UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT 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)

Ohio	31-0746871
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
6200 S. Gilmore Road, Fairfield, Ohio	45014-5141
(Address of principal executive offices)	(Zip code)

Registrant's telephone number, including area code: (513) 870-2000

Item 12. Results of Operations and Financial Condition. On October 28, 2003, Cincinnati Financial Corporation issued a news release announcing its financial results for the third quarter and nine months ended September 30, 2003. The news release is furnished as Exhibit 99.1 hereto and is incorporated herein by reference.

The information furnished in this report shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended.

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

Kenneth W. Stecher
Chief Financial Officer, Senior Vice President,
Secretary and Treasurer
(Principal Accounting Officer)
October 28, 2003

Exhibits:

Exhibit 99.1 News release dated October 28, 2003, containing financial results of Cincinnati Financial Corporation for the third quarter and nine months ended September 30, 2003.

Exhibit 99.1

Cincinnati Financial Corporation Reports Third-Quarter Results

* Third-Quarter Net Income Reached $104 Million, or 64 Cents Per Share, Compared With $72 Million, or 44 Cents

* Third-Quarter 2003 Results Included $23 Million Pretax Recovery From Negotiated Settlement

* Catastrophe Losses Totaled 17 Cents in This Year's Third Quarter Versus 2 Cents Last Year

* Results Remain on Track for Record Full-Year Earnings

CINCINNATI, Oct. 28 /PRNewswire-FirstCall/ -- Cincinnati Financial Corporation (Nasdaq: CINF) today reported third-quarter 2003 net income of $104 million, or 64 cents per diluted share, compared with $72 million, or 44 cents per share, in the third quarter of 2002. Net income per share included net realized investment gains of 6 cents in third quarter 2003 versus net realized investment losses of 7 cents in the comparable 2002 period. As the result of a settlement negotiated with a vendor, third-quarter 2003 pretax results included the recovery of $23 million of the $39 million one-time, pretax charge incurred in the third quarter of 2000 to write off previously capitalized software development costs.

Revenues from pretax investment income, the primary source of profits, rose 3.3 percent to $117 million. Total third-quarter revenues advanced $105 million, or 14.4 percent, to $836 million.

Financial Highlights

(Dollars in millions, except share data)	Third Quarter Ended September 30, 2003	2002	Nine Months Ended September 30, 2003	2002
Income Statement Data				
Net income	$104	$72	$245	$182
Negotiated settlement-software cost recovery	15	-	15	-
Net income before recovery*	$89	$72	$230	$182
Net realized investment gains and losses	10	(11)	(29)	(22)
Operating income before recovery*	$79	$83	$259	$204
Per Share Data (diluted)				
Net income	$0.64	$0.44	$1.51	$1.11
Negotiated settlement-software cost recovery	0.09	-	0.09	-
Net income before recovery*	$0.55	$0.44	$1.42	$1.11
Net realized investment gains and losses	0.06	(0.07)	(0.18)	(0.14)
Operating income before recovery*	$0.49	$0.51	$1.60	$1.25
Cash dividend declared	0.2500	0.2225	0.7500	0.6675
Book value	-	-	35.94	34.14
Average shares outstanding	161,888,855	163,222,154	161,726,204	163,491,420

* Measures used in this release that are not based on Generally Accepted Accounting Principles (non-GAAP) are defined and reconciled to the most directly comparable GAAP measures and operating measures in the attached Definitions of Non-GAAP Information and Reconciliation to Comparable GAAP Measures. Net income before the recovery is calculated by excluding the recovery in the third quarter of 2003 of $23 million pretax ($15 million or 9 cents per share after tax) from net income. Operating income is calculated by excluding net realized investment gains and losses from net income. Management uses operating income to evaluate underlying performance for a number of reasons. First, quarterly fluctuations in net realized investment gains and losses are unrelated to trends in the company's insurance business. Second, net realized investment gains and losses can include gains related to the sale of investments made at management's discretion. Third, operating income is a measure commonly used by investors to evaluate insurance companies. This measure also is described as net income before realized investment gains and losses.

Chairman and Chief Executive Officer John J. Schiff, Jr., CPCU, commented, "We are on track for record full-year 2003 revenue and income and the best property casualty profitability we have recorded in more than 10 years. Third-quarter operating income before the recovery reached 49 cents compared with 51 cents a year earlier, with near-record catastrophe losses reducing after-tax earnings by 17 cents versus 2 cents a year ago and with higher property casualty agency profit-based commissions. Overall, our property casualty operations are solid, and that is what we seek to achieve."

Third-quarter catastrophe losses, net of reinsurance, were $41 million, slightly above the company's preliminary estimate, contributing 6.1 percentage points to the combined ratio. For the third quarter of 2002, catastrophe losses were $5 million, contributing just 0.8 percentage points to the combined ratio.

"Catastrophe losses for the quarter included $15 million related to Hurricane Isabel, which affected policyholders in Maryland, New York, North Carolina, Pennsylvania, Virginia and West Virginia in September, and $15 million related to storms in July. The remainder primarily was related to newly reported claims from earlier events, including $12 million from the April 2003 hail storm in Ohio and Kentucky," Schiff said. "Although catastrophe losses reduce short-term profitability, our claims response reinforces the long-term value the Cincinnati name delivers to policyholders. Our goal is always to respond to claims promptly, fairly and personally."

Nine-month Results

For the nine months ended September 30, 2003, net income rose 34.3 percent to $245 million, or $1.51 per share. Operating income before the recovery rose 26.6 percent to $259 million, or $1.60 per share.

Total revenues advanced $221 million to $2.342 billion, up 10.4 percent over the first nine months of last year. Revenues from pretax investment income reached $347 million, up 4.8 percent from $331 million in last year's first nine months.

Year-to-date catastrophe losses, net of reinsurance, were $90 million, contributing 4.6 percentage points to the combined ratio and reducing after-tax earnings by 36 cents per share. In the first nine months of 2002, catastrophe losses were $66 million, contributing 3.8 percentage points to the combined ratio and reducing after-tax earnings by 26 cents.

"Property casualty underwriting profits before the recovery reached $42 million for the first nine months versus a loss of $25 million last year. Premium growth and improved non-catastrophe underwriting profitability served to more than offset the higher catastrophe losses," Schiff said. "The selective, case-by-case approach we are taking as we compete for new business and work with our agents to renew existing accounts has led to steady results all year. Despite a higher catastrophe loss ratio, the GAAP combined ratio before the recovery improved to 97.9 percent for the first nine months of 2003 compared with 101.4 percent for the year-earlier period."

Property Casualty Insurance Operations

(Dollars in millions - GAAP)	Third Quarter Ended September 30, 2003	Third Quarter Ended September 30, 2002	Nine Months Ended September 30, 2003	Nine Months Ended September 30, 2002
Income Statement Data				
Earned premiums	$678	$610	$1,963	$1,751
Loss and loss expenses excluding catastrophe losses	443	422	1,293	1,235
Catastrophe losses	41	5	90	66
Expenses	171	167	515	475
Underwriting profit (loss)	$23	$16	$65	$(25)
Underwriting profit (loss) before recovery*	$ -	$16	$42	$(25)
Ratio Data				
Loss and loss expenses excluding catastrophe losses	65.3%	69.2%	65.8%	70.5%
Catastrophe losses	6.1	0.8	4.6	3.8
Expenses	25.2	27.4	26.3	27.1
Combined Ratio	96.6%	97.4%	96.7%	101.4%
Combined Ratio before recovery*	100.0%	97.4%	97.9%	101.4%

* Values that exclude the recovery are described in the note on Page 1 and discussed in the attached Definitions of Non-GAAP Information and Reconciliation to Comparable GAAP Measures.

For the quarter, statutory net written premiums of the property casualty insurance affiliates-The Cincinnati Insurance Company, The Cincinnati Indemnity Company and The Cincinnati Casualty Company-rose 13.4 percent to $723 million compared with $637 million last year. Total new business written directly by the company's agents was $88 million, up 1 percent over last year's third quarter, as growth in new commercial lines business offset a decline in new personal lines business.

On a GAAP basis, the third-quarter combined ratio before the recovery was 100.0 percent, or 93.9 percent excluding catastrophe losses, compared with the 2002 third-quarter combined ratio of 97.4 percent, or 96.6 percent excluding catastrophes.

Schiff noted, "These strong results included quarterly contingent commission expense almost equal to the level of the first six months of this year following our normal nine-month review of agency profitability. We rely on our agents as frontline underwriters who know the businesses and individuals in their communities; many agencies can look forward to benefiting from the hard work they have put into this effort over the past several years. Total contingent commissions for 2003 now are expected to be approximately twice last year's level because of recent strong results."

Commercial Lines

(Dollars in millions - GAAP)	Third Quarter Ended September 30,		Nine Months Ended September 30,	
	2003	2002	2003	2002
Income Statement Data				
Earned premiums	$488	$440	$1,410	$1,255
Loss and loss expenses excluding catastrophe losses	310	290	895	855
Catastrophe losses	10	6	28	34
Expenses	129	122	377	341
Underwriting profit (loss)	$39	$22	$110	$25
Underwriting profit (loss) before recovery*	$24	$22	$95	$25
Ratio Data				
Loss and loss expenses excluding catastrophe losses	63.4%	65.8%	63.4%	68.2%
Catastrophe losses	2.0	1.3	2.0	2.7
Expenses	26.7	27.8	26.8	27.1
Combined Ratio	92.1%	94.9%	92.2%	98.0%
Combined Ratio before recovery*	95.0%	94.9%	93.2%	98.0%

* Values that exclude the recovery are described in the note on Page 1 and discussed in the attached Definitions of Non-GAAP Information and Reconciliation to Comparable GAAP Measures.

Net written premiums for commercial lines of insurance rose 14.9 percent to $507 million, accounting for 70.1 percent of the company's total third-quarter property casualty premiums. New commercial business increased 6.2 percent over last year's record level to $72 million for the quarter. The GAAP combined ratio before the recovery was 95.0 percent compared with 94.9 percent in last year's third quarter. Excluding catastrophe losses, the ratio before the recovery was 93.0 percent compared with 93.6 percent in last year's third quarter.

Schiff noted, "Competition in the commercial lines marketplace, particularly for the better accounts, is mounting. In this market, we are experiencing our best results - both in terms of growth and profitability - for commercial package programs. Premiums in these areas continue to grow at double-digit rates, we are winning our share of new business and profitability remains strong. We are benefiting from substantially higher average premium per policy as we move through the third year of our commercial lines re-underwriting program and continue to be highly selective about the risks we write."

Schiff said, "As one would anticipate, the higher accrual for profit-based commissions had the most significant impact on commercial lines, where our results have been particularly strong. Our agents know they can rely on us to be a stable market for their best business, which in turn is allowing us to generate excellent profitability for commercial lines and reward agents for their role in that success."

Personal Lines

(Dollars in millions - GAAP)	Third Quarter Ended September 30, 2003	2002	Nine Months Ended September 30, 2003	2002
Income Statement Data				
Earned premiums	$190	$170	$553	$496
Loss and loss expenses excluding catastrophe losses	133	132	398	380
Catastrophe losses	31	(1)	62	32
Expenses	42	45	138	134
Underwriting profit (loss)	$(16)	$(6)	$(45)	$(50)
Underwriting profit (loss) before recovery*	$(24)	$(6)	$(53)	$(50)
Ratio Data				
Loss and loss expenses excluding catastrophe losses	70.0%	78.1%	71.9%	76.5%
Catastrophe losses	16.6	(0.6)	11.2	6.6
Expenses	21.8	26.5	25.1	27.0
Combined Ratio	108.4%	104.0%	108.2%	110.1%
Combined Ratio before recovery*	112.7%	104.0%	109.7%	110.1%

* Values that exclude the recovery are described in the note on Page 1 and discussed in the attached Definitions of Non-GAAP Information and Reconciliation to Comparable GAAP Measures.

Net written premiums for the personal lines segment increased 10.2 percent to $216 million. New personal lines business declined 16.6 percent to $16 million for the third quarter. On a GAAP basis, the third-quarter combined ratio before the recovery was 112.7 percent versus 104.0 percent in 2002. Excluding catastrophes, the ratio before the recovery was 96.1 percent compared with 104.6 percent in last year's third quarter.

Schiff commented, "Across the board in personal lines, our premium growth is being driven by higher rates and coverage pricing. As we work with our agents to ensure quality underwriting and careful risk selection, we are not surprised to see lower levels of new business.

"The personal auto line had an excellent third quarter, bringing the year-to-date loss and loss expense ratio to 69.0 percent compared with 73.1 percent for the first nine months of last year. The improvement resulted from the re-underwriting program that was initiated in this coverage area several years ago, combined with the benefit of rate increases in the 5 percent to 8 percent range this year.

"For the first nine months of this year, the homeowner loss and loss expense ratio rose to 110.4 percent, including 31.6 percentage points from catastrophe losses, from 103.0 percent, including 18.7 percentage points, in the same period last year. Average renewal rate increases for our three-year policies are in the range of 25 percent with additional double-digit rate increases approved in our larger states for the coming months. Changes in terms and conditions continue to take effect as policies renew over the three-year homeowner policy period. While it will take time for all of these efforts to work through our homeowner business, we are solidly on track to restore homeowner profitability," Schiff said.

Life Insurance Operations

(In millions)	Third Quarter Ended September 30, 2003	2002	Nine Months Ended September 30, 2003	2002
Earned premiums	$23	$22	$68	$63
Investment income	22	22	67	63

Other income	1	0	2	0
Total revenues excluding realized investment gains and losses	$46	$44	$137	$126
Policyholder benefits	22	21	66	60
Expenses	13	14	36	39
Total benefits and expenses	$35	$35	$102	$99
Income before income tax and realized investment gains and losses	$11	$9	$35	$27
Federal tax	3	4	12	9
Income before realized investment gains and losses	$8	$5	$23	$18

The Cincinnati Life Insurance Company's third-quarter income before realized investment gains and losses increased 67.3 percent to $8 million, compared with $5 million in the comparable 2002 period. Including realized net capital gains and losses, net income was $8 million in 2003 versus $2 million in 2002. Net earned premiums rose 8.5 percent to $23 million compared with $22 million last year.

Cincinnati Life President David H. Popplewell, FALU, LLIF, commented, "Net written life premiums were $75 million in the first nine months of 2003 compared with $104 million last year when we wrote a single-pay bank-owned life insurance policy that contributed $33 million to life premiums. Through September 30, 2003, submitted ordinary life applications rose 6.2 percent compared with last year. This increase reflects a positive response to our products and services, and we continue to work on maintaining a competitive advantage for our agents. In 2004, we will expand our portfolio with a new long-term guaranteed universal life insurance product and an improvement to our existing term life insurance product."

Investment Operations

(In millions, pretax)	Third Quarter Ended September 30,		Nine Months Ended September 30,	
	2003	2002	2003	2002
Investment income, net of expenses	$117	$113	$347	$331
Realized investment gains and losses:				
Valuation of embedded derivatives (SFAS No. 133)	$9	$(10)	$9	$(8)
Other-than-temporary impairment charges	(8)	(8)	(77)	(38)
Realized investment gains and losses on security sales	14	2	24	12
Total realized investment gains and losses	$15	$(16)	$(44)	$(34)

Consolidated pretax investment income rose 3.3 percent for the third quarter and 4.8 percent for the nine months, benefiting from dividend increases announced over the last year by companies in the equity portfolio. As of September 30, 2003, 22 of the 48 equity holdings in the portfolio have announced dividend increases that total $13 million on an annualized basis.

Vice President Kenneth S. Miller, CLU, ChFC, commented, "Total realized investment gains were $15 million in the third quarter, as the market sustained its overall recovery and fewer securities were impaired. Offsetting the $8 million in impairments were $9 million in gains that arose from fluctuations in the market values of options embedded in convertible securities and $14 million in net gains from the sale of securities."

Miller added, "Strong cash flow has led to substantial new investment this year. The $127 million used for new investments in the third quarter brought the net year-to-date total to $442 million. We are continuing to increase the quality of the bond portfolio, as rated by Standard & Poor's and Moody's, with year-to-date purchases of U.S. Agency paper and high-quality municipal bonds of $425 million. Another $138 million, including $71 million in the third quarter, has been invested in common stock in 2003, in line with our historical allocation."

Balance Sheet

(Dollars in millions)	Third Quarter Ended September 30, 2003	Third Quarter Ended September 30, 2002	Nine Months Ended September 30, 2003	Nine Months Ended September 30, 2002
Balance Sheet Data				
Total assets	-	-	$14,958	$13,684
Invested assets	-	-	11,774	11,041
Shareholders' equity	-	-	5,766	5,517
Ratio Data				
Return on equity, annualized	7.1%	4.9%	5.7%	4.2%
Return on equity, annualized, based on comprehensive income	(4.2)	(40.6)	7.8	(8.1)

At September 30, 2003, total assets rose to a record $14.958 billion, up $836 million from year-end. Shareholders' equity reached $5.766 billion, up $168 million from year-end 2002. Accumulated other comprehensive income totaled $3.731 billion, up $88 million from year-end 2002. Book value was $35.94, up $1.29 from year-end 2002.

During the third quarter, the company repurchased 91,600 shares of Cincinnati Financial common stock at a total cost of $4 million or $39.13 per share. Approximately 5.4 million shares remain authorized by the board of directors for repurchase.

Anticipating Strong Full-Year Performance

Schiff noted that the overall strong performance of the third quarter builds on trends already established.

"Since the beginning of 2002, we have been seeing the hard work of our agents and associates pay off," he said. "Our results confirm our conviction in the value of carefully assessing and pricing risks, of knowing the communities we serve and of standing by those communities in their times of need.

"Just as important, we have full confidence in our future," Schiff added. "We continue to believe our target for a full-year 2003 GAAP combined ratio of 96.8 percent before the recovery remains within reach, assuming catastrophe losses contribute less than 1 percentage point to the fourth-quarter combined ratio, and that our strategies will lead to further improvement.

"Financial strength, investment strength and agency strength have combined to create a legacy of consistency for Cincinnati Financial, consistency that was seen again in our third-quarter and nine-month results," Schiff concluded.

"We expect to continue that legacy over the long term."

For additional information or to register for this afternoon's conference call, please visit www.cinfin.com.

Cincinnati Financial Corporation offers property and casualty insurance, its main business, through The Cincinnati Insurance Company, The Cincinnati Indemnity Company and The Cincinnati Casualty Company. The Cincinnati Life Insurance Company markets life, disability income and long-term care insurance and annuities. CFC Investment Company supports the insurance subsidiaries and their independent agent representatives through commercial leasing and financing activities. CinFin Capital Management Company provides asset management services to institutions, corporations and high net worth individuals.

This is a "Safe Harbor" statement under the Private Securities Litigation Reform Act of 1995. Certain forward-looking statements contained herein 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; increased frequency and/or severity of claims; environmental events or changes; insurance regulatory actions, legislation or court decisions that increase expenses or 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, in particular a sustained decline in market value of Fifth Third Bancorp shares; events that lead to a significant decline in the market value of a particular security and impairment of the asset; 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 company also is subject to public and regulatory initiatives that can affect the market value for its common stock, such as recent measures impacting corporate financial reporting and governance. The ultimate changes and eventual effects, if any, of these initiatives are uncertain.

Cincinnati Financial Corporation
Consolidated Balance Sheets

(Dollars in millions except share data)	September 30, 2003 (unaudited)	December 31, 2002
Assets		
Investments		
Fixed maturities, at fair value (amortized cost: 2003-$3,521; 2002-$3,220)	$3,762	$3,305
Equity securities, at fair value (cost: 2003-$2,445; 2002-$2,375)	7,941	7,884
Other invested assets	71	68
Cash	220	112
Investment income receivable	92	98
Finance receivable	37	33
Premiums receivable	1,081	956
Reinsurance receivable	612	590
Prepaid reinsurance premiums	16	47
Deferred policy acquisition costs	386	343
Property and equipment, net, for company use (accumulated depreciation: 2003-$172; 2002-$155)	121	128
Other assets	153	131
Separate accounts	466	427
Total assets	$14,958	$14,122
Liabilities		
Insurance reserves		
Losses and loss expense	$3,416	$3,176
Life policy reserves	1,005	917
Unearned premiums	1,459	1,319
Other liabilities	470	345
Deferred income tax	1,773	1,737
Notes payable	183	183
6.9% senior debenture due 2028	420	420
Separate accounts	466	427
Total liabilities	9,192	8,524
Shareholders' equity		
Common stock, par value-$2 per share; authorized 200 million shares; issued: 2003-176 million shares, 2002-176 million shares	352	352
Paid-in capital	304	300
Retained earnings	1,897	1,772
Accumulated other comprehensive income-unrealized gains on investments and derivatives	3,731	3,643
Treasury stock at cost (2003-16 million shares, 2002-14 million shares)	(518)	(469)
Total shareholders' equity	5,766	5,598
Total liabilities and shareholders' equity	$14,958	$14,122

Cincinnati Financial Corporation
Consolidated Statements of Income
(unaudited)

(In millions except per share data) Nine Months Ending September 30,

	2003	2002
Revenues		
Earned premiums		
Property casualty	$1,963	$1,749
Life	68	63
Investment income, net of expenses	347	331
Realized investment gains and losses	(44)	(34)
Other income	8	12
Total revenues	2,342	2,121
Benefits and expenses		
Insurance losses and policyholder benefits	1,447	1,360
Commissions	402	345
Other operating expenses	142	150
Taxes, licenses and fees	48	51
Increase in deferred policy acquisition costs	(42)	(32)
Interest expense	25	26
Other expenses	10	6
Total benefits and expenses	2,032	1,906
Income before income taxes	310	215
Provision (benefit) for income taxes		
Current	75	44
Deferred	(10)	(11)
Total provision (benefit) for income taxes	65	33
Net income	$245	$182
Per common share		
Net income - basic	$1.52	$1.12
Net income - diluted	$1.51	$1.11

Since 1996, Cincinnati Financial has disclosed the estimated impact of stock options on net income and earnings per share in a Note to the Financial Statements. During the third quarter of 2003, net income would have been reduced by less than 2 cents per share if option expense, calculated using the Black-Scholes and modified prospective transition methodologies, was included as an expense.

Cincinnati Financial Corporation
Definitions of Non-GAAP Information and Reconciliation to Comparable GAAP Measures

Cincinnati Financial Corporation prepares its public financial statements in conformity with accounting principles generally accepted in the United States of America. Statutory data is prepared in accordance with statutory accounting rules as defined by the National Association of Insurance Commissioners' Accounting Practices and Procedures Manual and therefore is not reconciled to GAAP data. Management believes that investor understanding of Cincinnati Financial Corporation's performance is enhanced by disclosure of certain non-GAAP and non-statutory financial measures:

Operating income: Operating income is calculated by excluding net realized investment gains and losses from net income. Management utilizes operating income to evaluate underlying performance for a number of reasons. First, quarterly fluctuations in net realized investment gains and losses are unrelated to trends in the company's insurance business. Second, net realized investment gains and losses can include gains related to the sale of investments made at management's discretion. Third, operating income is a measure commonly used by investors to evaluate insurance companies. This measure also is described as net income before realized investment gains and losses.

Catastrophe losses: Due to the nature of catastrophic events, the frequency and cost of catastrophe occurrences are unpredictable. Although management anticipates an average level of catastrophe losses, to aid in assessing the underlying performance of the business, management evaluates trends in the company's overall performance and property casualty underwriting profitability excluding the fluctuating impact of catastrophe losses.

Statutory accounting rules: For public reporting, insurance companies prepare financial statements in accordance with GAAP. However, certain data also must be calculated according to statutory accounting rules as defined in the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual, which may be, and has been, modified by various state insurance departments. Statutory data is publicly available and used by various organizations to calculate aggregate industry data, study industry trends and make comparisons between various insurance companies.

Written premium: Under statutory accounting rules, written premium is the amount recorded for policies issued and recognized on an annualized basis at the effective date of the policy. Management analyzes trends in written premium to assess business efforts. Earned premium, used in both statutory and GAAP accounting, is calculated ratably over the policy term. The difference between written and earned premium is unearned premium.

Written premium adjustment - statutory-basis only: In 2002, the company refined its estimation process for matching written and earned premiums to policy effective dates, which added $117 million to 2002 written premiums. To better assess ongoing business trends, management excludes this adjustment when evaluating trends in written premiums and statutory ratios that make use of written premiums.

Underwriting profit: Underwriting profit for property casualty insurance represents premiums earned minus loss and loss expenses and other insurance-related expenses.

Reserve reallocation: Management monitors claim activity on an ongoing basis and appropriately modifies amounts added to loss reserves via incurred but not yet reported (IBNR) reserve additions and loss expenses. Based on prior-year loss development and changes in ultimate incurred loss ratios, the company reallocates reserves between business lines and accident years to reflect evolving trends. To better assess current-year performance, management monitors accident-year business line loss and loss expenses data excluding prior-year reserve reallocations.

One-time charges or adjustments: Management analyzes results excluding the impact of one-time items.

* As the result of a settlement negotiated with a vendor, third-quarter 2003 pretax results include the recovery of $23 million of the $39 million one-time, pretax charge incurred in the third quarter of 2000.
* In 2000, the company recorded a one-time charge of $39 million, pre-tax, to impair previously capitalized costs related to the development of software to process property casualty policies.
* In 2000, the company earned $5 million in interest in the first quarter from a $303 million single-premium bank-owned life insurance (BOLI) policy booked at the end of 1999 that was segregated as a Separate Account effective April 1, 2000. Investment income and realized capital gains and losses from separate accounts generally accrue directly to the contract holder and, therefore, are not included in the company's consolidated financials.
* In 1993, results included a credit related to the method of accounting for income taxes to conform with Statement of Accounting Financial Standards No. 109 and a charge related to the effect of 1993 increases in income tax rates on deferred taxes recorded for various prior-year items.

Codification: Adoption of Codification of Statutory Accounting Principles was required for Ohio-based insurance companies effective January 1, 2001. The adoption of Codification changed the manner in which the company recognized written premiums. As a result, 2001 statutory written premiums included $402 million to account for unbooked premiums related to policies with effective dates prior to January 1, 2001. To better assess ongoing business trends, management excludes this $402 million when evaluating written premiums and statutory ratios that make use of written premiums.

Life insurance gross written premiums: In analyzing life insurance company gross written premiums, management excludes three larger, single-pay life insurance policies (BOLIs) to focus on the trend in premiums written through the agency distribution channel.

Quarterly Net Income

(In millions except per share data)	9/30/2003	6/30/2003	3/31/2003	12/31/2002
Net income	$104	$84	$57	$56
One-time item	15			
Net income before one-time item	$89	$84	$57	$56
Net realized investment gains and losses	10	1	(40)	(40)
Operating income before one-time item	$79	$83	$97	$96
Catastrophe losses	(27)	(30)	(2)	(14)
Operating income before catastrophe losses and one-time item	$106	$113	$99	$110
Diluted per share data				
Net income	$0.64	$0.52	$0.35	$0.35
One-time item	0.09			
Net income before one-time item	$0.55	$0.52	$0.35	$0.35
Net realized investment gains and losses	0.06	0.01	(0.25)	(0.24)
Operating income before one-time item	$0.49	$0.51	$0.60	$0.59
Catastrophe losses	(0.17)	(0.19)	(0.01)	(0.08)
Operating income before catastrophe losses and one-time item	$0.66	$0.70	$0.61	$0.67

	9/30/2002	6/30/2002	3/31/2002
Net income	$72	$35	$75
One-time item			
Net income before one-time item	$72	$35	$75
Net realized investment gains and losses	(11)	(6)	(5)
Operating income before one-time item	$83	$41	$80
Catastrophe losses	(3)	(31)	(9)
Operating income before catastrophe losses and one-time item	$86	$72	$89
Diluted per share data			
Net income	$0.44	$0.21	$0.46
One-time item			
Net income before one-time item	$0.44	$0.21	$0.46
Net realized investment gains and losses	(0.07)	(0.04)	(0.03)
Operating income before one-time item	$0.51	$0.25	$0.49
Catastrophe losses	(0.02)	(0.19)	(0.06)
Operating income before catastrophe losses and one-time item	$0.53	$0.44	$0.55

	Six months ended 6/30/2003	Six months ended 6/30/2002	Nine months ended 9/30/2003	Nine months ended 9/30/2002
Net income	$141	$110	$245	$182
One-time item			15	
Net income before one-time item	$141	$110	$230	$182
Net realized investment gains and losses	(39)	(12)	(29)	(22)
Operating income before one-time item	$180	$122	$259	$204
Catastrophe losses	(32)	(40)	(59)	(43)
Operating income before catastrophe losses and one-time item	$212	$162	$318	$247
Diluted per share data				
Net income	$0.87	$0.67	$1.51	$1.11

One-time item			0.09	
Net income before one-time item	$0.87	$0.67	$1.42	$1.11
Net realized investment gains and losses	(0.24)	(0.07)	(0.18)	(0.14)
Operating income before one-time item	$1.11	$0.74	$1.60	$1.25
Catastrophe losses	(0.20)	(0.24)	(0.36)	(0.26)
Operating income before catastrophe losses and one-time item	$1.31	$0.98	$1.96	$1.51

	Twelve months ended 12/31/2002
Net income	$238
One-time item	
Net income before one-time item	$238
Net realized investment gains and losses	(62)
Operating income before one-time item	$300
Catastrophe losses	(57)
Operating income before catastrophe losses and one-time item	$357
Diluted per share data	
Net income	$1.46
One-time item	
Net income before one-time item	$1.46
Net realized investment gains and losses	(0.38)
Operating income before one-time item	$1.84
Catastrophe losses	(0.35)
Operating income before catastrophe losses and one-time item	$2.19

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Cincinnati Insurance Group
Quarterly Property Casualty Data - Consolidated

(Dollars in millions)

	9/30/2003	6/30/2003	3/31/2003	12/31/2002
Premiums				
Adjusted written premiums (statutory)	$714	$707	$669	$612
Written premium adjustment - statutory only	9	19	18	117
Reported written premiums (statutory)*	$723	$726	$687	$729
Unearned premiums	(45)	(72)	(56)	(87)
Earned premiums	$678	$654	$631	$642
Statutory combined ratio				
Reported statutory combined ratio*	96.3%	98.4%	92.8%	93.4%
Written premium adjustment - statutory only	NM	NM	NM	4.7
One-time item	3.1			
Adjusted statutory combined ratio	99.4%	98.4%	92.8%	98.1%
Catastrophe losses	(6.1)	(7.1)	(0.4)	(3.3)
Adjusted statutory combined ratio excluding catastrophe losses	93.3%	91.3%	92.4%	94.8%
Reported commission expense ratio*	18.5%	17.0%	16.4%	14.5%
Written premium adjustment - statutory only	NM	NM	NM	2.8

One-time item	0	0	0	0
Adjusted commission expense ratio	18.5%	17.0%	16.4%	17.3%
Reported other expense ratio*	6.5%	8.2%	10.0%	9.8%
Written premium adjustment - statutory only	NM	NM	NM	1.9
One-time item	3.1	0	0	0
Adjusted other expense ratio	9.6%	8.2%	10.0%	11.7%
Reported statutory expense ratio*	25.0%	25.2%	26.4%	24.3%
Written premium adjustment - statutory only	NM	NM	NM	4.7
One-time item	3.1	0	0	0
Adjusted statutory expense ratio	28.1%	25.2%	26.4%	29.0%
GAAP combined ratio	96.6%	98.4%	95.1%	95.0%

	9/30/2002	6/30/2002	3/31/2002
Premiums			
Adjusted written premiums (statutory)	$637	$626	$621
Written premium adjustment - statutory only	0	0	0
Reported written premiums (statutory)*	$637	$626	$621
Unearned premiums	(27)	(46)	(60)
Earned premiums	$610	$580	$561
Statutory combined ratio			
Reported statutory combined ratio*	97.4%	107.2%	96.3%
Written premium adjustment - statutory only	0.0	0.0	0.0
One-time item			
Adjusted statutory combined ratio	97.4%	107.2%	96.3%
Catastrophe losses	(0.8)	(8.1)	(2.6)
Adjusted statutory combined ratio excluding catastrophe losses	96.6%	99.1%	93.7%
Reported commission expense ratio*	17.5%	16.1%	15.5%
Written premium adjustment - statutory only	0.0	0.0	0.0
One-time item	0	0	0
Adjusted commission expense ratio	17.5%	16.1%	15.5%
Reported other expense ratio*	9.9%	9.2%	9.6%
Written premium adjustment - statutory only	0.0	0.0	0.0
One-time item	0	0	0
Adjusted other expense ratio	9.9%	9.2%	9.6%
Reported statutory expense ratio*	27.4%	25.3%	25.1%
Written premium adjustment - statutory only	0.0	0.0	0.0
One-time item	0	0	0
Adjusted statutory expense ratio	27.4%	25.3%	25.1%
GAAP combined ratio	97.4%	108.1%	98.8%

	Six months ended		Nine months ended	
	6/30/2003	6/30/2002	9/30/2003	9/30/2002
Premiums				
Adjusted written premiums (statutory)	$1,376	$1,247	$2,090	$1,884
Written premium adjustment - statutory only	37	0	46	0
Reported written premiums (statutory)*	$1,413	$1,247	$2,136	$1,884
Unearned premiums	(127)	(106)	(173)	(133)
Earned premiums	$1,286	$1,141	$1,963	$1,751
Statutory combined ratio				
Reported statutory combined				

ratio*	95.7%	101.9%	96.0%	100.3%
Written premium adjustment - statutory only	NM	0.0	NM	0.0
One-time item			1.1	
Adjusted statutory combined ratio	95.7%	101.9%	97.1%	100.3%
Catastrophe losses	(3.8)	(5.4)	(4.6)	(3.8)
Adjusted statutory combined ratio excluding catastrophe losses	91.9%	96.5%	92.4%	96.5%
Reported commission expense ratio*	16.7%	15.8%	17.3%	16.4%
Written premium adjustment - statutory only	NM	0.0	NM	0.0
One-time item	0	0	0	0
Adjusted commission expense ratio	16.7%	15.8%	17.3%	16.4%
Reported other expense ratio*	9.0%	9.5%	8.1%	9.6%
Written premium adjustment - statutory only	NM	0.0	NM	0.0
One-time item	0	0	1.1	0
Adjusted other expense ratio	9.0%	9.5%	9.2%	9.6%
Reported statutory expense ratio*	25.7%	25.3%	25.5%	26.0%
Written premium adjustment - statutory only	NM	0.0	NM	0.0
One-time item	0	0	1.1	0
Adjusted statutory expense ratio	25.7%	25.3%	26.6%	26.0%
GAAP combined ratio	96.8%	103.6%	96.7%	101.4%

	Twelve months ended 12/31/2002
Premiums	
Adjusted written premiums (statutory)	$2,496
Written premium adjustment - statutory only	117
Reported written premiums (statutory)*	$2,613
Unearned premiums	(220)
Earned premiums	$2,393
Statutory combined ratio	
Reported statutory combined ratio*	98.4%
Written premium adjustment - statutory only	1.2
One-time item	
Adjusted statutory combined ratio	99.6%
Catastrophe losses	(3.6)
Adjusted statutory combined ratio excluding catastrophe losses	96.0%
Reported commission expense ratio*	15.9%
Written premium adjustment - statutory only	0.8
One-time item	0
Adjusted commission expense ratio	16.7%
Reported other expense ratio*	9.6%
Written premium adjustment - statutory only	0.4
One-time item	0
Adjusted other expense ratio	10.0%
Reported statutory expense ratio*	25.5%
Written premium adjustment - statutory only	1.2
One-time item	0
Adjusted statutory expense ratio	26.7%
GAAP combined ratio	99.7%

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NM - Not meaningful

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Cincinnati Insurance Group
Quarterly Property Casualty Data - Commercial Lines

(Dollars in millions)

	Quarters ended			
	9/30/2003	6/30/2003	3/31/2003	12/31/2002
Premiums				
Adjusted written premiums (statutory)	$499	$496	$506	$443
Written premium adjustment - statutory only	8	12	18	109
Reported written premiums (statutory)*	$507	$507	$526	$552
Unearned premiums	(19)	(37)	(74)	(84)
Earned premiums	$488	$470	$452	$468
Statutory combined ratio				
Reported statutory combined ratio*	91.9%	91.9%	90.3%	91.9%
Written premium adjustment - statutory only	NM	NM	NM	5.8
One-time item	2.9	0	0	0
Adjusted statutory combined ratio	94.7%	91.9%	90.3%	97.7%
Catastrophe losses	(2.0)	(2.9)	(1.0)	(1.3)
Adjusted statutory combined ratio excluding catastrophe losses	92.7%	89.0%	89.3%	96.4%
GAAP combined ratio (commercial lines)	92.1%	91.4%	93.2%	91.7%

	9/30/2002	6/30/2002	3/31/2002
Premiums			
Adjusted written premiums (statutory)	$441	$438	$474
Written premium adjustment - statutory only	0	0	0
Reported written premiums (statutory)*	$441	$438	$474
Unearned premiums	(1)	(23)	(74)
Earned premiums	$440	$415	$400
Statutory combined ratio			
Reported statutory combined ratio*	94.7%	102.3%	93.2%
Written premium adjustment - statutory only	0	0	0
One-time item	0	0	0
Adjusted statutory combined ratio	94.7%	102.3%	93.2%
Catastrophe losses	(1.3)	(5.6)	(1.2)
Adjusted statutory combined ratio excluding catastrophe losses	93.4%	96.7%	92.0%
GAAP combined ratio (commercial lines)	94.9%	103.3%	95.8%

	Six months ended		Nine months ended	
	6/30/2003	6/30/2002	9/30/2003	9/30/2002
Premiums				
Adjusted written premiums (statutory)	$1,003	$912	$1,502	$1,353

Written premium adjustment - statutory only	30	0	38	0
Reported written premiums (statutory)*	$1,033	$912	$1,540	$1,353
Unearned premiums	(111)	(97)	(130)	(98)
Earned premiums	$922	$815	$1,410	$1,255
Statutory combined ratio				
Reported statutory combined ratio*	91.1%	97.8%	91.4%	96.6%
Written premium adjustment - statutory only	NM	0	NM	0
One-time item	0	0	0.9	0
Adjusted statutory combined ratio	91.1%	97.8%	92.3%	96.6%
Catastrophe losses	(2.0)	(3.4)	(2.0)	(2.7)
Adjusted statutory combined ratio excluding catastrophe losses	89.1%	94.4%	90.3%	93.9%
GAAP combined ratio (commercial lines)	92.3%	99.6%	92.2%	98.0%

	Twelve months ended 12/31/2002
Premiums	
Adjusted written premiums (statutory)	$1,796
Written premium adjustment - statutory only	109
Reported written premiums (statutory)*	$1,905
Unearned premiums	(182)
Earned premiums	$1,723
Statutory combined ratio	
Reported statutory combined ratio*	95.3%
Written premium adjustment - statutory only	1.5
One-time item	0
Adjusted statutory combined ratio	96.8%
Catastrophe losses	(2.3)
Adjusted statutory combined ratio excluding catastrophe losses	94.5%
GAAP combined ratio (commercial lines)	96.3%

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Cincinnati Insurance Group
Quarterly Property Casualty Data - Personal Lines

(Dollars in millions)

	Quarters ended			
	9/30/2003	6/30/2003	3/31/2003	12/31/2002
Premiums				
Adjusted written premiums (statutory)	$215	$212	$161	$169
Written premium adjustment -- statutory only	1	7	0	8
Reported written premiums (statutory)*	$216	$219	$161	$177
Unearned premiums	(26)	(35)	18	(3)
Earned premiums	$190	$184	$179	$174

Statutory combined ratio				
Reported statutory combined ratio*	108.1%	115.2%	99.5%	97.9%
Written premium adjustment -- statutory only	NM	NM	NM	1.3
One-time item	3.8	0	0	0
Adjusted statutory combined ratio	111.9%	115.2%	99.5%	99.2%
Catastrophe losses	(16.6)	(17.8)	1.3	(8.6)
Adjusted statutory combined ratio excluding catastrophe losses	95.3%	97.4%	100.8%	90.6%
GAAP combined ratio (personal lines)	108.4%	116.1%	99.9%	98.8%

	9/30/2002	6/30/2002	3/31/2002
Premiums			
Adjusted written premiums (statutory)	$196	$188	$147
Written premium adjustment -- statutory only	0	0	0
Reported written premiums (statutory)*	$196	$188	$147
Unearned premiums	(26)	(23)	14
Earned premiums	$170	$165	$161
Statutory combined ratio			
Reported statutory combined ratio*	104.5%	119.8%	104.9%
Written premium adjustment -- statutory only	0	0	0
One-time item	0	0	0
Adjusted statutory combined ratio	104.5%	119.8%	104.9%
Catastrophe losses	0.6	(14.5)	(6.0)
Adjusted statutory combined ratio excluding catastrophe losses	105.1%	105.3%	98.9%
GAAP combined ratio (personal lines)	104.0%	120.2%	106.3%

(Dollars in millions)	Six months ended		Nine months ended	
	6/30/2003	9/30/2002	6/30/2002	9/30/2003
Premiums				
Adjusted written premiums (statutory)	$373	$335	$588	$531
Written premium adjustment -- statutory only	7	0	8	0
Reported written premiums (statutory)*	$380	$335	$596	$531
Unearned premiums	(16)	(9)	(43)	(35)
Earned premiums	$364	$326	$553	$496
Statutory combined ratio				
Reported statutory combined ratio*	107.2%	112.2%	107.5%	109.6%
Written premium adjustment -- statutory only	NM	0	NM	0
One-time item	0	0	1.4	0
Adjusted statutory combined ratio	107.2%	112.2%	108.9%	109.6%
Catastrophe losses	(8.4)	(10.3)	(11.2)	(6.6)
Adjusted statutory combined ratio excluding catastrophe losses	98.8%	101.9%	97.7%	103.0%
GAAP combined ratio (personal lines)	108.1%	113.3%	108.2%	110.1%

(Dollars in millions)	Twelve months ended 12/31/2002
Premiums	
Adjusted written premiums (statutory)	$700
Written premium adjustment -- statutory only	8
Reported written premiums (statutory)*	$708
Unearned premiums	(38)
Earned premiums	$670
Statutory combined ratio	

Reported statutory combined ratio*	106.5%
Written premium adjustment -- statutory only	0.3
One-time item	0
Adjusted statutory combined ratio	106.8%
Catastrophe losses	(7.1)
Adjusted statutory combined ratio excluding catastrophe losses	99.7%
GAAP combined ratio (personal lines)	107.2%

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