The Cincinnati Insurance Company ▪ The Cincinnati Indemnity Company
The Cincinnati Casualty Company ▪ The Cincinnati Specialty Underwriters Insurance Company
The Cincinnati Life Insurance Company ▪ CFC Investment Company ▪ CSU Producer Resources Inc.

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Cincinnati Financial Corporation Announces Preliminary Loss Estimate for May Storms

Cincinnati, June 13, 2011 – Cincinnati Financial Corporation (Nasdaq: CINF) today announced that The Cincinnati Insurance Companies' property casualty group expects its second-quarter results to include pre-tax catastrophe losses, net of reinsurance, of approximately $240 million to $290 million incurred due to severe weather during the entire months of April and May. This total includes the company's previously announced catastrophe loss estimate for April storms, which has now been updated to approximately $155 million to $190 million, net of reinsurance. Catastrophe losses affect property casualty insurance underwriting income, one of the sources of consolidated net income along with profits from investment operations and life insurance operations.

Steven J. Johnston, president and chief executive officer, commented, "Much of the United States continued to see a higher than usual level of spring storm activity, raising our catastrophe losses well above our historical second-quarter average. The same storm system that caused the tragic tornado in Joplin, Missouri extended to Dayton, Ohio where hail damaged property of more than 5,000 policyholders. Our representatives working with affected families and businesses are promptly providing professional assistance. We are confident that their dedication will create long-term customer loyalty and appreciation for our agencies and our company.

"Over the past 10 years, the impact of catastrophes on our second-quarter loss ratio has averaged 8.5 percentage points compared with a full-year average of 4.4 points. The estimated impact of April plus May 2011 catastrophe losses on our second-quarter loss ratio would be approximately 33 to 40 percentage points, net of reinsurance and based on estimated earned premiums for the full second quarter. The mix of total April and May net catastrophe losses was split between commercial lines and personal lines, at approximately 50 percent each, roughly in line with our 10-year annual average.

"Our reinsurance program provided coverage for our losses above $45 million from a single catastrophe event. Policyholder losses exceeded that level for both the May tornado and hail event and the late April tornado event. Accordingly, we expect to recover significant amounts from our reinsurers. Reinsurance premiums we will pay to reinstate applicable coverage for the April and May events are expected to reduce our second-quarter 2011 earned premiums by approximately $33 million to $40 million, including the previously reported $26 million estimated after the April tornado event.

"For the remainder of 2011, we continue to have reinsurance coverage for any single catastrophe event that causes losses above $200 million up to $500 million, with one automatic reinstatement provision. While we may not again buy coverage for 2011 single-event catastrophe losses between $45 million and $105 million, we are studying options and we expect to replenish coverage we partially tapped for single-event losses above $105 million and up to $200 million. Our reinsurance relationships have served us well in 2011, and we are pleased to continue our coverage with highly rated reinsurers.

"With our solid reinsurance program and strong capital complementing ample recent-period net cash flow from operations, we have financial flexibility to pay catastrophe claims without liquidating any investments. We continue to earn a larger share of business from agents appointed in recent years in several states less prone to catastrophe losses. Over the long term, a result of that gradual geographic diversification should be reduced variability in our future catastrophe loss ratio."

Cincinnati Financial Corporation offers business, home and auto insurance, our main business, through The Cincinnati Insurance Company and its two standard market property casualty companies. The same local independent insurance agencies that market those policies may offer products of our other subsidiaries, including life and disability income insurance, annuities and surplus lines property and casualty insurance. For additional information about the company, please visit *www.cinfin.com*.

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Safe Harbor Statement

This is our "Safe Harbor" statement under the Private Securities Litigation Reform Act of 1995. Our business is subject to certain risks and uncertainties that may cause actual results to differ materially from those suggested by the forward-looking statements in this report. Some of those risks and uncertainties are discussed in our 2010 Annual Report on Form 10-K, Item 1A, Risk Factors, Page 24.

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
- Inadequate estimates or assumptions used for critical accounting estimates
- Recession or other economic conditions resulting in lower demand for insurance products or increased payment delinquencies
- Delays in adoption and implementation of underwriting and pricing methods that could increase our pricing accuracy, underwriting profit and competitiveness
- Inability to defer policy acquisition costs for any business segment if pricing and loss trends would lead management to conclude that segment could not achieve sustainable profitability
- Declines in overall stock market values negatively affecting the company's equity portfolio and book value
- Events, such as the credit crisis, followed by prolonged periods of economic instability or recession, that lead to:
  - Significant or prolonged decline in the value of a particular security or group of securities and impairment of the asset(s)
  - Significant decline in investment income due to reduced or eliminated dividend payouts from a particular security or group of securities
  - Significant rise in losses from surety and director and officer policies written for financial institutions
- Prolonged low interest rate environment or other factors that limit the company's ability to generate growth in investment income or interest rate fluctuations that result in declining values of fixed-maturity investments, including declines in accounts in which we hold bank-owned life insurance contract assets
- Increased competition that could result in a significant reduction in the company's premium volume
- Changing consumer insurance-buying habits and consolidation of independent insurance agencies that could alter our competitive advantages
- Inability to obtain adequate reinsurance on acceptable terms, amount of reinsurance purchased, financial strength of reinsurers and the potential for non-payment or delay in payment by reinsurers
- Events or conditions that could weaken or harm the company's relationships with its independent agencies and hamper opportunities to add new agencies, resulting in limitations on the company's opportunities for growth, such as:
  - Downgrades of the company's financial strength ratings
  - Concerns that doing business with the company is too difficult
  - Perceptions that the company's level of service, particularly claims service, is no longer a distinguishing characteristic in the marketplace
  - Delays or inadequacies in the development, implementation, performance and benefits of technology projects and enhancements
- Actions of insurance departments, state attorneys general or other regulatory agencies, including a change to a federal system of regulation from a state-based system, that:
  - Restrict our ability to exit or reduce writings of unprofitable coverages or lines of business
  - Place the insurance industry under greater regulatory scrutiny or result in new statutes, rules and regulations
  - Add assessments for guaranty funds, other insurance related assessments or mandatory reinsurance arrangements; or that impair our ability to recover such assessments through future surcharges or other rate changes
  - Increase our provision for federal income taxes due to changes in tax law
  - Increase our other expenses
  - Limit our ability to set fair, adequate and reasonable rates
  - Place us at a disadvantage in the marketplace
  - Restrict our ability to execute our business model, including the way we compensate agents
- Adverse outcomes from litigation or administrative proceedings
- Events or actions, including unauthorized intentional circumvention of controls, that reduce the company's future ability to maintain effective internal control over financial reporting under the Sarbanes-Oxley Act of 2002
- Unforeseen departure of certain executive officers or other key employees due to retirement, health or other causes that could interrupt progress toward important strategic goals or diminish the effectiveness of certain longstanding relationships with insurance agents and others
- Events, such as an epidemic, natural catastrophe or terrorism, that could hamper our ability to assemble our workforce at our headquarters location
- Difficulties with technology or data security breaches that could negatively affect our ability to conduct business and our relationships with agents, policyholders and others

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 measures affecting corporate financial reporting and governance. The ultimate changes and eventual effects, if any, of these initiatives are uncertain.

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