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 MARCH 31, 2002

___ 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--162,262,000 shares outstanding at April 30, 2002

$3,554,000 of 5.5% Convertible Senior Debentures Due 2002

$419,645,000 of 6.9% Senior Debentures Due 2028

PART I

ITEM 1. FINANCIAL STATEMENTS

CINCINNATI FINANCIAL CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(in millions except per share data)

	(Unaudited) March 31, 2002	December 31, 2001
Assets		
Investments		
Fixed maturities (amortized cost: 2002--$3,103; 2001--$3,012)	$ 3,110	$ 3,010
Equity securities (cost: 2002--$2,246; 2001--$2,174)	9,118	8,495
Other invested assets	67	66
Cash	81	93
Investment income receivable	91	93
Finance receivable	30	27
Premiums receivable	785	732
Reinsurance receivable	508	515
Prepaid reinsurance premium	38	28
Deferred policy acquisition costs	299	286
Property and equipment, net, for Company use	123	125
Other assets	102	99
Separate accounts	390	390
Total assets	$ 14,742	$ 13,959
Liabilities		
Insurance reserves:		
Losses and loss expenses	$ 2,976	$ 2,932
Life policy reserves	693	674
Unearned premiums	1,135	1,062
Other liabilities	313	283
Federal income taxes:		
Current	15	10
Deferred	2,202	2,001
Notes payable	183	183
5.5% Convertible senior debentures due 2002	4	6
6.9% Senior debentures due 2002	420	420
Separate accounts	390	390
Total liabilities	8,331	7,961
Shareholders' equity		
Common stock, $2 per share; authorized 200 million Shares; issued 2002 and 2001--175 million	351	350
Paid-in capital	290	284
Retained earnings	1,716	1,678
Accumulated other comprehensive income-unrealized gains on investments and derivatives	4,488	4,113
	6,845	6,425
Less treasury shares at cost (2002 and 2001--13 million shares)	(434)	(427)
Total shareholders' equity	6,411	5,998
Total liabilities and shareholders' equity	$ 14,742	$ 13,959

Accompanying notes are an integral part of these condensed consolidated financial statements.

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

(in millions except per share data)

	Three Months Ended March 31,	
Revenues:	2002	2001
Net earned premiums:		
Property and casualty	$ 559	$ 490
Life	19	17
Accident and health	1	1
Net earned premiums	579	508
Net investment income	109	100
Realized (losses) gains on investments	(8)	5
Other income	7	5
Total revenues	687	618
Benefits & expenses:		
Insurance losses and policyholder benefits	419	357
Commissions	112	94
Other operating expenses	49	46
Taxes, licenses & fees	15	18
Increase in deferred policy acquisition costs	(13)	(8)
Interest expense	9	10
Other expenses	3	4
Total benefits & expenses	594	521
Income before income taxes	93	97
Provision for income taxes:		
Current	19	18
Deferred	(1)	6
Total provision for income taxes	18	24
Net income	$ 75	$ 73
Average shares outstanding (basic)	162	163
Average shares outstanding (diluted)	163	166
Per common share:		
Net income (basic)	$ .46	$ .45
Net income (diluted)	$ .46	$ .44
Cash dividends declared	$.2225	$.2100

Accompanying notes are an integral part of these condensed consolidated financial statements.

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

(in millions)

THREE MONTHS ENDED MARCH 31, 2001 AND 2002

	Common Shares	Common Stock Amount	Treasury Stock Amount	Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total Shareholders' Equity
Bal. Dec. 31, 2000	173	$346	$ (381)	$ 254	$1,620	$ 4,156	$5,995
Net income...........					73		73
Change in unreal. gains net of inc. taxes of $266..............						(495)	(495)
Comprehensive loss..............							(422)
Div. declared........					(34)		(34)
Purchase/issuance of treasury shares....			(9)				(9)
Stock options exercised.........				1			1
Bal. March 31, 2001	173	$ 346	$ (390)	$ 255	$ 1,659	$ 3,661	$5,531
Bal. Dec. 31, 2001	175	$350	$ (427)	$284	$ 1,678	$ 4,113	$5,998
Net income...........					75		75
Change in unreal. gains net of inc. taxes of ($202)............						375	375
Comprehensive income............							450
Div. declared........					(37)		(37)
Purchase/issuance of treasury shares....			(7)				(7)
Stock options exercised..........				3			3
Conversion of Debentures.........		1		3			4
Bal. March 31, 2002	175	$ 351	$ (434)	$ 290	$ 1,716	$ 4,488	$ 6,411

Accompanying notes are an integral part of these condensed consolidated financial statements.

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

	(in millions) Three Months Ended March 31, 2002	2001
Cash flows from operating activities:		
Net income	$ 75	$ 73
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	6	7
Realized (losses) gains on investments	8	(3)
Interest credited to contractholders	5	5
Changes in:		
Investment income receivable	2	0
Premiums and reinsurance receivable	(56)	(76)
Deferred policy acquisition	(13)	(7)
Other assets	3	54
Loss and loss expense reserves	44	59
Life policy reserves	13	12
Unearned premiums	73	56
Other liabilities	28	(9)
Current income taxes	5	18
Deferred income taxes	(1)	6
Net cash provided by operating activities	192	195
Cash flows from investing activities:		
Sale of fixed maturities investments	25	7
Call or maturity of fixed maturities investments	80	57
Sale of equity securities investments	12	21
Collection of finance receivables	3	3
Purchase of fixed maturities investments	(203)	(148)
Purchase of equity securities investments	(66)	(70)
Investment in property and equipment	(11)	(4)
Investment in finance receivables	(6)	(3)
Investments in other invested assets	(1)	(0)
Net cash used in investing activities	(167)	(137)
Cash flows from financing activities:		
Payment of cash dividends to shareholders	(34)	(31)
Purchase of treasury shares, net	(7)	(9)
Decrease in notes payable	0	(12)
Proceeds from stock options exercised	3	1
Contract holder funds deposited	5	5
Contract holder funds withdrawn	(4)	(5)
Net cash used in financing activities	(37)	(51)
Net (decrease) increase in cash	(12)	7
Cash at the beginning of the period	93	60
Cash at the end of the period	$ 81	$ 67
Supplemental disclosures of cash flow information		
Interest paid	$ 9	$ 3
Income taxes (refunded) paid	$ 15	$ -0-

The company converted the following securities during the three-month period ended March 31:

	2002	2001
Conversion of 5.5% senior debentures to common stock	$ 3	$ -0-
Conversion of fixed maturity to equity security investments	$ 6	$ 7

Accompanying notes are an integral part of these condensed consolidated financial statements.

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

NOTE I - ACCOUNTING POLICIES

The condensed consolidated financial statements include the accounts of the Company and all of its subsidiaries, each of which is wholly owned, and are presented in conformity with accounting principles generally accepted in the United States of America. All significant inter-company investments and transactions have been eliminated in consolidation. The December 31, 2001 consolidated balance sheet amounts are derived from the audited financial statements but do not include all disclosures required by accounting principles generally accepted in the United States of America.

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

INVESTMENTS--Fixed maturities and equity securities have been classified as available for sale and are carried at fair values at March 31, 2002 and December 31, 2001.

UNREALIZED GAINS AND LOSSES (in millions)--The increases (decreases) in unrealized gains for fixed maturities and equity securities (net of income tax effect) for the three-month periods ended March 31 are as follows:

Year	Fixed Maturities	Equity Securities	Total
2002	$ 5	$ 370	$ 375
2001	$ 41	$ (536)	$ (495)

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

REINSURANCE (in millions)--Premiums earned are net of $72 and $37 premiums on ceded business for the three months ended March 31, 2002 and 2001, respectively. Insurance losses and policyholder benefits in the accompanying condensed consolidated statements of income are net of $16 and $67 reinsurance recoveries for March 31, 2002 and 2001, respectively.

RECLASSIFICATIONS - Certain prior amounts have been reclassified to conform with the current period classifications.

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 March 31, 2002, outstanding options for Stock Plan IV totalled 1,344,163 shares with purchase prices ranging from a low of $12.14 to a high of $42.87, outstanding options for Stock Plan V totalled 1,224,633 shares with purchase prices ranging from a low of $20.47 to a high of $45.37 and outstanding options for Stock Plan VI totalled 4,918,849 shares with purchase prices ranging from a low of $29.38 to a high of $41.61.

NOTE III - SEGMENT INFORMATION

The Company is organized and operates principally in two industries and has four reportable segments--commercial lines property and casualty insurance, personal lines property and casualty insurance, life insurance and investment operations. The accounting policies of the segments are the same as those described in Note I - Accounting Policies. Revenue is primarily from unaffiliated customers. Identifiable assets by segment are those assets, including investment securities, used in the Company's operations in each industry. Corporate and other identifiable assets are principally cash and marketable securities. Segment information, for which results are regularly reviewed by Company management in making decisions about resources to be allocated to the segments and assess their performance, is summarized in the following table. Information regarding income before income taxes and identifiable assets is not available for two reportable segments - commercial lines and personal lines - property casualty insurance.

(in millions)	Quarter Ended March 31, 2002	2001
REVENUES		
Commercial lines insurance	$ 398	$ 338
Personal lines insurance	161	152
Life insurance	20	18
Investment operations	101	105
Corporate and other	7	5
Total revenues	$ 687	$ 618
INCOME (LOSS) BEFORE INCOME TAXES		
Property and casualty insurance	$ 9	$ 8
Life insurance	(1)	3
Investment operations	91	96
Corporate and other	(6)	(10)
Total income before income taxes	$ 93	$ 97
IDENTIFIABLE ASSETS		
Property and casualty insurance	$ 7,340	$ 6,311
Life insurance	1,792	1,651
Corporate and other	5,610	4,733
Total identifiable assets	$ 14,742	$ 12,695

NOTE IV - FINANCIAL ACCOUNTING PRONOUNCEMENTS

On June 29, 2001, SFAS No. 142 "Goodwill and Other Intangible Assets" was approved by the Financial Accounting Standards Board (FASB). SFAS No. 142 changes the accounting for goodwill from an amortization method to an impairment-only approach. Amortization of goodwill, including goodwill recorded in past business combinations, will cease upon adoption of this statement. The Company adopted SFAS No. 142 on January 1, 2002. The adoption of this statement had no effect on the consolidated financial statements.

In August 2001, the FASB issued SFAS No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets." SFAS No. 144 addresses financial accounting and reporting for the impairment of long-lived assets and for long-lived assets to be disposed of. It supersedes SFAS No. 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," while retaining the fundamental provisions of Statement No. 121 for (a) recognition and measurement of the impairment of long-lived assets to be held and used and (b) measurement of long-lived assets to be disposed of by sale. It also supersedes the accounting and reporting provisions of Accounting Principles Board Opinion No. 30 "Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of Business and Extraordinary, Unusual and Infrequently Occurring Events and Transactions." The adoption of this statement had no effect on the consolidated financial statements.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (dollars in millions)

INTRODUCTION

This Management Discussion is intended to supplement the data contained in the condensed consolidated financial statements and related notes of Cincinnati Financial Corporation and subsidiaries.

Forward-looking Statements

The following discussion contains 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 causes; the frequency and severity of claims; environmental events or changes; changes in insurance regulations, legislation or court decisions that place the Company at a disadvantage in the marketplace; adverse outcomes from litigation or administrative proceedings; recession or other economic conditions resulting in lower demand for insurance products; sustained decline in overall stock market values negatively affecting the Company's equity portfolio; delays in the development, implementation and benefits of technology enhancements; and decreased ability to generate growth in investment income.

Further, the Company's insurance businesses are subject to the effects of changing social, 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 ultimate changes and eventual effects, if any, of these initiatives are uncertain.

Readers are cautioned that the Company undertakes no obligation to review or update the forward-looking statements included in this material.

RESULTS OF OPERATIONS

As discussed in greater detail below, premiums earned for the three months ended March 31, 2002 increased $71 (14%) over the three months ended March 31, 2001. Investment income, net of expenses, increased $9 (9%) when compared with the first three months of 2001. Investment income growth was attributable to cash flow from insurance operations, an increase in the average yield for the bond portfolio and higher dividends earned in the quarter. Realized losses on investments amounted to $8 compared with $5 in gains for the comparable three-month period ended March 31, 2001.

Insurance losses and policyholder benefits (net of reinsurance recoveries) increased $62 (17%) for the first three months of 2002 over the same period in 2001. Commission expenses increased $18. Other operating expenses increased $3, attributable to increases in staff and other internal development costs associated with our investment in infrastructure to support future growth. Taxes, licenses and fees decreased $3 in the first quarter of 2002 compared with the first quarter of 2001, primarily because of changes in estimated amounts due to various states and municipalities. Interest expense decreased $2 primarily due to lower short-term interest rates.

Property Casualty Insurance Operations

The GAAP combined ratio of 98.8% for the first quarter 2002 was the same as the first quarter 2001. The loss and LAE ratio was 71.2% and the expense ratio 27.6% for first quarter 2002. This compared with a 69.5% loss and LAE ratio and 29.3% expense ratio for the first quarter 2001. The 2002 loss ratio included 2.6 percentage points for catastrophe losses, compared with 1.4 percentage points in 2001. The 2002 expense ratio decline of 1.9 percentage points is the result of expenses remaining relatively stable, while premiums increased. Higher reinsurance costs in 2002 impacted the combined ratio by 1.3 percentage points.

Net written premiums increased by $83, a 15% increase, and net earned premiums increased by $69, a 14% increase. The premium growth rate is being generated by rate increases and insurance-to-value initiatives, addressing adequate premiums to the exposure. Our target for the remainder of the year is to achieve premium growth above the industry. Various rate increases will be a major component of growth in earned premium this year and into 2003. First quarter 2002 commercial lines earned premiums increased by $61, an 18% increase over first quarter 2001. New commercial business increased $2, or 4%. Requirements for more detailed information about each new risk and stricter risk selection limited new business growth. Excluding premiums for workers compensation, a line where heightened risk selection criteria are being vigorously applied, commercial new business growth was 14%. First quarter 2002 personal lines earned premiums increased $9, a 6% increase. New personal business increased $5, or 50%.

The property casualty company continued to experience higher claims severity with losses increasing $58, or 17%, in the first quarter of 2002 compared with the first quarter of 2001. First-quarter 2002 losses above $250 thousand (including case reserve increases greater than $250 thousand) were $94 for 176 claims, essentially unchanged from the level of the second through fourth quarters of 2001, although $41 (78%) above the first quarter of 2001. Losses below $250 thousand were $219 for 87,000 claims, $9 (4%) below first quarter 2001, but in line with the quarterly average for the second through fourth quarters of 2001 of $240 for 82,000 claims. Catastrophe losses were higher by $8, due to March 2002 wind and hail storms in the Midwest. IBNR increased $8 over the first quarter of 2001.

The first quarter 2002 loss and LAE ratio of 71.2% included these continuing high levels of claims, with the impact mitigated by the quarter's strong premium growth. The commercial lines loss and LAE ratio was 69.2% in the first quarter 2002, compared with 69.7% in 2001. The personal lines loss and LAE ratio was 76.1% in the first quarter 2002, compared with 68.9% in the first quarter 2001. The personal lines loss and LAE in 2002 included 6.0 points for catastrophes versus 2.5 points in the first quarter of 2001. Personal lines premium growth of 6% did not impact their 2002 ratio as much as in commercial lines.

Property casualty commissions increased $17, reflecting higher commissions related to the growth of written premiums.

Life and Accident Health Operations

Earned premiums of our life company increased $2, a 10% increase. The premium growth in our life products is mainly attributable to increased sales of both traditional and work site marketing products. Policyholder benefits increased $3, or 16% over the first quarter of 2001, due to higher than normal death benefits incurred. Life commissions increased $1, a 12% increase over 2001, because of premium growth.

Federal Income Taxes

There was no significant change in the provision for federal income taxes from operations for the first three months of 2002 compared to the first three months of 2001.

INVESTMENT OPERATIONS

In the first quarter of 2002, the Company experienced an increase in unrealized gains on investments, resulting in comprehensive income of $450 in 2002 compared with a comprehensive net loss of $422 in 2001, which resulted from a reduction in unrealized gains for the same period in 2001. Our top 10 equity holdings produced a $333, net of tax, increase in unrealized gains in the first three months of 2002.

Investment Income

Pre-tax investment income rose to $109 in the first quarter 2002, compared with $100 in the same period last year, a 9% increase. The strong premium growth accounted for a major portion of the growth in funds available for investment.

The increase in investment income was driven primarily from greater dividend yields on our equity portfolio and higher interest earnings because of the growth of the fixed maturities portfolio, generated by the increases on cash flows from operations. Additionally, investment income for the first quarter of 2001 included an adjustment for certain fixed income securities that reduced investment income by $2, before tax, to better reflect amortization of premiums and discounts to produce a constant effective yield.

Realized Gains (Losses) on Investments

Realized losses before federal taxes were $8 in the first quarter 2002, compared with realized gains of $5 for the first quarter last year. Included in the first quarter 2002 net capital loss were write downs of $6 for investments management deemed impaired, related to 3 specific fixed maturity investments. There were no asset impairments in the first quarter 2001.

The Company's Asset Impairment Committee continually monitors investments and other assets that have fair values that are less than carrying amounts for signs of other-than-temporary impairment. Factors such as the amount and timing of declines in fair values, the significance of the declines, the length of time (six to nine months) of the declines, duration of fixed-maturity securities, and interest payment defaults, among others, are considered when determining investment impairment.

Market Risk

The Company could incur losses due to adverse changes in market rates and prices. The Company's primary market risk exposures are to changes in price for equity securities and changes in interest rates and credit ratings for fixed maturity securities. The Company could alter the existing investment portfolios or change the character of future investments to manage exposure to market risk. CFC, with the Board of Directors, administers and oversees investment risk through the Investment Committee, which provides executive oversight of investment activities. The Company has specific investment guidelines and policies that define the overall framework used daily by investment portfolio managers to limit the Company's exposure to market risk and there have been no significant changes to these guidelines during the three months ended March 31, 2002.

OUTLOOK

The Company continues to seek premium growth in excess of industry averages, a return to historic profitability levels in its segments through stringent underwriting practices, and growth of investment income.

Property Casualty Insurance Operations

The Company has targeted a return to its five year (1995-1999) average statutory and GAAP combined ratio of 101.3%, assuming a normal level of catastrophe losses in the range of 2 to 3 percentage points for the year.

Property casualty ceded reinsurance premiums increased by $33 for 2002 compared with 2001, adding approximately 1.3 points to the first quarter 2002 combined ratio and a reduction of 3 cents to earnings per share. Management projects the 2002 earnings impact to be a reduction of 12 cents per share.

In the fourth quarter of 2000, the Company established a $110 reserve for Ohio uninsured, underinsured motorists claims, as a result of two Ohio Supreme Court decisions. In the first quarter of 2002, $10 of new claims was recorded, reducing the remaining reserves for such claims to $47. The Company recorded $10 in additional claims in April 2002. Management is monitoring these claims closely to ensure adequate loss reserves are held for these claims.

Investment Operations

Investment income grew 9% in the first quarter 2002 compared with 2001 due to the factors stated above. The Company anticipates the investment income growth will be in the 6 to 7% range for the remainder of 2002.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flow

Management expects operating cash flow generated from operations will continue to be the Company's primary source of newly investable funds.

Cash flow from operating activities was $192 in the first quarter 2002, down slightly from $195 in the first quarter 2001. Cash flow used for investing activities was $167 in the first quarter 2002, compared with $137 in the same period last year. Cash flow used for financing activities was $37 this year, compared with $51 last year.

Debt

The Company's remaining 5.5% convertible senior debenture matured on May 1, 2002. The remaining outstanding debentures at that time were substantially all converted to common stock.

Dividends

The Company declared a dividend of 22 1/4 cents per share, payable April 15, 2002 for shareholders of record on March 22, 2002. This dividend payout was an increase of 6% over the first quarter 2001.

Common Stock Repurchases

The Company's Board of Directors has authorized the repurchase of outstanding shares. At March 31, 2002, 7.7 million shares remain authorized for repurchase at any time in the future. During the first quarter 2002, 198 thousand shares were repurchased at a cost of $7. As of March 31, 2002, the Company has repurchased 13.2 million shares.

OTHER MATTERS

Significant Accounting Policies

The Company did not change any significant accounting policies during the three months ended March 31, 2002 from those utilized in the preparation of the consolidated financial statements as of and for the year ended December 31, 2001. Please refer to the Company's Annual Report to Shareholders incorporated by reference within that Form 10-K for a discussion of significant accounting policies.

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 first 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 first 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.

(b) The Company was not required to file any reports on Form 8-K during the quarter ended March 31, 2002.

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 May 8, 2002

By/s/ Kenneth W. Stecher
Kenneth W. Stecher
Chief Financial Officer

EXHIBIT 11

CINCINNATI FINANCIAL CORPORATION

STATEMENT RE-COMPUTATION OF PER SHARE EARNINGS

(dollars in millions except per share data)

	Three Months Ended March 31,	
	2002	2001
Basic earnings per share:		
Net income	$ 75	$ 73
Average shares outstanding	162	163
Net income per common share	$0.46	$0.45
Diluted earnings per share:		
Net income	$ 75	$ 73
Interest on convertible debentures--net of tax	0	0
Net income for per share calculation (diluted)	$ 75	$ 73
Average shares outstanding	162	163
Effective of dilutive securities:		
5.5% convertible senior debentures	0	2
Stock options	1	1
Total shares - diluted	163	166
Net income per common share (diluted)	$0.46	$0.44

ANTI-DILUTIVE SECURITIES

Options to purchase 1 million shares of the Company with exercise prices ranging from $39.88 to $45.37 per share were outstanding at March 31, 2002, and 1 million shares with exercise prices ranging from $37.88 to $45.37 per share were outstanding at March 31, 2001. The shares were not included in the computation of diluted earnings per share for the three-month periods ended March 31, 2002 and 2001, since inclusion of these options would have anti-dilutive effects, as the options-exercise prices exceeded the respective average market prices of the Company's shares.