
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report: February 4, 2008
(Date of earliest event reported)

CINCINNATI FINANCIAL CORPORATION

(Exact name of registrant as specified in its charter)

Ohio
(State or other jurisdiction
of incorporation)

0-4604
(Commission
File Number)

31-0746871
(I.R.S. Employer
Identification No.)

6200 S. Gilmore Road, Fairfield, Ohio
(Address of principal executive offices)

45014-5141
(Zip Code)

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

N/A
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13a-4(c))

Item 2.02 Results of Operations and Financial Condition.

On February 6, 2008, Cincinnati Financial Corporation issued the attached news release titled "Cincinnati Financial Reports Fourth-quarter and Full-year 2007 Results," furnished as Exhibit 99.1 hereto and incorporated herein by reference. On February 6, 2008, the company also distributed the attached information titled "Supplemental Financial Data," furnished as Exhibit 99.2 hereto and incorporated herein by reference. This report should not be deemed an admission as to the materiality of any information contained in the news release or supplemental financial data.

In accordance with general instruction B.2 of Form 8-K, 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.

Item 7.01 Regulation FD Disclosure.

On February 4, 2008, Cincinnati Financial Corporation issued the attached news release “Cincinnati Financial Corporation Increases Cash Dividend.” The news release is furnished as Exhibit 99.3 hereto and is incorporated herein by reference. This report should not be deemed an admission as to the materiality of any information contained in the news release.

On February 4, 2008, Cincinnati Financial Corporation issued the attached news release “Cincinnati Financial Corporation and Subsidiaries Announce Appointments.” The news release is furnished as Exhibit 99.4 hereto and is incorporated herein by reference. This report should not be deemed an admission as to the materiality of any information contained in the news release.

The information furnished in Item 7.01 of 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.

Item 9.01 Financial Statements and Exhibits.**(c) Exhibits**

- Exhibit 99.1** — News release dated February 6, 2008, “Cincinnati Financial Reports Fourth-quarter and Full-year 2007 Results”
 - Exhibit 99.2** — Supplemental Financial Data dated February 6, 2008
 - Exhibit 99.3** — News release dated February 4, 2008, titled “Cincinnati Financial Corporation Increases Cash Dividend”
 - Exhibit 99.4** — News release dated February 4, 2008, titled “Cincinnati Financial Corporation and Subsidiaries Announce Appointments”
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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 hereunto duly authorized.

CINCINNATI FINANCIAL CORPORATION

Date: February 6, 2008

Kenneth W. Stecher
Chief Financial Officer, Executive Vice President,
Secretary and Treasurer
(Principal Accounting Officer)



CINCINNATI FINANCIAL CORPORATION

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Cincinnati Financial Reports Fourth-quarter and Full-year 2007 Results

Cincinnati, February 6, 2008 — Cincinnati Financial Corporation (Nasdaq: CINF) today reported:

- Fourth-quarter net income of \$187 million, or \$1.11 per share, compared with \$130 million, or 75 cents, in the 2006 fourth quarter. Operating income* of \$179 million, or \$1.07 per share, compared with \$122 million, or 70 cents.
- Full-year 2007 net income of \$855 million, or \$4.97 per share, compared with \$930 million, or \$5.30, in 2006. Operating income a record \$610 million, or \$3.54 per share, compared with \$496 million, or \$2.82.
- Full-year 2007 property casualty underwriting profits of \$304 million compared with \$181 million in 2006.

Financial Highlights

(Dollars in millions except share data)	Three months ended December 31,			Twelve months ended December 31,		
	2007	2006	Change %	2007	2006	Change %
Revenue Highlights						
Earned premiums	\$ 809	\$ 830	(2.5)	\$ 3,250	\$ 3,270	(0.6)
Investment income	157	145	8.5	608	570	6.6
Total revenues	983	992	(0.9)	4,259	4,542	(6.2)
Income Statement Data						
Net income	\$ 187	\$ 130	43.2	\$ 855	\$ 930	(8.0)
Net realized investment gains and losses	8	8	(4.7)	245	434	(43.5)
Operating income*	\$ 179	\$ 122	46.4	\$ 610	\$ 496	23.1
Per Share Data (diluted)						
Net income	\$ 1.11	\$ 0.75	48.0	\$ 4.97	\$ 5.30	(6.2)
Net realized investment gains and losses	0.04	0.05	(20.0)	1.43	2.48	(42.3)
Operating income*	\$ 1.07	\$ 0.70	52.9	\$ 3.54	\$ 2.82	25.5
Book value				\$ 35.70	\$ 39.38	(9.3)
Cash dividend declared	\$ 0.355	\$ 0.335	6.0	\$ 1.42	\$ 1.34	6.0
Weighted average shares outstanding	168,163,752	174,988,162	(3.9)	172,167,452	175,451,341	(1.9)

Insurance Operations Highlights

- 85.6 percent fourth-quarter 2007 property casualty combined ratio with 4.1 percent decrease in net written premiums; 90.3 percent full-year 2007 property casualty combined ratio with 1.9 percent decrease in net written premiums.
- Profitability improved from prior year periods because of lowest catastrophe loss ratio in over 15 years and \$244 million in full-year savings from favorable development on prior period reserves compared with \$116 million in 2006.
- Continuing new business activity and policyholder retention levels illustrate value of the company's relationships with independent insurance agents in a competitive market.
- 23 cent per share contribution from life insurance operating income to full-year results, up from 19 cents in 2006.

Investment and Balance Sheet Highlights

- 8.5 percent growth in fourth-quarter 2007 pretax investment income with 6.6 percent full-year increase. Investment income benefited from strong dividend increases in the equity portfolio.
- Book value of \$35.70 per share compared with \$39.38 at year-end 2006. Invested assets and book value declined primarily on lower market values of financial sector equity holdings.
- \$245 million in full-year 2007 net realized investment gains and losses compared with \$434 million in full-year 2006. 2006 gains included the sale of the company's second largest common stock holding.
- 3.3 million reduction in weighted-average shares outstanding in 2007. Repurchases of the company's common stock totaled 7.5 million shares at a cost of \$306 million, including fourth-quarter accelerated share repurchase.

Full-year 2008 Outlook**

- Property casualty insurance operations — Management anticipates lower net written premiums due to competitive pricing, with upward pressure on the combined ratio for 2008.
- Investment operations — Management anticipates slower growth in investment income as financial sector holdings evaluate dividend levels. Portfolio strategies to balance near-term income generation and long-term book value growth continue to be our focus.

* The Definitions of Non-GAAP Information and Reconciliation to Comparable GAAP Measures on Page 11 defines and reconciles measures presented in this release that are not based on Generally Accepted Accounting Principles or Statutory Accounting Principles.

** Forward-looking statements and related assumptions are subject to the risks outlined in the company's safe-harbor statement (see Page 8).

Challenging Property Casualty Insurance Environment

Chairman and Chief Executive Officer John J. Schiff, Jr., CPCU, commented, “We continue to see the benefits of our agency-centered approach, with local market decision making that creates agent and policyholder loyalty through all stages of the insurance pricing cycle. We credit those relationships with contributing to 2007’s strong results. Further, our policyholders’ catastrophe losses were at the lowest level since 1997 and our savings from favorable development on prior period reserves was above our guidance. We expect these measures to return to more normal levels in the future.”

Schiff added, “Our commercial lines premiums continue to reflect reduced pricing due to increased competition. As well, we are seeing economic pressure in some regions and on some types of business, which affects our policyholders’ revenues or payrolls and is a factor in the premiums calculated for certain business policies. We have performed well under these types of tough commercial lines market conditions in the past. Our approach — supporting our agents’ strong local advantages through our team of field representatives and headquarters associates — gives us unique strengths to succeed. The local knowledge of our agents and field associates helps us carefully underwrite accounts, selecting only the commercial business that appears to be appropriately priced relative to the risk we would assume.”

Schiff noted, “Likewise, the marketplace is competitive for personal lines in many regions. Lower new and renewal premiums per policy have reduced our personal lines net written premiums. We are addressing our competitive position so we can resume growing in personal lines. We continue to refine our rates, building on the changes we made in mid-2006 to the structure of our premium credits. Those changes better positioned our agencies to sell the value of our homeowner and personal auto policies. As a result, policy retention rates remain above 90 percent and new personal lines business continues to grow. Another way in which we hope to grow is by making our personal lines products available over the next two years in states where agents currently market only our commercial lines products.”

Long-term Investment in Property Casualty Business

James E. Benoski, vice chairman, chief insurance officer and president, said, “2007 marked our first agency appointments and first commercial lines policies in Washington and New Mexico, the 33rd and 34th states where we actively market property casualty insurance.”

Benoski added, “Across our established states, Cincinnati has earned a generous share of each agency’s business over the years by offering the products and services agents need to protect their local businesses and families. Our agents have indicated their desire to have Cincinnati available as a market for commercial accounts that require the flexibility of excess and surplus lines coverage. Preparations that began in early 2007 for our excess and surplus lines operations concluded on schedule in December. Our new subsidiary, The Cincinnati Specialty Underwriters Insurance Company, received an A (Excellent) rating from A.M. Best Co., an independent provider of insurer ratings. They began 2008 by successfully issuing the first surplus lines policies from the new policy administration system.

“In addition to growing with our current agencies, we also continue to build new relationships, making agency appointments within our current marketing territories and recently opened states. In total, we completed 66 agency appointments in 2007, including 50 that were new relationships. With many more in the pipeline, we are targeting another 65 appointments in 2008. New appointments, net of other changes in our agency relationships, brought total reporting agency locations to 1,327 at year-end 2007, compared with 1,289 at year-end 2006.”

2007 Property Casualty Combined Ratio

Kenneth W. Stecher, chief financial officer and executive vice president, said, “Cincinnati’s overall profitability for the fourth quarter and full year was excellent and improved from last year’s levels. Results for both the quarter and year benefited from very low catastrophe losses and savings from favorable development on prior period reserves above our guidance. In contrast, the industry’s full-year 2007 combined ratio is expected to rise to approximately 95.6 percent, including 1.7 percentage points from catastrophe losses, from 92.4 percent, including 2.1 percentage points from catastrophe losses, in 2006.

Stecher noted, “We did experience a rise in the current accident year loss ratio excluding catastrophe losses. We believe two factors were largely responsible. First, current market conditions and softer pricing are hampering profitability. Second, there are instances when losses from weather events can be significant for some carriers, but not rise to the level where Property Claims Services tracks industrywide losses and designates the events as insurance catastrophes. We believe that was the case for us in 2007, with non-catastrophe weather-related losses adding about 1 percentage point more to our loss ratio than in 2006.”

2008 Property Casualty Outlook Update

Stecher commented, “If current commercial lines pricing trends continue into 2008, our net written premiums could decline as much as 5 percent. We believe our GAAP combined ratio could be between 96 percent and 98 percent, as we meet the needs of our agencies while managing for long-term profitability. Industry full-year 2008 net written premiums are expected to decline 0.6 percent with the combined ratio rising to 98.6 percent.”

Stecher observed that the combined ratio target relies on three assumptions:

- Current accident year loss ratio excluding catastrophe losses — The company believes the market trends that contributed to an increase in this ratio in 2007 are continuing and may put the ratio under further pressure in 2008.
- Catastrophe loss ratio — The company assumes catastrophe losses would contribute approximately 4.5 percentage points to the full-year 2008 combined ratio. Stecher noted the unpredictability of catastrophic events in any given year. Catastrophe losses have made an average contribution of 3.7 percentage points to the company’s combined ratio in the past 10 years, ranging from 2007’s low of 0.8 points to 1998’s high of 6.1 points.
- Savings from favorable development on prior period reserves — The company assumes savings from favorable development would reduce the full-year 2008 combined ratio by approximately 4 percentage points. Stecher indicated that management will continue to rely on sound actuarial analysis in the determination of loss and loss expense reserves, even as market conditions soften.

Stecher added, “We believe the level of performance we have targeted will allow us to sustain our industry leading position in the commercial lines insurance marketplace. We plan to take steps in our personal lines insurance operations to enhance our response to the changing marketplace. And finally, we look for our life insurance business to continue to make a solid and growing contribution to our earnings.

“Our strong position gives us opportunities to be a market for our agents’ best business, giving them market stability and contributing to their success. Further, we believe we can expect a positive contribution from our new excess and surplus lines operations, although our 2008 targets do not take into account any contribution from excess and surplus lines. We are mindful that it will take some time before our excess and surplus lines operation is of sufficient size to materially influence our overall corporate results,” Stecher said.

Investment Performance Affected by Recent Market Activity

Schiff commented, “Our buy-and-hold equity investing strategy has been key to the long-term growth of our assets and shareholders’ equity. We identify companies with the potential for sales, earnings and dividend growth, a strong management team and favorable outlook. Over the years, these equities have generally offered a steadily increasing flow of dividend income along with the potential for capital appreciation.

“Since mid-2007, the success of this strategy has been interrupted as the financial markets have reflected broad concerns about credit quality, liquidity and the general health of the economy. As we noted in September 2007, uncertainty about the duration and the impact of these issues could significantly influence valuations and the volatility of the markets,” Schiff continued.

“Five months later, our book value has declined due to the significant drop in market value of our financial sector common stocks, which represent approximately 35 percent of our investment portfolio. To varying degrees, these companies are addressing a challenging credit quality environment and related issues. As a result, they may evaluate their dividend levels in light of their own capital requirements and earnings outlook, potentially slowing our investment income growth.

“Providing balance to the challenges of our equity portfolio, our bond portfolio continued to hold steady in the fourth quarter as widening credit spreads were offset by the strong demand in the market for low-risk securities. We believe our investment strategy will continue to allow us to maximize both income and capital appreciation over the long term. We are committed to sustaining the strong capitalization that supports our high insurer financial strength ratings, giving our agents a distinct marketing advantage for their value-oriented clients.”

Schiff added, “Your company returned \$546 million to shareholders in 2007 through cash dividends and a record level of repurchase activity, including the accelerated share repurchase agreement announced in October. At that time, the board of directors expanded its repurchase authorization to communicate to shareholders its confidence in our business and our long-term outlook. The board acted last week to raise the indicated annual dividend rate by 9.9 percent, to \$1.56 per share. We expect the board to continue to take actions supporting increased shareholder value over the long term.”

Property Casualty Insurance Operations

(Dollars in millions)	Three months ended December 31,			Twelve months ended December 31,		
	2007	2006	Change %	2007	2006	Change %
Written premiums	<u>\$ 724</u>	<u>\$ 755</u>	(4.1)	<u>\$ 3,117</u>	<u>\$ 3,178</u>	(1.9)
Earned premiums	\$ 777	\$ 802	(3.1)	\$ 3,125	\$ 3,164	(1.2)
Loss and loss expenses excluding catastrophes	397	458	(13.3)	1,806	1,833	(1.5)
Catastrophe loss and loss expenses	(2)	44	(104.0)	26	175	(85.1)
Commission expenses	159	144	10.3	599	596	0.4
Underwriting expenses	105	108	(2.3)	375	363	3.2
Policyholder dividends	6	4	41.6	15	16	(5.4)
Underwriting profit	<u>\$ 112</u>	<u>\$ 44</u>	153.4	<u>\$ 304</u>	<u>\$ 181</u>	68.3

Ratios as a percent of earned premiums:

Loss and loss expenses excluding catastrophes	51.1%	57.1%	57.8%	58.0%
Catastrophe loss and loss expenses	(0.2)	5.5	0.8	5.5
Loss and loss expenses	50.9%	62.6%	58.6%	63.5%
Commission expenses	20.5	18.0	19.2	18.8
Underwriting expenses	13.4	13.3	12.0	11.5
Policyholder dividends	0.8	0.6	0.5	0.5
Combined ratio	85.6%	94.5%	90.3%	94.3%

- \$81 million in fourth-quarter 2007 new business written directly by agencies compared with \$88 million in last year's fourth quarter. Full-year new business was \$325 million in 2007 compared with \$357 million in 2006.
- 1,092 agency relationships with 1,327 reporting locations marketed our insurance products at year-end 2007, up from 1,066 agency relationships with 1,289 reporting locations at year-end 2006.
- Contributions to premiums and underwriting income from excess and surplus lines will begin in 2008.
- 2008 property casualty reinsurance program finalized. Program updated to maintain balance between the cost of the program and the level of risk retained. Reinsurance costs expected to decline slightly due to slightly higher retention levels and moderating rates for certain lines of business.

2008 Reinsurance Program

Treaties	Retention Summary	Comments
Property catastrophe	For any one event, retain losses of: <ul style="list-style-type: none"> 100% of first \$45 million 43% between \$45 million and \$70 million 5% between \$70 million and \$200 million 11% to 19% for layers between \$200 million and \$500 million 	<ul style="list-style-type: none"> After reinsurance, our maximum exposure to a catastrophic event that caused \$500 million in covered losses would be \$105 million compared with \$103 million in 2007. The largest catastrophe loss in our history was \$87 million before reinsurance.
Casualty per risk	For a single loss, retain: <ul style="list-style-type: none"> 100% of first \$5 million 0% between \$5 million and \$25 million Obtain facultative reinsurance above \$25 million 	<ul style="list-style-type: none"> Increased casualty treaty retention to \$5 million from \$4 million
Property per risk	For a single loss, retain: <ul style="list-style-type: none"> 100% of first \$4 million 0% between \$4 million and \$25 million Obtain facultative reinsurance above \$25 million 	<ul style="list-style-type: none"> No changes in 2008
Casualty third excess	<ul style="list-style-type: none"> \$25 million excess of \$25 million 	<ul style="list-style-type: none"> No changes in 2008
Casualty fourth excess	<ul style="list-style-type: none"> \$20 million excess of \$50 million 	<ul style="list-style-type: none"> No changes in 2008

Insurance Segment Highlights

Commercial Lines Insurance Operations

(Dollars in millions)	Three months ended December 31,			Twelve months ended December 31,		
	2007	2006	Change %	2007	2006	Change %
Written premiums	<u>\$ 562</u>	<u>\$ 589</u>	(4.6)	<u>\$ 2,413</u>	<u>\$ 2,442</u>	(1.2)
Earned premiums	\$ 601	\$ 619	(3.0)	\$ 2,411	\$ 2,402	0.4
Loss and loss expenses excluding catastrophes	310	357	(13.2)	1,378	1,377	0.1
Catastrophe loss and loss expenses	0	11	nm	16	89	(81.3)
Commission expenses	123	113	9.2	454	444	2.0
Underwriting expenses	86	79	8.7	287	268	7.0
Policyholder dividends	6	4	41.6	15	16	(5.4)
Underwriting profit	<u>\$ 76</u>	<u>\$ 55</u>	38.1	<u>\$ 261</u>	<u>\$ 208</u>	25.4
Ratios as a percent of earned premiums:						
Loss and loss expenses excluding catastrophes	51.5%	57.6%		57.2%	57.3%	
Catastrophe loss and loss expenses	0.0	1.9		0.7	3.7	
Loss and loss expenses	51.5%	59.5%		57.9%	61.0%	
Commission expenses	20.6	18.3		18.8	18.5	
Underwriting expenses	14.1	12.6		11.9	11.1	
Policyholder dividends	1.1	0.7		0.6	0.7	
Combined ratio	<u>87.3%</u>	<u>91.1%</u>		<u>89.2%</u>	<u>91.3%</u>	

- \$562 million of commercial lines net written premiums for the three months ended December 31, 2007. \$71 million of new fourth-quarter commercial lines business written directly by agencies, down 10.5 percent from \$80 million in the comparable 2006 quarter.
- \$2.413 billion of commercial lines net written premiums for full-year 2007. \$287 million of new 2007 commercial lines business written directly by agencies, down 11.5 percent from \$324 million for full-year 2006.
- Direct bill payment option now available for businessowners policies issued through e-CLAS policy processing system. Selected agencies received this capability in 2007, with first-quarter 2008 rollout planned for all agencies currently using e-CLAS. By the end of 2008, development of a direct bill payment option for commercial policies not issued through e-CLAS is anticipated.
- 89.2 percent full-year 2007 commercial lines combined ratio, improved 2.1 percentage points over 91.3 percent in full-year 2006. This result included higher current accident year losses excluding catastrophe losses and higher expenses. These increases were more than offset by lower catastrophe losses and higher savings from favorable development on prior period reserves.
- 3.8 percentage point increase in full-year 2007 current accident year loss ratio excluding catastrophe losses, due to non-catastrophe weather-related losses and softening market conditions.
- Commercial lines insurance industry combined ratio for full-year 2007 estimated at 94.0 percent with decline in net written premiums estimated at 1.5 percent.

Personal Lines Insurance Operations

(Dollars in millions)	Three months ended December 31,			Twelve months ended December 31,		
	2007	2006	Change %	2007	2006	Change %
Written premiums	<u>\$ 162</u>	<u>\$ 166</u>	(2.3)	<u>\$ 704</u>	<u>\$ 736</u>	(4.4)
Earned premiums	\$ 176	\$ 183	(3.7)	\$ 714	\$ 762	(6.3)
Loss and loss expenses excluding catastrophes	87	101	(13.9)	428	456	(6.2)
Catastrophe loss and loss expenses	(2)	33	(105.3)	10	86	(89.0)
Commission expenses	36	31	14.1	145	152	(4.4)
Underwriting expenses	19	29	(32.5)	88	95	(7.5)
Underwriting profit (loss)	<u>\$ 36</u>	<u>\$ (11)</u>	426.3	<u>\$ 43</u>	<u>\$ (27)</u>	260.9
Ratios as a percent of earned premiums:						
Loss and loss expenses excluding catastrophes	49.6%	55.5%		60.0%	59.9%	
Catastrophe loss and loss expenses	(1.0)	17.9		1.3	11.3	
Loss and loss expenses	48.6%	73.4%		61.3%	71.2%	
Commission expenses	20.1	16.9		20.3	19.9	
Underwriting expenses	11.0	15.7		12.3	12.5	
Combined ratio	<u>79.7%</u>	<u>106.0%</u>		<u>93.9%</u>	<u>103.6%</u>	

- \$162 million of personal lines net written premiums for the three months ended December 31, 2007. \$10 million of new fourth-quarter personal lines business written directly by agencies, up 12.1 percent from \$9 million in the comparable 2006 quarter.

- \$704 million of personal lines net written premiums for full-year 2007. \$38 million of new 2007 personal lines business written directly by agencies, up 16.9 percent from \$33 million in full-year 2006.
- This was the sixth consecutive quarter of new business growth following July 2006 introduction of a limited program of policy credits for homeowner and personal auto pricing in most states where the company's Diamond personal lines policy processing system is in use. Lower premiums per policy continue to constrain new and renewal premium growth.
- 93.9 percent full-year 2007 personal lines combined ratio, an improvement of 9.7 percentage points over 103.6 percent in full-year 2006. This result included higher current accident year losses excluding catastrophe losses. That increase was more than offset by lower catastrophe losses and higher savings from favorable development on prior period reserves.
- 2.3 percentage point increase in full-year 2007 current accident year loss ratio excluding catastrophe losses, due to non-catastrophe weather-related losses and lower personal auto pricing.
- Personal lines insurance industry combined ratio for full-year 2007 estimated at 97.0 percent on flat net written premiums.

Life Insurance Operations

(In millions)	Three months ended December 31,			Twelve months ended December 31,		
	2007	2006	Change %	2007	2006	Change %
Written premiums	<u>\$ 41</u>	<u>\$ 41</u>	(0.1)	<u>\$ 167</u>	<u>\$ 161</u>	3.2
Earned premiums	\$ 32	\$ 29	11.0	\$ 125	\$ 107	17.4
Investment income, net of expenses	<u>30</u>	<u>27</u>	10.2	<u>115</u>	<u>108</u>	6.3
Other income	<u>1</u>	<u>1</u>	(1.0)	<u>4</u>	<u>3</u>	25.1
Total revenues, excluding realized investment gains and losses	<u>63</u>	<u>57</u>	10.4	<u>244</u>	<u>218</u>	12.0
Policyholder benefits	<u>35</u>	<u>30</u>	15.0	<u>133</u>	<u>122</u>	9.2
Expenses	<u>15</u>	<u>16</u>	(6.8)	<u>52</u>	<u>43</u>	20.1
Total benefits and expenses	<u>50</u>	<u>46</u>	7.6	<u>185</u>	<u>165</u>	12.0
Net income before income tax and realized investment gains and losses	<u>13</u>	<u>11</u>	22.8	<u>59</u>	<u>53</u>	12.1
Income tax	<u>4</u>	<u>4</u>	17.9	<u>20</u>	<u>19</u>	5.2
Net income before realized investment gains and losses	<u>\$ 9</u>	<u>\$ 7</u>	25.3	<u>\$ 39</u>	<u>\$ 34</u>	15.9

- \$167 million in total 2007 life insurance segment net written premiums. Written premiums include life insurance, annuity and accident and health premiums.
- 10.5 percent increase to \$141 million in 2007 in written premiums for life insurance products.
- 21.6 percent rise in full-year term life insurance written premiums, reflecting marketing advantages of competitive, up-to-date products, providing close personal attention and exhibiting financial strength and stability. Statutory written annuity premiums decreased to \$22 million in 2007 from \$30 million in 2006. Since late 2005, the company has de-emphasized annuity sales due to unfavorable market conditions.
- 8.6 percent rise in face amount of life policies in force to \$61.875 billion at year-end 2007, from \$56.971 billion at year-end 2006.
- \$5 million increase in 2007 operating profit due to favorable mortality experience and persistency as well as healthy earned premium and investment income growth.
- 2008 plans include redesign of all life term insurance products. In addition to redesigning the worksite term product, we will update the full worksite life portfolio. These improvements support opportunities to cross-sell life insurance products to clients of the independent agencies that sell Cincinnati's property casualty insurance policies.

Investment and Balance Sheet Highlights

Investment Operations

(In millions)	Three months ended December 31,			Twelve months ended December 31,		
	2007	2006	Change %	2007	2006	Change %
Investment income:						
Interest	\$ 79	\$ 75	4.4	\$ 308	\$ 300	2.5
Dividends	75	68	10.4	294	262	12.1
Other	4	4	0.8	15	15	(0.5)
Investment expenses	(1)	(2)	96.9	(9)	(7)	(18.7)
Total investment income, net of expenses	157	145	8.5	608	570	6.6
Investment interest credited to contract holders	(14)	(14)	(5.6)	(57)	(54)	(5.1)
Realized investment gains and losses summary:						
Realized investment gains and losses	38	11	254.0	409	678	(39.6)
Change in fair value of securities with embedded derivatives	(12)	2	(933.2)	(11)	7	(263.6)
Other-than-temporary impairment charges	(14)	0	nm	(16)	(1)	(1,872.5)
Total realized investment gains and losses	12	13	(2.0)	382	684	(44.1)
Investment operations income	\$ 155	\$ 144	7.9	\$ 933	\$ 1,200	(22.2)

(Dollars in millions except share data)

	At December 31, 2007	At December 31, 2006
Balance sheet data		
Invested assets	\$12,261	\$13,759
Total assets	16,637	17,222
Short-term debt	69	49
Long-term debt	791	791
Shareholders' equity	5,929	6,808
Book value per share	35.70	39.38
Debt-to-capital ratio	12.7%	11.0%
	Three months ended December 31, 2007	Twelve months ended December 31, 2006
Performance measures		
Comprehensive income	\$ (404)	\$ 449
Return on equity, annualized	12.0%	7.9%
Return on equity, annualized, based on comprehensive income	(25.9)	27.0

- 8.5 percent growth in fourth-quarter net investment income to \$157 million pretax. Full-year 2007 investment income up 6.6 percent to \$608 million.
- 12.1 percent growth in full-year 2007 dividend income, which contributed \$294 million to investment income. Increase reflected higher dividend payout by 35 of the company's 41 common stock holdings. Dividend income growth rate expected to moderate in 2008 as financial sector holdings evaluate dividend levels.
- Repurchases of the company's common stock totaled 4.0 million shares at a cost of \$162 million in the fourth quarter and 7.5 million shares at a cost of \$306 million for the year. 2007 repurchases represented 4.3 percent of shares outstanding. Approximately 13 million shares remain authorized for repurchase.
- Fourth-quarter repurchases largely due to accelerated share repurchase agreement announced in October. Completed in January 2008, ASR totaled 4,071,000 shares at an average price of \$39.18.
- Sales of equity securities were the primary reason for \$382 million in 2007 pre-tax realized investment gains. Equity sales in 2007 included the sale of approximately 3.8 million shares of Exxon Mobil Corporation common stock as well as the block sale of 5.5 million shares of Fifth Third Bancorp common stock. Sale of our large Alltel Corporation common stock holding was the primary reason for the \$684 million in 2006 pre-tax realized investment gains.
- Fifth Third remains the company's largest equity holding and Cincinnati Financial remains Fifth Third's largest shareholder.
- \$12.198 billion in investment portfolio assets market value at year-end 2007 compared with \$13.699 billion at year-end 2006. Lower market valuations of equity holdings due to broad concerns about credit quality, liquidity and the general health of the economy accounted for the majority of the decline.
- Shareholders' equity at \$5.929 billion, or \$35.70 per share, at year-end 2007, down from \$6.808 billion, or \$39.38, at year-end 2006. Decline caused by lower market values for equity holdings and record level of repurchase activity.
- \$4.306 billion in statutory surplus for the property casualty insurance group at year-end 2007, compared with \$4.750 billion at year-end 2006. The ratio of common stock to statutory surplus for the property casualty insurance group portfolio was 84.5 percent at year-end 2007, compared with 96.7 percent at year-end 2006.
- 28.4 percent ratio of investment securities held at the holding-company level to total holding-company-only assets at year-end 2007, comfortably within management's below-40 percent target.

For additional information or to register for this morning's conference call webcast, please visit www.cinfin.com/investors.

This is our "Safe Harbor" statement under the Private Securities Litigation Reform Act of 1995. Our business is subject to certain risks and uncertainties that may cause actual results to differ materially from those suggested by the forward-looking statements in this report. Some of those risks and uncertainties are discussed in our 2006 Annual Report on Form 10-K, Item 1A, Risk Factors, Page 20. Although we often review or update our forward-looking statements when events warrant, we caution our readers that we undertake no obligation to do so. Factors that could cause or contribute to such differences include, but are not limited to:

- Unusually high levels of catastrophe losses due to risk concentrations, changes in weather patterns, environmental events, terrorism incidents or other causes
- Increased frequency and/or severity of claims
- Inaccurate estimates or assumptions used for critical accounting estimates
- Events or actions, including unauthorized intentional circumvention of controls, that reduce the company's future ability to maintain effective internal control over financial reporting under the Sarbanes-Oxley Act of 2002
- Changing consumer buying habits and consolidation of independent insurance agencies that could alter our competitive advantages
- Events or conditions that could weaken or harm the company's relationships with its independent agencies and hamper opportunities to add new agencies, resulting in limitations on the company's opportunities for growth, such as:
 - o Downgrade of the company's financial strength ratings
 - o Concerns that doing business with the company is too difficult or
 - o Perceptions that the company's level of service, particularly claims service, is no longer a distinguishing characteristic in the marketplace
- Sustained decline in overall stock market values negatively affecting the company's equity portfolio and book value; in particular a sustained decline in the market value of Fifth Third shares, a significant equity holding
- Securities laws that could limit the manner and timing of our investment transactions
- Recession or other economic conditions or regulatory, accounting or tax changes resulting in lower demand for insurance products
- Events, such as the sub-prime mortgage lending crisis, that lead to a significant decline in the value of a particular security or group of securities, such as our financial sector holdings, and impairment of the asset(s)
- Prolonged low interest rate environment or other factors that limit the company's ability to generate growth in investment income or interest-rate fluctuations that result in declining values of fixed-maturity investments
- Delays or inadequacies in the development, implementation, performance and benefits of technology projects and enhancements
- Ability to obtain adequate reinsurance on acceptable terms, amount of reinsurance purchased, financial strength of reinsurers and the potential for non-payment or delay in payment by reinsurers
- Increased competition that could result in a significant reduction in the company's premium growth rate
- Underwriting and pricing methods adopted by competitors that could allow them to identify and flexibly price risks, which could decrease our competitive advantages
- Personal lines pricing and loss trends that lead management to conclude that this segment could not attain sustainable profitability, which could prevent the capitalization of policy acquisition costs
- Actions of insurance departments, state attorneys general or other regulatory agencies that:
 - o Restrict our ability to exit or reduce writings of unprofitable coverages or lines of business
 - o Place the insurance industry under greater regulatory scrutiny or result in new statutes, rules and regulations
 - o Increase our expenses
 - o Add assessments for guaranty funds, other insurance related assessments or mandatory reinsurance arrangements; or that impair our ability to recover such assessments through future surcharges or other rate changes
 - o Limit our ability to set fair, adequate and reasonable rates
 - o Place us at a disadvantage in the marketplace or
 - o Restrict our ability to execute our business model, including the way we compensate agents
- Adverse outcomes from litigation or administrative proceedings
- Investment activities or market value fluctuations that trigger restrictions applicable to the parent company under the Investment Company Act of 1940
- Events, such as an epidemic, natural catastrophe, terrorism or construction delays, that could hamper our ability to assemble our workforce at our headquarters location

Further, the company's insurance businesses are subject to the effects of changing social, 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 affecting 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 per share data)

	December 31, 2007 (unaudited)	December 31, 2006
ASSETS		
Investments		
Fixed maturities, at fair value (amortized cost: 2007—\$5,783; 2006—\$5,739) (includes securities pledged to creditors of \$745 at December 31, 2007)	\$ 5,848	\$ 5,805
Equity securities, at fair value (cost: 2007—\$2,975; 2006—\$2,621)	6,249	7,799
Short-term investments, at fair value (amortized cost: 2007—\$101; 2006—\$95)	101	95
Other invested assets	63	60
Total investments	12,261	13,759
Cash and cash equivalents	226	202
Securities lending collateral invested	760	0
Investment income receivable	124	121
Finance receivable	92	108
Premiums receivable	1,107	1,128
Reinsurance receivable	754	683
Prepaid reinsurance premiums	13	13
Deferred policy acquisition costs	461	453
Land, building and equipment, net, for company use (accumulated depreciation: 2007—\$276; 2006—\$261)	239	193
Other assets	72	58
Separate accounts	528	504
Total assets	<u>\$ 16,637</u>	<u>\$ 17,222</u>
LIABILITIES		
Insurance reserves		
Loss and loss expense reserves	\$ 3,967	\$ 3,896
Life policy reserves	1,478	1,409
Unearned premiums	1,564	1,579
Securities lending payable	760	0
Other liabilities	574	533
Deferred income tax	977	1,653
Note payable	69	49
6.125% senior notes due 2034	371	371
6.9% senior debentures due 2028	28	28
6.92% senior debentures due 2028	392	392
Separate accounts	528	504
Total liabilities	<u>10,708</u>	<u>10,414</u>
SHAREHOLDERS' EQUITY		
Common stock, par value—\$2 per share; (authorized: 2007—500 million shares, 2006—500 million shares; issued: 2007—196 million shares, 2006—196 million shares)	393	391
Paid-in capital	1,049	1,015
Retained earnings	3,404	2,786
Accumulated other comprehensive income	2,151	3,379
Treasury stock at cost (2007—30 million shares, 2006—23 million shares)	(1,068)	(763)
Total shareholders' equity	5,929	6,808
Total liabilities and shareholders' equity	<u>\$ 16,637</u>	<u>\$ 17,222</u>

Cincinnati Financial Corporation
Consolidated Statements of Income

(In millions except per share data)

	Three months ended December 31, 2007 (unaudited)		Twelve months ended December 31, 2007 (unaudited)	
		2006		2006
REVENUES				
Earned premiums				
Property casualty	\$ 777	\$ 802	\$ 3,125	\$ 3,163
Life	32	29	125	107
Investment income, net of expenses	157	145	608	570
Realized investment gains and losses	12	12	382	684
Other income	5	4	19	18
Total revenues	<u>983</u>	<u>992</u>	<u>4,259</u>	<u>4,542</u>
BENEFITS AND EXPENSES				
Insurance losses and policyholder benefits	430	532	1,963	2,128
Commissions	164	150	624	622
Other operating expenses	96	100	362	354
Taxes, licenses and fees	18	19	75	77
Increase in deferred policy acquisition costs	8	5	(9)	(21)
Interest expense	13	14	52	53
Total benefits and expenses	<u>729</u>	<u>820</u>	<u>3,067</u>	<u>3,213</u>
INCOME BEFORE INCOME TAXES	<u>254</u>	<u>172</u>	<u>1,192</u>	<u>1,329</u>
PROVISION (BENEFIT) FOR INCOME TAXES				
Current	71	41	336	404
Deferred	(4)	1	1	(5)
Total provision for income taxes	<u>67</u>	<u>42</u>	<u>337</u>	<u>399</u>
NET INCOME	<u>\$ 187</u>	<u>\$ 130</u>	<u>\$ 855</u>	<u>\$ 930</u>
PER COMMON SHARE				
Net income — basic	\$ 1.12	\$ 0.75	\$ 5.01	\$ 5.36
Net income — diluted	\$ 1.11	\$ 0.75	\$ 4.97	\$ 5.30

* * *

Cincinnati Financial Corporation offers property and casualty insurance, our main business, through our three standard market companies, The Cincinnati Insurance Company, The Cincinnati Indemnity Company and The Cincinnati Casualty Company. The Cincinnati Specialty Underwriters Insurance Company provides excess and surplus lines property and casualty insurance. The Cincinnati Life Insurance Company markets life and disability income insurance and annuities. CSU Producer Resources Inc., is our excess and surplus lines brokerage, serving the same local independent agencies that offer our standard market policies. CFC Investment Company offers commercial leasing and financing services. CinFin Capital Management Company provides asset management services to institutions, corporations and individuals. For additional information about the company, please visit www.cinfin.com.

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Definitions of Non-GAAP Information and Reconciliation to Comparable GAAP Measures

(See attached tables for 2007 and 2006 data; prior-period reconciliations available at www.cinfin.com/investors.)

Cincinnati Financial Corporation prepares its public financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Statutory data is prepared in accordance with statutory accounting rules as defined by the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual and therefore is not reconciled to GAAP data.

Management uses certain non-GAAP and non-statutory financial measures to evaluate its primary business areas — property casualty insurance, life insurance and investments — when analyzing both GAAP and certain non-GAAP measures may improve understanding of trends in the underlying business, helping avoid incorrect or misleading assumptions and conclusions about the success or failure of company strategies. Management adjustments to GAAP measures generally: apply to non-recurring events that are unrelated to business performance and distort short-term results; involve values that fluctuate based on events outside of management's control; or relate to accounting refinements that affect comparability between periods, creating a need to analyze data on the same basis.

- **Operating income:** Operating income is calculated by excluding net realized investment gains and losses (defined as realized investment gains and losses after applicable federal and state income taxes) from net income. Management evaluates operating income to measure the success of pricing, rate and underwriting strategies. While realized investment gains (or losses) are integral to the company's insurance operations over the long term, the determination to realize investment gains or losses in any period may be subject to management's discretion and is independent of the insurance underwriting process. Also, under applicable GAAP accounting requirements, gains and losses can be recognized from certain changes in market values of securities without actual realization. Management believes that the level of realized investment gains or losses for any particular period, while it may be material, may not fully indicate the performance of ongoing underlying business operations in that period.

For these reasons, many investors and shareholders consider operating income to be one of the more meaningful measures for evaluating insurance company performance. Equity analysts who report on the insurance industry and the company generally focus on this metric in their analyses. The company presents operating income so that all investors have what management believes to be a useful supplement to GAAP information.
- **Statutory accounting rules:** For public reporting, insurance companies prepare financial statements in accordance with GAAP. However, insurers also must calculate certain data according to statutory accounting rules as defined in the NAIC's Accounting Practices and Procedures Manual, which may be, and has been, modified by various state insurance departments. Statutory data is publicly available, and various organizations use it to calculate aggregate industry data, study industry trends and compare insurance companies.
- **Written premium:** Under statutory accounting rules, property casualty 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 property casualty written premiums to policy effective dates, which added \$117 million to 2002 written premiums. To better assess ongoing business trends, management may exclude this adjustment when analyzing trends in written premiums and statutory ratios that make use of written premiums.

Cincinnati Financial Corporation
Quarterly Net Income Reconciliation

(In millions except per share data)														
	12/31/07	9/30/07	6/30/07	Three months ended		9/30/06	6/30/06	3/31/06	Six months ended		Nine months ended		Twelve months ended	
				3/31/07	12/31/06				6/30/07	6/30/06	9/30/07	9/30/06	12/31/07	12/31/06
Net income	\$ 187	\$ 124	\$ 351	\$ 194	\$ 130	\$ 115	\$ 132	\$ 552	\$ 545	\$ 684	\$ 669	\$ 800	\$ 855	\$ 930
Net realized investment gains and losses	8	10	187	41	8	—	6	421	228	426	238	427	245	434
Operating income	179	114	164	153	122	115	126	131	317	258	431	373	610	496
Less catastrophe losses	1	(9)	(7)	(2)	(29)	(18)	(41)	(26)	(9)	(67)	(18)	(85)	(17)	(113)
Operating income before catastrophe losses	\$ 178	\$ 123	\$ 171	\$ 155	\$ 151	\$ 133	\$ 167	\$ 157	\$ 326	\$ 325	\$ 449	\$ 458	\$ 627	\$ 609
Diluted per share data														
Net income	\$1.11	\$ 0.72	\$ 2.02	\$ 1.11	\$ 0.75	\$ 0.66	\$ 0.76	\$ 3.13	\$ 3.13	\$ 3.90	\$ 3.86	\$ 4.56	\$ 4.97	\$ 5.30
Net realized investment gains and losses	0.04	0.06	1.08	0.23	0.05	—	0.04	2.39	1.31	2.43	1.37	2.43	1.43	2.48
Operating income	1.07	0.66	0.94	0.88	0.70	0.66	0.72	0.74	1.82	1.47	2.49	2.13	3.54	2.82
Less catastrophe losses	0.01	(0.05)	(0.04)	(0.01)	(0.16)	(0.10)	(0.24)	(0.14)	(0.05)	(0.38)	(0.10)	(0.48)	(0.10)	(0.65)
Operating income before catastrophe losses	\$1.06	\$ 0.71	\$ 0.98	\$ 0.89	\$ 0.86	\$ 0.76	\$ 0.96	\$ 0.88	\$ 1.87	\$ 1.85	\$ 2.59	\$ 2.61	\$ 3.64	\$ 3.47

Dollar amounts shown are rounded to millions; certain amounts may not add due to rounding. Ratios are calculated based on whole dollar amounts. The sum of quarterly amounts may not equal the full year as each is computed independently.

Cincinnati Insurance Group
Quarterly Property Casualty Data — Consolidated

(Dollars in millions)	12/31/07	9/30/07	6/30/07	Three months ended					Six months ended		Nine months ended		Twelve months ended	
				3/31/07	12/31/06	9/30/06	6/30/06	3/31/06	6/30/07	6/30/06	9/30/07	9/30/06	12/31/07	12/31/06
Premiums														
Adjusted written premiums (statutory)	\$ 749	\$ 779	\$ 808	\$ 811	\$ 785	\$ 787	\$ 804	\$ 796	\$1,619	\$1,600	\$2,398	\$2,387	\$3,149	\$3,172
Written premium adjustment — statutory only	(25)	(43)	2	35	(30)	(7)	10	33	37	43	(6)	36	(32)	6
Reported written premiums (statutory)*	\$ 724	\$ 736	\$ 810	\$ 846	\$ 755	\$ 780	\$ 814	\$ 829	\$1,656	\$1,643	\$2,392	\$2,423	\$3,117	\$3,178
Unearned premiums change	53	41	(23)	(61)	47	11	(21)	(51)	(85)	(72)	(44)	(61)	8	(14)
Earned premiums	\$ 777	\$ 777	\$ 787	\$ 785	\$ 802	\$ 791	\$ 793	\$ 778	\$1,571	\$1,571	\$2,348	\$2,362	\$3,125	\$3,164
Statutory combined ratio														
Statutory combined ratio	87.8%	98.7%	87.7%	87.7%	95.9%	96.4%	93.7%	89.6%	87.7%	91.7%	91.3%	93.2%	90.3%	93.9%
Less catastrophe losses	(0.3)	1.7	1.4	0.4	5.5	3.5	8.0	5.0	0.9	6.5	1.2	5.5	0.8	5.5
Statutory combined ratio excluding catastrophe losses	88.1%	97.0%	86.3%	87.3%	90.4%	92.9%	85.7%	84.6%	86.8%	85.2%	90.1%	87.7%	89.5%	88.4%
Commission expense ratio	23.1%	18.1%	18.1%	18.0%	19.9%	19.3%	17.6%	18.2%	18.0%	17.9%	18.0%	18.3%	19.2%	18.7%
Other expense ratio	13.9	13.2	11.7	11.4	13.4	11.9	10.8	10.8	11.6	10.8	12.1	11.2	12.5	11.7
Statutory expense ratio	37.0%	31.3%	29.8%	29.4%	33.3%	31.2%	28.4%	29.0%	29.6%	28.7%	30.1%	29.5%	31.7%	30.4%
GAAP combined ratio														
GAAP combined ratio	85.6%	97.3%	88.6%	89.6%	94.5%	96.1%	94.5%	92.0%	89.1%	93.3%	91.8%	94.2%	90.3%	94.3%

* Dollar amounts shown are rounded to millions; certain amounts may not add due to rounding. Ratios are calculated based on whole dollar amounts. The sum of quarterly amounts may not equal the full year as each is computed independently.

*nm — Not meaningful

* Statutory data prepared in accordance with statutory accounting rules as defined by the National Association of Insurance Commissioners and filed with the appropriate regulatory bodies.

Cincinnati Insurance Group
Quarterly Property Casualty Data — Commercial Lines

(Dollars in millions)	12/31/07	9/30/07	6/30/07	Three months ended					Six months ended		Nine months ended		Twelve months ended	
				3/31/07	12/31/06	9/30/06	6/30/06	3/31/06	6/30/07	6/30/06	9/30/07	9/30/06	12/31/07	12/31/06
Premiums														
Adjusted written premiums (statutory)	\$ 586	\$ 587	\$ 611	\$ 658	\$ 618	\$ 589	\$ 593	\$ 635	\$1,269	\$1,228	\$1,857	\$1,817	\$2,444	\$2,435
Written premium adjustment — statutory only	(24)	(43)	2	35	(29)	(7)	10	33	37	43	(6)	36	(31)	7
Reported written premiums (statutory)*	\$ 562	\$ 544	\$ 613	\$ 693	\$ 589	\$ 582	\$ 603	\$ 668	\$1,306	\$1,271	\$1,851	\$1,853	\$2,413	\$2,442
Unearned premiums change	39	56	(6)	(89)	30	20	(4)	(86)	(96)	(90)	(41)	(70)	(2)	(40)
Earned premiums	\$ 601	\$ 600	\$ 607	\$ 604	\$ 619	\$ 602	\$ 599	\$ 582	\$1,210	\$1,181	\$1,810	\$1,783	\$2,411	\$2,402
Statutory combined ratio														
Statutory combined ratio	89.7%	97.3%	84.4%	86.5%	92.4%	94.1%	89.6%	87.5%	85.4%	88.6%	89.2%	90.3%	89.2%	90.8%
Less catastrophe losses	—	0.2	0.8	1.8	1.9	2.3	5.6	5.1	1.3	5.3	0.9	4.3	0.6	3.7
Statutory combined ratio excluding catastrophe losses	89.7%	97.1%	83.6%	84.7%	90.5%	91.8%	84.0%	82.4%	84.1%	83.3%	88.3%	86.0%	88.6%	87.1%
GAAP combined ratio														
GAAP combined ratio	87.3%	95.4%	85.2%	88.9%	91.1%	93.4%	90.3%	90.5%	87.0%	90.4%	89.8%	91.4%	89.2%	91.3%

* Dollar amounts shown are rounded to millions; certain amounts may not add due to rounding. Ratios are calculated based on whole dollar amounts. The sum of quarterly amounts may not equal the full year as each is computed independently.

*nm — Not meaningful

* Statutory data prepared in accordance with statutory accounting rules as defined by the National Association of Insurance Commissioners and filed with the appropriate regulatory bodies.

Cincinnati Insurance Group
Quarterly Property Casualty Data — Personal Lines

(Dollars in millions)	12/31/07	9/30/07	6/30/07	Three months ended				6/30/06	3/31/06	Six months ended		Nine months ended		Twelve months ended	
				3/31/07	12/31/06	9/30/06				6/30/07	6/30/06	9/30/07	9/30/06	12/31/07	12/31/06
Premiums															
Adjusted written premiums (statutory)	\$ 163	\$ 192	\$ 197	\$ 153	\$ 167	\$ 198	\$ 211	\$ 161		\$ 350	\$ 372	\$ 541	\$ 570	\$ 705	\$ 737
Written premium adjustment — statutory only	(1)	—	—	—	(1)	—	—	—		—	—	—	—	(1)	(1)
Reported written premiums (statutory)*	\$ 162	\$ 192	\$ 197	\$ 153	\$ 166	\$ 198	\$ 211	\$ 161		\$ 350	\$ 372	\$ 541	\$ 570	\$ 704	\$ 736
Unearned premiums change	14	(15)	(17)	28	17	(9)	(17)	35		11	18	(3)	9	10	26
Earned premiums	\$ 176	\$ 177	\$ 180	\$ 181	\$ 183	\$ 189	\$ 194	\$ 196		\$ 361	\$ 390	\$ 538	\$ 579	\$ 714	\$ 762
Statutory combined ratio															
Statutory combined ratio	81.4%	103.6%	98.6%	93.5%	107.7%	104.0%	106.4%	98.1%		95.8%	101.6%	98.3%	102.3%	94.1%	103.6%
Less catastrophe losses	(1.0)	7.0	3.5	(4.1)	17.9	7.1	15.6	5.0		(0.3)	10.3	2.1	9.2	1.3	11.3
Statutory combined ratio excluding catastrophe losses	82.4%	96.6%	95.1%	97.6%	89.8%	96.9%	90.8%	93.1%		96.1%	91.3%	96.2%	93.1%	92.8%	92.3%
GAAP combined ratio															
GAAP combined ratio	79.7%	103.8%	99.9%	92.0%	106.0%	104.4%	107.6%	96.4%		96.0%	102.0%	98.6%	102.8%	93.9%	103.6%

* Dollar amounts shown are rounded to millions; certain amounts may not add due to rounding. Ratios are calculated based on whole dollar amounts. The sum of quarterly amounts may not equal the full year as each is computed independently.

*nm — Not meaningful

* Statutory data prepared in accordance with statutory accounting rules as defined by the National Association of Insurance Commissioners and filed with the appropriate regulatory bodies.

Cincinnati Financial Corporation
Supplemental Financial Data
December 31, 2007
Fourth Quarter and Full Year

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	A.M. Best	Fitch	Moody's	Standard & Poor's
Cincinnati Financial Corporation				
Corporate Debt	aa-	A+	A2	A
The Cincinnati Insurance Companies				
Insurer Financial Strength				
Property Casualty Group	A++	—	Aa3	AA-
Standard Market Subsidiaries:				
The Cincinnati Insurance Company	A++	AA	Aa3	AA-
The Cincinnati Indemnity Company	A++	AA	Aa3	AA-
The Cincinnati Casualty Company	A++	AA	Aa3	AA-
Excess and Surplus Lines Subsidiary:				
The Cincinnati Specialty Underwriters Insurance Company	A	—	—	—
The Cincinnati Life Insurance Company	A+	AA	—	AA-

Ratings are as of February 5, 2008, under continuing review and subject to change and/or affirmation. For the latest ratings, select Ratings tab on www.cinfin.com.

The consolidated financial statements and financial exhibits that follow are unaudited. These consolidated financial statements and exhibits should be read in conjunction with the consolidated financial statements and notes included in the Annual Report on Form 10-K for 2006. The results of operations for interim periods may not be indicative of results to be expected for the full year. Certain 2006 interim period data has been updated to correct rounding differences.

Cincinnati Financial Corporation
Supplemental Financial Data
Fourth-Quarter and Full-Year 2007

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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 (GAAP). Statutory data is prepared in accordance with statutory accounting rules as defined by the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual and therefore is not reconciled to GAAP data.

Management uses certain non-GAAP and non-statutory financial measures to evaluate its primary business areas — property casualty insurance, life insurance and investments — when analyzing both GAAP and certain non-GAAP measures may improve understanding of trends in the underlying business, helping avoid incorrect or misleading assumptions and conclusions about the success or failure of company strategies. Management adjustments to GAAP measures generally: apply to non-recurring events that are unrelated to business performance and distort short-term results; involve values that fluctuate based on events outside of management's control; or relate to accounting refinements that affect comparability between periods, creating a need to analyze data on the same basis.

- **Operating income:** Operating income is calculated by excluding net realized investment gains and losses (defined as realized investment gains and losses after applicable federal and state income taxes) from net income. Management evaluates operating income to measure the success of pricing, rate and underwriting strategies. While realized investment gains (or losses) are integral to the company's insurance operations over the long term, the determination to realize investment gains or losses in any period may be subject to management's discretion and is independent of the insurance underwriting process. Also, under applicable GAAP accounting requirements, gains and losses can be recognized from certain changes in market values of securities and embedded derivatives without actual realization. Management believes that the level of realized investment gains or losses for any particular period, while it may be material, may not fully indicate the performance of ongoing underlying business operations in that period.

For these reasons, many investors and shareholders consider operating income to be one of the more meaningful measures for evaluating insurance company performance. Equity analysts who report on the insurance industry and the company generally focus on this metric in their analyses. The company presents operating income so that all investors have what management believes to be a useful supplement to GAAP information.

- **Statutory accounting rules:** For public reporting, insurance companies prepare financial statements in accordance with GAAP. However, insurers also must calculate certain data according to statutory accounting rules as defined in the NAIC's Accounting Practices and Procedures Manual, which may be, and has been, modified by various state insurance departments. Statutory data is publicly available, and various organizations use it to calculate aggregate industry data, study industry trends and compare insurance companies.
- **Written premium:** Under statutory accounting rules, property casualty 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 property casualty written premiums to policy effective dates, which added \$117 million to 2002 written premiums. To better assess ongoing business trends, management may exclude this adjustment when analyzing trends in written premiums and statutory ratios that make use of written premiums.

Cincinnati Financial Corporation
Quick Reference — Fourth Quarter 2007
(all data shown is for the three months ended or as of December 31, 2007)

(Based on reported data — see Pages 27-29 for adjusted data)

(Dollars in millions except share data)

Revenues:		
Commercial lines net written premiums	\$	562
Year-over-year percentage change		(4.6)%
Personal lines net written premiums	\$	162
Year-over-year percentage change		(2.3)%
Property casualty net written premiums	\$	724
Year-over-year percentage change		(4.1)%
Commercial lines net earned premiums	\$	601
Year-over-year percentage change		(3.0)%
Personal lines net earned premiums	\$	176
Year-over-year percentage change		(3.7)%
Property casualty net earned premiums	\$	777
Year-over-year percentage change		(3.1)%
Life and accident and health net earned premiums	\$	32
Year-over-year percentage change		11.0%
Investment income	\$	157
Year-over-year percentage change		8.5%
Realized gains on investments	\$	12
Year-over-year percentage change		(2.0)%
Other income	\$	5
Year-over-year percentage change		4.2%
Total revenues	\$	983
Year-over-year percentage change		(0.9)%

Income:		
Operating income	\$	179
Year-over-year percentage change		46.4%
Net realized investment gains and losses	\$	8
Year-over-year percentage change		(4.7)%
Net income	\$	187
Year-over-year percentage change		43.2%

Per share (diluted):		
Operating income	\$	1.07
Year-over-year percentage change		52.9%
Net realized investment gains and losses	\$	0.04
Year-over-year percentage change		(20.0)%
Net income	\$	1.11
Year-over-year percentage change		48.0%
Book value	\$	35.70
Year-over-year percentage change		(9.3)%
Weighted average shares — diluted		172,167,452
Year-over-year percentage change		(1.9)%

Benefits and expenses:		
Commercial lines loss and loss expenses	\$	310
Year-over-year percentage change		(15.9)%
Personal lines loss and loss expenses	\$	85
Year-over-year percentage change		(36.2)%
Property casualty loss and loss expenses	\$	395
Year-over-year percentage change		(21.3)%
Life and accident and health losses and policy benefits	\$	35
Year-over-year percentage change		15.0%
Operating expenses	\$	286
Year-over-year percentage change		20.4%
Interest expenses	\$	13
Year-over-year percentage change		(7.6)%
Total expenses	\$	729
Year-over-year percentage change		(11.1)%
Income before income taxes	\$	254
Year-over-year percentage change		47.7%
Total income tax	\$	67
Year-over-year percentage change		61.7%
Effective tax rate		26.5%

Ratios:		
Commercial lines GAAP combined ratio		87.3%
Personal lines GAAP combined ratio		79.7%

Property casualty GAAP combined ratio	85.6%
Commercial lines STAT combined ratio	89.7%
Personal lines STAT combined ratio	81.4%
Property casualty STAT combined ratio	87.9%
Return on equity based upon net income	12.0%
Return on equity based upon operating income	11.5%

Balance Sheet:

Fixed maturity investments	\$	5,848
Equity securities		6,249
Short-term investments		101
Other invested assets		63
Total invested assets	\$	<u>12,261</u>
Property casualty and life loss and loss expense reserves	\$	3,967
Total debt		860
Shareholders' equity		5,929

Cincinnati Financial Corporation
Consolidated Statements of Income

	For the Three Months Ended December 31,				For the Twelve Months Ended December 31,			
	2007	2006	Change	% Change	2007	2006	Change	% Change
Revenues:								
Premiums earned:								
Property casualty	\$ 821,187,212	\$ 844,769,726	\$ (23,582,514)	(2.79)	\$ 3,299,041,567	\$ 3,320,696,134	\$ (21,654,567)	(0.65)
Life	46,505,810	43,271,070	3,234,740	7.48	171,169,598	152,590,039	18,579,559	12.18
Accident health	1,836,071	1,703,987	132,084	7.75	6,977,193	6,652,508	324,685	4.88
Premiums ceded	(60,712,176)	(59,801,313)	(910,863)	1.52	(227,667,790)	(210,353,317)	(17,314,473)	8.23
Total premiums earned	808,816,917	829,943,470	(21,126,553)	(2.55)	3,249,520,568	3,269,585,364	(20,064,796)	(0.61)
Investment income	157,374,940	145,070,824	12,304,116	8.48	607,751,789	570,103,128	37,648,661	6.60
Realized gain on investments	12,084,183	12,324,063	(239,880)	(1.95)	382,230,702	683,701,293	(301,470,591)	(44.09)
Other income	4,880,874	4,682,861	198,013	4.23	19,774,644	18,461,940	1,312,704	7.11
Total revenues	\$ 983,156,914	\$ 992,021,218	\$ (8,864,304)	(0.89)	\$ 4,259,277,703	\$ 4,541,851,725	\$ (282,574,022)	(6.22)
Benefits & expenses:								
Losses & policy benefits	\$ 460,900,672	\$ 550,901,417	\$ (90,000,745)	(16.34)	\$ 2,110,380,156	\$ 2,245,203,172	\$ (134,823,016)	(6.00)
Reinsurance recoveries	(31,151,130)	(18,732,358)	(12,418,772)	66.30	(147,176,200)	(117,399,472)	(29,776,728)	25.36
Commissions	164,183,225	150,038,921	14,144,304	9.43	623,629,441	622,008,105	1,621,336	0.26
Other operating expenses	90,444,253	95,572,466	(5,128,213)	(5.37)	347,808,218	338,085,073	9,723,145	2.88
Interest expense	12,753,818	13,804,440	(1,050,622)	(7.61)	51,457,022	53,116,383	(1,659,361)	(3.12)
Taxes, licenses & fees	18,239,547	18,740,630	(501,083)	(2.67)	75,040,737	76,742,883	(1,702,146)	(2.22)
Incr deferred acq expense	8,241,247	5,382,897	2,858,350	53.10	(8,772,600)	(21,359,500)	12,586,900	(58.93)
Other expenses	5,396,854	4,244,124	1,152,730	27.16	14,436,935	16,342,089	(1,905,154)	(11.66)
Total expenses	\$ 729,008,486	\$ 819,952,537	\$ (90,944,051)	(11.09)	\$ 3,066,803,709	\$ 3,212,738,733	\$ (145,935,024)	(4.54)
Income before income taxes	\$ 254,148,428	\$ 172,068,681	\$ 82,079,747	47.70	\$ 1,192,473,994	\$ 1,329,112,992	\$ (136,638,998)	(10.28)
Provision for income taxes:								
Current operating income	\$ 66,757,820	\$ 36,443,951	\$ 30,313,869	83.18	\$ 199,004,461	\$ 155,204,170	\$ 43,800,291	28.22
Realized investments gains and losses	4,445,507	4,310,013	135,494	3.14	136,858,385	249,202,156	(112,343,771)	(45.08)
Deferred	(3,841,764)	895,840	(4,737,604)	(528.84)	1,137,231	(5,497,770)	6,635,001	(120.69)
Total income taxes	\$ 67,361,563	\$ 41,649,804	\$ 25,711,759	61.73	\$ 337,000,077	\$ 398,908,556	\$ (61,908,479)	(15.52)
Net income	\$ 186,786,865	\$ 130,418,877	\$ 56,367,988	43.22	\$ 855,473,917	\$ 930,204,436	\$ (74,730,519)	(8.03)
Comprehensive net income	\$ (403,694,647)	\$ 448,641,905	\$ (852,336,552)	(189.98)	\$ (375,607,721)	\$ 1,058,081,420	\$ (1,433,689,141)	(135.50)
Operating income	\$ 179,148,189	\$ 122,404,830	\$ 56,743,359	46.36	\$ 610,101,600	\$ 495,705,299	\$ 114,396,301	23.08
Net realized investments gains and losses	\$ 7,638,676	\$ 8,014,047	\$ (375,371)	(4.68)	\$ 245,372,317	\$ 434,499,137	\$ (189,126,820)	(43.53)
Net income per share:								
Operating income	\$ 1.07	\$ 0.71	\$ 0.36	50.70	\$ 3.57	\$ 2.86	\$ 0.71	24.83
Net realized investments gains and losses	0.05	0.04	0.01	25.00	1.44	2.50	(1.06)	(42.40)
Net income per share (basic)	\$ 1.12	\$ 0.75	\$ 0.37	49.33	\$ 5.01	\$ 5.36	\$ (0.35)	(6.53)
Operating income	\$ 1.07	\$ 0.70	\$ 0.37	52.86	\$ 3.54	\$ 2.82	\$ 0.72	25.53
Net realized investments gains and losses	0.04	0.05	(0.01)	(20.00)	1.43	2.48	(1.05)	(42.34)
Net income per share (diluted)	\$ 1.11	\$ 0.75	\$ 0.36	48.00	\$ 4.97	\$ 5.30	\$ (0.33)	(6.23)
Dividends per share:								
Paid	\$ 0.355	\$ 0.335	\$ 0.02	5.97	\$ 1.40	\$ 1.31	\$ 0.09	6.87
Declared	0.355	0.335	0.02	5.97	1.42	1.34	0.08	5.97
Number of shares:								
Weighted avg — basic	167,007,116	173,030,127	(6,023,011)	(3.48)	170,595,204	173,423,395	(2,828,191)	(1.63)
Weighted avg — diluted	168,163,752	174,988,162	(6,824,410)	(3.90)	172,167,452	175,451,341	(3,283,889)	(1.87)

Cincinnati Financial Corporation and Subsidiaries
Consolidated Statements of Income for the Twelve Months Ended December 31, 2007

	Total	CFC	CIC GROUP	CLIC	CFC-I	CINFIN	CSR	ELIM
Revenues:								
Premiums earned:								
Property casualty	\$3,299,041,567	\$ —	\$3,299,384,836	\$ —	\$ —	\$ —	\$ —	\$ (343,269)
Life	171,169,598	—	—	171,169,598	—	—	—	—
Accident health	6,977,193	—	—	6,977,193	—	—	—	—
Premiums ceded	(227,667,790)	—	(174,551,071)	(53,116,719)	—	—	—	—
Total earned premium	3,249,520,568	—	3,124,833,765	125,030,072	—	—	—	(343,269)
Investment income	607,751,789	100,486,597	392,580,307	114,416,869	357,173	271,563	3,045	(363,765)
Realized gain on investments	382,230,702	97,181,904	232,176,239	40,231,015	412,781	(7,168)	—	12,235,931
Other income	19,774,644	10,025,896	4,661,137	4,444,171	10,079,013	2,469,300	—	(11,904,873)
Total revenues	\$4,259,277,703	\$207,694,397	\$3,754,251,448	\$284,122,127	\$10,848,967	\$2,733,695	\$ 3,045	\$ (375,976)
Benefits & expenses:								
Losses & policy benefits	\$2,110,380,156	\$ —	\$1,939,058,201	\$173,523,103	\$ —	\$ —	\$ —	\$ (2,201,148)
Reinsurance recoveries	(147,176,200)	—	(106,882,598)	(40,293,602)	—	—	—	—
Commissions	623,629,441	—	598,432,647	25,196,794	—	—	—	—
Other operating expenses	347,808,218	17,042,561	302,566,198	34,666,846	4,487,896	749,826	262,192	(11,967,301)
Interest expense	51,457,022	48,898,521	—	—	2,888,190	—	—	(329,689)
Taxes, licenses & fees	75,040,737	1,212,217	70,051,616	3,605,001	45,125	126,778	—	—
Incr deferred acq expenses	(8,772,600)	—	2,749,119	(11,521,719)	—	—	—	—
Other expenses	14,436,935	—	14,436,827	108	—	—	—	—
Total expenses	\$3,066,803,709	\$ 67,153,299	\$2,820,412,010	\$185,176,531	\$ 7,421,211	\$ 876,604	\$ 262,192	\$(14,498,138)
Income before income taxes	\$1,192,473,994	\$140,541,098	\$ 933,839,438	\$ 98,945,596	\$ 3,427,756	\$1,857,091	\$(259,147)	\$ 14,122,162
Provision for income taxes:								
Current operating income	\$ 199,004,461	\$ (1,530,715)	\$ 195,217,396	\$ 7,629,012	\$ 1,399,800	\$ 616,493	\$ (44,949)	\$ (4,282,576)
Capital gains/losses	136,858,385	35,648,666	82,554,324	14,230,855	144,473	(2,509)	—	4,282,576
Deferred	1,137,231	(1,743,257)	(13,769,174)	12,018,148	(268,968)	3,478	(45,753)	4,942,757
Total income tax	\$ 337,000,077	\$ 32,374,694	\$ 264,002,546	\$ 33,878,015	\$ 1,275,305	\$ 617,462	\$ (90,702)	\$ 4,942,757
Net income — current year	\$ 855,473,917	\$108,166,404	\$ 669,836,892	\$ 65,067,581	\$ 2,152,451	\$1,239,629	\$(168,445)	\$ 9,179,405
Net income — prior year	\$ 930,204,436	\$304,395,166	\$ 557,879,628	\$ 62,697,335	\$ 1,876,129	\$1,285,186	\$ —	\$ 2,070,992
Change in net income	-8.0%	-64.5%	20.1%	3.8%	14.7%	-3.5%	N/A	

Cincinnati Financial Corporation and Subsidiaries
Consolidated Statements of Income for the Twelve Months Ended December 31, 2006

	Total	CFC	CIC GROUP	CLIC	CFC-I	CINFIN	ELIM
Revenues:							
Premiums earned:							
Property casualty	\$3,320,696,134	\$ —	\$3,321,610,148	\$ —	\$ —	\$ —	\$ (914,014)
Life	152,590,039	—	—	152,590,039	—	—	—
Accident health	6,652,508	—	—	6,652,508	—	—	—
Premiums ceded	(210,353,317)	—	(157,587,693)	(52,765,624)	—	—	—
Total earned premium	3,269,585,364	—	3,164,022,455	106,476,923	—	—	(914,014)
Investment income	570,103,128	97,437,082	367,304,753	107,656,860	62,400	209,379	(2,567,346)
Realized gain on investments	683,701,293	410,338,912	225,846,088	44,861,000	(324,417)	5,697	2,974,013
Other income	18,461,940	10,098,558	3,266,830	3,552,294	11,131,714	2,374,373	(11,961,829)
Total revenues	\$4,541,851,725	\$517,874,552	\$3,760,440,126	\$262,547,077	\$10,869,697	\$2,589,449	\$(12,469,176)
Benefits & expenses:							
Losses & policy benefits	\$2,245,203,172	\$ —	\$2,085,421,315	\$161,984,990	\$ —	\$ —	\$ (2,203,133)
Reinsurance recoveries	(117,399,472)	—	(77,446,382)	(39,953,090)	—	—	—
Commissions	622,008,105	—	596,188,393	25,819,712	—	—	—
Other operating expenses	338,085,073	19,609,842	292,709,156	31,977,077	5,416,146	626,085	(12,253,233)
Interest expense	53,116,383	50,612,821	888,930	98,000	2,715,584	—	(1,198,952)
Taxes, licenses & fees	76,742,883	1,152,118	72,695,021	3,080,836	(232,648)	47,556	—
Incr deferred acq expenses	(21,359,500)	—	(3,642,356)	(17,717,144)	—	—	—
Other expenses	16,342,089	—	16,341,980	109	—	—	—
Total expenses	\$3,212,738,733	\$ 71,374,781	\$2,983,156,057	\$165,290,490	\$ 7,899,082	\$ 673,641	\$(15,655,318)
Income before income taxes	\$1,329,112,992	\$446,499,771	\$ 777,284,069	\$ 97,256,587	\$ 2,970,615	\$1,915,808	\$ 3,186,142
Provision for income taxes:							
Current operating income	\$ 155,204,170	\$ (178,058)	\$ 147,254,816	\$ 6,273,558	\$ 1,232,459	\$ 621,395	\$ —
Capital gains/losses	249,202,156	153,102,119	80,218,693	15,879,350	—	1,994	—
Deferred	(5,497,770)	(10,819,456)	(8,069,068)	12,406,344	(137,973)	7,233	1,115,150
Total income tax	\$ 398,908,556	\$142,104,605	\$ 219,404,441	\$ 34,559,252	\$ 1,094,486	\$ 630,622	\$ 1,115,150
Net income — current year	\$ 930,204,436	\$304,395,166	\$ 557,879,628	\$ 62,697,335	\$ 1,876,129	\$1,285,186	\$ 2,070,992
Net income — prior year	\$ 601,970,190	\$ 36,770,595	\$ 511,573,782	\$ 47,282,395	\$ 3,072,943	\$1,206,078	\$ 2,064,397
Change in net income	54.5%	727.8%	9.1%	32.6%	-38.9%	6.6%	

Cincinnati Financial Corporation and Subsidiaries
Consolidated Statements of Income for the Three Months Ended December 31, 2007

	Total	CFC	CIC GROUP	CLIC	CFC-I	CINFIN	CSR	ELIM
Revenues:								
Premiums earned:								
Property casualty	\$821,187,212	\$ —	\$821,196,485	\$ —	\$ —	\$ —	\$ —	\$ (9,273)
Life	46,505,810	—	—	46,505,810	—	—	—	—
Accident health	1,836,071	—	—	1,836,071	—	—	—	—
Premiums ceded	(60,712,176)	—	(44,194,344)	(16,517,832)	—	—	—	—
Total earned premium	808,816,917	—	777,002,141	31,824,049	—	—	—	(9,273)
Investment income	157,374,940	26,048,205	100,841,548	29,822,571	150,801	74,816	3,045	433,954
Realized gain on investments	12,084,183	(5,970,324)	29,802,182	(11,519,842)	101,191	—	—	(329,024)
Other income	4,880,874	2,536,460	1,350,240	982,465	2,377,727	616,954	—	(2,982,972)
Total revenues	\$983,156,914	\$22,614,341	\$908,996,111	\$ 51,109,243	\$2,629,719	\$ 691,770	\$ 3,045	\$(2,887,315)
Benefits & expenses:								
Losses & policy benefits	\$460,900,672	\$ —	\$415,795,751	\$ 45,653,794	\$ —	\$ —	\$ —	\$ (548,873)
Reinsurance recoveries	(31,151,130)	—	(20,512,028)	(10,639,102)	—	—	—	—
Commissions	164,183,225	—	158,923,102	5,260,123	—	—	—	—
Other operating expenses	90,444,253	3,185,174	77,236,002	11,284,880	1,171,021	226,499	262,192	(2,921,515)
Interest expense	12,753,818	12,301,347	—	—	708,758	—	—	(256,287)
Taxes, licenses & fees	18,239,547	291,948	17,073,630	848,388	9,331	16,250	—	—
Incr deferred acq expenses	8,241,247	—	11,031,989	(2,790,742)	—	—	—	—
Other expenses	5,396,854	—	5,396,854	—	—	—	—	—
Total expenses	\$729,008,486	\$15,778,469	\$664,945,300	\$ 49,617,341	\$1,889,110	\$ 242,749	\$ 262,192	\$(3,726,675)
Income before income taxes	\$254,148,428	\$ 6,835,872	\$244,050,811	\$ 1,491,902	\$ 740,609	\$ 449,021	\$(259,147)	\$ 839,360
Provision for income taxes:								
Current operating income	\$ 66,757,820	\$ 4,709,097	\$ 58,411,169	\$ 3,120,097	\$ 309,062	\$ 138,186	\$ (44,949)	\$ 115,158
Capital gains/losses	4,445,507	(2,164,614)	10,714,301	(4,026,945)	35,416	2,507	—	(115,158)
Deferred	(3,841,764)	(6,078,191)	943,019	1,103,621	(59,868)	1,632	(45,753)	293,776
Total income tax	\$ 67,361,563	\$ (3,533,708)	\$ 70,068,489	\$ 196,773	\$ 284,610	\$ 142,325	\$ (90,702)	\$ 293,776
Net income — current year	\$186,786,865	\$10,369,580	\$173,982,322	\$ 1,295,129	\$ 455,999	\$ 306,696	\$(168,445)	\$ 545,584
Net income — prior year	\$130,418,876	\$12,506,126	\$108,185,530	\$ 8,602,213	\$ 487,191	\$ 289,645	\$ —	\$ 348,171
Change in net income	43.2%	-17.1%	60.8%	-84.9%	-6.4%	5.9%	N/A	

Cincinnati Financial Corporation and Subsidiaries
Consolidated Statements of Income for the Three Months Ended December 31, 2006

	Total	CFC	CIC GROUP	CLIC	CFC-I	CINFIN	ELIM
Revenues:							
Premiums earned:							
Property casualty	\$844,769,727	\$ —	\$845,479,506	\$ —	\$ —	\$ —	\$ (709,779)
Life	43,271,070	—	—	43,271,070	—	—	—
Accident health	1,703,987	—	—	1,703,987	—	—	—
Premiums ceded	(59,801,314)	—	(43,501,451)	(16,299,863)	—	—	—
Total earned premium	829,943,470	—	801,978,055	28,675,194	—	—	(709,779)
Investment income	145,070,825	24,550,476	93,654,263	27,053,035	15,600	57,244	(259,793)
Realized gain on investments	12,324,061	1,862,472	7,323,470	2,533,775	217,084	(8,277)	395,537
Other income	4,682,861	2,536,489	723,643	992,375	2,806,674	621,838	(2,998,158)
Total revenues	\$992,021,217	\$28,949,437	\$903,679,431	\$ 59,254,379	\$3,039,358	\$ 670,805	\$(3,572,193)
Benefits & expenses:							
Losses & policy benefits	\$550,901,417	\$ —	\$507,755,637	\$ 43,696,578	\$ —	\$ —	\$ (550,798)
Reinsurance recoveries	(18,732,359)	—	(5,484,567)	(13,247,792)	—	—	—
Commissions	150,038,921	—	144,113,098	5,925,823	—	—	—
Other operating expenses	95,572,467	4,960,848	80,278,976	12,192,870	1,461,656	230,387	(3,552,270)
Interest expense	13,804,440	12,460,505	496,480	98,000	754,228	—	(4,773)
Taxes, licenses & fees	18,740,629	284,596	17,498,941	935,887	9,316	11,889	—
Incr deferred acq expenses	5,382,897	—	8,862,341	(3,479,444)	—	—	—
Other expenses	4,244,124	—	4,244,123	1	—	—	—
Total expenses	\$819,952,536	\$17,705,949	\$757,765,029	\$ 46,121,923	\$2,225,200	\$ 242,276	\$(4,107,841)
Income before income taxes	\$172,068,681	\$11,243,488	\$145,914,402	\$ 13,132,456	\$ 814,158	\$ 428,529	\$ 535,648
Provision for income taxes:							
Current operating income	\$ 36,443,952	\$ 3,406,871	\$ 31,617,921	\$ 953,701	\$ 322,879	\$ 142,580	\$ —
Capital gains/losses	4,310,014	661,562	2,703,528	947,821	—	(2,897)	—
Deferred	895,839	(5,331,071)	3,407,423	2,628,721	4,088	(799)	187,477
Total income tax	\$ 41,649,805	\$ (1,262,638)	\$ 37,728,872	\$ 4,530,243	\$ 326,967	\$ 138,884	\$ 187,477
Net income — current year	\$130,418,876	\$12,506,126	\$108,185,530	\$ 8,602,213	\$ 487,191	\$ 289,645	\$ 348,171
Net income — prior year	\$182,672,096	\$ 9,037,150	\$156,687,048	\$ 15,812,588	\$ 421,720	\$ 298,051	\$ 415,539
Change in net income	-28.6%	38.4%	-31.0%	-45.6%	15.5%	-2.8%	

Cincinnati Financial Corporation
Consolidated Balance Sheets

(Dollars in millions except per share data)

	December 31, 2007 (unaudited)	December 31, 2006
Assets		
Investments		
Fixed maturities, at fair value (amortized cost: 2007—\$5,783; 2006—\$5,739) (includes securities pledged to creditors of \$745 at December 31, 2007)	\$ 5,848	\$ 5,805
Equity securities, at fair value (cost: 2007—\$2,975; 2006—\$2,621)	6,249	7,799
Short-term investments, at fair value (amortized cost: 2007—\$101; 2006—\$95)	101	95
Other invested assets	63	60
Total investments	12,261	13,759
Cash and cash equivalents	226	202
Securities lending collateral	760	—
Investment income receivable	124	121
Finance receivable	92	108
Premiums receivable	1,107	1,128
Reinsurance receivable	754	683
Prepaid reinsurance premiums	13	13
Deferred policy acquisition costs	461	453
Land, building and equipment, net, for company use (accumulated depreciation: 2007—\$276; 2006—\$261)	239	193
Other assets	72	58
Separate accounts	528	504
Total assets	\$16,637	\$17,222
Liabilities		
Insurance reserves		
Losses and loss expense	\$ 3,967	\$ 3,896
Life policy reserves	1,478	1,409
Unearned premiums	1,564	1,579
Securities lending payable	760	—
Other liabilities	574	533
Deferred income tax	977	1,653
Notes payable	69	49
6.125% senior debenture due 2034	371	371
6.90% senior debenture due 2028	28	28
6.92% senior debenture due 2028	392	392
Separate accounts	528	504
Total liabilities	10,708	10,414
Shareholders' equity		
Common stock, par value-\$2 per share; authorized: 2007-500 million shares, 2006- 500 million shares; issued: 2007-196 million shares, 2006-196 million shares	393	391
Paid-in capital	1,049	1,015
Retained Earnings	3,404	2,786
Accumulated other comprehensive income	2,151	3,379
Treasury stock at cost (2007—30 million shares, 2006—23 million shares)	(1,068)	(763)
Total shareholders' equity	5,929	6,808
Total liabilities and shareholders' equity	\$16,637	\$17,222

Cincinnati Financial Corporation
10-Year Net Income Reconciliation

(Dollars in millions except per share data)										
	2007	2006	2005	2004	Years ended December 31,		2001	2000	1999	1998
					2003	2002				
Net income	\$ 855	\$ 930	\$ 602	\$ 584	\$ 374	\$ 238	\$ 193	\$ 118	\$ 255	\$ 242
One-time item	—	—	—	—	15	—	—	(25)	—	—
Net income before one-time item	855	930	602	584	359	238	193	143	255	242
Net realized investment gains and losses	245	434	40	60	(27)	(62)	(17)	(2)	—	43
Operating income before one-time item	610	496	562	524	386	300	210	145	255	199
Less catastrophe losses	(17)	(113)	(82)	(96)	(63)	(57)	(42)	(33)	(24)	(61)
Operating income before catastrophe losses and one-time item	\$ 627	\$ 609	\$ 644	\$ 620	\$ 449	\$ 357	\$ 252	\$ 178	\$ 279	\$ 260
Diluted per share data										
Net income	\$ 4.97	\$ 5.30	\$ 3.40	\$ 3.28	\$ 2.10	\$ 1.32	\$ 1.07	\$ 0.67	\$ 1.37	\$ 1.28
One-time item	—	—	—	—	0.09	—	—	(0.14)	—	—
Net income before one-time item	4.97	5.30	3.40	3.28	2.01	1.32	1.07	0.81	1.37	1.28
Net realized investment gains and losses	1.43	2.48	0.23	0.34	(0.15)	(0.35)	(0.10)	(0.01)	—	0.23
Operating income before one-time item	3.54	2.82	3.17	2.94	2.16	1.67	1.17	0.82	1.37	1.05
Less catastrophe losses	(0.10)	(0.65)	(0.46)	(0.54)	(0.35)	(0.31)	(0.23)	(0.18)	(0.13)	(0.32)
Operating income before catastrophe losses and one-time item	\$ 3.64	\$ 3.47	\$ 3.63	\$ 3.48	\$ 2.51	\$ 1.98	\$ 1.40	\$ 1.00	\$ 1.50	\$ 1.37
Return on equity										
Return on average equity	13.4%	14.4%	9.8%	9.4%	6.3%	4.1%	3.2%	2.1%	4.6%	4.7%
One-time item	—	—	—	—	(0.3)	—	—	0.4	—	—
Return on average equity before one-time item	13.4%	14.4%	9.8%	9.4%	6.0%	4.1%	3.2%	2.5%	4.6%	4.7%
Return on equity based on comprehensive income										
ROE based on comprehensive income	(5.9)%	16.4%	1.6%	4.6%	13.8%	(4.0)%	2.5%	13.1%	1.9%	19.6%
One-time item	—	—	—	—	(0.3)	—	—	0.4	—	—
ROE based on comprehensive income before one-time item	(5.9)%	16.4%	1.6%	4.6%	13.5%	(4.0)%	2.5%	13.5%	1.9%	19.6%
Investment income										
Investment income, net of expenses	\$ 608	\$ 570	\$ 526	\$ 492	\$ 465	\$ 445	\$ 421	\$ 415	\$ 387	\$ 368
BOLI	—	—	—	—	—	—	—	(5)	—	—
Investment income before BOLI	\$ 608	\$ 570	\$ 526	\$ 492	\$ 465	\$ 445	\$ 421	\$ 410	\$ 387	\$ 368

* Dollar amounts shown are rounded to millions; certain amounts may not add due to rounding. Ratios are calculated based on whole dollar amounts.

Cincinnati Financial Corporation
Quarterly Net Income Reconciliation

(In millions except per share data)													
	12/31/07	9/30/07	6/30/07	Three months ended		9/30/06	6/30/06	3/31/06	Six months ended		Nine months ended		Twelve months ended
				3/31/07	12/31/06				6/30/07	6/30/06	9/30/07	9/30/06	12/31/07
													12/31/06
Net income	\$ 187	\$ 124	\$ 351	\$ 194	\$ 130	\$ 115	\$ 132	\$ 552	\$ 545	\$ 684	\$ 669	\$ 800	\$ 855
Net realized investment gains and losses	8	10	187	41	8	—	6	421	228	426	238	427	245
Operating income	179	114	164	153	122	115	126	131	317	258	431	373	610
Less catastrophe losses	1	(9)	(7)	(2)	(29)	(18)	(41)	(26)	(9)	(67)	(18)	(85)	(17)
Operating income before catastrophe losses	\$ 178	\$ 123	\$ 171	\$ 155	\$ 151	\$ 133	\$ 167	\$ 157	\$ 326	\$ 325	\$ 449	\$ 458	\$ 627
													\$ 609
Diluted per share data													
Net income	\$1.11	\$ 0.72	\$ 2.02	\$ 1.11	\$ 0.75	\$ 0.66	\$ 0.76	\$ 3.13	\$ 3.13	\$ 3.90	\$ 3.86	\$ 4.56	\$ 4.97
Net realized investment gains and losses	0.04	0.06	1.08	0.23	0.05	—	0.04	2.39	1.31	2.43	1.37	2.43	1.43
Operating income	1.07	0.66	0.94	0.88	0.70	0.66	0.72	0.74	1.82	1.47	2.49	2.13	3.54
Less catastrophe losses	0.01	(0.05)	(0.04)	(0.01)	(0.16)	(0.10)	(0.24)	(0.14)	(0.05)	(0.38)	(0.10)	(0.48)	(0.10)
Operating income before catastrophe losses	\$1.06	\$ 0.71	\$ 0.98	\$ 0.89	\$ 0.86	\$ 0.76	\$ 0.96	\$ 0.88	\$ 1.87	\$ 1.85	\$ 2.59	\$ 2.61	\$ 3.64
													\$ 3.47

Dollar amounts shown are rounded to millions; certain amounts may not add due to rounding. Ratios are calculated based on whole dollar amounts. The sum of quarterly amounts may not equal the full year as each is computed independently.

Cincinnati Financial Corporation
Top Holdings — Common Stocks

(Dollars in millions)

As of and for twelve months ended December 31, 2007

	Actual cost	Fair value	Percent of fair value	Earned dividend income
Fifth Third Bancorp	\$ 185	\$1,691	28.1%	\$121
The Procter & Gamble Company	206	552	9.2	10
Exxon Mobil Corporation	58	484	8.0	8
U.S. Bancorp	270	332	5.5	16
PNC Financial Services Group, Inc.	62	309	5.1	12
AllianceBernstein Holding L.P.	113	295	4.9	17
Johnson & Johnson	218	267	4.5	6
Wyeth	62	196	3.3	5
Wells Fargo & Company	128	194	3.2	7
Huntington Bancshares Inc	188	152	2.5	4
Piedmont Natural Gas Company, Inc.	64	147	2.4	6
Wachovia Corp	186	140	2.3	6
National City Corporation	132	140	2.3	16
Chevron Corporation	56	123	2.1	3
General Electric Co.	106	116	1.9	3
All other common stock holdings	681	882	14.7	31
Total	\$2,715	\$6,020	100.0%	\$271

Cincinnati Financial Corporation Subsidiaries
Selected Balance Sheet Data

(Dollars in millions)	12/31/2007	9/30/2007	6/30/2007	3/31/2007	12/31/2006	9/30/2006	6/30/2006	3/31/2006
Cincinnati Insurance								
Property Casualty Group								
Fixed Maturities and Equities (Fair Value)	\$ 8,940	\$ 9,586	\$ 9,850	\$ 9,837	\$ 9,882	\$ 9,393	\$ 8,987	\$ 9,261
Fixed Maturities — Pretax Net Unrealized Gain (Loss)	58	23	(30)	44	47	51	(55)	2
Equities — Pretax Net Unrealized Gain (Loss)	2,077	2,657	2,917	3,017	3,166	2,859	2,621	2,758
Loss and Loss Expense Reserves — STAT	3,398	3,461	3,374	3,373	3,356	3,314	3,237	3,169
Surplus — STAT	4,306	4,782	4,937	4,741	4,750	4,607	4,342	4,334
The Cincinnati Life Insurance Company								
Fixed Maturities and Equities (Fair Value)	\$ 1,887	\$ 1,952	\$ 1,922	\$ 1,938	\$ 1,916	\$ 1,893	\$ 1,803	\$ 1,827
Fixed Maturities — Pretax Net Unrealized Gain (Loss)	6	4	(4)	20	15	17	(17)	6
Equities — Pretax Net Unrealized Gain (Loss)	162	225	254	305	307	271	238	256
Retained Earnings — GAAP	685	724	730	739	719	688	652	666
Surplus — STAT	477	485	491	483	479	461	459	470
	12/31/2005	9/30/2005	6/30/2005	3/31/2005	12/31/2004	9/30/2004	6/30/2004	3/31/2004
Cincinnati Insurance								
Property Casualty Group								
Fixed Maturities and Equities (Fair Value)	\$ 8,947	\$ 8,833	\$ 8,802	\$ 8,710	\$ 8,806	\$ 8,523	\$ 6,599	\$ 6,882
Fixed Maturities — Pretax Net Unrealized Gain (Loss)	50	86	152	99	188	158	84	190
Equities — Pretax Net Unrealized Gain (Loss)	2,803	2,807	2,903	2,931	3,135	1,746	1,740	1,924
Loss and Loss Expense Reserves — STAT	3,111	3,150	3,065	3,031	2,977	3,036	2,952	2,901
Surplus — STAT	4,220	4,224	4,180	4,065	4,196	4,037	2,871	2,791
The Cincinnati Life Insurance Company								
Fixed Maturities and Equities (Fair Value)	\$ 1,788	\$ 1,797	\$ 1,748	\$ 1,688	\$ 1,637	\$ 1,695	\$ 1,637	\$ 1,652
Fixed Maturities — Pretax Net Unrealized Gain (Loss)	31	45	70	53	82	76	49	94
Equities — Pretax Net Unrealized Gain (Loss)	266	274	275	257	274	261	252	266
Retained Earnings — GAAP	651	348	655	622	639	612	584	610
Surplus — STAT	451	447	447	440	439	409	401	395

Cincinnati Insurance Group
GAAP Statements of Income

	For the Three Months Ended December 31,				For the Twelve Months Ended December 31,			
	2007	2006	Change	% Change	2007	2006	Change	% Change
Revenues:								
Premiums earned:								
Property casualty	\$821,196,485	\$845,479,506	\$(24,283,021)	(2.87)	\$3,299,384,836	\$3,321,610,148	\$ (22,225,312)	(0.67)
Life	—	—	—	—	—	—	—	—
Accident health	—	—	—	—	—	—	—	—
Premiums ceded	(44,194,344)	(43,501,451)	(692,893)	1.59	(174,551,071)	(157,587,693)	(16,963,378)	10.76
Total premiums earned	777,002,141	801,978,055	(24,975,914)	(3.11)	3,124,833,765	3,164,022,455	(39,188,690)	(1.24)
Investment income	100,841,548	93,654,263	7,187,285	7.67	392,580,307	367,304,753	25,275,554	6.88
Realized gain on investments	29,802,182	7,323,470	22,478,712	306.94	232,176,239	225,846,088	6,330,151	2.80
Other income	1,350,240	723,643	626,597	86.59	4,661,137	3,266,830	1,394,307	42.68
Total revenues	\$908,996,111	\$903,679,431	\$ 5,316,680	0.59	\$3,754,251,448	\$3,760,440,126	\$ (6,188,678)	(0.16)
Benefits & expenses:								
Losses & policy benefits	\$415,795,751	\$507,755,637	\$(91,959,886)	(18.11)	\$1,939,058,201	\$2,085,421,315	\$(146,363,114)	(7.02)
Reinsurance recoveries	(20,512,028)	(5,484,567)	(15,027,461)	274.00	(106,882,598)	(77,446,382)	(29,436,216)	38.01
Commissions	158,923,102	144,113,098	14,810,004	10.28	598,432,647	596,188,393	2,244,254	0.38
Other operating expenses	77,236,002	80,278,976	(3,042,974)	(3.79)	302,566,198	292,709,156	9,857,042	3.37
Interest expense	—	496,480	(496,480)	—	—	888,930	(888,930)	—
Taxes, licenses & fees	17,073,630	17,498,941	(425,311)	(2.43)	70,051,616	72,695,021	(2,643,405)	(3.64)
Incr deferred acq expense	11,031,989	8,862,341	2,169,648	24.48	2,749,119	(3,642,356)	6,391,475	(175.48)
Other expenses	5,396,854	4,244,123	1,152,731	27.16	14,436,827	16,341,980	(1,905,153)	(11.66)
Total expenses	\$664,945,300	\$757,765,029	\$(92,819,729)	(12.25)	\$2,820,412,010	\$2,983,156,057	\$(162,744,047)	(5.46)
Income before income taxes	\$244,050,811	\$145,914,402	\$ 98,136,409	67.26	\$ 933,839,438	\$ 777,284,069	\$ 156,555,369	20.14
Provision for income taxes:								
Current operating income	\$ 58,411,169	\$ 31,617,921	\$ 26,793,248	84.74	\$ 195,217,396	\$ 147,254,816	\$ 47,962,580	32.57
Current realized investments gains and losses	10,714,301	2,703,528	8,010,773	296.31	82,554,324	80,218,693	2,335,631	2.91
Deferred	943,019	3,407,423	(2,464,404)	(72.32)	(13,769,174)	(8,069,068)	(5,700,106)	70.64
Total income taxes	\$ 70,068,489	\$ 37,728,872	\$ 32,339,617	85.72	\$ 264,002,546	\$ 219,404,441	\$ 44,598,105	20.33
Net income	\$173,982,322	\$108,185,530	\$ 65,796,792	60.82	\$ 669,836,892	\$ 557,879,628	\$ 111,957,264	20.07

**Cincinnati Insurance Group
Statutory Statements of Income**

	For the Three Months Ended December 31,			For the Twelve Months Ended December 31,		
	2007	2006	% Change	2007	2006	% Change
Underwriting income						
Net premiums written	\$ 724,187,641	\$ 755,245,797	(4.11)	\$3,116,514,912	\$3,178,105,582	(1.94)
Unearned premiums increase	(52,814,420)	(46,732,257)	13.01	(8,318,774)	14,083,124	(159.07)
Earned premiums	777,002,061	801,978,054	(3.11)	3,124,833,686	3,164,022,457	(1.24)
Losses incurred	\$ 291,512,942	\$ 379,133,413	(23.11)	\$1,457,860,156	\$1,640,711,403	(11.14)
Allocated loss expenses incurred	62,766,784	71,979,236	(12.80)	195,930,636	183,420,723	6.82
Unallocated loss expenses incurred	41,003,996	51,158,422	(19.85)	178,384,811	183,842,807	(2.97)
Other underwriting expenses incurred	260,736,489	246,289,916	5.87	972,581,974	948,113,154	2.58
Workers compensation dividend incurred	7,035,552	5,135,756	36.99	15,087,864	17,343,175	(13.00)
Total underwriting deductions	\$ 663,055,764	\$ 753,696,744	(12.03)	\$2,819,845,441	\$2,973,431,262	(5.17)
Net underwriting gain (loss)	\$ 113,946,297	\$ 48,281,310	136.00	\$ 304,988,244	\$ 190,591,195	60.02
Investment income						
Gross investment income earned	\$ 100,164,635	\$ 94,867,708	5.58	\$ 396,757,569	\$ 371,912,860	6.68
Net investment income earned	100,375,194	93,654,263	7.18	391,822,759	367,304,753	6.68
Net realized capital gains	22,573,145	4,677,265	382.61	157,929,417	146,526,143	7.78
Net investment gains (excl. subs)	\$ 122,948,339	\$ 98,331,529	25.03	\$ 549,752,176	\$ 513,830,897	6.99
Dividend from subsidiary	—	12,000,000	—	—	26,000,000	—
Net investment gains	\$ 122,948,339	\$ 110,331,529	11.44	\$ 549,752,176	\$ 539,830,897	1.84
Other income	\$ 1,165,955	\$ 618,259	88.59	\$ 3,960,135	\$ 2,488,123	59.16
Net income before federal income taxes	\$ 238,060,591	\$ 159,231,098	49.51	\$ 858,700,555	\$ 732,910,214	17.16
Federal and foreign income taxes incurred	\$ 55,496,700	\$ 30,398,414	82.56	\$ 186,877,064	\$ 143,561,772	30.17
Net income (statutory)	\$ 182,563,891	\$ 128,832,684	41.71	\$ 671,823,492	\$ 589,348,442	13.99

* Statutory data prepared in accordance with statutory accounting rules as defined by the National Association of Insurance Commissioners and filed with the appropriate regulatory bodies.

Cincinnati Insurance Group — Consolidated
Statutory Quarterly Analysis
(Based on reported data — see Page 27 for adjusted data)

(Dollars in millions)													
	12/31/07	9/30/07	6/30/07	Three months ended		9/30/06	6/30/06	3/31/06	Six months ended		Nine months ended		Twelve months ended
				3/31/07	12/31/06				6/30/07	6/30/06	9/30/07	9/30/06	12/31/07
Net premiums written	\$ 724	\$ 736	\$ 810	\$ 846	\$ 755	\$ 780	\$ 814	\$ 829	\$1,656	\$1,643	\$2,393	\$2,422	\$3,117
Net premiums earned	\$ 777	\$ 777	\$ 786	\$ 785	\$ 802	\$ 791	\$ 793	\$ 778	\$1,571	\$1,570	\$2,348	\$2,362	\$3,125
Losses paid	\$ 375	\$ 363	\$ 380	\$ 365	\$ 375	\$ 367	\$ 381	\$ 347	\$ 744	\$ 727	\$1,107	\$1,094	\$1,481
Loss reserve change	(83)	69	(16)	6	4	66	59	42	(9)	101	60	168	(24)
Total losses incurred	\$ 292	\$ 432	\$ 364	\$ 371	\$ 379	\$ 433	\$ 440	\$ 389	\$ 735	\$ 828	\$1,167	\$1,262	\$1,457
Allocated loss expense paid	37	29	33	31	37	33	31	28	65	58	94	91	131
Allocated loss expense reserve change	26	15	16	8	35	7	7	5	24	13	39	20	65
Total allocated loss expense incurred	\$ 63	\$ 44	\$ 49	\$ 39	\$ 72	\$ 40	\$ 38	\$ 33	\$ 89	\$ 71	\$ 133	\$ 111	\$ 196
Unallocated loss expense paid	46	44	41	46	49	40	38	40	87	78	132	118	178
Unallocated loss expense reserve change	(6)	4	1	2	2	3	2	10	3	12	6	15	2
Total unallocated loss expense incurred	\$ 40	\$ 48	\$ 42	\$ 48	\$ 51	\$ 43	\$ 40	\$ 50	\$ 90	\$ 90	\$ 138	\$ 133	\$ 180
Underwriting expenses incurred	267	230	242	249	251	243	231	239	489	471	719	714	988
Underwriting profit (loss)	\$ 115	\$ 23	\$ 89	\$ 78	\$ 49	\$ 32	\$ 44	\$ 67	\$ 168	\$ 110	\$ 191	\$ 142	\$ 304
Ratio Data													
Loss ratio	37.5%	55.6%	46.3%	47.2%	47.3%	54.8%	55.4%	50.0%	46.8%	52.7%	49.7%	53.4%	46.7%
Allocated loss expense ratio	8.1	5.7	6.3	5.0	9.0	5.0	4.8	4.3	5.7	4.6	5.7	4.7	6.3
Unallocated loss expense ratio	5.3	6.1	5.3	6.1	6.4	5.4	5.1	6.4	5.7	5.7	5.8	5.6	5.7
Net underwriting expense ratio	37.0	31.3	29.8	29.4	33.2	31.2	28.4	29.0	29.5	28.7	30.1	29.5	31.7
Statutory combined ratio	87.9%	98.7%	87.7%	87.7%	95.9%	96.4%	93.7%	89.7%	87.7%	91.7%	91.3%	93.2%	90.4%
Statutory combined ratio excluding catastrophes	88.1%	97.0%	86.3%	87.3%	90.4%	92.9%	85.7%	84.6%	86.8%	85.2%	90.1%	87.7%	89.5%
Loss Detail													
New losses \$250,000-\$500,000	\$ 29	\$ 24	\$ 22	\$ 23	\$ 21	\$ 22	\$ 21	\$ 23	\$ 45	\$ 44	\$ 69	\$ 66	\$ 98
New losses \$500,000-\$750,000	16	14	15	15	14	16	11	9	30	20	44	36	60
New losses \$750,000-\$1,000,000	13	9	9	10	10	11	9	7	19	16	28	27	41
New losses \$1,000,000-\$2,000,000	24	26	26	28	25	25	22	9	54	31	80	56	104
New losses \$2,000,000-\$4,000,000	36	50	17	22	37	35	22	23	39	45	89	80	125
New losses greater than \$4,000,000	—	5	—	—	—	—	—	—	—	—	5	—	5
Case reserve development above \$250,000	68	50	48	53	64	51	59	50	101	109	151	160	219
Large losses subtotal	\$ 186	\$ 178	\$ 137	\$ 151	\$ 171	\$ 160	\$ 144	\$ 121	\$ 288	\$ 265	\$ 466	\$ 425	\$ 652
IBNR incurred	(43)	—	7	7	(57)	11	(5)	6	15	1	15	11	(25)
Catastrophe losses incurred	(2)	13	11	3	44	27	64	39	15	103	28	131	26
Remaining incurred	151	241	209	210	221	235	237	223	417	459	658	695	804
Total losses incurred	\$ 292	\$ 432	\$ 364	\$ 371	\$ 379	\$ 433	\$ 440	\$ 389	\$ 735	\$ 828	\$1,167	\$1,262	\$1,457
Loss Ratio													
New losses \$250,000-\$500,000	3.7%	3.1%	2.8%	2.9%	2.6%	2.8%	2.6%	3.0%	2.9%	2.8%	2.9%	2.8%	3.1%
New losses \$500,000-\$750,000	2.1	1.8	1.9	1.9	1.7	2.0	1.5	1.2	1.9	1.3	1.9	1.5	1.9
New losses \$750,000-\$1,000,000	1.7	1.2	1.1	1.3	1.2	1.4	1.2	0.9	1.2	1.0	1.2	1.1	1.3
New losses \$1,000,000-\$2,000,000	3.1	3.3	3.3	3.6	3.1	3.2	2.8	1.2	3.4	2.1	3.4	2.4	3.3
New losses \$2,000,000-\$4,000,000	4.6	6.4	2.2	2.8	4.6	4.4	2.8	3.0	2.5	2.9	3.8	3.4	4.0
New losses greater than \$4,000,000	—	0.6	—	—	—	—	—	—	—	—	0.2	—	0.2
Case reserve development above \$250,000	8.8	6.4	6.1	6.8	8.0	6.3	7.4	6.4	6.4	6.9	6.4	6.8	7.0
Large losses subtotal	23.9%	22.9%	17.4%	19.2%	21.3%	20.1%	18.4%	15.6%	18.3%	17.0%	19.8%	18.0%	20.9%
IBNR incurred	(5.5)	—	0.9	1.0	(7.2)	1.3	(0.6)	0.8	0.9	0.1	0.6	0.5	(0.9)
Total catastrophe losses incurred	(0.2)	1.7	1.4	0.4	5.5	3.5	8.0	5.0	0.9	6.5	1.2	5.5	0.8
Remaining incurred	19.3	31.0	26.6	26.6	27.7	29.9	29.6	28.6	26.7	29.1	28.1	29.4	25.9
Total loss ratio	37.5%	55.6%	46.3%	47.2%	47.3%	54.8%	55.4%	50.0%	46.8%	52.7%	49.7%	53.4%	46.7%
Loss Claim Count													
New losses \$250,000-\$500,000	88	75	67	72	64	66	62	72	139	134	214	200	302
New losses \$500,000-\$750,000	27	25	26	24	22	27	18	15	50	33	75	60	102
New losses \$750,000-\$1,000,000	16	11	11	12	12	12	11	8	23	19	34	31	50
New losses \$1,000,000-\$2,000,000	18	21	21	21	21	20	16	7	42	23	63	43	81
New losses \$2,000,000-\$4,000,000	12	16	5	7	11	12	7	7	12	14	28	26	40
New losses greater than \$4,000,000	—	1	—	—	—	—	—	—	—	—	1	—	1
Case reserve development above \$250,000	112	93	82	93	94	101	101	84	175	185	268	286	380
Large losses total	273	242	212	229	224	238	215	193	441	408	683	646	956

* Dollar amounts shown are rounded to millions; certain amounts may not add due to rounding. Ratios are calculated based on whole dollar amounts.

*NM — Not meaningful

* Statutory data prepared in accordance with statutory accounting rules as defined by the National Association of Insurance Commissioners and filed with the appropriate regulatory bodies.

Cincinnati Insurance Group — Commercial Lines
Statutory Quarterly Analysis
(Based on reported data — see Page 28 for adjusted data)

(Dollars in millions)	12/31/07	9/30/07	6/30/07	Three months ended		9/30/06	6/30/06	3/31/06	Six months ended		Nine months ended		Twelve months ended	
				3/31/07	12/31/06				6/30/07	6/30/06	9/30/07	9/30/06	12/31/07	12/31/06
Net premiums written	\$ 562	\$ 544	\$ 613	\$ 693	\$ 589	\$ 582	\$ 603	\$ 668	\$1,306	\$1,271	\$1,851	\$1,852	\$2,413	\$2,442
Net premiums earned	\$ 601	\$ 600	\$ 606	\$ 604	\$ 619	\$ 602	\$ 599	\$ 582	\$1,210	\$1,181	\$1,810	\$1,783	\$2,411	\$2,402
Losses paid	\$ 272	\$ 253	\$ 270	\$ 259	\$ 256	\$ 247	\$ 251	\$ 234	\$ 530	\$ 485	\$ 783	\$ 732	\$1,055	\$ 988
Loss reserve change	(53)	66	(12)	23	5	63	53	53	11	105	77	169	23	174
Total losses incurred	\$ 219	\$ 319	\$ 258	\$ 282	\$ 261	\$ 310	\$ 304	\$ 287	\$ 541	\$ 590	\$ 860	\$ 901	\$1,078	\$1,162
Allocated loss expense paid	33	26	30	28	33	29	28	25	58	52	84	81	117	114
Allocated loss expense reserve change	27	16	16	8	37	7	6	5	24	12	40	19	67	56
Total allocated loss expense incurred	\$ 60	\$ 42	\$ 46	\$ 36	\$ 70	\$ 36	\$ 34	\$ 30	\$ 82	\$ 64	\$ 124	\$ 100	\$ 184	\$ 170
Unallocated loss expense paid	34	31	30	33	34	27	27	28	63	54	94	82	128	116
Unallocated loss expense reserve change	(3)	4	1	3	3	3	2	10	4	13	8	15	5	18
Total unallocated loss expense incurred	\$ 31	\$ 35	\$ 31	\$ 36	\$ 37	\$ 30	\$ 29	\$ 38	\$ 67	\$ 67	\$ 102	\$ 97	\$ 133	\$ 134
Underwriting expenses incurred	215	170	179	193	194	184	171	177	371	349	541	532	757	726
Underwriting profit (loss)	\$ 76	\$ 34	\$ 92	\$ 57	\$ 57	\$ 42	\$ 61	\$ 50	\$ 149	\$ 111	\$ 183	\$ 153	\$ 259	\$ 210
Ratio Data														
Loss ratio	36.4%	53.2%	42.6%	46.8%	42.2%	51.5%	50.7%	49.2%	44.7%	50.0%	47.5%	50.5%	44.8%	48.4%
Allocated loss expense ratio	9.9	7.0	7.6	5.9	11.3	6.0	5.7	5.1	6.8	5.4	6.8	5.6	7.6	7.0
Unallocated loss expense ratio	5.2	5.8	5.1	5.9	6.0	5.0	4.9	6.5	5.5	5.7	5.6	5.4	5.5	5.6
Net underwriting expense ratio	38.2	31.2	29.1	27.9	32.9	31.6	28.3	26.7	28.4	27.4	29.3	28.8	31.4	29.7
Statutory combined ratio	89.7%	97.2%	84.4%	86.5%	92.4%	94.1%	89.6%	87.5%	85.4%	88.5%	89.2%	90.3%	89.3%	90.7%
Statutory combined ratio excluding catastrophes	89.7%	97.1%	83.6%	84.7%	90.6%	91.7%	84.1%	82.4%	84.1%	83.2%	88.3%	86.0%	88.6%	87.1%
Loss Detail														
New losses \$250,000-\$500,000	\$ 21	\$ 18	\$ 16	\$ 18	\$ 17	\$ 17	\$ 15	\$ 15	\$ 34	\$ 30	\$ 52	\$ 47	\$ 73	\$ 64
New losses \$500,000-\$750,000	14	11	12	12	10	12	10	8	24	18	35	30	49	40
New losses \$750,000-\$1,000,000	11	8	6	9	10	7	6	5	15	11	23	18	34	28
New losses \$1,000,000-\$2,000,000	19	25	23	23	21	21	19	7	46	26	71	47	90	68
New losses \$2,000,000-\$4,000,000	34	43	13	22	37	30	20	23	35	43	78	73	112	110
New losses greater than \$4,000,000	—	5	—	—	—	—	—	—	—	—	5	—	5	—
Case reserve development above \$250,000	60	45	46	49	58	46	52	45	95	97	140	143	200	201
Large losses subtotal	\$ 159	\$ 155	\$ 116	\$ 133	\$ 153	\$ 133	\$ 122	\$ 103	\$ 249	\$ 225	\$ 404	\$ 358	\$ 563	\$ 511
IBNR incurred	(29)	—	6	7	(45)	10	(6)	6	14	—	14	10	(12)	(36)
Catastrophe losses incurred	—	1	5	10	11	14	34	29	16	63	17	77	16	89
Remaining incurred	89	163	131	132	142	153	154	149	262	302	425	456	511	598
Total losses incurred	\$ 219	\$ 319	\$ 258	\$ 282	\$ 261	\$ 310	\$ 304	\$ 287	\$ 541	\$ 590	\$ 860	\$ 901	\$1,078	\$1,162
Loss Ratio														
New losses \$250,000-\$500,000	3.4%	3.0%	2.6%	2.8%	2.5%	2.8%	2.6%	2.6%	2.7%	2.5%	2.9%	2.8%	2.9%	2.7%
New losses \$500,000-\$750,000	2.2	1.8	2.0	2.0	1.5	2.0	1.8	1.4	2.0	1.5	1.9	1.9	2.0	1.7
New losses \$750,000-\$1,000,000	1.8	1.3	1.0	1.5	1.5	1.2	1.0	0.9	1.2	0.9	1.3	1.1	1.4	1.2
New losses \$1,000,000-\$2,000,000	3.2	4.2	3.8	3.8	3.5	3.5	3.3	1.2	3.8	2.2	3.9	2.6	3.7	2.8
New losses \$2,000,000-\$4,000,000	5.7	7.2	2.1	3.6	6.2	5.0	3.3	4.0	2.9	3.7	4.3	4.2	4.5	4.6
New losses greater than \$4,000,000	—	0.8	—	—	—	—	—	—	—	—	0.3	—	0.2	—
Case reserve development above \$250,000	10.1	7.5	7.6	8.1	9.4	7.6	8.7	7.6	7.8	8.2	7.6	7.5	8.3	8.4
Large losses subtotal	26.4%	25.8%	19.1%	21.8%	24.6%	22.1%	20.7%	17.6%	20.4%	19.2%	22.2%	20.2%	23.2%	21.3%
IBNR incurred	(4.8)	—	1.0	1.2	(7.3)	1.7	(1.0)	0.9	1.1	—	0.8	0.6	(0.5)	(1.5)
Total catastrophe losses incurred	—	0.2	0.8	1.8	1.9	2.4	5.6	5.2	1.3	5.3	0.9	4.3	0.7	3.7
Remaining incurred	14.8	27.2	21.7	22.0	23.0	25.3	25.4	25.5	21.9	25.5	23.6	25.4	21.4	24.9
Total loss ratio	36.4%	53.2%	42.6%	46.8%	42.2%	51.5%	50.7%	49.2%	44.7%	50.0%	47.5%	50.5%	44.8%	48.4%
Loss Claim Count														
New losses \$250,000-\$500,000	64	57	49	57	50	51	46	48	106	94	163	145	227	195
New losses \$500,000-\$750,000	23	20	21	20	16	21	17	14	41	31	61	52	84	68
New losses \$750,000-\$1,000,000	13	9	7	11	12	8	7	6	18	13	27	21	40	33
New losses \$1,000,000-\$2,000,000	14	20	19	17	18	17	14	5	36	19	56	36	70	54
New losses \$2,000,000-\$4,000,000	11	14	4	7	11	10	6	7	11	13	25	23	36	34
New losses greater than \$4,000,000	—	1	—	—	—	—	—	—	—	—	1	—	1	—
Case reserve development above \$250,000	96	80	75	85	81	88	89	72	160	161	240	249	336	330
Large losses total	221	201	175	197	188	195	179	152	372	331	573	526	794	714

* Dollar amounts shown are rounded to millions; certain amounts may not add due to rounding. Ratios are calculated based on whole dollar amounts.

*NM — Not meaningful

* Statutory data prepared in accordance with statutory accounting rules as defined by the National Association of Insurance Commissioners and filed with the appropriate regulatory bodies.

Cincinnati Insurance Group — Personal Lines
Statutory Quarterly Analysis
(Based on reported data — see Page 29 for adjusted data)

(Dollars in millions)									Six months ended		Nine months ended		Twelve months ended	
	12/31/07	9/30/07	6/30/07	Three months ended		9/30/06	6/30/06	3/31/06	6/30/07	6/30/06	9/30/07	9/30/06	12/31/07	12/31/06
				3/31/07	12/31/06									
Net premiums written	\$ 162	\$ 192	\$ 197	\$ 153	\$ 166	\$ 198	\$ 211	\$ 161	\$ 350	\$ 372	\$ 542	\$ 570	\$ 704	\$ 736
Net premiums earned	\$ 176	\$ 177	\$ 180	\$ 181	\$ 183	\$ 189	\$ 194	\$ 196	\$ 361	\$ 389	\$ 538	\$ 579	\$ 714	\$ 762
Losses paid	\$ 103	\$ 110	\$ 110	\$ 105	\$ 119	\$ 120	\$ 130	\$ 113	\$ 214	\$ 242	\$ 324	\$ 362	\$ 426	\$ 481
Loss reserve change	(30)	3	(4)	(17)	(1)	3	6	(11)	(20)	(4)	(17)	(1)	(47)	(2)
Total losses incurred	\$ 73	\$ 113	\$ 106	\$ 88	\$ 118	\$ 123	\$ 136	\$ 102	\$ 194	\$ 238	\$ 307	\$ 361	\$ 379	\$ 479
Allocated loss expense paid	4	3	3	3	4	4	3	3	7	6	10	10	14	13
Allocated loss expense reserve change	(1)	(1)	—	—	(2)	—	1	—	—	1	(1)	1	(2)	—
Total allocated loss expense incurred	\$ 3	\$ 2	\$ 3	\$ 3	\$ 2	\$ 4	\$ 4	\$ 3	\$ 7	\$ 7	\$ 9	\$ 11	\$ 12	\$ 13
Unallocated loss expense paid	12	13	11	13	15	13	11	12	24	24	38	36	50	51
Unallocated loss expense reserve change	(3)	—	—	(1)	(1)	—	—	—	(1)	(1)	(2)	—	(3)	(1)
Total unallocated loss expense incurred	\$ 9	\$ 13	\$ 11	\$ 12	\$ 14	\$ 13	\$ 11	\$ 12	\$ 23	\$ 23	\$ 36	\$ 36	\$ 47	\$ 50
Underwriting expenses incurred	52	60	63	56	57	59	60	62	118	122	178	182	231	239
Underwriting profit (loss)	\$ 39	\$ (11)	\$ (3)	\$ 22	\$ (8)	\$ (10)	\$ (17)	\$ 17	\$ 19	\$ (1)	\$ 8	\$ (11)	\$ 45	\$ (19)
Ratio Data														
Loss ratio	41.3%	63.8%	58.6%	48.9%	64.4%	65.1%	70.0%	52.2%	53.8%	61.1%	57.1%	62.4%	53.2%	62.9%
Allocated loss expense ratio	1.8	1.4	1.9	1.8	1.2	1.9	2.1	1.7	1.9	1.9	1.7	2.0	1.7	1.7
Unallocated loss expense ratio	5.5	7.3	6.2	6.6	7.8	6.6	5.8	6.2	6.4	6.0	6.7	6.1	6.4	6.6
Net underwriting expense ratio	32.8	31.1	31.9	36.2	34.3	30.4	28.5	38.0	33.7	32.6	32.8	31.8	32.8	32.4
Statutory combined ratio	81.4%	103.6%	98.6%	93.5%	107.7%	104.0%	106.4%	98.1%	95.8%	101.6%	98.3%	102.3%	94.1%	103.6%
Statutory combined ratio excluding catastrophes	82.4%	96.6%	95.1%	97.6%	89.8%	97.0%	90.8%	93.1%	96.1%	91.3%	96.2%	93.0%	92.8%	92.3%
Loss Detail														
New losses \$250,000-\$500,000	\$ 8	\$ 6	\$ 6	\$ 5	\$ 4	\$ 5	\$ 6	\$ 8	\$ 11	\$ 14	\$ 17	\$ 19	\$ 25	\$ 23
New losses \$500,000-\$750,000	2	3	3	3	4	4	1	1	6	2	9	6	11	10
New losses \$750,000-\$1,000,000	2	1	3	1	—	4	3	2	4	5	5	9	7	9
New losses \$1,000,000-\$2,000,000	5	1	3	5	4	4	3	2	8	5	9	9	14	13
New losses \$2,000,000-\$4,000,000	2	7	4	—	—	5	2	—	4	2	11	7	13	7
New losses greater than \$4,000,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Case reserve development above \$250,000	8	5	2	4	6	5	7	5	6	12	11	17	19	23
Large losses subtotal	\$ 27	\$ 23	\$ 21	\$ 18	\$ 18	\$ 27	\$ 22	\$ 18	\$ 39	\$ 40	\$ 62	\$ 67	\$ 89	\$ 85
IBNR incurred	(14)	—	1	—	(12)	1	1	—	1	1	1	1	(13)	(11)
Catastrophe losses incurred	(2)	12	6	(7)	33	13	30	10	(1)	40	11	54	10	86
Remaining incurred	62	78	78	77	79	82	83	74	155	157	233	239	293	319
Total losses incurred	\$ 73	\$ 113	\$ 106	\$ 88	\$ 118	\$ 123	\$ 136	\$ 102	\$ 194	\$ 238	\$ 307	\$ 361	\$ 379	\$ 479
Loss Ratio														
New losses \$250,000-\$500,000	4.5%	3.4%	3.3%	3.0%	2.3%	2.4%	2.7%	4.1%	3.1%	3.6%	3.3%	3.0%	3.6%	2.8%
New losses \$500,000-\$750,000	1.1	1.7	1.7	1.9	2.2	1.9	0.4	0.5	1.8	0.5	1.7	0.9	1.5	1.1
New losses \$750,000-\$1,000,000	1.1	0.6	1.7	0.7	—	2.0	1.3	1.0	1.1	1.3	0.9	1.5	1.0	1.0
New losses \$1,000,000-\$2,000,000	2.8	0.6	1.7	3.0	2.2	2.2	2.0	1.0	2.3	1.3	1.7	1.8	2.0	2.0
New losses \$2,000,000-\$4,000,000	1.0	4.1	2.2	—	—	2.7	1.4	—	1.1	0.5	2.1	1.3	1.8	1.0
New losses greater than \$4,000,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Case reserve development above \$250,000	4.4	2.9	1.2	2.2	3.4	2.2	3.5	2.6	1.8	3.1	2.1	2.9	2.7	3.0
Large losses subtotal	15.1%	13.2%	11.8%	10.6%	10.0%	13.6%	11.4%	9.2%	11.2%	10.3%	11.8%	11.4%	12.6%	11.0%
IBNR incurred	(7.8)	—	0.4	—	(6.8)	0.1	0.7	—	0.2	0.3	0.1	0.3	(1.8)	(1.4)
Total catastrophe losses incurred	(1.0)	7.0	3.5	(4.1)	17.9	7.1	15.6	5.0	(0.3)	10.3	2.1	9.3	1.3	11.3
Remaining incurred	35.0	43.6	42.9	42.4	43.3	44.3	42.3	38.0	42.7	40.2	43.1	41.4	41.1	42.0
Total loss ratio	41.3%	63.8%	58.6%	48.9%	64.4%	65.1%	70.0%	52.2%	53.8%	61.1%	57.1%	62.4%	53.2%	62.9%
Loss Claim Count														
New losses \$250,000-\$500,000	24	18	18	15	14	15	16	24	33	40	51	55	75	69
New losses \$500,000-\$750,000	4	5	5	4	6	6	1	1	9	2	14	8	18	14
New losses \$750,000-\$1,000,000	3	2	4	1	—	4	4	2	5	6	7	10	10	10
New losses \$1,000,000-\$2,000,000	4	1	2	4	3	3	2	2	6	4	7	7	11	10
New losses \$2,000,000-\$4,000,000	1	2	1	—	—	2	1	—	1	1	3	3	4	3
New losses greater than \$4,000,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Case reserve development above \$250,000	16	13	7	8	13	13	12	12	15	24	28	37	44	50
Large losses total	52	41	37	32	36	43	36	41	69	77	110	120	162	156

* Dollar amounts shown are rounded to millions; certain amounts may not add due to rounding. Ratios are calculated based on whole dollar amounts.

*NM — Not meaningful

* Statutory data prepared in accordance with statutory accounting rules as defined by the National Association of Insurance Commissioners and filed with the appropriate regulatory bodies.

Cincinnati Insurance Group
Direct Written Premiums by Risk State by Line of Business for the Twelve Months Ended December 31, 2007

(Dollars in millions)

Risk State	Comm Casualty	Comm Prop	Comm Auto	Workers' Comp	Specialty Packages	Surety & Exec Risk	Mach. & Equip	Pers Auto	Home Owner	Other Personal	12/31/2007 Agency Direct	12/31/2006 Agency Direct	Commercial Change %	Personal Change %	Total Change %
AL	\$ 21.1	\$ 16.9	\$ 8.5	\$ 1.3	\$ 7.1	\$ 2.0	\$ 0.6	\$ 15.5	\$ 22.8	\$ 4.8	\$ 100.6	\$ 94.2	8.1	4.9	6.7
AZ	13.6	6.1	9.6	0.3	1.0	0.8	0.6	0.0	0.2	0.1	32.3	30.1	7.1	(0.5)	7.0
AR	10.5	9.6	6.0	5.2	3.6	1.3	0.4	2.6	2.9	0.8	42.9	45.3	(5.6)	(4.5)	(5.4)
DE	1.1	0.6	0.7	1.9	0.1	0.0	0.0	0.0	0.0	0.0	4.5	3.7	23.6	183.0	23.6
FL	36.3	25.5	13.4	1.8	3.1	2.7	1.0	12.4	23.4	3.6	123.2	121.5	(1.5)	8.4	1.4
GA	28.7	21.6	19.3	12.4	7.0	7.1	0.8	30.7	26.0	7.0	160.7	157.2	5.0	(1.7)	2.2
ID	9.4	4.4	4.9	0.2	0.9	0.9	0.3	0.0	0.0	0.0	20.9	17.0	22.7	(96.2)	22.6
IL	79.5	46.3	31.0	60.9	13.4	8.2	3.1	23.9	18.9	6.2	291.5	303.3	(3.9)	(3.9)	(3.9)
IN	51.2	38.3	25.2	30.1	7.9	7.5	2.3	27.2	25.7	6.7	222.3	229.9	(2.3)	(5.9)	(3.3)
IA	21.0	14.8	9.3	24.0	4.5	2.6	1.3	4.3	4.3	1.8	88.0	89.1	(0.2)	(7.5)	(1.1)
KS	7.6	7.6	4.4	7.1	3.2	1.4	0.4	4.8	6.2	1.3	44.0	42.4	7.3	(4.5)	3.7
KY	22.1	19.3	14.3	3.8	5.1	3.2	0.9	19.3	15.0	3.9	106.9	106.2	2.2	(2.2)	0.6
MD	14.6	6.4	10.6	12.6	1.0	1.8	0.3	(0.0)	1.4	0.5	49.2	47.1	4.4	3.8	4.4
MI	38.3	24.2	16.7	20.2	12.5	6.1	1.7	12.5	15.5	3.3	150.9	166.3	(9.1)	(10.0)	(9.3)
MN	25.9	17.0	10.0	8.3	3.9	2.5	1.1	6.3	5.4	2.9	83.4	84.5	0.2	(8.1)	(1.3)
MO	27.7	20.3	12.9	19.4	5.3	2.4	1.2	2.6	4.2	0.9	96.9	92.4	7.0	(14.3)	4.9
MT	14.4	7.3	7.1	0.1	0.9	0.4	0.4	0.1	0.1	0.0	30.6	28.6	7.0	4.0	7.0
NE	6.8	5.5	3.5	8.6	1.4	1.0	0.4	1.0	1.2	0.3	29.7	32.0	(5.9)	(19.2)	(7.2)
NH	2.8	1.9	1.4	2.4	0.8	0.5	0.1	0.7	0.7	0.4	11.8	12.1	(1.8)	(8.6)	(2.9)
NY	32.9	7.6	10.3	2.4	1.5	3.6	0.6	0.0	0.0	0.0	59.0	50.4	17.1	10.8	17.1
NC	44.4	30.2	23.1	28.9	12.4	7.9	1.4	1.0	1.6	2.5	153.5	149.3	3.2	(7.0)	2.8
ND	5.1	3.6	2.6	0.0	0.8	0.6	0.2	0.6	0.6	0.2	14.3	12.6	16.6	(12.1)	13.2
OH	160.4	93.0	70.5	(0.4)	21.5	25.9	4.5	132.0	92.4	30.5	630.3	668.3	(6.3)	(4.8)	(5.7)
PA	47.9	28.8	29.1	53.8	9.8	5.9	1.7	8.0	6.4	3.3	194.8	198.6	(2.1)	(0.5)	(1.9)
SC	14.6	9.7	9.1	5.6	2.4	2.9	0.4	0.0	0.1	0.2	44.9	43.7	2.8	28.1	2.9
SD	4.5	2.9	2.3	4.3	0.4	0.5	0.2	0.0	0.0	0.0	15.1	14.2	6.8	(10.9)	6.7
TN	26.2	18.4	15.2	12.9	8.6	4.1	1.0	8.2	8.6	3.0	106.2	104.3	1.2	4.5	1.8
UT	11.7	4.1	5.0	0.0	0.4	1.6	0.3	0.0	0.0	0.0	23.2	18.5	25.4	12.7	25.4
VT	5.4	4.3	2.9	7.5	1.1	0.8	0.3	0.8	0.9	0.3	24.2	22.8	6.9	(2.8)	6.0
VA	34.0	24.9	22.5	23.3	4.9	5.4	1.1	10.0	8.3	2.9	137.2	143.3	(4.4)	(3.6)	(4.3)
WV	8.6	6.1	5.9	0.0	2.3	1.0	0.3	0.0	0.9	0.3	25.4	26.3	(3.5)	(6.6)	(3.6)
WI	29.8	18.2	12.6	25.2	4.7	2.4	1.6	9.3	7.6	3.3	114.7	119.0	(2.8)	(7.8)	(3.7)
All Other	5.3	4.3	4.1	4.9	0.1	1.4	0.2	0.0	0.2	0.0	20.7	19.1	8.2	11.6	8.3
Total	\$863.2	\$549.9	\$424.1	\$389.1	\$153.7	\$116.4	\$30.9	\$333.9	\$301.5	\$91.0	\$3,253.6	\$3,293.5	(0.5)	(3.5)	(1.2)
Other Direct	1.0	1.5	0.8	6.7	0.4	0.0	0.0	0.9	2.6	1.8	15.7	18.6	(17.9)	15.7	(15.6)
Total Direct	\$864.2	\$551.4	\$424.9	\$395.8	\$154.1	\$116.4	\$30.9	\$334.8	\$304.1	\$92.8	\$3,269.3	\$3,312.1	(0.7)	(3.4)	(1.3)

Cincinnati Insurance Group
Quarterly Property Casualty Data — By Commercial Lines of Business

(Dollars in millions)														
	12/31/07	9/30/07	6/30/07	Three months ended					Six months ended		Nine months ended		Twelve months ended	
				3/31/07	12/31/06	9/30/06	6/30/06	3/31/06	6/30/07	6/30/06	9/30/07	9/30/06	12/31/07	12/31/06
Commercial casualty:														
Written premiums	\$ 189	\$ 179	\$ 218	\$ 245	\$ 204	\$ 196	\$ 209	\$ 228	\$ 462	\$ 437	\$ 641	\$ 634	\$ 830	\$ 838
Earned premiums	204	205	209	209	219	207	208	197	418	405	623	613	827	831
Loss and loss expenses ratio	32.0%	63.7%	54.6%	53.5%	58.8%	49.4%	51.8%	51.3%	54.2%	51.6%	57.4%	50.8%	51.1%	53.0%
Less catastrophe loss ratio	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Loss and loss expenses excluding catastrophe loss ratio	32.0%	63.7%	54.6%	53.5%	58.8%	49.4%	51.8%	51.3%	54.2%	51.6%	57.4%	50.8%	51.1%	53.0%
Commercial property:														
Written premiums	\$ 116	\$ 120	\$ 125	\$ 138	\$ 124	\$ 126	\$ 122	\$ 134	\$ 263	\$ 256	\$ 383	\$ 381	\$ 499	\$ 505
Earned premiums	124	125	125	123	123	123	123	121	248	244	373	367	497	491
Loss and loss expenses ratio	32.9%	61.5%	45.8%	53.6%	47.0%	54.9%	55.8%	72.6%	49.7%	64.2%	53.7%	61.0%	48.5%	57.5%
Less catastrophe loss ratio	—	(1.4)	3.2	6.9	7.1	9.9	15.9	22.7	5.0	19.3	2.9	16.1	2.2	13.9
Loss and loss expenses excluding catastrophe loss ratio	32.9%	62.9%	42.6%	46.7%	39.9%	45.0%	39.9%	49.9%	44.7%	44.9%	50.8%	44.9%	46.3%	43.6%
Commercial auto:														
Written premiums	\$ 100	\$ 92	\$ 112	\$ 124	\$ 105	\$ 105	\$ 115	\$ 126	\$ 236	\$ 240	\$ 329	\$ 345	\$ 429	\$ 450
Earned premiums	110	108	110	113	116	113	112	112	223	224	331	337	440	453
Loss and loss expenses ratio	60.3%	66.9%	62.9%	64.6%	58.5%	72.8%	57.0%	57.7%	63.4%	57.4%	64.5%	62.5%	63.5%	61.5%
Less catastrophe loss ratio	(0.2)	0.4	—	(0.2)	0.6	(0.5)	3.1	0.6	—	1.9	0.1	1.0	—	0.9
Loss and loss expenses excluding catastrophe loss ratio	60.5%	66.5%	62.9%	64.8%	57.9%	73.3%	53.9%	57.1%	63.4%	55.5%	64.4%	61.5%	63.5%	60.6%
Workers' compensation:														
Written premiums	\$ 88	\$ 84	\$ 92	\$ 113	\$ 91	\$ 85	\$ 91	\$ 111	\$ 206	\$ 203	\$ 289	\$ 288	\$ 378	\$ 379
Earned premiums	93	94	95	92	95	93	90	88	187	178	280	271	373	366
Loss and loss expenses ratio	113.6%	82.0%	66.8%	76.5%	89.3%	90.3%	83.1%	78.6%	71.5%	80.8%	75.0%	84.1%	84.6%	85.4%
Less catastrophe loss ratio	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Loss and loss expenses excluding catastrophe loss ratio	113.6%	82.0%	66.8%	76.5%	89.3%	90.3%	83.1%	78.6%	71.5%	80.8%	75.0%	84.1%	84.6%	85.4%
Specialty package:														
Written premiums	\$ 36	\$ 34	\$ 36	\$ 41	\$ 35	\$ 35	\$ 34	\$ 40	\$ 77	\$ 74	\$ 111	\$ 109	\$ 146	\$ 144
Earned premiums	36	36	37	36	35	35	35	36	73	71	109	106	146	141
Loss and loss expenses ratio	41.9%	76.7%	49.9%	69.6%	44.9%	74.2%	82.1%	64.3%	59.6%	73.1%	65.3%	73.5%	59.4%	66.3%
Less Catastrophe loss ratio	0.6	6.2	2.6	7.0	5.8	7.1	29.2	3.6	4.7	16.2	5.2	13.3	4.1	11.4
Loss and loss expenses excluding catastrophe loss ratio	41.3%	70.5%	47.3%	62.6%	39.1%	67.1%	52.9%	60.7%	54.9%	56.9%	60.1%	60.2%	55.3%	54.9%
Surety and executive risk:														
Written premiums	\$ 26	\$ 28	\$ 23	\$ 25	\$ 23	\$ 28	\$ 24	\$ 22	\$ 48	\$ 46	\$ 76	\$ 74	\$ 102	\$ 97
Earned premiums	27	25	24	24	24	24	24	21	47	45	73	69	100	93
Loss and loss expenses ratio	55.7%	36.5%	49.3%	24.0%	36.3%	47.3%	89.6%	26.5%	36.7%	60.1%	36.7%	55.6%	41.8%	50.7%
Less catastrophe loss ratio	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Loss and loss expenses excluding catastrophe loss ratio	55.7%	36.5%	49.3%	24.0%	36.3%	47.3%	89.6%	26.5%	36.7%	60.1%	36.7%	55.6%	41.8%	50.7%
Machinery and equipment:														
Written premiums	\$ 7	\$ 7	\$ 7	\$ 7	\$ 7	\$ 7	\$ 8	\$ 7	\$ 14	\$ 15	\$ 22	\$ 22	\$ 29	\$ 29
Earned premiums	7	7	7	7	7	7	7	7	14	14	21	20	28	27
Loss and loss expense ratio	27.8%	34.7%	20.4%	28.2%	62.4%	45.2%	27.0%	32.2%	24.3%	29.6%	27.8%	34.8%	27.8%	42.0%
Less catastrophe loss ratio	(0.8)	1.3	—	(1.6)	(0.5)	2.1	—	—	(0.8)	0.1	(0.1)	0.8	(0.3)	0.4
Loss and loss expense excluding catastrophe loss ratio	28.6%	33.4%	20.4%	29.8%	62.9%	43.1%	27.0%	32.2%	25.1%	29.5%	27.9%	34.0%	28.1%	41.6%

* Dollar amounts shown are rounded to millions; certain amounts may not add due to rounding. Ratios are calculated based on whole dollar amounts. The sum of quarterly amounts may not equal the full year as each is computed independently.

Cincinnati Insurance Group
Quarterly Property Casualty Data — By Personal Lines of Business

(Dollars in millions)	Three months ended								Six months ended		Nine months ended		Twelve months ended	
	12/31/07	9/30/07	6/30/07	3/31/07	12/31/06	9/30/06	6/30/06	3/31/06	6/30/07	6/30/06	9/30/07	9/30/06	12/31/07	12/31/06
Personal auto:														
Written premiums	\$ 75	\$ 92	\$ 93	\$ 72	\$ 79	\$ 96	\$ 104	\$ 79	\$ 164	\$ 184	\$ 256	\$ 279	\$ 332	\$ 359
Earned premiums	83	85	86	88	91	95	98	101	174	199	259	294	342	385
Loss and loss expenses ratio	65.3%	67.7%	67.6%	66.5%	74.3%	60.6%	65.8%	60.1%	67.1%	62.9%	67.3%	62.2%	66.8%	65.0%
Less catastrophe loss ratio	(0.3)	0.7	(0.3)	(2.3)	5.7	1.4	3.6	0.8	(1.3)	2.2	(0.6)	2.0	(0.6)	2.8
Loss and loss expenses excluding catastrophe loss ratio	65.6%	67.0%	67.9%	68.8%	68.6%	59.2%	62.2%	59.3%	68.4%	60.7%	67.9%	60.2%	67.4%	62.2%
Homeowner:														
Written premiums	\$ 66	\$ 77	\$ 80	\$ 61	\$ 66	\$ 79	\$ 83	\$ 62	\$ 141	\$ 144	\$ 218	\$ 224	\$ 284	\$ 290
Earned premiums	71	70	72	71	70	72	74	73	143	146	214	219	285	289
Loss and loss expenses ratio	36.6%	82.7%	66.9%	50.0%	80.8%	93.9%	93.1%	64.0%	58.5%	78.6%	66.5%	83.7%	59.0%	83.0%
Less catastrophe loss ratio	(2.3)	15.6	8.3	(7.5)	36.0	15.0	33.1	11.1	0.4	22.1	5.4	19.8	3.5	23.7
Loss and loss expenses excluding catastrophe loss ratio	38.9%	67.1%	58.6%	57.5%	44.8%	78.9%	60.0%	52.9%	58.1%	56.5%	61.1%	63.9%	55.5%	59.3%
Other personal:														
Written premiums	\$ 21	\$ 23	\$ 24	\$ 20	\$ 21	\$ 23	\$ 24	\$ 20	\$ 44	\$ 44	\$ 67	\$ 67	\$ 88	\$ 87
Earned premiums	22	22	22	22	22	22	22	22	43	45	65	66	87	88
Loss and loss expenses ratio	24.1%	57.9%	62.8%	43.4%	45.6%	63.3%	80.9%	47.4%	53.1%	64.2%	54.7%	63.9%	47.0%	59.4%
Less Catastrophe loss ratio	0.6	3.7	3.5	(0.1)	9.9	5.2	10.8	3.8	1.3	7.4	2.0	6.6	1.7	7.4
Loss and loss expenses excluding catastrophe loss ratio	23.5%	54.2%	59.3%	43.5%	35.7%	58.1%	70.1%	43.6%	51.8%	56.8%	52.7%	57.3%	45.3%	52.0%

* Dollar amounts shown are rounded to millions; certain amounts may not add due to rounding. Ratios are calculated based on whole dollar amounts. The sum of quarterly amounts may not equal the full year as each is computed independently.

Cincinnati Insurance Group
Quarterly Detailed Loss Analysis

(Dollars in millions)															
	12/31/07	9/30/07	6/30/07	Three months ended					Six months ended		Nine months ended		Twelve months ended		
				3/31/07	12/31/06	9/30/06	6/30/06	3/31/06	6/30/07	6/30/06	9/30/07	9/30/06	12/31/07	12/31/06	
All Lines															
Loss and loss expenses:															
Loss and loss expenses — current AY	\$ 515	\$ 558	\$ 484	\$ 472	\$ 539	\$ 526	\$ 468	\$ 414	\$ 956	\$ 882	\$1,515	\$1,407	\$2,029	\$1,947	
Loss and loss expenses — prior AY's	(118)	(47)	(40)	(18)	(81)	(37)	(13)	18	(58)	5	(106)	(32)	(223)	(113)	
Catastrophes — current AY	(1)	15	15	17	42	29	67	38	31	105	48	134	46	176	
Catastrophes — prior AY's	(1)	(2)	(4)	(13)	2	(2)	(3)	1	(17)	(2)	(20)	(4)	(20)	(2)	
Total	\$ 395	\$ 524	\$ 455	\$ 458	\$ 502	\$ 516	\$ 519	\$ 471	\$ 912	\$ 990	\$1,437	\$1,505	\$1,832	\$2,008	
Ratio to Earned Premiums															
Loss and loss expenses :															
Loss and loss expenses — current AY	66.3%	71.9%	61.6%	60.2%	67.2%	66.4%	59.1%	53.2%	60.9%	56.2%	64.5%	59.7%	64.9%	61.6%	
Loss and loss expenses — prior AY's	(15.2)	(6.2)	(5.1)	(2.3)	(10.1)	(4.7)	(1.7)	2.4	(3.7)	0.3	(4.5)	(1.3)	(7.1)	(3.6)	
Catastrophes — current AY	(0.1)	2.0	1.9	2.1	5.4	3.7	8.5	4.9	2.0	6.7	2.0	5.7	1.4	5.6	
Catastrophes — prior AY's	(0.1)	(0.3)	(0.5)	(1.7)	0.2	(0.2)	(0.5)	0.2	(1.1)	(0.2)	(0.9)	(0.2)	(0.6)	(0.1)	
Total	50.9%	67.4%	57.9%	58.3%	62.6%	65.2%	65.3%	60.6%	58.1%	63.0%	61.1%	63.9%	58.6%	63.5%	
Commercial Lines															
Loss and loss expenses:															
Loss and loss expenses — current AY	\$ 412	\$ 433	\$ 370	\$ 357	\$ 421	\$ 396	\$ 349	\$ 310	\$ 727	\$ 659	\$1,159	\$1,054	\$1,571	\$1,476	
Loss and loss expenses — prior AY's	(102)	(38)	(40)	(13)	(64)	(33)	(15)	14	(53)	(1)	(91)	(34)	(193)	(98)	
Catastrophes — current AY	—	5	8	13	9	15	35	28	21	63	27	78	26	87	
Catastrophes — prior AY's	0	(4)	(3)	(3)	2	(1)	(1)	1	(6)	—	(10)	(1)	(10)	1	
Total	\$ 310	\$ 396	\$ 335	\$ 354	\$ 368	\$ 377	\$ 368	\$ 353	\$ 689	\$ 721	\$1,085	\$1,097	\$1,394	\$1,466	
Ratio to Earned Premiums															
Loss and loss expenses:															
Loss and loss expenses — current AY	68.5%	72.2%	61.0%	59.0%	67.9%	65.7%	58.3%	53.3%	60.0%	55.8%	64.0%	59.2%	65.2%	61.4%	
Loss and loss expenses — prior AY's	(17.0)	(6.4)	(6.6)	(2.1)	(10.3)	(5.5)	(2.5)	2.5	(4.3)	0.0	(5.0)	(1.9)	(8.0)	(4.1)	
Catastrophes — current AY	0.0	0.9	1.4	2.2	1.6	2.5	5.9	4.8	1.8	5.4	1.6	4.4	1.1	3.7	
Catastrophes — prior AY's	(0.0)	(0.8)	(0.5)	(0.4)	0.3	(0.2)	(0.4)	0.2	(0.5)	(0.1)	(0.6)	(0.1)	(0.4)	—	
Total	51.5%	66.0%	55.3%	58.6%	59.5%	62.6%	61.3%	60.8%	57.0%	61.1%	60.0%	61.6%	57.9%	61.0%	
Personal Lines															
Loss and loss expenses:															
Loss and loss expenses — current AY	\$ 103	\$ 125	\$ 114	\$ 115	\$ 118	\$ 130	\$ 119	\$ 104	\$ 229	\$ 223	\$ 356	\$ 353	\$ 458	\$ 471	
Loss and loss expenses — prior AY's	(16)	(9)	—	(5)	(17)	(4)	2	4	(5)	6	(15)	2	(30)	(15)	
Catastrophes — current AY	(1)	10	7	4	33	14	32	10	10	42	21	56	20	89	
Catastrophes — prior AY's	(1)	2	(1)	(10)	—	(1)	(2)	—	(11)	(2)	(10)	(3)	(10)	(3)	
Total	\$ 85	\$ 128	\$ 120	\$ 104	\$ 134	\$ 139	\$ 151	\$ 118	\$ 223	\$ 269	\$ 352	\$ 408	\$ 438	\$ 542	
Ratio to Earned Premiums															
Loss and loss expenses:															
Loss and loss expenses — current AY	58.5%	70.8%	63.3%	64.4%	64.9%	68.8%	61.5%	53.1%	63.8%	57.3%	66.1%	61.0%	64.2%	61.9%	
Loss and loss expenses — prior AY's	(8.9)	(5.3)	(0.1)	(3.0)	(9.4)	(2.2)	0.7	2.0	(1.5)	1.4	(2.8)	0.3	(4.2)	(2.0)	
Catastrophes — current AY	(0.7)	5.9	3.8	2.0	18.1	7.3	16.4	5.1	2.9	10.7	3.9	9.7	2.7	11.7	
Catastrophes — prior AY's	(0.3)	1.1	(0.3)	(6.1)	(0.2)	(0.3)	(0.8)	(0.1)	(3.2)	(0.4)	(1.8)	(0.5)	(1.4)	(0.4)	
Total	48.6%	72.5%	66.7%	57.3%	73.4%	73.7%	77.9%	60.1%	62.0%	69.0%	65.4%	70.5%	61.3%	71.2%	

Cincinnati Insurance Group
10-Year Property Casualty Data — Consolidated

(Dollars in millions)	2007	2006	2005	2004	Years ended December 31,		2001	2000	1999	1998
					2003	2002				
Premiums										
Adjusted written premiums (statutory)*	\$ 3,149	\$ 3,172	\$ 3,097	\$ 3,026	\$ 2,789	\$ 2,496	\$ 2,188	\$ 1,936	\$ 1,681	\$ 1,558
Codification	—	—	—	—	—	—	402	(55)	—	—
Written premium adjustment — statutory only	(32)	6	(21)	(29)	26	117	—	—	—	—
Reported written premiums (statutory)**	3,117	3,178	3,076	2,997	2,815	2,613	2,590	1,881	1,681	1,558
Unearned premiums change	8	(14)	(18)	(78)	(162)	(222)	(517)	(53)	(23)	(15)
Earned premiums (GAAP)	\$ 3,125	\$ 3,164	\$ 3,058	\$ 2,919	\$ 2,653	\$ 2,391	\$ 2,073	\$ 1,828	\$ 1,658	\$ 1,543
Year-over-year growth rate:										
Adjusted written premiums (statutory)	(0.7)%	2.4%	2.3%	8.5%	11.7%	14.0%	13.0%	15.2%	7.9%	6%
Written premiums (statutory)	(1.9)%	3.3%	2.6%	6.5%	7.7%	0.9%	37.7%	11.9%	7.9%	5.8%
Earned premiums	(1.2)%	3.5%	4.8%	10.0%	11.0%	15.3%	13.4%	10.3%	7.5%	6.1%
Statutory combined ratio										
Reported statutory combined ratio*	90.3%	93.9%	89.0	89.4%	94.2%	98.4%	99.5%	112.5%	100.4%	104.2%
Codification	—	—	—	—	—	—	4.1	(0.9)	—	—
Written premium adjustment — statutory only	nm	nm	nm	nm	nm	1.2	—	—	—	—
One-time item	—	—	—	—	0.8	—	—	(1.7)	—	—
Statutory combined ratio (adjusted)	90.3%	93.9%	89.0%	89.4%	95.0%	99.6%	103.6%	109.9%	100.4%	104.2%
Less catastrophe losses	0.8	5.5	4.1	5.1	3.6	3.6	3.1	2.7	2.5	6.1
Statutory combined ratio excluding catastrophe losses (adjusted)	89.5%	88.4%	84.9%	84.3%	91.4%	96.0%	100.5%	107.2%	97.9%	98.1%
Reported commission expense ratio*	19.2%	18.7%	19.3%	19.2%	17.6%	15.9%	13.9%	17.4%	17.4%	17.6%
Codification	—	—	—	—	—	—	2.6	(0.5)	—	—
Written premium adjustment — statutory only	nm	nm	nm	nm	nm	0.8	—	—	—	—
One-time item	—	—	—	—	—	—	—	—	—	—
Commission expense ratio (adjusted)	19.2%	18.7%	19.3%	19.2%	17.6%	16.7%	16.5%	16.9%	17.4%	17.6%
Reported other expense ratio*	12.5%	11.7%	10.5%	10.1%	8.9%	9.6%	8.7%	12.6%	11.4%	11.9%
Codification	—	—	—	—	—	—	1.5	(0.4)	—	—
Written premium adjustment — statutory only	nm	nm	nm	nm	nm	0.4	—	—	—	—
One-time item	—	—	—	—	0.8	—	—	(1.7)	—	—
Other expense ratio (adjusted)	12.5%	11.7%	10.5%	10.1%	9.7%	10.0%	10.2%	10.5%	11.4%	11.9%
Reported statutory expense ratio*	31.7%	30.4%	29.8%	29.3%	26.5%	25.5%	22.6%	30.0%	28.8%	29.5%
Codification	—	—	—	—	—	—	4.1	(0.9)	—	—
Written premium adjustment — statutory only	nm	nm	nm	nm	nm	1.2	—	—	—	—
One-time item	—	—	—	—	0.8	—	—	(1.7)	—	—
Statutory expense ratio (adjusted)	31.7%	30.4%	29.8%	29.3%	27.3%	26.7%	26.7%	27.4%	28.8%	29.5%
GAAP combined ratio										
GAAP combined ratio	90.3%	94.3%	89.2%	89.8%	94.7%	99.7%	104.9%	112.8%	100.2%	104.3%
One-time item	—	—	—	—	0.8	—	—	(2.1)	—	—
GAAP combined ratio before one-time item	90.3%	94.3%	89.2%	89.8%	95.5%	99.7%	104.9%	110.7%	100.2%	104.3%
Written premiums to surplus										
Adjusted premiums to statutory surplus ratio	0.731	0.668	0.739	0.721	1.002	1.067	0.864	—	—	—
Written premium adjustment	(0.007)	0.001	(0.005)	(0.007)	0.010	0.050	0.159	—	—	—
Reported premiums to statutory surplus ratio	0.724	0.669	0.734	0.714	1.012	1.117	1.023	—	—	—

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*nm — Not meaningful

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** Prior to 2001, property casualty written premiums were recognized as they were billed throughout the policy period. Effective January 1, 2001, written premiums have been recognized on an annualized basis at the effective date of the policy. Written premiums for 2000 were reclassified to conform with the 2001 presentation; information was not readily available to reclassify earlier year statutory data. The growth rates in written premiums between 1999 and 2000 are overstated because 1999 premiums are shown on a billed basis.

Cincinnati Insurance Group
6-Year Property Casualty Data — Commercial Lines

(Dollars in millions)

	2007	2006	Years ended December 31,		2003	2002
			2005	2004		
Premiums						
Adjusted written premiums (statutory)*	\$2,444	\$2,435	\$2,306	\$2,209	\$2,009	\$1,795
Codification	—	—	—	—	—	—
Written premium adjustment — statutory only	(31)	7	(16)	(23)	22	110
Reported written premiums (statutory)	\$2,413	\$2,442	\$2,290	\$2,186	\$2,031	\$1,905
Unearned premiums change	(2)	(40)	(36)	(60)	(123)	(184)
Earned premiums (GAAP)	\$2,411	\$2,402	\$2,254	\$2,126	\$1,908	\$1,721
Year-over-year growth rate:						
Adjusted written premiums (statutory)	0.4%	5.6%	4.4%	10.0%	11.9%	15.8%
Written premiums (statutory)	(1.2)%	6.7%	4.7%	7.6%	6.6%	4.2%
Earned premiums	0.4%	6.6%	6.0%	11.4%	10.8%	18.6%
Statutory combined ratio						
Reported statutory combined ratio*	89.2%	90.8%	87.1%	83.7%	90.9%	95.3%
Codification	—	—	—	—	—	—
Written premium adjustment — statutory only	nm	nm	nm	nm	nm	1.5
One-time item	—	—	—	—	0.7	—
Statutory combined ratio (adjusted)	89.2%	90.8%	87.1%	83.7%	91.6%	96.8%
Less catastrophe losses	0.6	3.7	3.4	3.4	2.2	2.3
Statutory combined ratio excluding catastrophe losses (adjusted)	88.6%	87.1%	83.7%	80.3%	89.4%	94.5%
GAAP combined ratio						
GAAP combined ratio	89.2%	91.3%	87.4%	84.1%	91.3%	96.6%
One-time item	—	—	—	—	0.8	—
GAAP combined ratio before one-time item	89.2%	91.3%	87.4%	84.1%	92.1%	96.6%

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Cincinnati Insurance Group
6-Year Property Casualty Data — Personal Lines

(Dollars in millions)

	2007	2006	Years ended December 31,		2003	2002
			2005	2004		
Premiums						
Adjusted written premiums (statutory)*	\$ 705	\$ 737	\$ 791	\$ 817	\$ 780	\$ 701
Codification	—	—	—	—	—	—
Written premium adjustment — statutory only	(1)	(1)	(5)	(6)	4	7
Reported written premiums (statutory)	\$ 704	\$ 736	\$ 786	\$ 811	\$ 784	\$ 708
Unearned premiums change	10	26	18	(18)	(39)	(38)
Earned premiums (GAAP)	\$ 714	\$ 762	\$ 804	\$ 793	\$ 745	\$ 670

Year-over-year growth rate:

Adjusted written premiums (statutory)	(4.3)%	(6.8)%	(3.2)%	4.7%	12.0%	9.8%
Written premiums (statutory)	(4.4)%	(6.4)%	(3.1)%	3.4%	10.8%	(7.2)%
Earned premiums	(6.3)%	(5.2)%	1.4%	6.4%	11.2%	8.1%

Statutory combined ratio

Reported statutory combined ratio*	94.1%	103.6%	94.3	104.6%	102.9%	106.5%
Codification	—	—	—	—	—	—
Written premium adjustment — statutory only	nm	nm	nm	nm	nm	0.3
One-time item	—	—	—	—	1.0	—
Statutory combined ratio (adjusted)	94.1%	103.6%	94.3%	104.6%	103.9%	106.8%
Less catastrophe losses	1.3	11.3	6.3	9.7	7.3	7.1
Statutory combined ratio excluding catastrophe losses (adjusted)	92.8%	92.3%	88.0%	94.9%	96.6%	99.7%

GAAP combined ratio

GAAP combined ratio	93.9%	103.6%	94.4%	105.0%	103.6%	107.6%
One-time item	—	—	—	—	1.1	—
GAAP combined ratio before one-time item	93.9%	103.6%	94.4%	105.0%	104.7%	107.6%

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Cincinnati Insurance Group
Quarterly Property Casualty Data — Consolidated

(Dollars in millions)	12/31/07	9/30/07	6/30/07	Three months ended					Six months ended		Nine months ended		Twelve months ended	
				3/31/07	12/31/06	9/30/06	6/30/06	3/31/06	6/30/07	6/30/06	9/30/07	9/30/06	12/31/07	12/31/06
Premiums														
Adjusted written premiums (statutory)	\$ 749	\$ 779	\$ 808	\$ 811	\$ 785	\$ 787	\$ 804	\$ 796	\$1,619	\$1,600	\$2,398	\$2,387	\$3,149	\$3,172
Written premium adjustment — statutory only	(25)	(43)	2	35	(30)	(7)	10	33	37	43	(6)	36	(32)	6
Reported written premiums (statutory)*	\$ 724	\$ 736	\$ 810	\$ 846	\$ 755	\$ 780	\$ 814	\$ 829	\$1,656	\$1,643	\$2,392	\$2,423	\$3,117	\$3,178
Unearned premiums change	53	41	(23)	(61)	47	11	(21)	(51)	(85)	(72)	(44)	(61)	8	(14)
Earned premiums	\$ 777	\$ 777	\$ 787	\$ 785	\$ 802	\$ 791	\$ 793	\$ 778	\$1,571	\$1,571	\$2,348	\$2,362	\$3,125	\$3,164
Statutory combined ratio														
Statutory combined ratio	87.8%	98.7%	87.7%	87.7%	95.9%	96.4%	93.7%	89.6%	87.7%	91.7%	91.3%	93.2%	90.3%	93.9%
Less catastrophe losses	(0.3)	1.7	1.4	0.4	5.5	3.5	8.0	5.0	0.9	6.5	1.2	5.5	0.8	5.5
Statutory combined ratio excluding catastrophe losses	88.1%	97.0%	86.3%	87.3%	90.4%	92.9%	85.7%	84.6%	86.8%	85.2%	90.1%	87.7%	89.5%	88.4%
Commission expense ratio	23.1%	18.1%	18.1%	18.0%	19.9%	19.3%	17.6%	18.2%	18.0%	17.9%	18.0%	18.3%	19.2%	18.7%
Other expense ratio	13.9	13.2	11.7	11.4	13.4	11.9	10.8	10.8	11.6	10.8	12.1	11.2	12.5	11.7
Statutory expense ratio	37.0%	31.3%	29.8%	29.4%	33.3%	31.2%	28.4%	29.0%	29.6%	28.7%	30.1%	29.5%	31.7%	30.4%
GAAP combined ratio														
GAAP combined ratio	85.6%	97.3%	88.6%	89.6%	94.5%	96.1%	94.5%	92.0%	89.1%	93.3%	91.8%	94.2%	90.3%	94.3%

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Cincinnati Insurance Group
Quarterly Property Casualty Data — Commercial Lines

(Dollars in millions)	12/31/07	9/30/07	6/30/07	Three months ended					Six months ended		Nine months ended		Twelve months ended	
				3/31/07	12/31/06	9/30/06	6/30/06	3/31/06	6/30/07	6/30/06	9/30/07	9/30/06	12/31/07	12/31/06
Premiums														
Adjusted written premiums (statutory)	\$ 586	\$ 587	\$ 611	\$ 658	\$ 618	\$ 589	\$ 593	\$ 635	\$1,269	\$1,228	\$1,857	\$1,817	\$2,444	\$2,435
Written premium adjustment — statutory only	(24)	(43)	2	35	(29)	(7)	10	33	37	43	(6)	36	(31)	7
Reported written premiums (statutory)*	\$ 562	\$ 544	\$ 613	\$ 693	\$ 589	\$ 582	\$ 603	\$ 668	\$1,306	\$1,271	\$1,851	\$1,853	\$2,413	\$2,442
Unearned premiums change	39	56	(6)	(89)	30	20	(4)	(86)	(96)	(90)	(41)	(70)	(2)	(40)
Earned premiums	\$ 601	\$ 600	\$ 607	\$ 604	\$ 619	\$ 602	\$ 599	\$ 582	\$1,210	\$1,181	\$1,810	\$1,783	\$2,411	\$2,402
Statutory combined ratio														
Statutory combined ratio	89.7%	97.3%	84.4%	86.5%	92.4%	94.1%	89.6%	87.5%	85.4%	88.6%	89.2%	90.3%	89.2%	90.8%
Less catastrophe losses	—	0.2	0.8	1.8	1.9	2.3	5.6	5.1	1.3	5.3	0.9	4.3	0.6	3.7
Statutory combined ratio excluding catastrophe losses	89.7%	97.1%	83.6%	84.7%	90.5%	91.8%	84.0%	82.4%	84.1%	83.3%	88.3%	86.0%	88.6%	87.1%
GAAP combined ratio														
GAAP combined ratio	87.3%	95.4%	85.2%	88.9%	91.1%	93.4%	90.3%	90.5%	87.0%	90.4%	89.8%	91.4%	89.2%	91.3%

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Cincinnati Insurance Group
Quarterly Property Casualty Data — Personal Lines

(Dollars in millions)									Three months ended		Six months ended		Nine months ended		Twelve months ended	
	12/31/07	9/30/07	6/30/07	3/31/07	12/31/06	9/30/06	6/30/06	3/31/06	6/30/07	6/30/06	9/30/07	9/30/06	12/31/07	12/31/06		
Premiums																
Adjusted written premiums (statutory)	\$ 163	\$ 192	\$ 197	\$ 153	\$ 167	\$ 198	\$ 211	\$ 161	\$ 350	\$ 372	\$ 541	\$ 570	\$ 705	\$ 737		
Written premium adjustment — statutory only	(1)	—	—	—	(1)	—	—	—	—	—	—	—	(1)	(1)		
Reported written premiums (statutory)*	\$ 162	\$ 192	\$ 197	\$ 153	\$ 166	\$ 198	\$ 211	\$ 161	\$ 350	\$ 372	\$ 541	\$ 570	\$ 704	\$ 736		
Unearned premiums change	14	(15)	(17)	28	17	(9)	(17)	35	11	18	(3)	9	10	26		
Earned premiums	\$ 176	\$ 177	\$ 180	\$ 181	\$ 183	\$ 189	\$ 194	\$ 196	\$ 361	\$ 390	\$ 538	\$ 579	\$ 714	\$ 762		
Statutory combined ratio																
Statutory combined ratio	81.4%	103.6%	98.6%	93.5%	107.7%	104.0%	106.4%	98.1%	95.8%	101.6%	98.3%	102.3%	94.1%	103.6%		
Less catastrophe losses	(1.0)	7.0	3.5	(4.1)	17.9	7.1	15.6	5.0	(0.3)	10.3	2.1	9.2	1.3	11.3		
Statutory combined ratio excluding catastrophe losses	82.4%	96.6%	95.1%	97.6%	89.8%	96.9%	90.8%	93.1%	96.1%	91.3%	96.2%	93.1%	92.8%	92.3%		
GAAP combined ratio																
GAAP combined ratio	79.7%	103.8%	99.9%	92.0%	106.0%	104.4%	107.6%	96.4%	96.0%	102.0%	98.6%	102.8%	93.9%	103.6%		

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The Cincinnati Life Insurance Company
GAAP Statements of Income

	For the Three Months Ended December 31,				For the Twelve Months Ended December 31,			
	2007	2006	Change	% Change	2007	2006	Change	% Change
Revenues:								
Premiums earned:								
Property casualty	\$ —	\$ —	\$ —	—	\$ —	\$ —	\$ —	—
Life	46,505,810	43,271,070	3,234,740	7.48	171,169,598	152,590,039	18,579,559	12.18
Accident health	1,836,071	1,703,987	132,084	7.75	6,977,193	6,652,508	324,685	4.88
Premiums ceded	(16,517,832)	(16,299,863)	(217,969)	1.34	(53,116,719)	(52,765,624)	(351,095)	0.67
Total premiums earned	31,824,049	28,675,194	3,148,855	10.98	125,030,072	106,476,923	18,553,149	17.42
Investment income	29,822,571	27,053,035	2,769,536	10.24	114,416,869	107,656,860	6,760,009	6.28
Realized investment gains and losses	(11,519,842)	2,533,775	(14,053,617)	(554.65)	40,231,015	44,861,000	(4,629,985)	(10.32)
Other income	982,465	992,375	(9,910)	(1.00)	4,444,171	3,552,294	891,877	25.11
Total revenues	\$ 51,109,243	\$ 59,254,379	\$ (8,145,136)	(13.75)	\$284,122,127	\$262,547,077	\$21,575,050	8.22
Benefits & expenses:								
Losses & policy benefits	\$ 45,653,794	\$ 43,696,578	\$ 1,957,216	4.48	\$173,523,103	\$161,984,990	\$11,538,113	7.12
Reinsurance recoveries	(10,639,102)	(13,247,792)	2,608,690	(19.69)	(40,293,602)	(39,953,090)	(340,512)	0.85
Commissions	5,260,123	5,925,823	(665,700)	(11.23)	25,196,794	25,819,712	(622,918)	(2.41)
Other operating expenses	11,284,880	12,192,870	(907,990)	(7.45)	34,666,846	31,977,077	2,689,769	8.41
Interest expense	—	98,000	(98,000)	—	—	98,000	(98,000)	—
Taxes, licenses & fees	848,388	935,887	(87,499)	(9.35)	3,605,001	3,080,836	524,165	17.01
Incr deferred acq expense	(2,790,742)	(3,479,444)	688,702	(19.79)	(11,521,719)	(17,717,144)	6,195,425	(34.97)
Other expenses	—	1	(1)	—	108	109	(1)	(0.92)
Total expenses	\$ 49,617,341	\$ 46,121,923	\$ 3,495,418	7.58	\$185,176,531	\$165,290,490	\$19,886,041	12.03
Income before income taxes	\$ 1,491,902	\$ 13,132,456	\$ (11,640,554)	(88.64)	\$ 98,945,596	\$ 97,256,587	\$ 1,689,009	1.74
Provision for income taxes:								
Current	\$ 3,120,097	\$ 953,701	\$ 2,166,396	227.16	\$ 7,629,012	\$ 6,273,558	\$ 1,355,454	21.61
Current capital gains/losses	(4,026,945)	947,821	(4,974,766)	(524.86)	14,230,855	15,879,350	(1,648,495)	(10.38)
Deferred	1,103,621	2,628,721	(1,525,100)	(58.02)	12,018,148	12,406,344	(388,196)	(3.13)
Total income taxes	\$ 196,773	\$ 4,530,243	\$ (4,333,470)	(95.66)	\$ 33,878,015	\$ 34,559,252	\$ (681,237)	(1.97)
Net income	\$ 1,295,129	\$ 8,602,213	\$ (7,307,084)	(84.94)	\$ 65,067,581	\$ 62,697,335	\$ 2,370,246	3.78

2007 Fourth-Quarter and Full-Year Financial Supplement

The Cincinnati Life Insurance Company
Statutory Statements of Income

	For the Three Months Ended December 31,			For the Twelve Months Ended December 31,		
	2007	2006	% Change	2007	2006	% Change
Net premiums written	\$38,097,174	\$38,109,979	(0.03)	\$157,997,206	\$153,442,227	2.97
Net investment income	29,823,157	27,053,035	10.24	114,430,186	107,656,860	6.29
Amortization of interest maintenance reserve	(306,167)	59,928	(610.89)	(1,034,092)	160,205	(745.48)
Commissions and expense allowances on reinsurance ceded	2,514,434	2,482,659	1.28	8,979,277	8,261,423	8.69
Income from fees associated with Separate Accounts	982,464	992,375	(1.00)	4,444,171	3,552,294	25.11
Total revenues	\$71,111,062	\$68,697,977	3.51	\$284,816,748	\$273,073,009	4.30
Death benefits and matured endowments	\$ 8,229,655	\$ 8,866,654	(7.18)	\$ 35,482,168	\$ 38,964,236	(8.94)
Annuity benefits	7,791,125	8,580,838	(9.20)	36,619,626	35,200,488	4.03
Disability benefits and benefits under accident and health contracts	463,903	415,184	11.73	2,095,255	1,630,523	28.50
Surrender benefits and group conversions	5,907,638	5,991,218	(1.40)	23,386,683	22,251,863	5.10
Interest and adjustments on deposit-type contract funds	2,867,654	2,380,022	20.49	9,589,747	9,394,586	2.08
Increase in aggregate reserves for life and accident and health contracts	24,127,339	23,436,742	2.95	95,838,523	95,336,456	0.53
Payments on supplementary contracts with life contingencies	85,404	77,083	10.79	344,229	308,744	11.49
Total benefit expenses	\$49,472,718	\$49,747,741	(0.55)	\$203,356,231	\$203,086,897	0.13
Commissions	\$ 7,956,702	\$ 8,344,872	(4.65)	\$ 33,973,217	\$ 33,700,524	0.81
General insurance expenses and taxes	9,984,268	11,073,587	(9.84)	39,262,688	35,288,388	11.26
Increase in loading on deferred and uncollected premiums	(528,755)	200,324	(363.95)	(5,865,915)	(4,278,539)	(37.10)
Net transfers to or (from) Separate Accounts	—	—	—	(215,913)	(211,220)	(2.22)
Other deductions	—	—	—	108	109	(0.59)
Total operating expenses	\$17,412,215	\$19,618,783	(11.25)	\$ 67,154,185	\$ 64,499,261	4.12
Federal and Foreign Income Taxes Incurred	2,975,587	950,983	212.90	7,422,682	5,973,699	24.26
Net gain from operations before realized capital gains or (losses)	\$ 1,250,542	\$ (1,619,530)	177.22	\$ 6,883,650	\$ (486,849)	1,513.92
Net realized gains or (losses) net of capital gains tax	(4,931,609)	1,306,320	(477.52)	32,400,952	28,946,326	11.93
Net Income (Statutory)	\$ (3,681,067)	\$ (313,210)	(1,075.27)	\$ 39,284,602	\$ 28,459,477	38.04

* Statutory data prepared in accordance with statutory accounting rules as defined by the National Association of Insurance Commissioners and filed with the appropriate regulatory bodies.

The Cincinnati Life Insurance Company
Expenses as a Percentage of Premium

(Dollars in millions)											
	12/31/07	09/30/07	06/30/07	Three months ended		09/30/06	06/30/06	03/31/06	Six months ended		Twelve months ended
				03/31/07	12/31/06				06/30/07	06/30/06	12/31/07
Gross Written Premiums	\$ 55	\$ 49	\$ 54	\$ 53	\$ 54	\$ 50	\$ 51	\$ 50	\$ 107	\$ 101	\$ 211
Bank Owned Life Insurance (BOLI) Adjustment	—	—	—	—	—	—	—	—	—	—	—
Adjusted Gross Written Premiums	\$ 55	\$ 49	\$ 54	\$ 53	\$ 54	\$ 50	\$ 51	\$ 50	\$ 107	\$ 101	\$ 211
Insurance Expense	\$ 8	\$ 8	\$ 9	\$ 9	\$ 10	\$ 7	\$ 7	\$ 7	\$ 18	\$ 14	\$ 34
Expense Ratio	14.5%	16.3%	16.7%	17.7%	17.8%	14.7%	13.5%	14.5%	16.8%	14.0%	16.1%
Expense Ratio based on Adjusted Gross Written Premium	14.5%	16.3%	16.7%	17.7%	17.8%	14.7%	13.5%	14.5%	16.8%	14.0%	16.1%

(Dollars in millions)								
	2007	2006	2005	Years ended December 31,		2002	2001	2000
				2004	2003			
Gross Written Premiums	\$ 211	\$ 206	\$ 249	\$ 230	\$ 173	\$ 244	\$ 122	\$ 157
Bank Owned Life Insurance (BOLI) Adjustment	—	—	—	(10)	—	(34)	—	(20)
Adjusted Gross Written Premiums	\$ 211	\$ 206	\$ 249	\$ 220	\$ 173	\$ 210	\$ 122	\$ 137
Insurance Expense	\$ 34	\$ 31	\$ 29	\$ 25	\$ 25	\$ 27	\$ 25	\$ 20
Expense Ratio	16.1%	15.0%	11.7%	11.1%	14.8%	10.9%	20.6%	12.9%
Expense Ratio based on Adjusted Gross Written Premium	16.1%	15.0%	11.7%	11.6%	14.8%	12.6%	20.6%	14.8%

* Dollar amounts shown are rounded to millions; certain amounts may not add due to rounding. Ratios are calculated based on whole dollar amounts. The sum of quarterly amounts may not equal the full year as each is computed independently.

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Cincinnati Financial Corporation Increases Cash Dividend*Sets stage for 48th consecutive year of higher dividends with 9.9% increase in indicated annual dividend rate*

Cincinnati, February 4, 2008 — Cincinnati Financial Corporation (Nasdaq: CINF) today announced that the board of directors voted at its regular meeting on February 1, 2008, to increase the regular quarterly cash dividend 9.9 percent to 39 cents per share, payable April 15, 2008, to shareholders of record on March 21, 2008. At the new level, the indicated annual dividend is \$1.56 per share. Cash dividends declared in 2007 were \$1.42 per share.

Chairman and Chief Executive Officer John J. Schiff, Jr., CPCU, commented, "For 48 consecutive years, the board has rewarded our shareholders by increasing the cash dividend. This consistency places Cincinnati Financial in the top tier of U.S. dividend-paying companies, with a long, uninterrupted history of increases that can be claimed by only 10 other companies. We are thankful for the loyalty of our shareholders and policyholders and the efforts of our agents and associates, which together have supported our mutual prosperity."

Cincinnati Financial plans to report fourth-quarter and year-end 2007 results on Wednesday, February 6. A conference call to discuss the results will be held at 11:00 a.m. EST on that day. Details regarding the Internet broadcast of the conference call are available on www.cinfin.com/investors.

Cincinnati Financial Corporation offers property and casualty insurance, our main business, through our three standard market companies, The Cincinnati Insurance Company, The Cincinnati Indemnity Company and The Cincinnati Casualty Company. The Cincinnati Specialty Underwriters Insurance Company provides excess and surplus lines property and casualty insurance. The Cincinnati Life Insurance Company markets life and disability income insurance and annuities. CSU Producer Resources Inc., is our excess and surplus lines brokerage, serving the same local independent agencies that offer our standard market policies. CFC Investment Company offers commercial leasing and financing services. CinFin Capital Management Company provides asset management services to institutions, corporations and individuals. For additional information about the company, please visit www.cinfin.com.

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Cincinnati Financial Corporation and Subsidiaries Announce Appointments• *Subsidiary Director, Officers and Counsel*

Cincinnati, February 4, 2008 – Cincinnati Financial Corporation (Nasdaq:CINF) announced today that its board and boards of its subsidiary companies appointed officers, counsel and a subsidiary director at their regular meetings on February 1, 2008.

For the company and its three standard market property casualty insurance subsidiaries, Donald J. Doyle, Jr., Martin F. Hollenbeck and Charles P. Stoneburner II, were named executive officers. For the standard market subsidiaries, Stoneburner additionally was promoted to senior vice president. For the excess and surplus lines subsidiary, Doyle additionally was named executive officer. Hollenbeck additionally was named executive officer for The Cincinnati Life Insurance Company, president and chief operating officer of CFC Investment Company; and president and member of the board of directors of CinFin Capital Management Company.

Boards of subsidiary companies made the following promotions and new or additional appointments of officers and counsel:

Property Casualty Insurance – Standard Market Subsidiaries:***The Cincinnati Insurance Company******The Cincinnati Casualty Company******The Cincinnati Indemnity Company***

Charles P. Stoneburner II, CPCU, AIM, Senior Vice President – Field Claims

Teresa C. Cracas, Counsel and Vice President – Planning & Risk Management

Martin F. Hollenbeck, CFA, CPCU, Vice President and Manager – Investments

David E. McKinney, CPCU, AIM, Vice President – Commercial Lines

Michael K. O'Connor, CFA, CPCU, AFSB, Vice President – Investments

Paul W. Wells, Vice President – Bond & Executive Risk

Ted W. Doughman, CPCU, AFSB, RPLU, Assistant Vice President – Bond & Executive Risk

Anthony W. Dunn, CPA, CPCU, CIA, Assistant Vice President – Internal Audit

Philip T. Kramer, CIC, Assistant Vice President – Sales & Marketing

Jerry L. Litton, Assistant Vice President – Corporate Accounting

Gregory J. Schloemer, Assistant Vice President – Bond & Executive Risk

Charlotte A. Tungate, CPCU, AIC, Assistant Vice President – Headquarters Claims

Matthew A. Zimmerman, Assistant Vice President – Commercial Lines

C. Duane Cantrell, CPCU, AIC, Secretary – Machinery & Equipment Specialties

Karen L. Hock, Secretary – Meetings & Travel

Jack D. Kelley, CPCU, AIC, Secretary – Field Claims

Michelle L. Kyle, Secretary – Information Technology

Dennis E. McDaniel, CPA, CMA, CFM, CPCU, Secretary – Planning & Risk Management

David V. Neville, CPCU, AIM, API, ARe, Secretary – Personal Lines

Janet L. Partin, Secretary – Premium Audit

David A. Rice, SCLA, Secretary – Field Claims

Henry C. Schmidt III, AIM, Secretary – Personal Lines

Blake D. Slater, Secretary – Corporate Accounting

Stephen M. Spray, Secretary – Excess & Surplus Lines

Brent A. Hardesty III, CPCU, CISA, CIA, AIAF, Assistant Secretary – Internal Audit
Michael D. Hingsbergen, PMP, Assistant Secretary – Information Technology
Troy M. Reichers, Assistant Secretary – Headquarters Claims
James R. Richards, CPCU, AIC, Assistant Secretary – Headquarters Claims
Brett J. Starr, CISA, Assistant Treasurer – Financial Reporting & Systems Development

Keith W. Collett, Associate Counsel – Legal-Trial Division

Property Casualty Insurance – Excess & Surplus Lines Subsidiary:
The Cincinnati Specialty Underwriters Insurance Company:

Stephen M. Spray, Secretary*

Scott E. Hintze, CPCU, AIM, CIC, AU, Assistant Secretary – Excess & Surplus Lines
Marc J. Schambow, CPCU, AIM, Assistant Secretary – Excess & Surplus Lines

The Cincinnati Life Insurance Company:

Martin F. Hollenbeck*
Teresa C. Cracas*
Michael K. O'Connor*
Anthony W. Dunn*
Ann S. Binzer, FLHC, CLU, ChFC, FALU, FLMI, Secretary – Life & Health Claims
Michelle L. Kyle*
Dennis E. McDaniel*
Kevin C. Smith, Secretary – Corporate Accounting
Brent A. Hardesty III*
Michael D. Hingsbergen*
Keith W. Collett*

Financial Services Subsidiaries:

CinFin Capital Management Company

Martin F. Hollenbeck, CFA, CPCU, President

CFC Investment Company

Martin F. Hollenbeck, CFA, CPCU, President and Chief Operating Officer
Blake D. Slater*

* Title as listed above

Cincinnati Financial Corporation offers property and casualty insurance, our main business, through our three standard market companies, The Cincinnati Insurance Company, The Cincinnati Indemnity Company and The Cincinnati Casualty Company. The Cincinnati Specialty Underwriters Insurance Company provides excess and surplus lines property and casualty insurance. The Cincinnati Life Insurance Company markets life and disability income insurance and annuities. CSU Producer Resources Inc. is our excess and surplus lines brokerage, serving the same local independent agencies that offer our standard market policies. CFC Investment Company offers commercial leasing and financing services. CinFin Capital Management Company provides asset management services to institutions, corporations and individuals. For additional information about the company, please visit www.cinfin.com.

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