

THE CINCINNATI ETHIC

Values that shaped 70 years of success.



CINCINNATI
FINANCIAL CORPORATION

2020 Annual Letter from the Chairman and the Chief Executive Officer

ETHIC

The Cincinnati Ethic – our values

The Cincinnati Insurance Companies and our affiliates are dedicated to our local independent agent customers. Our mission is to find the best ways to support their high level of effectiveness in bringing quality insurance products and services to the families and businesses in their communities. For 70 years, our organization has nurtured cultural values that ensure success in this endeavor. Even as our processes and tools evolve with the times, this set of foundational ideals shape our efforts. Read the sidebars throughout the letter for details on how the Cincinnati Ethic continues to inspire us to be Everything Insurance Should Be®.

Cincinnati Financial Corporation stands among the 25 largest property casualty insurers in the nation, based on net written premiums. A select group of independent agencies actively markets our business, home and auto insurance in 45 states. Within this select group, we also seek to become the life insurance carrier of choice and to help agents and their clients – our policyholders – by offering leasing and financing services.

Three competitive advantages distinguish your company, positioning us to build shareholder value and long-term success:

1. Commitment to our network of professional independent insurance agencies and to their continued success
2. Operating structure that supports local decision making, showcasing the strength of our field claims service, field underwriting and field support services
3. Financial strength to fulfill our promises and be a consistent market for our agents' business, supporting stability and confidence

Learn more about where we are today and where we are headed by reviewing our publications on cinfin.com/investors.

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To Our Shareholders, Friends and Associates:

Highlights

2019 was a stellar year for your company. Shareholders' equity rose to nearly \$10 billion at year-end 2019 – an all-time high – including increased policyholder surplus for our property casualty subsidiaries. That value on a per-share basis, your book value, increased nearly 26% during the year to \$60.55.

Our net income rose 596% to \$1.997 billion for the year, in large part due to strong equity markets in 2019. While this swing may be surprising, it's the continued result of the accounting rule changes implemented by the Financial Accounting Standards Board in 2018. As we've mentioned before, this rule introduces unnecessary volatility in net income by requiring unrealized investment gains and losses to be reported on the income statement instead of on the balance sheet as other comprehensive income.

Consider this example. If rising equity markets produced an 8% increase in the fair value of our equity securities portfolio in 2020, we'd be satisfied with that result despite it being far below 2019's 31% increase. It would add approximately \$620 million to our equity portfolio, strengthening your company's financial position. However, when reporting the after-tax net income effect of \$490 million, the change in net income of 2019 compared with 2020, assuming all else equal, would be a decline of \$813 million.

Underwriting profit from our property casualty insurance operations improved 83% for the year, producing steady cash flow that allowed us to expand our investment portfolio and increase investment income, supporting our primary performance target of an annual value creation ratio averaging 10% to 13% over the next five-year period. For 2019, the ratio was 30.5%, resulting in



Kenneth W. Stecher, Chairman of the Board (left), with Steven J. Johnston, President and Chief Executive Officer

ETHICS We put people first

In action: Serving people and building relationships face to face

Our people-first mindset reveals itself in associates like Tracy Reese. With clients to meet and quotes to generate, Tracy's days are full. That doesn't stop her from reaching beyond her assigned duties. By chance, Tracy found herself at the same venue as the wedding reception of a Cincinnati policyholder. Learning that the groom's business had succumbed to fire that very day, she contacted the agent. Early the next morning, Tracy joined our claims representative and agent at the fire site. Together, they explained to weary newlyweds how Cincinnati was prepared to help. Instead of disappointment about missing their honeymoon, the couple was grateful to continue the life they'd planned.



"We know the people, the risks they face and how to protect against them. That makes a difference."
Tracy Reese, CPCU, CIC, CRM,
Chicago-Area Sales Field
Director

ETHICS

We invest in ourselves and one another

In action: Preparing for the future with innovation endeavors

Forward-thinking associates across the organization participate in pilot programs; attend innovation-focused seminars; tackle robust training curriculums; and explore key

challenges that, when solved, better the Cincinnati experience – all to support our mission to be the best company serving independent agents. In 2019, we amplified innovative endeavors, creating a dedicated space – The Studio – at our Headquarters to augment the creative-thinking environment we enjoy at University of Cincinnati's 1819 Innovation Hub.

a 14.2% annual average VCR over the past five years.

We believe the value creation ratio is an appropriate metric to evaluate our performance because it considers our ability to increase the book value of your company and your shareholder dividends.

In January 2020, our board of directors increased the regular quarterly dividend 4 cents, or

in our insurance operations. Our full-year 2019 combined ratio finished better than that range at 93.8%, making it our eighth consecutive year of underwriting profit. On a statutory basis, it was 93.4%, about 5 points better than the estimated property casualty aggregate of 98.2%, per A.M. Best.

A Strong Competitor

We manage our business to position your company for steady performance through all economic and market cycles, supporting stability for our agency customers. Increasing expertise and focus in four key areas give us what it takes to be a strong competitor:

Pricing Sophistication to Balance Growth and Profitability

Our commercial lines business grew net written premiums by 5% in 2019, while improving its combined ratio 2.5 points to a profitable 92.9%. We find ourselves at the intersection of art and science in our underwriting process. By combining our sophisticated data models with the judgment of seasoned field marketing representatives and headquarters underwriters, we segment accounts and present an appropriate price for the risk assumed on each account. Higher levels of premium retention, increases in insured exposures, and average renewal price increases in the low-single-digit percent range also boosted net written premium growth.

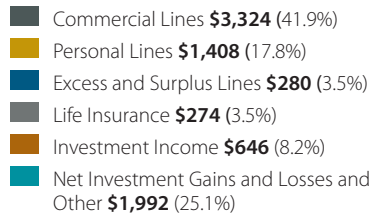
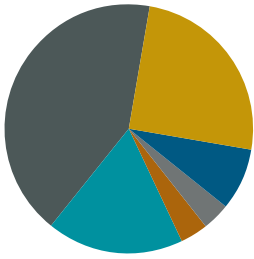
7.1%, to 60 cents per share, setting the stage for a 60th consecutive year of increasing shareholder dividends. Only seven other public companies in the U.S. can claim such a streak.

We expect to grow faster than the property casualty industry average and did so in 2019. Our 10% growth in net written premiums outpaced the estimated industry average by A.M. Best Company of 4.2%.

We aim for our combined ratio to be between 95% and 100% on average. When the combined ratio is below 100%, we've achieved an underwriting profit



2019 Consolidated Revenues (in millions)



Total: \$7.924 billion

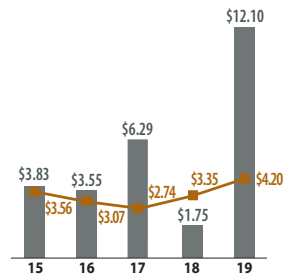
Total Investments At fair value (in billions)



Net Income and Non-GAAP Operating Income

Per common share, diluted

■ Net Income
■ Non-GAAP Operating Income



*The Definitions of Non-GAAP Information and Reconciliation to Comparable GAAP Measures are in our quarterly news releases, which are available at cinfm.com/investors.

Earned premiums grew 8% and property casualty underwriting profit grew 83% in 2019 compared with 2018, contributing to the 26% increase in full-year 2019 non-GAAP operating income. Net income increased 596% compared with 2018, reflecting a \$1.604 billion increase in the fair value of equity securities still held that prior to 2018 would have been reported in other comprehensive income instead of net income. Pretax investment income grew 4% for the year, reaching a record high \$646 million and resulting in the sixth consecutive year of increasing investment income.

The granularity of our segmentation allows us to remain market agnostic when it comes to pricing. Since we determine an appropriate price for each risk, we can support our agents' efforts to write new business and to retain quality accounts through all market cycles.

In 2019, we also identified and communicated with agents about what we called our profitable growth lines. These lines of business have historically produced strong profitability for our agents and us. These five lines – Inland Marine, Commercial Umbrella,

ETHIC

We make the effort to do the little things that make a big difference

In action: Answering the call

Answering the phone and providing fast quote turnarounds are two simple ways we make a big difference for our agents and their customers. Our associates are regularly recognized by our agency partners for their dedication to building winning relationships. If you ask them, their actions are nothing extraordinary: it's just the Cincinnati way.

Agency-Awarded Recognition

AGENCY

ASSOCIATE

Althans Insurance Agency

Lee Hatch, Field Claims
Anthony Peter, Personal Lines Underwriting

Patterson & Associates Insurance

Phil Howard, CSU Underwriting

Independent Insurance Agents of Arkansas

David Brandenstein, CSU Underwriting

Robertson Ryan & Associates

Wes Lewis, Commercial Lines

Eastern Shore Associates Insurance

Jamison Gordon, Sales Field

A.W. Welt Ambrisco

Holly Carlson, Field Claims

Ottawa Kent Insurance

Jane Hart, Sales Field

Northern Insuring Agency

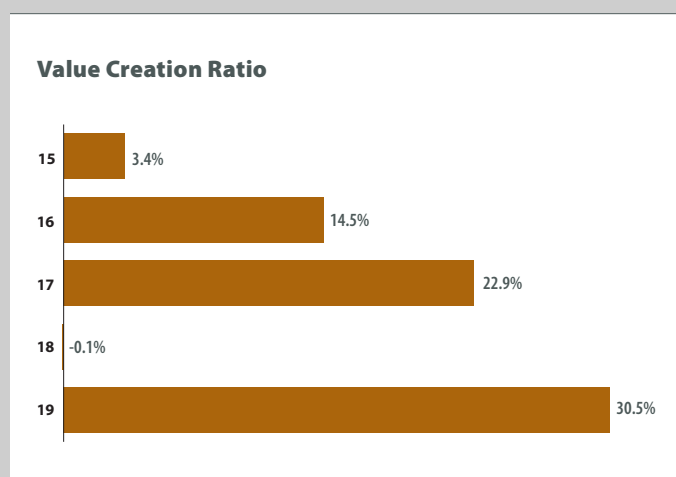
Terri O'Hear, Sales Field

ETHICS

We believe long-term financial stability is an attainable goal

In action: Targeting a 10% to 13% annual average value creation ratio

Financial stability makes it possible to be a steady, fair and responsible employer and insurance carrier. We align associates at every level to this belief through compensation programs that include cash bonuses based on our VCR, reflecting underwriting and



investment performance compared to peers, and stock awards. Value creation weighs the growth in our book value, plus our dividend payments. The board of directors' January 2020 decision to increase the cash dividend sets the stage for a 60th consecutive year of increasing dividends.

Machinery & Equipment, Management Liability and Surety – grew at a pace more than double our other commercial lines of business while also achieving \$200 million in underwriting profit.

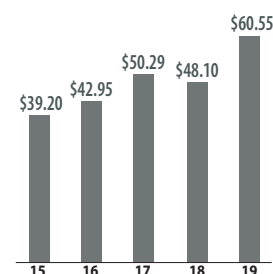
In personal lines, we've also deepened our focus on segmentation, introducing a new writing company late in 2018. The Cincinnati Casualty Company is now writing new business in nine states, with 11 more planned for 2020. In the states where we've launched Cincinnati Casualty, we've seen an aggregate increase in new business of 30%. Middle market personal lines is important to our agents, and it's important to us to remain competitive in this arena. Adding this new option allows us to bring an entirely new rating plan into the market without disrupting our current business. This new rating plan considers a different rate, by-peril, that better matches price to risk, recognizes superior construction and makes us more competitive on our agents' most desirable risks.

At the same time, we remain focused on profitably growing our personal lines high net worth offering. Our Executive Capstone™ suite of products topped \$400 million in net written premiums in 2019 – that's a growth rate of approximately 300% since 2014.

For personal lines, our initiatives focusing on a combination of growth and profitability were

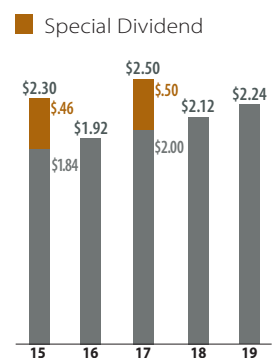
Book Value

Per common share



Cash Dividend Declared

Per common share



Book value per share rose 26% to \$60.55 at December 31, 2019, compared with year-end 2018, a new record high, resulting in a 30.5% value creation ratio. On a five-year average basis our value creation ratio is 14.2% – just ahead of our target range.

rewarded in 2019 with a combined ratio improvement of 2.1 points to 99.8% and an increase of overall net written premiums of 4%.

We are continuing our selective and deliberate expansion of Cincinnati ReSM, our reinsurance assumed operation, growing net written premiums for this area of our business 44% in 2019.

We look to participate in risks that we believe have attractive underwriting margins on a stand-alone basis as well as on a diversified, risk-adjusted return basis.

Geographic and Product Diversification

We've been working for several years on increasing our geographic diversification. 2019 was an excellent example of the benefit we reap from these efforts.

In May, a large wind and hailstorm moved across our country striking Dayton, Ohio. Being just up the road from us, we are heavily concentrated in that area. The catastrophe resulted in \$100 million in losses from those we insure. Ohio is a bellwether state for us, and eight or 10 years ago, this kind of catastrophic loss would likely have resulted in an underwriting loss for the year. Thanks to the efforts we've made to expand geographically, while also focusing on profitability of existing states, we reported an underwriting profit for the year.

Product diversification has also been a focus over the past decade. Looking for ways to deepen our relationships with the 1,796 premier independent agencies that represent us, we expanded into excess and surplus lines in 2007. Since its inception, The Cincinnati Specialty Underwriters Insurance Company has doubled in size roughly every

four years. In 2019, this subsidiary reached more than \$300 million in net written premiums, increasing new business 57% and achieving a combined ratio in the low-80-percent range.

Due to back-to-back wildfire catastrophes in California in 2017 and 2018, the industry was shrinking personal lines standard market capacity. Our agents in that state needed a solution for their clients, and we delivered. In about six months, our personal lines and excess & surplus lines underwriters combined their expertise to create and deliver a nonadmitted homeowner product in January 2020. While early in its availability, it's being met with positive feedback from the market.

Growth of The Cincinnati Life Insurance Company also provides



ETHIC

We know the risks we accept and work to manage them effectively

In action: Artificial intelligence, data analytics and advancing geospatial imagery

Artificial intelligence tools assist in mining underwriting and claims files, identifying factors that predict how an account may perform. These advances in data analytics refine our understanding of the risks we insure.

In 2019, we enhanced our workers' compensation claims model to identify claimants who may have a greater risk of developing an opioid addiction. Combining analytics from our pharmacy bill management vendor and our own models, we put programs in place that help injured workers consider additional treatment options. Through these efforts, we have reduced opioid prescription fulfillment by 60% between 2013 and 2019.

Geospatial imagery produces a robust view of a property, identifying unique characteristics and allowing our associates to focus their energy on the accounts that need it most.

ETHICS

We think it's important to be where our customers are

In action: Hiring field expertise

There is no substitute for being part of the community you serve. It provides unique insights into the people, geography and business environment surrounding our appointed agents. We rely on talented associates who work from their homes to provide expert advice, risk mitigation consultations, comprehensive coverage options, claims support and more. We've expanded our field expertise to serve more complex commercial accounts, provide thermography scans that can detect heat before a fire occurs, and bolster excess & surplus and management liability capabilities, deepening our opportunities to contribute to our agencies' success.

This thermal image of an electrical cable and box indicates high temperatures, revealing possible defects that the eye cannot detect.



a steady contribution to our revenues – unaffected by weather-related catastrophes. In 2019, earned premiums for Cincinnati Life increased 8%, including an 8% increase for term life premium. We've long cross-served commercial lines clients with life insurance through our voluntary worksite life program. To further support our property casualty agents' efforts to cross-serve their clients, we have an innovation venture team investigating how we might offer personal lines products to those employees who purchase a worksite policy offered by their employer, turning a life insurance client into a property casualty client.

The acquisition of Cincinnati Global Underwriting Ltd.SM on February 28, 2019, further strengthens our product and geographic diversification. Through Lloyd's of London, we have access to licenses to conduct business in more than

200 international territories. Through our syndicate, already in 2020, we've expanded into Terrorism Insurance and Credit and Political Risk Insurance. We are also in the early stages of considering how we might use CSU Producer Resources Inc. – now an approved Lloyd's coverholder for Cincinnati Global – to support our agents' access to the Lloyd's marketplace.

Adequate Loss Reserves

For the property casualty industry, the financial benefit from favorable development of loss reserves for insured events that occurred in prior years is expected to remain low. In 2019, favorable reserve development only improved the industry combined ratio by an estimated 1.3 percentage points. If favorable development decreases, maintaining underwriting and pricing discipline for current-year business will be even more important.

For 31 consecutive years, favorable development has benefited your company's earnings as paid claims and updated estimates of claims settlements came in lower than our initial estimates. At 4.7 percentage points, our benefit in 2019 from favorable development was stronger than the industry estimate.

Our intent is to maintain consolidated property casualty loss and loss expense reserves consistently within the upper half of the actuarially estimated range



of amounts we will ultimately pay to our policyholders and claimants. At year-end 2019, the fair value of our \$11.698 billion fixed-maturity portfolio exceeded total insurance reserve liabilities by nearly 30%, supporting policyholder confidence in our ability to pay claims.

Steady Investment Income

With interest rates continuing to stay low in 2019, yields on new fixed-maturity securities we purchased were lower than the yields on bonds running off in the portfolio, causing our book yield to continue losing ground. The weighted average yield-to-amortized cost on our diversified, laddered fixed-maturity portfolio continued to decline slightly, ending the year at 4.1%.

We have been able to offset the lower interest income, due to our equity-investing strategy, as well as cash flow fueled by underwriting profits. Equity dividends grew 11% for the year. Equities represented approximately 39% of our invested assets at year-end, a significantly higher allocation than most insurers hold.

This approach creates strong liquidity and flexibility through all periods to maintain our cash dividend and to continue to invest in and expand our insurance operations.

Forward Momentum

A clearly articulated vision to be the best company serving independent agents has defined our strategies for success for 70 years. By providing exceptional service, distinguishing Cincinnati's advantages and creating innovative solutions to meet the needs of our agencies, we believe we can continue improving our results.

Our commitment to our agency partners and the strong relationships we build with them was cited as a key differentiator for our company by A.M. Best when they upgraded our issuer credit rating to an "a" in January 2020. At the same time, they affirmed our property casualty financial strength ratings and upgraded The Cincinnati Life Insurance Company to an "A+" (Superior) from an "A." All of our U.S.-based insurance companies, are now rated "A+" by A.M. Best.

ETHIC We pay claims

In action: Creating options for efficient claims settlements

We help people recover financially after a loss.

With new services, tools and technologies, we shorten response times, gather information

and pay claims more quickly. Our Express

Claims Center offers agents a "fast-track"

option for small, first-party claims, while

technology now allows our field team to

quickly translate simple photos into 3D

renderings and measurements of a property,

eliminating the

need to manually

enter data.

*Headquarters
Claims Technology
Specialist
Justin Anderson,
AIC, AINS,
flies one of
our drones
on property
inspections.*



ETHIC

We live the Golden Rule every day

In action: Relationships, not transactions are our building blocks

We treat others with professionalism and fairness, listening and responding genuinely.

Darren Hanley

worked with a

policyholder

whose restaurant

was destroyed

during a hurricane.

According to

Darren, "When I'm driving to the location of a

loss, I put myself in the insured's mindset.

What would I expect in their position?"

His attitude made all the difference to this

policyholder who shared her experience,

"Darren was there every step of the way.

I trusted him and I trusted Cincinnati. My

gratitude is immeasurable."



Darren Hanley, Complex Property Claims Specialist, helps policyholders restore their lives after a loss.

It's important to remember what makes our company special even as we find innovative new ways to serve the needs of our agencies. With the Cincinnati Ethic as our foundation, a detailed competitive strategy

charting the road ahead and the right people on board, we are confident that we have the forward momentum to help us build value for shareholders far into the future.

Respectfully,

/S/Kenneth W. Stecher

Kenneth W. Stecher
Chairman of the Board

/S/Steven J. Johnston

Steven J. Johnston, FCAS, MAAA, CFA, CERA
President and
Chief Executive Officer

A Tribute to Kenneth W. Stecher

Cincinnati Financial Chairman 2011-2020

Chairman Ken Stecher is retiring from the board in May. While Ken has served at the helm of Cincinnati Financial's board for nearly a decade, his service to our organization began more than 50 years ago.

In 1967, Ken joined the company's life insurance subsidiary and was quickly recognized for his strong work ethic and commitment to high standards. He acquired a deep knowledge of both life and property casualty insurance accounting, and as a result, advanced to senior vice president, secretary of the corporation and director of all insurance subsidiaries. In 2001, he became our third chief financial officer. Ken's unique background, ability to motivate and long-term perspective made him the ideal person to lead the company through the country's 2008 financial crisis.

During his tenure as president and chief executive officer, he focused on building a robust and easy-to-use IT infrastructure to benefit the independent insurance agents we serve. He also helped shape discussions around new guidelines for our investment strategy, creating a more stable risk profile and improving the balance of risk and reward.

We thank Ken for his many years of leadership and friendship to Cincinnati Financial.



Condensed Balance Sheets and Income Statements

Cincinnati Financial Corporation and Subsidiaries

(Dollars in millions)

	At December 31,	
	2019	2018
Assets		
Investments	\$ 19,746	\$ 16,732
Cash and cash equivalents	767	784
Premiums receivable	1,777	1,644
Reinsurance recoverable	610	484
Other assets	2,508	2,291
Total assets	<u>\$ 25,408</u>	<u>\$ 21,935</u>
Liabilities		
Insurance reserves	\$ 8,982	\$ 8,486
Unearned premiums	2,788	2,516
Deferred income tax	1,079	627
Long-term debt and lease obligations	846	834
Other liabilities	1,849	1,639
Total liabilities	<u>15,544</u>	<u>14,102</u>
Shareholders' Equity		
Common stock and paid-in capital	1,703	1,678
Retained earnings	9,257	7,625
Accumulated other comprehensive income	448	22
Treasury stock	(1,544)	(1,492)
Total shareholders' equity	<u>9,864</u>	<u>7,833</u>
Total liabilities and shareholders' equity	<u>\$ 25,408</u>	<u>\$ 21,935</u>

(Dollars in millions, except per share data)

	Years ended December 31,		
	2019	2018	2017
Revenues			
Earned premiums	\$ 5,604	\$ 5,170	\$ 4,954
Investment income, net of expenses	646	619	609
Investment gains and losses, net	1,650	(402)	148
Fee revenues	15	15	16
Other revenues	9	5	5
Total revenues	<u>7,924</u>	<u>5,407</u>	<u>5,732</u>
Benefits and Expenses			
Insurance losses and contract holders' benefits	3,638	3,490	3,390
Underwriting, acquisition and insurance expenses	1,738	1,597	1,546
Interest expense	53	53	53
Other operating expenses	23	16	13
Total benefits and expenses	<u>5,452</u>	<u>5,156</u>	<u>5,002</u>
Income Before Income Taxes	<u>2,472</u>	<u>251</u>	<u>730</u>
Provision (Benefit) for Income Taxes	<u>475</u>	<u>(36)</u>	<u>(315)</u>
Net Income	<u>\$ 1,997</u>	<u>\$ 287</u>	<u>\$ 1,045</u>
Per Common Share			
Net income—basic	\$ 12.24	\$ 1.76	\$ 6.36
Net income—diluted	12.10	1.75	6.29

Five-Year Summary Financial Information

Cincinnati Financial Corporation and Subsidiaries

(Dollars in millions, except per share data)

(Dollars in millions, except per share data)	Years ended December 31,				
	2019	2018	2017	2016	2015
Financial Highlights					
Investment income, net of expenses	\$ 646	\$ 619	\$ 609	\$ 595	\$ 572
Net income	1,997	287	1,045	591	634
Investment gains and losses, after-tax	1,303	(318)	95	80	45
Other non-recurring items, after-tax	—	56	495	—	—
Non-GAAP operating income	694	549	455	511	589
Per Share Data					
Net income - diluted	\$ 12.10	\$ 1.75	\$ 6.29	\$ 3.55	\$ 3.83
Investment gains and losses, after-tax - diluted	7.90	(1.94)	0.57	0.48	0.27
Other non-recurring items, after-tax - diluted	—	0.34	2.98	—	—
Non-GAAP operating income - diluted	4.20	3.35	2.74	3.07	3.56
Cash dividends declared	2.24	2.12	2.00	1.92	1.84
Special cash dividend declared and paid	—	—	0.50	—	0.46
Book value	60.55	48.10	50.29	42.95	39.20
Ratio Data					
Debt-to-total-capital	7.7%	9.5%	9.0%	10.3%	11.3%
Value creation ratio	30.5	(0.1)	22.9	14.5	3.4
Consolidated Property Casualty Insurance Results					
Agency renewal written premiums	\$ 4,519	\$ 4,358	\$ 4,198	\$ 4,072	\$ 3,925
Agency new business written premiums	778	652	626	551	532
Net written premiums	5,516	5,030	4,840	4,580	4,361
Earned premiums	5,334	4,920	4,722	4,482	4,271
Current accident year before catastrophe losses	\$ 3,249	\$ 3,026	\$ 2,889	\$ 2,684	\$ 2,579
Current accident year catastrophe losses	351	364	368	345	177
Prior accident years before catastrophe losses	(219)	(150)	(91)	(159)	(168)
Prior accident years catastrophe losses	(29)	(17)	(28)	(9)	(16)
Total loss and loss expenses	\$ 3,352	\$ 3,223	\$ 3,138	\$ 2,861	\$ 2,572
Underwriting expenses	1,652	1,522	1,467	1,389	1,321
Net underwriting profit	341	186	128	242	386
Loss and loss expense ratio	62.8%	65.5%	66.4%	63.8%	60.2%
Underwriting expense ratio	31.0	30.9	31.1	31.0	30.9
Combined ratio	93.8%	96.4%	97.5%	94.8%	91.1%
Policyholders' surplus (statutory)	\$ 5,620	\$ 4,919	\$ 5,094	\$ 4,686	\$ 4,412
Net written premiums to surplus (statutory)	0.96	1.02	0.95	0.98	0.99
Commercial Lines Property Casualty Insurance Results					
Net written premiums	\$ 3,410	\$ 3,245	\$ 3,202	\$ 3,122	\$ 3,025
Earned premiums	3,319	3,218	3,165	3,089	2,996
Loss and loss expense ratio	61.2%	63.7%	64.5%	62.4%	57.0%
Underwriting expense ratio	31.7	31.7	31.9	31.8	31.6
Combined ratio	92.9%	95.4%	96.4%	94.2%	88.6%
Personal Lines Property Casualty Insurance Results					
Net written premiums	\$ 1,435	\$ 1,378	\$ 1,294	\$ 1,198	\$ 1,128
Earned premiums	1,404	1,336	1,241	1,161	1,097
Loss and loss expense ratio	70.2%	72.8%	74.0%	72.4%	71.9%
Underwriting expense ratio	29.6	29.1	29.0	29.0	29.4
Combined ratio	99.8%	101.9%	103.0%	101.4%	101.3%
Excess & Surplus Lines Property Casualty Insurance Results					
Net written premiums	\$ 303	\$ 249	\$ 219	\$ 189	\$ 175
Earned premiums	278	234	209	183	168
Loss and loss expense ratio	51.1%	44.4%	41.4%	37.6%	41.9%
Underwriting expense ratio	30.4	29.1	29.7	29.4	28.1
Combined ratio	81.5%	73.5%	71.1%	67.0%	70.0%
Life Insurance Results					
Net written premiums	\$ 318	\$ 298	\$ 278	\$ 281	\$ 256
Earned premiums	270	250	232	228	209
Life insurance segment profit (loss)	1	8	(1)	1	(2)
Net life insurance face amount in force	69,984	66,142	61,177	56,808	52,735
Admitted assets excluding separate account business (statutory)	3,847	3,729	3,631	3,517	3,340
Total adjusted capital (statutory)	239	223	229	229	227
Authorized control level risk-based capital (statutory)	53	51	45	40	36

*The Definitions of Non-GAAP Information and Reconciliation to Comparable GAAP Measures on cinfin.com defines and reconciles measures presented in this report that are not based on GAAP or Statutory Accounting Principles.

Cincinnati Financial Corporation Safe Harbor Statement

This is our “Safe Harbor” statement under the Private Securities Litigation Reform Act of 1995. Our business is subject to certain risks and uncertainties that may cause actual results to differ materially from those suggested by the forward-looking statements in this report. Some of those risks and uncertainties are discussed in our 2019 Annual Report on Form 10-K, Item 1A, Risk Factors, Page 35. Factors that could cause or contribute to such differences include, but are not limited to:

- Unusually high levels of catastrophe losses due to risk concentrations, changes in weather patterns, environmental events, terrorism incidents or other causes
- Increased frequency and/or severity of claims or development of claims that are unforeseen at the time of policy issuance
- Inadequate estimates, assumptions or reliance on third-party data used for critical accounting estimates
- Declines in overall stock market values negatively affecting the company's equity portfolio and book value
- Prolonged low interest rate environment or other factors that limit the company's ability to generate growth in investment income or interest rate fluctuations that result in declining values of fixed-maturity investments, including declines in accounts in which we hold bank-owned life insurance contract assets
- Domestic and global events resulting in capital market or credit market uncertainty, followed by prolonged periods of economic instability or recession, that lead to:
 - Significant or prolonged decline in the fair value of a particular security or group of securities and impairment of the asset(s)
 - Significant decline in investment income due to reduced or eliminated dividend payouts from a particular security or group of securities
 - Significant rise in losses from surety and director and officer policies written for financial institutions or other insured entities
- Our inability to integrate Cincinnati Global and its subsidiaries into our on-going operations, or disruptions to our on-going operations due to such integration
- Recession or other economic conditions resulting in lower demand for insurance products or increased payment delinquencies
- Difficulties with technology or data security breaches, including cyberattacks, that could negatively affect our ability to conduct business; disrupt our relationships with agents, policyholders and others; cause reputational damage, mitigation expenses and data loss and expose us to liability under federal and state laws
- Disruption of the insurance market caused by technology innovations such as driverless cars that could decrease consumer demand for insurance products
- Delays, inadequate data developed internally or from third parties, or performance inadequacies from ongoing development and implementation of underwriting and pricing methods, including telematics and other usage-based insurance methods, or technology projects and enhancements expected to increase our pricing accuracy, underwriting profit and competitiveness
- Increased competition that could result in a significant reduction in the company's premium volume
- Changing consumer insurance-buying habits and consolidation of independent insurance agencies that could alter our competitive advantages
- Inability to obtain adequate ceded reinsurance on acceptable terms, amount of reinsurance coverage purchased, financial strength of reinsurers and the potential for nonpayment or delay in payment by reinsurers
- Inability to defer policy acquisition costs for any business segment if pricing and loss trends would lead management to conclude that segment could not achieve sustainable profitability
- Inability of our subsidiaries to pay dividends consistent with current or past levels
- Events or conditions that could weaken or harm the company's relationships with its independent agencies and hamper opportunities to add new agencies, resulting in limitations on the company's opportunities for growth, such as:
 - Downgrades of the company's financial strength ratings
 - Concerns that doing business with the company is too difficult
 - Perceptions that the company's level of service, particularly claims service, is no longer a distinguishing characteristic in the marketplace
- Inability or unwillingness to nimbly develop and introduce coverage product updates and innovations that our competitors offer and consumers expect to find in the marketplace
- Actions of insurance departments, state attorneys general or other regulatory agencies, including a change to a federal system of regulation from a state-based system, that:
 - Impose new obligations on us that increase our expenses or change the assumptions underlying our critical accounting estimates
 - Place the insurance industry under greater regulatory scrutiny or result in new statutes, rules and regulations
 - Restrict our ability to exit or reduce writings of unprofitable coverages or lines of business
 - Add assessments for guaranty funds, other insurance related assessments or mandatory reinsurance arrangements; or that impair our ability to recover such assessments through future surcharges or other rate changes
 - Increase our provision for federal income taxes due to changes in tax law
 - Increase our other expenses
 - Limit our ability to set fair, adequate and reasonable rates
 - Place us at a disadvantage in the marketplace
 - Restrict our ability to execute our business model, including the way we compensate agents
- Adverse outcomes from litigation or administrative proceedings
- Events or actions, including unauthorized intentional circumvention of controls, that reduce the company's future ability to maintain effective internal control over financial reporting under the Sarbanes-Oxley Act of 2002
- Unforeseen departure of certain executive officers or other key employees due to retirement, health or other causes that could interrupt progress toward important strategic goals or diminish the effectiveness of certain longstanding relationships with insurance agents and others
- Events, such as an epidemic, natural catastrophe or terrorism, that could hamper our ability to assemble our workforce at our headquarters location

Further, the company's insurance businesses are subject to the effects of changing social, global, economic and regulatory environments. Public and regulatory initiatives have included efforts to adversely influence and restrict premium rates, restrict the ability to cancel policies, impose underwriting standards and expand overall regulation. The company also is subject to public and regulatory initiatives that can affect the market value for its common stock, such as measures affecting corporate financial reporting and governance. The ultimate changes and eventual effects, if any, of these initiatives are uncertain.

Subsidiary Officers and Directors

As of February 25, 2020, listed alphabetically

Officers serve on one or more U.S. subsidiaries:

The Cincinnati Insurance Company (CIC); The Cincinnati Casualty Company (CCC); The Cincinnati Indemnity Company (CID); The Cincinnati Life Insurance Company (CLIC); The Cincinnati Specialty Underwriters Insurance Company (CSU); CSU Producer Resources Inc. (C-SUPR); CFC Investment Company (CFC-I)

Executive Officers

Roger A. Brown, FSA, MAAA, CLU*
Chief Operating Officer and Senior Vice President - CLIC

Teresa C. Cracas, Esq.*
Chief Risk Officer and Senior Vice President

Donald J. Doyle, Jr., CPCU, AIM*
Senior Vice President – Excess & Surplus Lines

Sean M. Givler, CIC, CRM*
Senior Vice President – Commercial Lines

Theresa A. Hoffer
Senior Vice President – Corporate Finance
Treasurer

Martin F. Hollenbeck, CFA, CPCU*
Chief Investment Officer and Senior Vice President
President and Chief Operating Officer – CFC-I

Steven J. Johnston, FCAS, MAAA, CFA, CERA*
Chief Executive Officer of all U.S. subsidiaries
President – CIC, CID, CCC, CSU, C-SUPR, CLIC

John S. Kellington*
Chief Information Officer and Senior Vice President

Lisa A. Love, Esq.*
Senior Vice President, General Counsel and Corporate Secretary

Martin J. Mullen, CPCU*
Chief Claims Officer and Senior Vice President

Michael J. Sewell, CPA*
Chief Financial Officer and Senior Vice President

Stephen M. Spray*
Chief Insurance Officer and Senior Vice President

William H. Van Den Heuvel*
Senior Vice President – Personal Lines

Senior Vice Presidents

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Kevin E. Guilfoyle
Thomas C. Hogan, Esq.
Stephen A. Ventre, CPCU

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Dawn S. Chapel, CPCU, AIM, AIS, CRIS, APA, ARe, ASLI, AU

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Brian K. Wood, CPCU, AIM, SPHR

Xiangfei Zeng, Ph.D, FCAS, MAAA

Treasurers

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Todd H. Pendery, FLMI
Michael J. Sewell, CPA
Blake D. Slater, CPA

General Counsel

Lisa A. Love, Esq.

Associate General Counsel

Thomas C. Hogan, Esq.

Senior Counsel

Keith W. Collett, Esq.

Corporate Counsel

Helen Kyrios, Esq., CPCU, ACP, AIC, AINS, AIS, CCEP, CCEPI, CCP, CIPP
Claudio A. Ronzitti, Jr., Esq.

Counsel

J. Richard Brown, Esq.
Bernard F. Kistler, Esq., CPCU, AIC, APA, API, ChFC, CLU
Stephen C. Roach, Esq.

Nonofficer Directors

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William F. Bahl, CFA, CIC
Gregory T. Bier, CPA (Ret.)
W. Rodney McMullen
Jill P. Meyer, Esq.
David P. Osborn, CFA
Thomas R. Schiff
Kenneth W. Stecher
John F. Steele, Jr.
Larry R. Webb, CPCU

Cincinnati Global Underwriting Ltd. Directors**

Teresa C. Cracas, Esq.
Derek C. Eales
Mark A. Langston
Graham M. Tuck

Cincinnati Global Underwriting Agency Ltd. Directors**

Teresa C. Cracas, Esq.
Derek C. Eales
Dr. Arthur Hoffmann
Mark A. Langston
Robert J. Martin
Paul M. Murray
Richard A. Pexton
Graham M. Tuck

* U.S. Subsidiary Director

** U.K. Subsidiary

Cincinnati Financial Corporation Directors and Officers

As of February 25, 2020



T.J. Aaron



W.F. Bahl



G.T. Bier



L.W. Clement-Holmes



D.J. Debbink



S.J. Johnston



K.C. Lichtendahl



W.R. McMullen



J.P. Meyer



D.P. Osborn



G.W. Price



T.R. Schiff



D.S. Skidmore



K.W. Stecher



J.F. Steele, Jr.



L.R. Webb

Directors

Thomas J. Aaron, CPA

Executive Vice President and Chief Financial Officer (Ret.) Community Health Systems (Operator of general acute care hospitals)
Director since 2019 (A)

William F. Bahl, CFA, CIC

Chairman of the Board Bahl & Gaynor Investment Counsel Inc. (Independent registered investment adviser)
Director** since 1995 (A)(E)(I)(N*)

Gregory T. Bier, CPA (Ret.)

Managing Partner (Ret.) Cincinnati Office Deloitte LLP (Independent registered public accounting firm)
Director since 2006 (A)(I)

Linda W. Clement-Holmes

Chief Information Officer (Ret.) The Procter & Gamble Company (Consumer products)
Director since 2010 (A)(C)(N)

Dirk J. Debbink

Chairman and Chief Executive Officer MSI General Corporation (Design/build construction firm)
Director since 2012 (A)(N)

Steven J. Johnston, FCAS, MAAA, CFA, CERA

President and Chief Executive Officer Cincinnati Financial Corporation
Director since 2011 (E*)(I)

Kenneth C. Lichtendahl

Director of Development and Sales Heliosphere Designs LLC (Solar product marketing)
Director since 1988 (A)(C)

W. Rodney McMullen

Chairman and Chief Executive Officer The Kroger Co. (Retail grocery chain)
Director since 2001 (C*)(E)(I)

Jill P. Meyer, Esq.

President and Chief Executive Officer Cincinnati USA Regional Chamber (Metro business chamber)
Director since 2019 (A)

David P. Osborn, CFA

President Osborn Williams & Donohoe LLC (Independent registered investment adviser)
Director since 2013 (A)(C)(I)

Gretchen W. Price

Executive Vice President and Chief Financial and Administrative Officer (Ret.) Arbonne International LLC (Beauty and nutritional products)
Director since 2002 (A*)(C)(N)

Thomas R. Schiff

Chairman and Chief Executive Officer John J. & Thomas R. Schiff & Co. Inc. (Independent insurance agency)
Director since 1975 (I)

Douglas S. Skidmore

Chief Executive Officer Skidmore Sales & Distributing Company Inc. (Food ingredient distributor)
Director since 2004 (A)(N)

Kenneth W. Stecher

Chairman of the Board Former President and Chief Executive Officer Cincinnati Financial Corporation
Director since 2008 (E)(I*)

John F. Steele, Jr.

Chairman and Chief Executive Officer Hilltop Basic Resources Inc. (Supplier of aggregates and concrete)
Director since 2005 (A)(E)

Larry R. Webb, CPCU

President Webb Insurance Agency Inc. (Independent insurance agency)
Director since 1979 (E)(I)

Lisa A. Love, Esq.

Senior Vice President, General Counsel and Corporate Secretary

Directors Emeriti

James E. Benoski
Michael Brown
Jackson H. Randolph
John J. Schiff, Jr., CPCU
Frank J. Schultheis
David B. Sharrock
John M. Shepherd
Alan R. Weiler, CPCU
E. Anthony Woods
William H. Zimmer

Gregory T. Bier

W. Rodney McMullen

Two outstanding directors are leaving our board in May.

Greg Bier joined the board in 2006. With a deep knowledge of accounting and financial reporting, he served shareholders through his participation on the audit, compensation and investment committees.

Rodney McMullen joined the board in 2001. As chair of our compensation committee and a member of the executive and investment committees, he contributed his experience in leading a large public company.

Together, they helped guide management decisions in many facets of our operations. We thank them for their many years of service.

Officers

Steven J. Johnston, FCAS, MAAA, CFA, CERA

President and Chief Executive Officer

Michael J. Sewell, CPA

Chief Financial Officer, Principal Accounting Officer, Senior Vice President and Treasurer

Martin F. Hollenbeck, CFA, CPCU

Chief Investment Officer, Senior Vice President, Assistant Secretary and Assistant Treasurer

(A) Audit Committee (C) Compensation Committee (E) Executive Committee (I) Investment Committee (N) Nominating Committee *Committee Chair **Lead Director

Shareholder Information

Annual Meeting

Shareholders are invited to attend the Annual Meeting of Shareholders of Cincinnati Financial Corporation at 9:30 a.m. ET, on Saturday, May 2, 2020, at the Cincinnati Art Museum, 953 Eden Park Drive, Cincinnati, Ohio. You may listen to an audio webcast of the event by visiting cinfin.com/investors.

Independent Registered Public Accounting Firm

Deloitte & Touche LLP
250 East Fifth St., Suite 1900
Cincinnati, Ohio 45202-5109

Common Stock Price and Dividend Data

Common shares are traded under the symbol CINF on the Nasdaq Global Select Stock Market.

(Source: Nasdaq Global Select Market)	2019	2018	2017	2016	2015
Year-end closing price	\$105.15	\$77.42	\$74.97	\$75.75	\$59.17
Ordinary cash dividends declared	2.24	2.12	2.00	1.92	1.84
Special cash dividends declared and paid	—	—	0.50	—	0.46

Shareholder Services

Equiniti Trust Company is the transfer agent and administrator for all registered shareholder accounts. Services available to registered shareholder accounts include dividend direct deposit, Shareholder Investment Plan (including dividend reinvestment), direct registration of shares and electronic delivery. Registered shareholders may also access your individual account at shareowneronline.com, where you can complete transactions online at any time, including changing your address, opting out of receiving paper statements, changing your current dividend reinvestment option and viewing recent transactions.

Contact Information

You may direct communications to Cincinnati Financial Corporation's Senior Vice President, General Counsel and Corporate Secretary Lisa A. Love, Esq. for sharing with the appropriate individual(s). Or, you may directly contact the following areas:

Investors: Investor Relations responds to investor inquiries about the company and its performance.
Dennis E. McDaniel, CPA, CMA, CFM, CPCU, IRC – Vice President, Investor Relations Officer
513-870-2768 or investor_inquiries@cinfin.com

Shareholders: Shareholder Services administers the company's stock compensation plans and fulfills requests for shareholder materials.
C. Brandon McIntosh, CEP, CPA – Assistant Secretary and Manager, Shareholder Services
513-870-2639 or shareholder_inquiries@cinfin.com

Equiniti Trust Company provides the company's stock transfer and recordkeeping services, including assisting registered shareholders with updating account information or enrolling in shareholder plans.
1110 Centre Pointe Curve, Suite 101, Mendota Heights, MN 55120
866-638-6443 or visit shareowneronline.com and select *Contact Us*

Media: Corporate Communications assists media representatives seeking information or comment from the company or its subsidiaries.
Betsy E. Ertel, CPCU, AIM, API – Vice President, Corporate Communications
513-603-5323 or media_inquiries@cinfin.com

Cincinnati Financial Corporation

The Cincinnati Insurance Company
The Cincinnati Casualty Company
The Cincinnati Indemnity Company
The Cincinnati Life Insurance Company

The Cincinnati Specialty Underwriters Insurance Company
CSU Producer Resources Inc.
CFC Investment Company
Cincinnati Global Underwriting Ltd.

Mailing Address

P.O. Box 145496
Cincinnati, Ohio 45250-5496

Street Address

6200 South Gilmore Road
Fairfield, Ohio 45014-5141

Phone: 888-242-8811 or 513-870-2000
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