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 September 30, 1999

--- 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--164,113,000 shares outstanding at September 30, 1999

$42,992,000 of 5.5% Convertible Senior Debentures Due 2002

$419,611,000 of 6.9% Senior Debentures Due 2028

PART I

ITEM 1. FINANCIAL STATEMENTS

CINCINNATI FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	(Unaudited) September 30, 1999	December 31, 1998
		(000's omitted)
ASSETS		
Investments		
Fixed Maturities (Cost: 1999--$2,719,627; 1998--$2,682,659)	$ 2,667,602	$ 2,812,231
Equity Securities (Cost: 1999--$2,048,137; 1998--$1,943,206)	6,836,263	7,454,817
Other Invested Assets	62,752	57,902
Cash	47,719	58,611
Investment Income Receivable	79,559	76,773
Finance Receivables	33,274	32,107
Premiums Receivable	182,349	164,412
Reinsurance Receivable	137,513	135,991
Prepaid Reinsurance Premiums	24,218	26,435
Deferred Acquisition Costs Pertaining to Unearned Premiums and to Life Policies in Force	148,358	142,896
Land, Buildings and Equipment for Company Use (at Cost Less Accumulated Depreciation)	96,853	53,639
Other Assets	89,025	70,689
Total Assets	$ 10,405,485	$ 11,086,503
LIABILITIES		
Insurance Reserves:		
Losses and Loss Expenses	$ 2,127,223	$ 2,054,725
Life Policy Reserves	547,582	533,730
Unearned Premiums	473,606	459,695
Notes Payable	83,000	-0-
5.5% Convertible Senior Debentures Due 2002	42,992	51,919
6.9% Senior Debentures Due 2028	419,611	419,601
Federal Income Taxes		
Current	16,681	9,740
Deferred	1,492,227	1,809,003
Other Liabilities	160,915	127,154
Total Liabilities	5,363,837	5,465,567
SHAREHOLDERS' EQUITY		
Common Stock, $2 per Share; Authorized 200,000 Shares; Issued 1999--171,361; 1998--170,435 Shares; Outstanding 1999--164,113; 1998--166,681 Shares	342,722	340,871
Paid-In Capital	231,164	218,328
Retained Earnings	1,604,553	1,480,914
Accumulated Other Comprehensive Income	3,089,714	3,678,019
	5,268,153	5,718,132
Less Treasury Shares at Cost (1999--7,248 Shares; 1998--3,754 Shares)	(226,505)	(97,196)
Total Shareholders' Equity	5,041,648	5,620,936
Total Liabilities and Shareholders' Equity	$ 10,405,485	$ 11,086,503

Accompanying notes are an integral part of these financial statements.

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

(000's omitted except per share data)

	Nine Months Ended September 30, 1999	Nine Months Ended September 30, 1998	Three Months Ended September 30, 1999	Three Months Ended September 30, 1998
Revenues:				
Premiums Earned:				
Property and Casualty	$ 1,223,758	$1,144,515	$ 419,121	$ 386,056
Life	48,081	44,815	15,745	14,418
Accident and Health	6,573	6,265	1,997	2,130
Net Premiums Earned	1,278,412	1,195,595	436,863	402,604
Investment Income, Less Expenses	288,345	272,833	97,821	91,446
Realized Gain on Investments	39,779	71,624	991	18,861
Other Income	9,745	5,845	2,626	1,854
Total Revenues	1,616,281	1,545,897	538,301	514,765
Benefits & Expenses:				
Insurance Losses and Policyholder Benefits	943,159	907,434	332,062	316,095
Commissions	235,209	211,664	81,878	73,614
Other Operating Expenses	110,366	110,342	37,134	36,810
Taxes, Licenses & Fees	37,724	42,231	14,057	16,394
Increase in Deferred Acquisition Costs Pertaining to Unearned Premiums and to Life Policies in Force	(5,462)	(4,567)	(4,564)	(2,331)
Interest Expense	23,369	19,600	7,978	8,119
Other Expenses	4,472	5,927	714	2,045
Total Benefits & Expenses	1,348,837	1,292,631	469,259	450,746
Income Before Income Taxes	267,444	253,266	69,042	64,019
Provision for Income Taxes:				
Current	59,664	61,492	6,690	16,683
Deferred	3	(4,169)	5,306	(5,579)
Total Provision for Income Taxes	59,667	57,323	11,996	11,104
Net Income	$ 207,777	$ 195,943	$ 57,046	$ 52,915
Average Shares Outstanding	164,542	166,871	162,638	167,072
Average Shares Outstanding (diluted)	169,057	172,251	167,232	172,233
Per Common Share:				
Net Income	$ 1.26	$ 1.17	$ .35	$ .31
Net Income (diluted)	$ 1.24	$ 1.15	$ .34	$ .31
Cash Dividends Declared	$ .5100	$ .4600	$ .1700	$ .1533

Accompanying notes are an integral part of these financial statements.

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

(000's omitted)

NINE MONTHS ENDED SEPTEMBER 30, 1998 AND 1999

	Common Shares	Stock Amount	Treasury Stock	Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total Shareholders' Equity
Bal. Dec. 31, 1997	169,391	$338,782	$ (72,585)	$ 203,282	$1,341,730	$ 2,905,756	$4,716,965
Net Income					195,943		195,943
Change in Unreal. Gains Net of Inc. Taxes of $28,039						52,071	52,071
Comprehensive Income							248,014
Div. Declared					(76,818)		(76,818)
Purchase/Issuance of Treasury Shares			(10,065)	21			(10,044)
Stock Options Exercised	522	1,044		7,952			8,996
Conversion of Debentures	380	761		4,900			5,661
Bal. Sept. 30, 1998	170,293	$340,587	$ (82,650)	$ 216,155	$ 1,460,855	$ 2,957,827	$4,892,774
Bal. Dec. 31, 1998	170,435	$340,871	$ (97,196)	$ 218,328	$ 1,480,914	$ 3,678,019	$5,620,936
Net Income					207,777		207,777
Change in Unreal. Gains Net of Inc. Taxes of ($316,779)						(588,305)	(588,305)
Comprehensive Income							(380,528)
Div. Declared					(84,138)		(84,138)
Purchase/Issuance of Treasury Shares			(129,309)	12			(129,297)
Stock Options Exercised	326	651		5,098			5,749
Conversion of Debentures	600	1,200		7,726			8,926
Bal. Sept. 30, 1999	171,361	$ 342,722	$ (226,505)	$ 231,164	$ 1,604,553	$ 3,089,714	$5,041,648

Accompanying notes are an integral part of these financial statements.

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

	(000's omitted)	
	Nine Months Ended September 30, 1999	1998
Cash flows from operating activities:		
Net income	$ 207,777	$ 195,943
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	10,269	8,313
Increase in investment income receivable	(2,786)	(746)
Increase in premiums receivable	(17,937)	(13,504)
Increase in reinsurance receivable	(1,522)	(21,475)
Decrease (increase) in prepaid reinsurance premiums	2,217	(1,737)
Increase in deferred acquisition costs	(5,462)	(4,567)
Decrease (increase) in accounts receivable	10,574	(7,933)
Increase (decrease) in other assets	(15,545)	853
Increase in loss and loss expense reserves	72,498	97,015
Increase in life policy reserves	13,852	41,438
Increase in unearned premiums	13,911	13,670
Increase (decrease) in other liabilities	31,387	(24,969)
Increase (decrease) in deferred income taxes	3	(4,169)
Realized gains on investments	(39,779)	(71,624)
Increase (decrease) in current income taxes	6,941	(17,615)
Other	(13,366)	(19,216)
Net cash provided by operating activities	273,032	169,677
Cash flows from investing activities:		
Sale of fixed maturities	55,554	30,010
Call or maturity of fixed maturities investments	257,385	275,860
Sale of equity securities investments	135,005	258,310
Collection of finance receivables	12,226	11,003
Purchase of fixed maturities investments	(349,109)	(373,844)
Purchase of equity securities investments	(199,421)	(387,661)
Investment in land, buildings and equipment	(54,822)	(12,981)
Investment in finance receivables	(13,393)	(11,470)
Investment in other invested assets	(5,037)	(5,382)
Net cash used in investing activities	(161,612)	(216,155)
Cash flows from financing activities:		
Debenture issue	0	419,594
Proceeds from stock options exercised	5,749	8,996
Purchase/Issuance of treasury shares	(129,297)	(10,044)
Increase (decrease) in notes payable	83,000	(280,517)
Payment of cash dividends to shareholders	(81,764)	(73,910)
Net cash provided (used) in financial activities	(122,312)	64,119
Net increase (decrease) in cash	(10,892)	17,641
Cash at beginning of period	58,611	80,168
Cash at end of period	$ 47,719	$ 97,809
Supplemental disclosures of cash flow information		
Interest paid	$ 15,348	$ 24,348
Income taxes paid	$ 52,000	$ 76,301

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 generally accepted accounting principles. All significant inter-company investments and transactions have been eliminated in consolidation. The December 31, 1998 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 September 30, 1999 and December 31, 1998.

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 nine-month and three-month periods ended September 30 are as follows:

	Fixed Maturities	Equity Securities	Total
Nine-Month Periods Ended			
September 30, 1999	$ (118,039)	$ (470,266)	$ (588,305)
September 30, 1998	$ (14,749)	$ 66,820	$ 52,071
Three-Month Periods Ended			
September 30, 1999	$ (41,677)	$ (442,462)	$ (484,139)
September 30, 1998	$ (14,524)	$ (379,859)	$ (394,383)

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 nine-month and three-month periods ended September 30 as follows:

	Ceded Premiums	Reinsurance Recoveries
Nine-Month Periods Ended		
September 30, 1999	$ 77,404	$ 39,243
September 30, 1998	$ 73,912	$ 45,000
Three-Month Periods Ended		
September 30, 1999	$ 25,841	$ 15,237
September 30, 1998	$ 24,932	$ 9,748

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 September 30, 1999, outstanding options for Stock Plan No. IV totalled 2,464,607 shares with purchase prices ranging from a low of $7.46 to a high of $42.88, outstanding options for Stock Plan V totalled 1,405,127 shares with purchase prices ranging from a low of $20.48 to a high of $45.38 and outstanding options for Stock Plan VI totalled 1,607,007 shares with purchase prices ranging from a low of $33.75 to a high of $41.47.

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

NOTE IV - 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):

	Nine Months Ended September 30,		Three Months Ended September 30,	
	1999	1998	1999	1998
REVENUES				
Commercial lines insurance	$ 800,362	$ 756,801	$ 274,802	$ 253,200
Personal lines insurance	423,396	387,714	144,319	132,856
Life insurance	54,654	51,080	17,742	16,548
Investment operations	328,124	344,457	98,813	110,307
Corporate and other	9,745	5,845	2,625	1,854
Total revenues	$ 1,616,281	$ 1,545,897	$ 538,301	$ 514,765
INCOME BEFORE INCOME TAXES				
Property and casualty insurance	$ (14,044)	$ (42,481)	$ (14,745)	$ (25,765)
Life insurance	618	(1,111)	273	(3,694)
Investment operations	305,448	322,337	91,249	102,566
Corporate and other	(24,578)	(25,479)	(7,735)	(9,088)
Total income before income taxes	$ 267,444	$ 253,266	$ 69,042	$ 64,019
IDENTIFIABLE ASSETS				
Property and casualty insurance	$ 5,213,500	$ 5,094,914		
Life insurance	1,128,606	1,153,772		
Corporate and other	4,063,379	3,690,283		
Total identifiable assets	$ 10,405,485	$ 9,938,969		

NOTE V - 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.

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; and the potential inability of the Company and/or the independent agencies with which it works to complete the necessary information system changes required to handle the Year 2000 issue. Readers are cautioned that the Company undertakes no obligation to review or update the forward-looking statements included in this material.

Premiums earned for the nine months ended September 30, 1999 have increased $82,817 (7%) over the nine months ended September 30, 1998. Also, premiums earned have increased $34,259 (9%) for the three months ended September 30, 1999 over the three months ended September 30, 1998. For the nine-month and three-month periods ended September 30, 1999, the growth rate of our property and casualty subsidiaries is more than last year on an earned premium basis. This growth rate is greater than last year because of increases in new business and some rate increases on personal lines business along with some price firming in the commercial lines market. The premium growth of our life and health subsidiary increased 7% for the nine months ended September 30, 1999 and 7% for the three months ended September 30, 1999 compared to the comparable periods of 1998. The premium growth in our life subsidiary is mainly attributable to increased sales of traditional term life products. The 1999 year-to-date increase is less than last year's, partially due to the sale of a block of final expense policies in the second quarter 1999, with premiums of $1,313 thru September 30, 1998. For the nine-month and three-month periods ended September 30, 1999, investment income, net of expenses, has increased $15,512 (6%) and $6,375 (7%) when compared with the first nine months and third quarter 1998, respectively. 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 nine months ended September 30, 1999 amounted to $39,779 compared to $71,624 for the nine-month period ended September 30, 1998, and $991 for the three-month period ended September 30, 1999 compared to $18,861 for the three-month period ended September 30, 1998. 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. 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 $35,725 (4%) for the first nine months of 1999 over the same period in 1998 and increased $15,967 (5%) for the third quarter when compared to the third quarter of 1998. The losses and benefits of the property and casualty companies have increased $38,016 for the nine-month period and increased $18,623 for the third quarter of 1999 compared to the comparable periods for 1998. Third-quarter results include claims of $7,300 due to two recent Ohio Supreme Court rulings. The Court interpreted business automobile policies to cover employees or their family members for injuries caused by uninsured and underinsured motorists, even when the injured persons are not in company vehicles or on company business. The property and casualty subsidiaries are Ohio's leading commercial auto insurer, with an 8 percent market share in this line. We acted promptly to relieve our business policyholders of the need to fund this coverage for which they never intended to assume responsibility, filing new coverage language to eliminate the unintended exposure. Effective October 1, 1999, this new language is included on new policies and on renewals at the policy anniversary date. Catastrophe losses were $38,841 and $81,860, respectively, for the first nine months of 1999 and 1998 and were $7,804 and $24,542, respectively, for the third quarter of 1999 and 1998. These losses were substantially lower for the first nine months and third quarter of 1999 compared to the comparable periods of 1998 because of lower incidence and severity of these weather-related claims.

Policyholder benefits of the life insurance subsidiary decreased $2,291 for the first nine months of 1999 over the same period of 1998 and decreased $2,656 for the third quarter when compared to the third quarter of 1998. The majority of the nine-month and third quarter decrease is the result of reduced annuity writings and associated provisions for future annuity payouts.

Commission expenses increased $23,545 for the nine-month period ended September 30, 1999 compared to the same period of 1998 and increased $8,264 for the third quarter of 1999 compared to the same period in 1998. The increase is partially attributable to higher contingency commissions. Other operating expenses increased $24 for the nine-month period ended September 30, 1999 compared to the same period for 1998 and increased $324 for the third quarter of 1999 compared to the same period in 1998. The small increases are attributable to the adoption of Statement of Position (SOP) 98-1, capitalizing internal information systems costs. This amounts to $7,512 capitalized in the first nine months of 1999 and $2,987 in the third quarter. Excluding these costs, other operating expenses increased $7,536 in the first nine months of 1999 and $3,311 capitalized in the third quarter of 1999. These increases are attributable to increases in staff and other costs related to our growth in business. Interest expense increased $3,769 for the nine-month period ended September 30, 1999 compared to the same period for 1998 and decreased $141 for the third quarter of 1999 compared to the same period in 1998. The nine-month increase is attributable to a higher interest rate of the 30-year senior debentures compared to the short-term debt previously held, and an increase in debt of $33,000 in the third quarter. Taxes, licenses and fees decreased $4,507 for the nine-month period ended September 30, 1999 compared to the same period in 1998, attributable to decreases in tax rates in our domicile state, Ohio, and related lower retaliatory taxes. Third quarter 1999 taxes, licenses and fees decreased $2,337, compared to third quarter 1998.

In the first nine months of 1999, the Company experienced unrealized losses in investments, compared to unrealized gains in investments in the first nine months of 1998, resulting in comprehensive income (loss) of $(380,528) in 1999, compared to $248,014 in 1998. The third quarter of 1999 resulted in unrealized losses in investments of $484,139, compared to unrealized losses in investments of $394,383 in the third quarter 1998, resulting in comprehensive income (loss) of $(427,093) and $(341,468) for the third quarter of 1999 and 1998, respectively.

Provision for income taxes, current and deferred, have increased by $2,344 for the first nine months of 1999 compared to the first nine months of 1998 and have increased $892 for the third quarter of 1999 compared to the third quarter of 1998. The effective tax rates for the nine months ended September 30, 1999 and 1998 were 22.3% and 22.6%, respectively. Third quarter effective tax rates were 17.4% and 17.3%, for 1999 and 1998, respectively.

CinFin Capital Management Company, our investment management services subsidiary, reported revenues of $17 in the third quarter 1999. This is the initial quarter of recognizing revenues. Net income after taxes was $6. Total assets under management was $155,797.

The Company has been working on the Year 2000 project for several years to address potential problems within the Company's operations that could result from the century change. The corporate Information Systems Department is primarily responsible for this endeavor and has a designated team of Company associates assigned to this effort. This team has access to key associates in all areas of the Company's operations as well as to outside consultants and resources on an as-needed basis.

The Information Systems Department provides a comprehensive report on a quarterly basis for corporate management and the Audit Committee of the Board of Directors. This report identifies progress against the plan as well as projections on specific issues.

We have identified computer systems (both hardware and software), including equipment with embedded computer chips, that were not Year 2000 compliant; determined what revisions or replacements would be needed to achieve compliance; prioritized and proceeded to implement those revisions or replacements; instituted testing procedures to ensure that the revisions and fixes are operational; and moved the compliant systems into production. Additional in-depth testing, both internal and third-party related, took place in the first nine months of 1999. All mission critical systems are completed. Non mission critical systems are substantially complete. Compliant versions of a few vendor supplied non mission critical products have not yet been provided. Year 2000 compliant work around these situations has been determined.

As part of the overall review of Year 2000, the Company is verifying the Year 2000 compliance status of vendors with significant business relationships. Because the Company markets products through independent agencies, it is of paramount importance that those approximately 1,000 agencies (1,300 offices) successfully transition to a Year 2000 compliant processing system. We are actively working with those agencies. As of September 30, 1999, 99% of the agencies' processing systems have been made compliant. The remaining 1% will be compliant by December 31, 1999. Phone and personal interviews are being used to verify the progress of these agencies.

Contingency planning for the Year 2000 includes standard backup and recovery procedures to be followed in the event of a critical system failure. While we do not expect any unusual kinds of failure as a result of specific Year 2000 related changes, our departments have determined contingency plans for our critical processes in the event that there should be a Year 2000 problem.

Should the Company or a third party with whom the Company transacts business have a system failure due to the century change, it is believed it will not result in more than a minor delay in processing or reporting, with no material financial impact.

We previously budgeted $10.0 million pretax to resolve the Year 2000 issues. This encompasses the costs of modifications, the salaries of the associates primarily assigned to this effort and the fees of outside consultants for this effort. As of September 30, 1999, the Company incurred approximately $9.7 million of these costs. The expenses incurred during the first nine months of 1999 were approximately $1.9 million.

Although the Company's project has gone well and our internal systems are now ready for the year 2000, we cannot predict the overall outcome or the success of the Year 2000 project, or that third-party systems are or will be Year 2000 compliant, or that the costs required to address the Year 2000 issue or the impact of a failure to achieve substantial Year 2000 compliance will not have a material adverse effect on the Company's business, financial condition or results of operations.

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.

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 September 30, 1999, the Company has repurchased 3.1 million shares, leaving 13.9 million future repurchased shares authorized.

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 third 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

No special matters were voted upon by security holders during the third 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 September 30, 1999.

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 November 10, 1999

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)

	Nine Months Ended September 30, 1999	Nine Months Ended September 30, 1998	Three Months Ended September 30, 1999	Three Months Ended September 30, 1998
Basic earnings per share:				
Net income	$207,777	$195,943	$ 57,046	$ 52,915
Average shares outstanding	164,542	166,871	162,638	167,072
Net income per common share	$ 1.26	$ 1.17	$ .35	$ .31
Diluted earnings per share:				
Net income	$207,777	$195,943	$ 57,046	$ 52,915
Interest on convertible debentures--net of tax	1,239	1,452	381	471
Net income for per share calculation (diluted)	$209,016	$197,395	$ 57,427	$ 53,386
Average shares outstanding	164,542	166,871	162,638	167,072
Effective of dilutive securities:				
5.5% convertible senior debentures	2,889	3,547	2,889	3,547
Stock options	1,626	1,833	1,705	1,614
Total dilutive shares	169,057	172,251	167,232	172,233
Net income per common share--diluted	$ 1.24	$ 1.15	$ .34	$ .31

7
1,000

9-MOS
DEC-31-1999
JAN-01-1999
SEP-30-1999
2,667,602
0
0
6,836,263
14,912
4,308
9,566,617
47,719
2,410
148,358
10,405,485
2,619,671
473,606
49,989
16,888
545,603
0
0
342,722
4,698,926
10,405,485
1,278,412
288,345
39,779
9,745
943,159
269,258
136,420
267,444
59,667
207,777
0
0
0
207,777
1.26
1.24
1,840,323
0
0
0
0
1,927,379
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 $5,145 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
less loss checks payable as of December 31, 1998
Equals the net reserve for unpaid claims for the property casualty subsidiaries
less loss checks payable as of September 30, 1999