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, 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--165,048,000 shares outstanding at June 30, 1999

$43,073,000 of 5.5% Convertible Senior Debentures Due 2002

$419,607,000 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, 1999	December 31, 1998
ASSETS		
Investments		
Fixed Maturities (Cost: 1999--$2,700,584; 1998--$2,682,659)	$ 2,712,676	$ 2,812,231
Equity Securities (Cost: 1999--$2,003,322; 1998--$1,943,206)	7,472,158	7,454,817
Other Invested Assets	61,380	57,902
Cash	66,252	58,611
Investment Income Receivable	77,921	76,773
Finance Receivables	32,084	32,107
Premiums Receivable	175,901	164,412
Reinsurance Receivable	138,834	135,991
Prepaid Reinsurance Premiums	23,151	26,435
Deferred Acquisition Costs Pertaining to Unearned Premiums and to Life Policies in Force	143,793	142,896
Land, Buildings and Equipment for Company Use (at Cost Less Accumulated Depreciation)	70,357	53,639
Other Assets	89,028	70,689
Total Assets	$ 11,063,535	$ 11,086,503
LIABILITIES		
Insurance Reserves:		
Losses and Loss Expenses	$ 2,078,818	$ 2,054,725
Life Policy Reserves	538,048	533,730
Unearned Premiums	460,143	459,695
Notes Payable	50,000	-0-
5.5% Convertible Senior Debentures Due 2002	43,073	51,919
6.9% Senior Debentures Due 2028	419,607	419,601
Federal Income Taxes		
Current	44,099	9,740
Deferred	1,747,610	1,809,003
Other Liabilities	148,625	127,154
Total Liabilities	5,530,023	5,465,567
SHAREHOLDERS' EQUITY		
Common Stock, $2 per Share; Authorized 200,000 Shares; Issued 1999--171,288; 1998--170,435 Shares; Outstanding 1999--165,048; 1998--166,681 Shares	342,577	340,871
Paid-In Capital	230,072	218,328
Retained Earnings	1,575,445	1,480,914
Accumulated Other Comprehensive Income	3,573,853	3,678,019
	5,721,947	5,718,132
Less Treasury Shares at Cost (1999--6,240 Shares; 1998--3,754 Shares)	(188,435)	(97,196)
Total Shareholders' Equity	5,533,512	5,620,936
Total Liabilities and Shareholders' Equity	$ 11,063,535	$ 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)

	Six Months Ended June 30, 1999	Six Months Ended June 30, 1998	Three Months Ended June 30, 1999	Three Months Ended June 30, 1998
Revenues:				
Premiums Earned:				
Property and Casualty	$ 804,637	$ 758,459	$ 408,540	$ 380,059
Life	32,336	30,397	16,804	16,269
Accident and Health	4,576	4,135	2,405	2,072
Net Premiums Earned	841,549	792,991	427,749	398,400
Investment Income, Less Expenses	190,524	181,386	94,709	91,086
Realized Gain on Investments	38,788	52,763	14,041	27,121
Other Income	7,119	3,991	4,822	1,971
Total Revenues	1,077,980	1,031,131	541,321	518,578
Benefits & Expenses:				
Insurance Losses and Policyholder Benefits	611,097	591,339	286,631	321,208
Commissions	153,331	138,050	80,416	67,839
Other Operating Expenses	73,232	73,532	35,425	37,411
Taxes, Licenses & Fees	23,667	25,837	13,459	13,016
Increase in Deferred Acquisition Costs Pertaining to Unearned Premiums and to Life Policies in Force	(898)	(2,236)	(796)	(2,245)
Interest Expense	15,391	11,482	7,606	6,143
Other Expenses	3,758	3,881	2,239	2,292
Total Benefits & Expenses	879,578	841,885	424,980	445,664
Income Before Income Taxes	198,402	189,246	116,341	72,914
Provision for Income Taxes:				
Current	52,974	44,810	32,135	12,883
Deferred	(5,303)	1,408	(2,048)	1,181
Total Provision for Income Taxes	47,671	46,218	30,087	14,064
Net Income	$ 150,731	$ 143,028	$ 86,254	$ 58,850
Average Shares Outstanding	165,507	166,768	163,105	166,933
Average Shares Outstanding (diluted)	170,028	172,272	167,750	172,384
Per Common Share:				
Net Income	$ .91	$ .86	$ .53	$ .35
Net Income (diluted)	$ .89	$ .84	$ .52	$ .35
Cash Dividends Declared	$ .34	$ .31	$. 17	$ .15

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, 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					143,028		143,028
Change in Unreal. Gains Net of Inc. Taxes of $240,399						446,455	446,455
Comprehensive Income							589,483
Div. Declared					(51,206)		(51,206)
Purchase/Issuance of Treasury Shares			(611)	19			(592)
Stock Options Exercised	453	906		6,946			7,852
Conversion of Debentures	375	750		4,831			5,581
Bal. June 30, 1998	170,219	$340,438	$ (73,196)	$ 215,078	$ 1,433,552	$ 3,352,211	$5,268,083
Bal. Dec. 31, 1998	170,435	$340,871	$ (97,196)	$ 218,328	$ 1,480,914	$ 3,678,019	$5,620,936
Net Income					150,731		150,731
Change in Unreal. Gains Net of Inc. Taxes of ($ 56,089)						(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

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, 1999	1998
Cash flows from operating activities:		
Net income	$ 150,731	$ 143,028
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	6,701	5,285
Increase in investment income receivable	(1,148)	(991)
Increase in premiums receivable	(11,489)	(14,392)
Increase in reinsurance receivable	(2,842)	(18,988)
Decrease (increase) in prepaid reinsurance premiums	3,284	(1,436)
Increase in deferred acquisition costs	(898)	(2,236)
Decrease (increase) in accounts receivable	13,145	(274)
Increase in other assets	(14,662)	(31,249)
Increase in loss and loss expense reserves	24,092	90,211
Increase in life policy reserves	4,318	27,526
Increase in unearned premiums	449	5,302
Increase (decrease) in other liabilities	18,965	(40,458)
(Decrease) increase in deferred income taxes	(5,303)	1,408
Realized gains on investments	(38,787)	(52,763)
Increase (decrease) in current income taxes	34,359	(22,682)
Other	(16,824)	(5,763)
Net cash provided by operating activities	164,091	81,528
Cash flows from investing activities:		
Sale of fixed maturities	42,531	26,302
Call or maturity of fixed maturities investments	215,108	175,833
Sale of equity securities investments	95,770	181,342
Collection of finance receivables	8,838	7,180
Purchase of fixed maturities investments	(268,629)	(242,643)
Purchase of equity securities investments	(123,012)	(243,355)
Investment in land, buildings and equipment	(24,318)	(9,737)
Investment in finance receivables	(8,814)	(7,870)
Investment in other invested assets	(3,595)	(3,850)
Net cash used in investing activities	(66,121)	(116,798)
Cash flows from financing activities:		
Debenture issue	0	419,594
Proceeds from stock options exercised	4,594	7,852
Purchase/Issuance of treasury shares	(91,229)	(592)
Increase (decrease) in notes payable	50,000	(279,152)
Payment of cash dividends to shareholders	(53,694)	(48,273)
Net cash used in financial activities	(90,329)	99,429
Net increase in cash	7,641	64,159
Cash at beginning of period	58,611	80,168
Cash at end of period	$ 66,252	$ 144,327
Supplemental disclosures of cash flow information		
Interest paid	$ 15,331	$ 23,119
Income taxes paid	$ 18,000	$ 65,301

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 June 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 six-month and three-month periods ended June 30 are as follows:

	Fixed Maturities	Equity Securities	Total
Six-Month Periods Ended			
June 30, 1999	$ (76,362)	$ (27,804)	$ (104,166)
June 30, 1998	$ (224)	$ 446,679	$ 446,455
Three-Month Periods Ended			
June 30, 1999	$ (51,899)	$ 138,415	$ 86,516
June 30, 1998	$ 902	$ 162,156	$ 163,058

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:

	Ceded Premiums	Reinsurance Recoveries
Six-Month Periods Ended		
June 30, 1999	$ 51,563	$ 24,006
June 30, 1998	$ 48,980	$ 35,252
Three-Month Periods Ended		
June 30, 1999	$ 24,998	$ 12,717
June 30, 1998	$ 24,926	$ 23,298

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, 1999, outstanding options for Stock Plan No. IV totalled 2,523,387 shares with purchase prices ranging from a low of $7.46 to a high of $42.88, outstanding options for Stock Plan V totalled 1,422,638 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 1,393,851 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 six 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):

	Six Months Ended June 30,		Three Months Ended June 30,	
	1999	1998	1999	1998
REVENUES				
Commercial lines insurance	$ 525,560	$ 503,601	$ 267,105	$ 252,038
Personal lines insurance	279,077	254,858	141,435	128,021
Life insurance	36,912	34,532	19,209	18,341
Investment operations	229,312	234,149	108,750	118,207
Corporate and other	7,119	3,991	4,822	1,971
Total revenues	$ 1,077,980	$ 1,031,131	$ 541,321	$ 518,578
INCOME BEFORE INCOME TAXES				
Property and casualty insurance	$ 702	$ (16,716)	$ 21,538	$ (32,011)
Life insurance	345	2,583	207	2,229
Investment operations	214,199	219,770	101,316	111,079
Corporate and other	(16,844)	(16,391)	(6,720)	(8,383)
Total income before income taxes..	$ 198,402	$ 189,246	$ 116,341	$ 72,914
IDENTIFIABLE ASSETS				
Property and casualty insurance	$ 5,538,591	$ 5,306,991		
Life insurance	1,193,884	1,179,135		
Corporate and other	4,331,060	3,997,921		
Total identifiable assets	$ 11,063,535	$ 10,484,047		

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 six months ended June 30, 1999 have increased $48,558 (6%) over the six months ended June 30, 1998. Also, premiums earned have increased $29,349 (7%) for the three months ended June 30, 1999 over the three months ended June 30, 1998. For the six-month and three-month periods ended June 30, 1998, 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 six months ended June 30, 1999 and 5% for the three months ended June 30, 1999 compared to the comparable periods of 1998. The premium growth in our life subsidiary is mainly attributable to increased sales of both traditional and interest-sensitive products. This increase is less than last year, partially due to the sale of a block of final expense policies in the second quarter, with premiums of $700,000 during 1999. For the six-month and three-month periods ended June 30, 1999, investment income, net of expenses, has increased $9,138 (5%) and $3,623 (4%) when compared with the first six months and second three months of 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 six months ended June 30, 1999 amounted to $38,788 compared to $52,763 for the six-month period ended June 30, 1998, and $14,041 for the three-month period ended June 30, 1999 compared to $27,121 for the three-month period ended June 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 $19,758 (3%) for the first six months of 1999 over the same period in 1998 and decreased $34,577 for the second quarter when compared to the second quarter of 1998. The losses and benefits of the property and casualty companies have increased $19,394 for the six-month period and decreased $34,797 for the second quarter of 1999 compared to the comparable periods for 1998. The property and casualty losses for the first six months and for the second quarter of 1999 have decreased because of lower catastrophic losses. Catastrophe losses were $31,037 and $57,289, respectively, for the first six months of 1999 and 1998 and were $7,452 and $54,226, respectively, for the second quarter of 1999 and 1998. These losses were substantially lower for the first six months and second 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 increased $364 for the first six months of 1999 over the same period of 1998 and increased $220 for the second quarter when compared to the second quarter of 1998. The majority of the six-month and second quarter increase is the result of a higher incidence of death claims and life related costs.

Commission expenses increased $15,281 for the six-month period ended June 30, 1999 compared to the same period of 1998 and increased $12,577 for the second quarter of 1999 compared to the same period in 1998. The increase is primarily attributable to higher contingency commissions. Other operating expenses decreased $300 for the six-month period ended June 30, 1999 compared to the same period for 1998 and decreased $1,986 for the second quarter of 1999 compared to the same period in 1998. The decreases are attributable to the adoption of Statement of Position (SOP) 98-1, capitalizing internal information systems costs. This amounts to $4,525 in the first six months of 1999 and $2,444 in the second quarter. Excluding these costs, the increase in other operating expenses increased $4,225 in the first six months of 1999 and $458 in the second quarter of 1999. These increases are attributable to increases in staff and other costs related to our growth in business. Interest expense increased $3,909 for the six-month period ended June 30, 1999 compared to the same period for 1998 and increased $1,463 for the second quarter of 1999 compared to the same period in 1998. The 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 $40,000 in the second quarter. Taxes, licenses and fees decreased $2,170 for the six-month period ended June 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. Second quarter 1999 taxes, licenses and fees increased $443, compared to second quarter 1998.

In the first six months of 1999, the Company experienced unrealized losses in investments, compared to unrealized gains in investments in the first six months of 1998, resulting in comprehensive income of $46,565 in 1999, compared to $589,483 in 1998. The second quarter of 1999 resulted in unrealized gains in investments of $86,516, compared to unrealized gains in investments of $163,058 in the second quarter 1998, resulting in comprehensive income of $172,770 and $221,908 for the second quarter of 1999 and 1998, respectively.

Provision for income taxes, current and deferred, have increased by $1,453 for the first six months of 1999 compared to the first six months of 1998 and have increased $16,023 for the second quarter of 1999 compared to the second quarter of 1998. The effective tax rates for the six months ended June 30, 1999 and 1998 were 24.0% and 24.4%, respectively. Second quarter effective tax rates were 25.9% and 19.3%, for 1999 and 1998, respectively.

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 six 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 for these situations have been determined.

As part of the overall review of Year 2000, the Company is verifying with certain key outside vendors, where a significant business relationship exists to determine their Year 2000 compliance status and plans. 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 June 30, 1999, nearly all of the agencies' processing systems have been made compliant. The remaining agencies have plans to get them compliant by September 30, 1999. Phone and personal interviews are being used to verify the progress of the 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 $9.5 million pretax to resolve the Year 2000 issues, and have increased it to $10.0 million pretax. 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 June 30, 1999, the Company incurred approximately $9.5 million of these costs. The expenses incurred during the first six months of 1999 were approximately $1.7 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 June 30, 1999, the Company has repurchased 2,120 shares, leaving 14,880 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 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 3, 1999, 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. A proposal for Stock Option Plan No. VI was approved.

	Shares (000's)	
	For	Against/Abstain
James G. Miller	142,351	1,043
Thomas R. Schiff	142,348	1,046
Frank J. Schultheiss	142,201	1,193
Larry R. Webb	142,201	1,193
Stock Option Plan No. VI..	134,490	8,904

ITEM 5. Other Information

No matters to report.

ITEM 6. Exhibits and Reports on Form 8-K

(a) Exhibits included:

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

(b) The Company was not required to file any reports on Form 8-K during the quarter ended June 30, 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 August 12, 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)

	Six Months Ended June 30, 1999	Six Months Ended June 30, 1998	Three Months Ended June 30, 1999	Three Months Ended June 30, 1998
Basic earnings per share:				
Net income	$150,731	$143,028	$ 86,254	$ 58,850
Average shares outstanding	165,507	166,768	163,105	166,933
Net income per common share	$ .91	$ .86	$ .53	$ .35
Diluted earnings per share:				
Net income	$150,731	$143,028	$ 86,254	$ 58,850
Interest on convertible debentures--net of tax	858	981	408	484
Net income for per share calculation (diluted)	$151,589	$144,009	$ 86,662	$ 59,334
Average shares outstanding	165,507	166,768	163,105	166,933
Effective of dilutive securities:				
5.5% convertible senior debentures	2,895	3,553	2,895	3,553
Stock options	1,626	1,951	1,750	1,898
Total dilutive shares	170,028	172,272	167,750	172,384
Net income per common share--diluted	$ .89	$ .84	$ .52	$ .35

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

1,000

6-MOS
DEC-31-1999
JAN-01-1999
JUN-30-1999
2,712,676
0
0
7,472,158
14,301
4,379
10,246,214
66,252
3,499
143,793
11,063,535
2,573,001
460,143
38,752
18,931
512,680
0
0
342,577
5,190,935
11,063,535
841,549
190,524
38,788
7,119
611,097
177,509
90,972
198,402
47,671
150,731
0
0
0
150,731
.91
.89
1,840,323
0
0
0
0
1,906,048
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 $5,113 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 June 30, 1999.