,814)
Investment in other invested assets	(3,035)	(3,595)
Net cash used in investing activities	(462,885)	(66,121)
Cash flows from financing activities:		
Proceeds from stock options exercised	9,072	4,594
Purchase/issuance of treasury shares	(56,093)	(91,230)
Increase in notes payable	55,000	50,000
Payment of cash dividends to shareholders	(58,157)	(53,694)
Net cash used in financial activities	(50,178)	(90,330)
Net increase (decrease) in cash	(302,307)	7,641
Cash at beginning of period	339,554	58,611
Cash at end of period	$ 37,247	$ 66,252
Supplemental disclosures of cash flow information		
Interest paid	$ 19,173	$ 15,331
Income taxes paid (refunded)	$ (7,604)	$ 18,000

Noncash transaction--During the second quarter, the Company established a separate account. This resulted in a noncash transfer to the separate account of the following: $300,818 from investments, $207,762 from life policy reserves, $11,394 from cash, $8,924 from accounts payable securities, $4,932 from investment income receivable, $520 from other liabilities, and $142 from accounts receivable securities.

Accompanying notes are an integral part of these financial statements

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 accounting principles generally accepted in the United States of America. All significant inter-company investments and transactions have been eliminated in consolidation. The December 31, 1999 consolidated balance sheet amounts are derived from the audited financial statements but do not include all disclosures required by accounting principles generally accepted in the United States of America.

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 this interim period is not necessarily an indication of results to be expected for the remaining six months of the year.

INVESTMENTS--Fixed maturities and equity securities have been classified as available for sale and are carried at fair values at June 30, 2000 and December 31, 1999.

UNREALIZED GAINS AND LOSSES (000's omitted)--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:

	Six Months Ended June 30,		Three Months Ended June 30,	
	2000	1999	2000	1999
Fixed maturities	$ (40,368)	$ (76,362)	$ (20,781)	$ (51,899)
Equity securities	(563,594)	(27,804)	42,833	138,415
Total	$(603,962)	$(104,166)	$ 22,052	$ 86,516

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

REINSURANCE (000's omitted)--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:

	Six Months Ended June 30,		Three Months Ended June 30,	
	2000	1999	2000	1999
Ceded premiums	$57,401	$51,563	$29,691	$24,998
Reinsurance recoveries	$59,291	$24,006	$36,425	$12,717

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 ten-year periods. On June 30, 2000, outstanding options for Stock Plan No. IV totaled 2,153,953 shares with purchase prices ranging from a low of $7.71 to a high of $42.87, outstanding options for Stock Plan V totaled 1,198,557 shares with purchase prices ranging from a low of $20.47 to a high of $45.37 and outstanding options for Stock Plan VI totaled 2,702,377 shares with purchase prices ranging from a low of $29.38 to a high of $41.47.

NOTE III - SEGMENT INFORMATION

The Company is organized and operates principally in two industries and has four reportable segments--commercial lines property and casualty insurance, personal lines property and casualty insurance, life insurance and investment operations. The accounting policies of the segments are the same as those described in Note I - Accounting Policies. Revenue is primarily from unaffiliated customers. Identifiable assets by segment are those assets, including investment securities, used in the Company's operations in each industry. Corporate and other identifiable assets are principally cash and marketable securities. Segment information, for which results are regularly reviewed by Company management in making decisions about resources to be allocated to the segments and assess their performance, is summarized as follows (000's omitted):

	Six Months Ended June 30,		Three Months Ended June 30,	
	2000	1999	2000	1999
REVENUES				
Commercial lines insurance	$ 584,028	$ 525,560	$ 300,635	$ 267,105
Personal lines insurance	296,061	279,077	149,084	141,435
Life insurance	38,491	36,912	20,768	19,209
Investment operations	226,644	229,312	105,841	108,750
Corporate and other	4,853	7,119	2,479	4,822
Total revenues	$ 1,150,077	$ 1,077,980	$ 578,807	$ 541,321
INCOME BEFORE INCOME TAXES				
Property and casualty insurance	$ 14,302	$ 702	$ 6,843	$ 21,538
Life insurance	3,433	345	3,745	207
Investment operations	204,128	214,199	95,942	101,316
Corporate and other	(21,695)	(16,844)	(9,890)	(6,720)
Total income before income taxes	$ 200,168	$ 198,402	$ 96,640	$ 116,341
IDENTIFIABLE ASSETS				
Property and casualty insurance	$ 5,257,426	$ 5,538,591		
Life insurance	1,455,376	1,193,884		
Corporate and other	3,988,666	4,331,060		
Total identifiable assets	$10,701,468	$11,063,535		

NOTE IV - FINANCIAL ACCOUNTING PRONOUNCEMENTS

DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES - SFAS No. 133 "Accounting For Derivative Instruments and Hedging Activities" is effective for the Company in 2001. This Statement establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, (collectively referred to as derivatives) and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. The effects of the Statement to the Company are not yet known.

REVENUE RECOGNITION - In December 1999, the staff of the Securities and Exchange Commission issued Staff Accounting Bulletin (SAB) No. 101 "Revenue Recognition in Financial Statements". SAB No. 101 summarizes some of the staff's interpretations of the application of accounting principles generally accepted in the United States of America to revenue recognition. The Company will adopt SAB No. 101 when required in the fourth quarter of 2000. At present, the Company does not expect that SAB No. 101 will have a material effect on its financial statements.

NOTE V - SUBSEQUENT EVENTS

The Company also reported that a one-time, pre-tax charge of approximately $43 million, or $0.17 per share after taxes, will be incurred in the third quarter 2000. The planned charge, to expense assets related to development costs for next generation software to process property casualty policies, results from a review by management of the project. Substantially completed in July 2000, the review determined that the investment in the project over the past several years will not be of value as the project continues. The review process included an assessment conducted at the Company's request by an independent firm.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (000's omitted)

This Management Discussion is intended to supplement the data contained in the financial statements and related notes of Cincinnati Financial Corporation and subsidiaries. The following discussion, related consolidated financial statements and accompanying notes contain certain forward-looking statements that involve potential risks and uncertainties. The Company's future results could differ materially from those discussed. Factors that could cause or contribute to such differences include, but are not limited to: unusually high levels of catastrophe losses due to changes in weather patterns or other natural causes; changes in insurance regulations or legislation that place the Company at a disadvantage in the marketplace; recession or other economic conditions resulting in lower demand for insurance products; sustained decline in overall stock market values negatively impacting the Company's equity portfolio and the ability to generate investment income; undertakes no obligation to review or update the forward-looking statements included in this material.

Premiums earned for the six months ended June 30, 2000 have increased $77,031 (9%) over the six months ended June 30, 1999. Also, premiums earned have increased $42,738 (10%) for the three months ended June 30, 2000 over the three months ended June 30, 1999. For the six-month and three-month periods ended June 30, 2000, the premium growth rate of our property and casualty subsidiaries is more than last year because of increases in new commercial business along with some price firming in the commercial lines market. The premium growth of our life and health subsidiary increased 4% for the six months ended June 30, 2000 and 8% for the three months ended June 30, 2000 compared to the same periods of 1999. The premium growth in our life subsidiary is mainly attributable to increased sales of both traditional and work site marketing products. For the six-month and three-month periods ended June 30, 2000, investment income, net of expenses, has increased $18,496 (10%) and $8,032 (8%) when compared with the first six months and second three months of 1999, respectively. The six-month increase includes $5.4 million from a $302.9 million premium for a bank-owned life insurance (BOLI) policy booked at the end of 1999. Effective April 1, 2000, BOLI interest income is excluded from investment income as the life company has adopted separate account accounting. Excluding BOLI interest income, pre-tax investment income rose 7 percent to $203.6 million versus a comparable $190.5 million in the first six months of 1999. This increase is the result of the growth of the investment portfolio because of investing cash flows from operations and dividend increases from equity securities.

Realized gains on investments for the six months ended June 30, 2000 amounted to $17,624 compared to $38,788 for the six-month period ended June 30, 1999, and $3,100 for the three-month period ended June 30, 2000 compared to $14,041 for the three-month period ended June 30, 1999. The realized gains are predominantly the result of the sale of preferred equity securities and management's decision to realize the gains and reinvest the proceeds at higher yields. Other equity securities are sold at the discretion of management and reinvested in other equity securities.

Insurance losses and policyholder benefits (net of reinsurance recoveries) increased $35,798 (6%) for the first six months of 2000 over the same period in 1999 and increased $42,974 for the second quarter when compared to the second quarter of 1999. The losses and benefits of the property and casualty companies have increased $31,191 for the six-month period and increased $42,664 for the second quarter of 2000 compared to the comparable periods for 1999. Catastrophe losses were $31,488 and $31,037 respectively, for the first six months of 2000 and 1999 and were $23,376 and $7,452 respectively, for the second quarter of 2000 and 1999. Policyholder benefits of the life insurance subsidiary increased $4,607 for the first six months of 2000 over the same period of 1999 and increased $310 for the second quarter when compared to the second quarter of 1999. The lower second quarter increase is the result of a lower incidence of death claims and life related costs.

Commission expenses increased $16,375 for the six-month period ended June 30, 2000 compared to the same period of 1999 and increased $6,568 for the second quarter of 2000 compared to the same period in 1999. The increase is primarily attributable to increased written premiums. Other operating expenses increased $9,466 for the six-month period ended June 30, 2000 compared to the same period for 1999 and increased $5,759 for the second quarter of 2000 compared to the same period in 1999. These increases are attributable to increases in staff and costs associated to our investment in technology to support future growth. Interest expense increased $3,750 for the six-month period ended June 30, 2000 compared to the same period for 1999 and increased $2,373 for the second quarter of 2000 compared to the same period in 1999. The increase is attributable to an increase in debt of $55,000 in the first six months and $36,000 in the second quarter and higher short term interest rates. Taxes, licenses and fees increased $3,646 for the six-month period ended June 30, 2000 compared to the same period in 1999. Second quarter 2000 taxes, licenses and fees increased $633, compared to second quarter 1999.

In the first six months of 2000, the Company experienced a decrease in unrealized gains in investments of $603,962, compared to a decrease in unrealized gains in investments in the first six months of 1999 of $104,166, resulting in comprehensive income of $(449,905) in 2000, compared to $46,565 in 1999. The second quarter of 2000 resulted in increased unrealized gains in investments of $22,052, compared to increased unrealized gains in investments of $86,516 in the second quarter 1999, resulting in comprehensive income of $96,746 and $172,770 for the second quarter of 2000 and 1999, respectively.

Provision for income taxes, current and deferred, have decreased by $1,560 for the first six months of 2000 compared to the first six months of 1999 and have decreased $8,141 for the second quarter of 2000 compared to the second quarter of 1999. The effective tax rates for the six months ended June 30, 2000 and 1999 were 23.0% and 24.0%, respectively. Second quarter effective tax rates were 22.7% and 25.9%, for 2000 and 1999, respectively. Rates were lower primarily because of lower realized capital gains in 2000.

On February 6, 1999, the Board authorized repurchase of up to seventeen million of the Company's outstanding shares, with the intent to complete the repurchase by December 31, 2000. This authorization supersedes the previous authorization of nine million shares. As of June 30, 2000, the Company has repurchased 7,559 shares, leaving 9,441 future repurchased shares authorized.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

The Company could incur losses due to adverse changes in market rates and prices. The Company's primary market risk exposures are to changes in price for equity securities and changes in interest rates and credit ratings for fixed maturity securities. The Company could alter the existing investment portfolios or change the character of future investments to manage exposure to market risk. CFC, with the Board of Directors, administers and oversees investment risk through the Investment Committee, which provides executive oversight of investment activities. The Company has specific investment guidelines and policies that define the overall framework used daily by investment portfolio managers to limit the Company's exposure to market risk.

The market risks associated with the Company's investment portfolios have not changed materially from those disclosed at year-end 1999.

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

There have been no material changes in securities during the second quarter.

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

On April 1, 2000, the registrant held its Annual Meeting of Stockholders for which the Board of Directors solicited proxies; all nominees named in the Registrant's Proxy Statement were elected.

	Shares (000's)	
	For	Against/Abstain
William F. Bahl	141,433	1,777
Kenneth C. Lichtendahl	141,431	1,779
Jackson H. Randolph	141,085	2,125
John J. Schiff, Jr	134,100	9,110
E. Anthony Woods	141,418	1,792

ITEM 5. OTHER INFORMATION

No matters to report.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits:

Exhibit 3(i) --Amended Articles of Incorporation of Cincinnati Financial Corporation - incorporated by reference to Exhibit 3(i) of the Company's Annual Report on Form 10-K for the year ended December 31, 1999.

Exhibit 3(ii) --Regulations of Cincinnati Financial Corporation - incorporated by reference to Exhibit 2 to registrant Proxy Statement dated March 2, 1992.

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, 2000.

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 10, 2000

By/s/ Kenneth W. Stecher
Kenneth W. Stecher
Senior Vice President
(Principal Financial Officer)

EXHIBIT 11
CINCINNATI FINANCIAL CORPORATION
STATEMENT RE COMPUTATION OF PER SHARE EARNINGS
(000's omitted except per share data)

	Six Months Ended June 30,		Three Months Ended June 30,	
	2000	1999	2000	1999
Basic earnings per share:				
Net income	$154,057	$150,731	$ 74,694	$ 86,254
Average shares outstanding	161,527	165,507	161,623	163,105
Net income per common share	$ .95	$ .91	$ .46	$ .53
Diluted earnings per share:				
Net income	$154,057	$150,731	$ 74,694	$ 86,254
Interest on convertible debentures--net of tax	665	858	337	408
Net income for per share calculation (diluted)	$154,722	$151,589	$ 75,031	$ 86,662
Average shares outstanding	161,527	165,507	161,623	163,105
Effective of dilutive securities:				
5.5% convertible senior debentures	2,112	2,895	2,112	2,895
Stock options	1,256	1,626	1,814	1,750
Total dilutive shares	164,895	170,028	165,549	167,750
Net income per common share--diluted	$ .94	$ .89	$ .45	$ .52

6-MOS
DEC-31-2000
JAN-01-2000
JUN-30-2000
2,636,926
0
0
6,723,471
16,851
4,135
9,429,205
37,247
2,403
161,389
10,701,468
2,710,041
490,747
43,557
22,541
624,032
0
0
345,289
4,523,249
10,701,468
918,580
209,020
17,624
4,853
646,895
188,833
114,181
200,168
46,111
154,057
0
0
0
154,057
.95
.94
1,931,767
0
0
0
0
1,964,035
0

Equals the sum of Fixed maturities, Equity securities and other Invested assets
Equals the sum of Life policy reserves and Losses and loss expenses less the Life Company liability for Supplementary contracts without Life contingencies of $5,036 which is classified as Other Policyholder Funds
Equals the sum of Notes payable, the 5.5% Convertible Senior Debentures and the 6.9% Senior Debentures
Equals the total Shareholders' Equity
Equals the sum of Commissions, Other operating expenses, Taxes and licenses and fees, Increase in deferred acquisition costs, Interest expense and other expenses
Equals the net reserve for unpaid claims for the property casualty subsidiaries as of December 31, 1999
Equals the net reserve for unpaid claims for the property casualty subsidiaries as of June 30, 2000