Cincinnati Financial Corporation

2009 Fourth-Quarter and Full-Year Letter to Shareholders

March 9, 2010

To Our Shareholders, Friends and Associates:

Your company cautiously noted signs of improving conditions in the second half of 2009. Positive third-quarter trends continued into the fourth quarter, with every major book value performance driver again generating a positive after-tax contribution. After our quarterly shareholder dividend of 39.5 cents per share, book value per share increased a total of 81 cents, rising 2.8 percent above its third-quarter level:

- 5 cents from property casualty insurance underwriting profit
- 6 cents from life insurance operations
- 38 cents net from investment income, other than life insurance, and reduced by non-insurance expenses
- 71 cents net from realized capital gains plus the change in unrealized gains on investments
- and we paid to our shareholders 39.5 cents per share in dividends

With these contributions, year-end 2009 book value per share reached $29.25, up 13.6 percent from $25.75 at year-end 2008 and 22.5 percent from the first quarter of 2009 when the market bottomed. Our value creation ratio, which factors in both book value growth and shareholder dividends, was 4.2 percent for the fourth quarter. For full-year 2009, the upturn in the investment markets helped push this ratio to 19.7 percent. Looking out five years, we continue to target an annual value creation ratio averaging 12 to 15 percent for the period from 2010 through 2014.

Our life insurance company is a steady profit source. The contribution from property casualty insurance operations remains constrained by conditions that will again challenge us in 2010. While two consecutive quarters of underwriting profit is a good sign, that profit was slim and bolstered by unusually low catastrophe losses in the second half. Our growth initiatives – mainly longer-term actions intended to gradually diversify our book of business – only partially offset the effects of market cycle and economic pressures. Fourth-quarter personal insurance premiums grew satisfactorily. Price declines narrowed for commercial accounts, with lower overall commercial premiums resulting from our efforts to write or renew only quality accounts that have a margin for profit and from recessionary impacts on our policyholders' businesses. Premiums generated from audits of general liability and workers' compensation policies decreased our revenues for the past two quarters, as audits of estimated payrolls and sales led to more premium refunds than adjustments for additional premiums.

Returning to positive signs, our pretax investment income rose in the fourth quarter, and we expect income on our restructured portfolio to continue growing in the coming quarters. Our fixed-maturity investment portfolio at year-end was 132.6 percent of our policy reserve liabilities, a conservative position that provides protection should interest rates rise, leading to lower bond values.

We welcome signs of better times to come, and at the same time, we're not letting down our guard. We are managing risk and stepping up the pace on initiatives that bring new opportunities to preserve and increase our financial and market strengths over time. You'll read inside about fourth quarter milestones including our entry into a new state, introduction of new policy administrations systems, broadening of our excess and surplus lines product portfolio and other actions to improve the service and expertise we bring to agents and policyholders.

Respectfully,

/s/ John J. Schiff, Jr.	/s/ Kenneth W. Stecher
John J. Schiff, Jr., CPCU Chairman of the Board	Kenneth W. Stecher President and Chief Executive Officer

About the Company

Cincinnati Financial Corporation stands among the 25 largest property casualty insurers in the nation, based on premium volume. A select group of agencies in 37 states actively markets our property casualty insurance within their communities. Standard market commercial lines policies are available in all of those states, while personal lines policies are available in 29 and surplus lines policies are available in 36 of the same 37 states. Within this select group, we seek to become the life insurance carrier of choice and to help agents and their clients – our policyholders – by offering leasing and financing services.

Three hallmarks distinguish our company, positioning us to build value and long-term success:

- Commitment to our network of professional independent insurance agencies and to their continued success
- Financial strength that lets us be a consistent market for our agents' business, supporting stability and confidence
- Operating structure that supports local decision making, showcasing our claims excellence and allowing us to balance growth with underwriting discipline

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Investor E-mail Alerts

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Recent News Releases

Cincinnati Financial Reports Fourth-Quarter and Full-Year 2009 Results

Cincinnati, February 4, 2010 – Cincinnati Financial Corporation (Nasdaq: CINF) today reported:

- Fourth-quarter 2009 net income of $245 million, or $1.50 per share, compared with $161 million, or 99 cents per share, in the fourth quarter of 2008; operating income* of $86 million, or 53 cents per share, compared with $92 million, or 57 cents per share.
- Full-year 2009 net income of $432 million, or $2.65 per share, compared with $429 million, or $2.62, in 2008. Operating income of $215 million, or $1.32 per share, compared with $344 million, or $2.10, in 2008.
- $3 million increase in full-year 2009 net income reflected the after-tax net effect of three major contributing items: a $132 million increase from net realized investment gains, partially offset by a $48 million decrease from investment income and a $74 million decrease from property casualty underwriting results.
- $29.25 book value per share at December 31, 2009, up 13.6 percent for the year and 2.8 percent from September 30, 2009.
- Value creation ratio reached 19.7 percent for the year 2009, compared with negative 23.5 percent for the year 2008.

Financial Highlights

(Dollars in millions except share data)	Three months ended December 31,			Twelve months ended December 31,		
	2009	2008	Change %	**2009**	2008	Change %
Revenue Highlights						
Earned premiums	**$ 752**	$ 780	(3.6)	**$ 3,054**	$ 3,136	(2.6)
Investment income, pre-tax	**131**	125	4.7	**501**	537	(6.8)
Total revenues	**1,133**	1,018	11.3	**3,903**	3,824	2.1
Income Statement Data						
Net income	**$ 245**	$ 161	52.1	**$ 432**	$ 429	0.7
Net realized investment gains and losses	**159**	69	130.5	**217**	85	155.8
Operating income*	**$ 86**	$ 92	(6.6)	**$ 215**	$ 344	(37.6)
Per Share Data (diluted)						
Net income	**$ 1.50**	$ 0.99	51.5	**$ 2.65**	$ 2.62	1.1
Net realized investment gains and losses	**0.97**	0.42	131.0	**1.33**	0.52	155.8
Operating income*	**$ 0.53**	$ 0.57	(7.0)	**$ 1.32**	$ 2.10	(37.1)
Book value				**$ 29.25**	$ 25.75	13.6
Cash dividend declared	**0.395**	0.39	1.3	**1.57**	1.56	0.6
Diluted weighted average shares outstanding	**163,092,882**	162,485,576	0.4	**162,866,863**	163,362,409	(0.3)

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

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

Insurance Operations Highlights

- 98.6 percent fourth-quarter 2009 property casualty combined ratio as net written premiums declined 5.1 percent. Full-year 2009 property casualty combined ratio at 104.5 percent, with 3.3 percent decline in net written premiums.
- $94 million fourth-quarter and $405 million full-year 2009 property casualty new business written by agencies, down $6 million and up $37 million, respectively. The full-year increase included $25 million from standard market geographic expansion initiatives and $18 million from excess and surplus lines.
- 6 cents per share contribution from life insurance operating income to fourth-quarter results, down 4 cents from 2008. Full-year contribution to operating income from life insurance was 22 cents per share, down 2 cents.

Balance Sheet and Investment Highlights

- $29.25 book value, up 13.6 percent from $25.75 at December 31, 2008. Shareholders' equity grew to $4.760 billion.
- Property casualty statutory surplus rose 8.6 percent to $3.648 billion.
- 13.1 percent year-over-year increase in cash plus invested assets at December 31, 2009.
- Investment income, after income tax effects, was nearly flat for the fourth quarter. Full-year 2009 declined 11.3 percent primarily due to prior period dividend decreases.
- Strong capital position includes financial flexibility from parent company cash and marketable securities of $997 million.

Steady Progress

Kenneth W. Stecher, president and chief executive officer, commented, "The final quarter of 2009 marked Cincinnati Financial's third consecutive quarter of increasing financial strength, with growth of total assets, invested assets and book value, as well as statutory surplus for both our property casualty insurance group and for our life insurance company. At year-end 2009, all of these measures reached substantially higher levels than those reported at year-end 2008, reflecting the success of our strategy to manage capital effectively and of our initiative to diversify our investment portfolio and rebalance it on an ongoing basis.

"We also are on track to resume favorable investment income comparisons, which were affected by shifts in asset allocations as we restructured the portfolio in 2008 and early 2009. Fourth-quarter pre-tax investment income grew 4.7 percent, a pace that tops any quarter since the fourth quarter of 2007. On the after-tax basis that we believe is appropriate for measuring investment income from the restructured portfolio, our fourth-quarter result was our best this year. We continue to refine our bond portfolio's laddered maturities and continue to invest in equities, helping shield the portfolio from inflationary pressures.

"Sales of securities in the investment portfolio also provided the bulk of the net realized gains that added to fourth-quarter net income, taking full-year net income just above last year's result. We harvested gains of $162 million as a result of the Wyeth/Pfizer merger and $26 million as a result of the Verisk initial public offering of stock, leaving a healthy $1.026 billion of unrealized gains in the portfolio at December 31.

Fourth-Quarter Underwriting Profits

"Property casualty insurance underwriting generated $10 million of pretax profits for the fourth quarter. Milder weather and improved personal lines pricing benefitted results, contributing to a $16 million fourth-quarter personal lines underwriting profit that was partially offset by $4 million of commercial lines underwriting loss. The property casualty combined ratio was 96.8 percent in the second half of 2009, improving the full-year ratio to 104.5 percent.

"Our commercial lines operation, which generate approximately 72 percent of our premium revenues, have been affected by lower insured exposures and soft pricing. The average change in renewal pricing for the fourth quarter narrowed to a very low single digit decline. We chose to compete for fewer new large commercial accounts due to stronger price competition that we believe leaves insufficient margin for underwriting profit. Our agents continue to help us evaluate the quality of each account, and we continue to increase our use of predictive analytics as a tool to assure adequate pricing.

"Close attention to underwriting and price adequacy, in addition to the weak economy, led to a 5.1 percent decline in net property casualty written premiums for the quarter and 3.3 percent for the year. New business rose 9.9 percent to $405 million, driven by growth from personal lines and excess and surplus lines. Our agents and staff have the discipline and skill to identify quality accounts, controlling near-term growth with the expectation that commercial pricing may not improve this year – but we aren't standing still. We continue in 2010 to focus sharply on initiatives that position us for the future as marketplace conditions improve.

Agent-Centered Initiatives

"Because our relationships with local insurance agencies are our primary strategic advantage, we're committed to increasing the efficiency and success of those independent businesses. This week, we delivered the next version of our personal lines policy administration system with easy navigation and convenient features. In 2010, we plan to deliver our new system for commercial package and auto policies to 19 more states. Agents in the 11 states that received this system in the fourth quarter of 2009 give it good reviews, appreciating its expanded billing and policy delivery options and real-time capabilities. These systems make it easier for agents to quote, issue and deliver Cincinnati policies. We'll also continue work in 2010 on tools that make it easy for agents to compare our personal lines rates, and we'll add to our current online policyholder services for their personal lines clients, providing the ability to view policies and print ID cards as well as pay company-billed premiums.

"Superior claims service is the Cincinnati advantage that our agents value most, and we worked in 2009 to strengthen that advantage. We added more workers' compensation claims specialists in the field, and, effective January 2010, our headquarters staff began operating a workers' compensation claim reporting center, designed to improve our response time and help policyholders act quickly to limit losses. In 2010, we also will add more loss control specialists to help manage risks that can lead to workers' compensation and other types of losses.

"Other 2010 initiatives will expand operations into new territories and agencies, setting the stage for future premium growth while diversifying geographically to help manage catastrophe risk. Having entered Colorado and Wyoming in 2009 and Texas late in 2008, we'll continue to develop our agency relationships in those states and research regulatory and competitive conditions in other states to evaluate our opportunities. We generally open a state for commercial lines first, starting a personal lines relationship as we gain more experience in the state. In New York, where our agents have marketed our commercial products since 1998, we are working to add personal lines product offerings in 2010, with timing being largely dependent on regulatory approval. Over all states of operation, we're targeting 65 new agency appointments in 2010, the same goal exceeded in 2009 with 87 appointments. We continue to select only agencies that are professionally managed, financially sound community leaders and to consider the marketing reach of each agency, an approach that in many areas allows for exclusivity in our agency representation.

"Finally, in 2010 we'll continue our initiative to expand our excess and surplus lines business launched at the beginning of 2008. In its second full year of operation, Cincinnati Specialty Underwriters wrote $40 million of business and gave us new opportunities to write the standard market coverages for the same accounts. To meet agent needs, we expanded the lines of business in 2009 to include professional errors and omissions and excess liability. We plan in 2010 to make more excess and surplus products available and to increase our support for targeted standard market products, making them more attractive and easier for our agents to sell.

"Our long-term initiatives already are helping us manage risk and increase stability. We were able to negotiate a stronger 2010 reinsurance program at the same pricing as last year's program as a result of our efforts in 2009 to diversify geographically, to manage catastrophe risk and to assure superior catastrophe claims handling by our own trained claims representatives. Our strong reinsurance program, strong reserves and prudent investment portfolio structure have historically protected our cash flow, allowing us to pay claims without ever having to sell an investment before we're ready to do so. This approach continues to create shareholder value, as indicated in 2009, our 49th consecutive year of cash dividend increase."

Consolidated Property Casualty Insurance Operations

(Dollars in millions)	Three months ended December 31,			Twelve months ended December 31,		
	2009	2008	Change %	**2009**	2008	Change %
Agency renewal written premiums	**$ 635**	$ 669	(5.0)	**$ 2,665**	$ 2,828	(5.8)
Agency new business written premiums	**94**	100	(6.3)	**405**	368	9.9
Other written premiums	**(49)**	(52)	6.3	**(159)**	(186)	15.1
Net written premiums	**680**	717	(5.1)	**2,911**	3,010	(3.3)
Unearned premium change	**33**	30	8.3	**–**	–	nm
Earned premiums	**713**	747	(4.6)	**2,911**	3,010	(3.3)
Loss and loss expenses	**464**	474	(2.3)	**2,086**	2,056	1.4
Underwriting expenses	**239**	264	(9.5)	**956**	971	(1.5)
Underwriting profit (loss)	**$ 10**	$ 9	18.9	**$ (131)**	$ (17)	nm
Ratios as a percent of earned premiums:			Pt. Change			Pt. Change
Current accident year before catastrophe losses	**77.0 %**	81.7 %	(4.7)	**72.2 %**	72.2 %	0.0
Current accident year catastrophe losses	**(1.6)**	(2.0)	0.4	**5.9**	6.8	(0.9)
Prior accident years before catastrophe losses	**(10.3)**	(16.0)	5.7	**(6.2)**	(10.7)	4.5
Prior accident year catastrophe losses	**(0.1)**	(0.1)	0.0	**(0.2)**	0.0	(0.2)
Total loss and loss expenses	**65.0**	63.6	1.4	**71.7**	68.3	3.4
Underwriting expenses	**33.6**	35.3	(1.7)	**32.8**	32.3	0.5
Combined ratio	**98.6 %**	98.9 %	(0.3)	**104.5 %**	100.6 %	3.9
Contribution from catastrophe losses and prior years reserve development	**(12.0)**	(18.1)	6.1	**(0.5)**	(3.9)	3.4
Combined ratio before catastrophe losses and prior years reserve development	**110.6 %**	117.0 %	(6.4)	**105.0 %**	104.5 %	0.5

- 5.1 percent and 3.3 percent declines in fourth-quarter and full-year 2009 property casualty net written premiums, reflecting the effects of insured exposure decreases, soft pricing and disciplined renewal underwriting.
- $37 million rise to $405 million in 2009 new business written by agencies reflected the contribution from new agency appointment and other growth initiatives in recent years. $26 million of the increase was from standard market property casualty new business produced by agencies appointed since 2005 and $18 million of the increase was from the excess and surplus lines operation that began in 2008. A growth initiative commencing in 2008 to market personal lines or significantly expand our personal lines product offerings and automation capabilities in seven states contributed $13 million in 2009 new business.
- 1,180 agency relationships with 1,463 reporting locations marketing standard market property casualty insurance products at December 31, 2009, up 47 or 4.1 percent and 76 or 5.5 percent, respectively, from year-end 2008.
- GAAP combined ratio for the second half of 2009 was a profitable 96.8 percent. Combined ratio of 112.1 percent for the first half of 2009 reflected 10.4 percentage points from the combined effect of catastrophe losses and prior accident year reserve development.
- Full-year 2009 GAAP combined ratio increased compared with 2008 primarily due to a lesser amount of favorable loss reserve development on prior year reserves. Fourth-quarter favorable development was $74 million, down $46 million.

The following table shows incurred catastrophe losses each quarter, as of December 31.

(In millions, net of reinsurance)	Three months ended December 31,			Twelve months ended December 31,		
Dates	Commercial lines	Personal lines	Total	Commercial lines	Personal lines	Total
2009						
First quarter catastrophes	**$ (1)**	**$ 0**	**$ (1)**	**$ 20**	**$ 49**	**$ 69**
Second quarter catastrophes	**(10)**	**(2)**	**(12)**	**37**	**50**	**87**
Third quarter catastrophes	**3**	**(1)**	**2**	**9**	**7**	**16**
Fourth quarter catastrophes	**0**	**0**	**0**	**0**	**0**	**0**
Development on 2008 and prior catastrophes	**(2)**	**1**	**(1)**	**(12)**	**5**	**(7)**
Calendar year incurred total, net of reinsurance	**$ (10)**	**$ (2)**	**$ (12)**	**$ 54**	**$ 111**	**$ 165**
2008						
First quarter catastrophes	$ (2)	$ 1	$ (1)	$ 20	$ 22	$ 42
Second quarter catastrophes	(7)	(4)	(11)	61	30	91
Third quarter catastrophes	1	(4)	(3)	25	47	72
Fourth quarter catastrophes	0	0	0	0	0	0
Development on 2007 and prior catastrophes	(1)	0	(1)	(3)	1	(2)
Calendar year incurred total, net of reinsurance	$ (9)	$ (7)	$ (16)	$ 103	$ 100	$ 203

Insurance Operations Highlights

Commercial Lines Insurance Operations

(Dollars in millions)	Three months ended December 31,			Twelve months ended December 31,		
	2009	2008	Change %	**2009**	2008	Change %
Agency renewal written premiums	**$ 478**	$ 514	(6.9)	**$ 2,013**	$ 2,156	(6.6)
Agency new business written premiums	**67**	83	(19.5)	**298**	312	(4.6)
Other written premiums	**(42)**	(45)	6.2	**(130)**	(157)	16.8
Net written premiums	**503**	552	(8.8)	**2,181**	2,311	(5.6)
Unearned premium change	**29**	21	32.6	**18**	5	265.4
Earned premiums	**532**	573	(7.3)	**2,199**	2,316	(5.1)
Loss and loss expenses	**356**	358	(0.7)	**1,515**	1,504	0.7
Underwriting expenses	**180**	204	(11.6)	**719**	742	(3.1)
Underwriting profit (loss)	**$ (4)**	$ 11	nm	**$ (35)**	$ 70	nm
Ratios as a percent of earned premiums:			Pt. Change			Pt. Change
Current accident year before catastrophe losses	**79.5 %**	80.8 %	(1.3)	**72.5 %**	72.1 %	0.4
Current accident year catastrophe losses	**(1.5)**	(1.3)	(0.2)	**3.0**	4.6	(1.6)
Prior accident years before catastrophe losses	**(10.8)**	(16.8)	6.0	**(6.1)**	(11.7)	5.6
Prior accident year catastrophe losses	**(0.3)**	(0.2)	(0.1)	**(0.5)**	(0.1)	(0.4)
Total loss and loss expenses	**66.9**	62.5	4.4	**68.9**	64.9	4.0
Underwriting expenses	**33.9**	35.6	(1.7)	**32.7**	32.1	0.6
Combined ratio	**100.8 %**	98.1 %	2.7	**101.6 %**	97.0 %	4.6
Contribution from catastrophe losses and prior years reserve development	**(12.6)**	(18.3)	5.7	**(3.6)**	(7.2)	3.6
Combined ratio before catastrophe losses and prior years reserve development	**113.4 %**	116.4 %	(3.0)	**105.2 %**	104.2 %	1.0

- 8.8 percent and 5.6 percent declines in fourth-quarter and full-year 2009 commercial lines net written premiums. Lower renewal premiums reflected modest pricing declines and economically-driven lower insured exposure levels such as business sales or payroll volume. New business premiums reflected decisions to decline business considered underpriced.
- Fourth-quarter and full-year 2009 GAAP combined ratio increased compared with 2008 primarily due to a lesser amount of favorable loss reserve development for prior year accident years.
- The effects of modestly lower prices due to soft market conditions combined with normal loss cost inflation continued, putting upward pressure on the combined ratio. Loss reserving practices remain consistent with the past.

Personal Lines Insurance Operations

(Dollars in millions)	Three months ended December 31,			Twelve months ended December 31,		
	2009	2008	Change %	**2009**	2008	Change %
Agency renewal written premiums	**$ 153**	$ 156	(1.8)	**$ 642**	$ 672	(4.5)
Agency new business written premiums	**20**	11	76.7	**75**	42	80.6
Other written premiums	**(6)**	(8)	22.9	**(26)**	(29)	11.1
Net written premiums	**167**	159	4.7	**691**	685	0.9
Unearned premium change	**5**	12	(56.6)	**(6)**	4	nm
Earned premiums	**172**	171	0.5	**685**	689	(0.6)
Loss and loss expenses	**102**	113	(9.6)	**551**	547	0.7
Underwriting expenses	**54**	58	(6.5)	**215**	224	(4.1)
Underwriting profit (loss)	**$ 16**	$ 0	nm	**$ (81)**	$ (82)	1.9
Ratios as a percent of earned premiums:			Pt. Change			Pt. Change
Current accident year before catastrophe losses	**69.6 %**	83.3 %	(13.7)	**70.9 %**	72.2 %	(1.3)
Current accident year catastrophe losses	**(1.7)**	(4.2)	2.5	**15.4**	14.4	1.0
Prior accident years before catastrophe losses	**(9.0)**	(13.3)	4.3	**(6.6)**	(7.3)	0.7
Prior accident year catastrophe losses	**0.3**	0.1	0.2	**0.7**	0.1	0.6
Total loss and loss expenses	**59.2**	65.9	(6.7)	**80.4**	79.4	1.0
Underwriting expenses	**31.7**	34.1	(2.4)	**31.4**	32.5	(1.1)
Combined ratio	**90.9 %**	100.0 %	(9.1)	**111.8 %**	111.9 %	(0.1)
Contribution from catastrophe losses and prior years reserve development	**(10.4)**	(17.4)	7.0	**9.5**	7.2	2.3
Combined ratio before catastrophe losses and prior years reserve development	**101.3 %**	117.4 %	(16.1)	**102.3 %**	104.7 %	(2.4)

- 4.7 percent increase in fourth-quarter 2009 personal lines net written premiums, primarily due to improved pricing and strong new business growth. 37.7 percent of full-year 2009 new business increase came from seven states where we began in 2008 to market personal lines or significantly expanded our personal lines product offerings and automation capabilities.
- Fourth-quarter 2009 results reflect favorable development on prior accident year reserves and negligible catastrophe losses.

Life Insurance Operations

(Dollars in millions)	Three months ended December 31,			Twelve months ended December 31,		
	2009	2008	Change %	**2009**	2008	Change %
Earned premiums	**$ 39**	$ 33	18.8	**$ 143**	$ 126	13.0
Investment income, net of expenses	**32**	31	2.9	**122**	120	2.2
Other income	**–**	1	(155.0)	**–**	2	(88.1)
Total revenues, excluding realized investment gains and losses	**71**	65	9.5	**265**	248	7.0
Contract holders benefits	**42**	27	57.1	**160**	142	13.3
Underwriting expenses	**15**	12	20.8	**50**	45	9.1
Total benefits and expenses	**57**	39	45.5	**210**	187	12.3
Net income before income tax and realized investment gains and losses	**14**	26	(46.0)	**55**	61	(9.2)
Income tax	**5**	9	(46.0)	**19**	21	(6.1)
Net income before realized investment gains and losses	**$ 9**	$ 17	(45.9)	**$ 36**	$ 40	(10.8)

- 13.3 percent increase to $139 million in full-year 2009 earned premiums for life insurance products. Increase included 13.5 percent rise to $85 million in full-year 2009 term life insurance earned premiums, reflecting marketing advantages of competitive, up-to-date products, personal service and policies backed by financial strength. Earned premiums include life insurance, annuity and accident and health premiums.
- 6.0 percent rise in face amount of life policies in force to $69.815 billion at year-end 2009, from $65.888 billion at year-end 2008.
- Fixed annuity application-received count for 2009 was up nearly five-fold from 2008, primarily due to a competitive interest crediting rate compared to bank certificate of deposit rates. Total fixed annuity deposits received totaled $181 million compared with $34 million in 2008. We do not offer variable or indexed products.
- GAAP shareholders' equity for The Cincinnati Life Insurance Company increased during 2009 by $195 million, or 41.4 percent, to $666 million. Net after-tax unrealized gains were up $130 million, including $122 million for the fixed-maturity portfolio.

Investment and Balance Sheet Highlights

Investment Operations

(Dollars in millions)	Three months ended December 31,			Twelve months ended December 31,		
	2009	2008	Change %	**2009**	2008	Change %
Investment income:						
Interest	**$ 105**	$ 88	19.4	**$ 402**	$ 326	23.1
Dividends	**27**	35	(25.3)	**100**	204	(50.8)
Other	**1**	4	(71.1)	**7**	14	(53.3)
Investment expenses	**(2)**	(2)	9.5	**(8)**	(7)	(5.2)
Total investment income, net of expenses, pre-tax	**131**	125	4.7	**501**	537	(6.8)
Income taxes	**(32)**	(25)	(25.8)	**(118)**	(106)	(11.5)
Total investment income, net of expenses, after-tax	**$ 99**	$ 100	(0.6)	**$ 383**	$ 431	(11.3)
Effective tax rate	**24.1%**	20.0%		**23.6%**	19.7%	
Average yield pre-tax	**4.7%**	4.9%		**4.7%**	4.8%	
Average yield after-tax	**3.6%**	3.9%		**3.6%**	3.9%	

(Dollars in millions)	Three months ended December 31,			Twelve months ended December 31,		
	2009	2008	Change %	2009	2008	Change %
Total investment income, net of expenses, pre-tax	**$ 131**	$ 125	4.7	**$ 501**	$ 537	(6.8)
Investment interest credited to contract holders	**(18)**	(16)	(17.2)	**(69)**	(63)	(10.0)
Realized investment gains and losses summary:						
Realized investment gains and losses, net	**261**	245	6.7	**440**	686	(35.8)
Change in fair value of securities with embedded derivatives	**4**	(25)	nm	**27**	(38)	nm
Other-than-temporary impairment charges	**(18)**	(110)	83.6	**(131)**	(510)	74.3
Total realized investment gains and losses, net	**247**	110	125.4	**336**	138	144.5
Investment operations income	**$ 360**	$ 219	64.1	**$ 768**	$ 612	25.5

- 0.6 percent decline in fourth-quarter 2009 after-tax net investment income, as higher interest income nearly offset late 2008 and early 2009 dividend reductions by equity security holdings. Fourth-quarter 2008 before-tax investment income included $3 million of amortization for previously impaired bonds, with none in fourth-quarter 2009 due to current accounting standards for impaired securities.
- $438 million full-year 2009 increase in pre-tax unrealized investment portfolio gains, including $571 million for the bond portfolio.
- $462 million in net gains from sales of equity securities were included in pre-tax realized investment gain for full-year 2009 as the company actively managed sector and issue diversification.

(Dollars in millions except share data)	At December 31, **2009**	At December 31, 2008
Balance sheet data		
Invested assets	**$ 10,643**	$ 8,890
Total assets	**14,440**	13,369
Short-term debt	**49**	49
Long-term debt	**790**	791
Shareholders' equity	**4,760**	4,182
Book value per share	**29.25**	25.75
Debt-to-capital ratio	**15.0 %**	16.7 %

	Three months ended December 31, **2009**	2008	Twelve months ended December 31, **2009**	2008
Performance measures				
Value creation ratio	**4.2 %**	(9.5) %	**19.7 %**	(23.5) %

- $11.200 billion in cash and invested assets at December 31, 2009, up from $9.899 billion at December 31, 2008.
- $7.855 billion bond portfolio at December 31, 2009, with an average rating of A2/A and with a 2.4 percent rise in fair value during the fourth quarter of 2009.
- $2.701 billion equity portfolio was 25.4 percent of invested assets, including $685 million in pre-tax unrealized gains at December 31, 2009.
- $3.648 billion of statutory surplus for the property casualty insurance group at December 31, 2009, up from $3.360 billion at December 31, 2008. Ratio of net written premiums to property casualty statutory surplus for the 12 months ended December 31, 2009, of 0.80-to-1, improved from 0.89-to-1 for the 12 months ended December 31, 2008.
- Value creation ratio of 19.7 percent for the year 2009 includes 6.1 percent from shareholder dividends and 13.6 percent growth in book value per share.

For additional information or to hear a replay of the February 4 conference call webcast, please visit *www.cinfin.com/investors*.

Consolidated Balance Sheets

(Dollars in millions except share data)	At December 31, **2009**	At December 31, 2008
ASSETS		
Investments		
Fixed maturities, at fair value (amortized cost: 2009 – $7,514; 2008 – $6,058)	**$ 7,855**	$ 5,827
Equity securities, at fair value (cost: 2009 – $2,016; 2008 – $2,077)	**2,701**	2,896
Short-term investments, at fair value (amortized cost: 2009 – $6; 2008 – $84)	**6**	84
Other invested assets	**81**	83
Total investments	**10,643**	8,890
Cash and cash equivalents	**557**	1,009
Investment income receivable	**118**	98
Finance receivable	**75**	71
Premiums receivable	**995**	1,059
Reinsurance receivable	**675**	759
Prepaid reinsurance premiums	**15**	15
Deferred policy acquisition costs	**481**	509
Deferred income tax	**–**	126
Land, building and equipment, net, for company use (accumulated depreciation: 2009 – $335; 2008 – $297)	**251**	236
Other assets	**45**	49
Separate accounts	**585**	548
Total assets	**$ 14,440**	$ 13,369
LIABILITIES		
Insurance reserves		
Loss and loss expense reserves	**$ 4,142**	$ 4,086
Life policy reserves	**1,783**	1,551
Unearned premiums	**1,509**	1,544
Other liabilities	**670**	618
Deferred income tax	**152**	–
Note payable	**49**	49
6.125% senior notes due 2034	**371**	371
6.9% senior debentures due 2028	**28**	28
6.92% senior debentures due 2028	**391**	392
Separate accounts	**585**	548
Total liabilities	**9,680**	9,187
SHAREHOLDERS' EQUITY		
Common stock, par value – $2 per share; (authorized: 2009 – 500 million shares, 2008 – 500 million shares; issued: 2009 – 196 million shares, 2008 – 196 million shares)	**393**	393
Paid-in capital	**1,081**	1,069
Retained earnings	**3,862**	3,579
Accumulated other comprehensive income	**624**	347
Treasury stock at cost (2009 – 34 million shares, 2008 – 34 million shares)	**(1,200)**	(1,206)
Total shareholders' equity	**4,760**	4,182
Total liabilities and shareholders' equity	**$ 14,440**	$ 13,369

Consolidated Statements of Income

(In millions except per share data)	Three months ended December 31, **2009**	2008	Twelve months ended December 31, **2009**	2008
REVENUES				
Earned premiums				
Property casualty	**$ 713**	$ 747	**$ 2,911**	$3,010
Life	**39**	33	**143**	126
Investment income, net of expenses	**131**	125	**501**	537
Realized investment gains and losses	**247**	110	**336**	138
Other income	**3**	3	**12**	13
Total revenues	**1,133**	1,018	**3,903**	3,824
BENEFITS AND EXPENSES				
Insurance losses and policyholder benefits	**505**	500	**2,242**	2,193
Underwriting, acquisition and insurance expenses	**254**	277	**1,004**	1,016
Other operating expenses	**6**	6	**20**	22
Interest expense	**13**	14	**55**	53
Total benefits and expenses	**778**	797	**3,321**	3,284
INCOME BEFORE INCOME TAXES	**355**	221	**582**	540
PROVISION (BENEFIT) FOR INCOME TAXES				
Current	**73**	93	**79**	238
Deferred	**37**	(33)	**71**	(127)
Total provision for income taxes	**110**	60	**150**	111
NET INCOME	**$ 245**	$ 161	**$ 432**	$ 429
PER COMMON SHARE				
Net income – basic	**$ 1.50**	$ 0.99	**$ 2.66**	$ 2.63
Net income – diluted	**$ 1.50**	$ 0.99	**$ 2.65**	$ 2.62

Other News Releases

Cincinnati Financial Corporation Founder Robert C. Schiff Dies at Age 86

Cincinnati, January 11, 2010 – Cincinnati Financial Corporation (Nasdaq: CINF) today announced the January 7 death of its director emeritus Robert C. Schiff. He was a founding agent, a director of The Cincinnati Insurance Company since 1950 and a director of Cincinnati Financial since its incorporation in 1968.

Schiff retired in 2004 from the boards of Cincinnati Financial and its four insurance subsidiaries. At that time, he also retired from Schiff, Kreidler-Shell Inc., a large, Cincinnati area insurance agency that he had served as chairman since 1991 and president from 1984 to 1991. He formed Schiff, Kreidler-Shell in 1984 after leaving his position as senior vice president of Cincinnati Insurance to expand his agency business. He began his insurance career as an agent in 1945, following graduation from The Ohio State University, where he played third base for two years on the baseball team.

John J. Schiff, Jr., CPCU, Robert Schiff's nephew and Cincinnati Financial chairman, commented, "Over Bob's 59-year career as an insurance agent, he epitomized the professionalism and personal involvement that independent agents bring to the table. Bob always spoke loud and clear on behalf of the people and businesses his agency served, and this customer perspective continues to contribute to the success of our company."

Kenneth W. Stecher, president and chief executive officer, added, "Bob believed that independent agents had personal relationships in the community and unique local knowledge that could lead to prosperity for an insurance company – a belief that led to one of the company's enduring competitive advantages. He demonstrated this belief by serving on many community boards, including Beech Acres, the Boys & Girls Club of Greater Cincinnati, the Cincinnati Symphony, Cincinnati Opera, Junior Achievement of Greater Cincinnati, Tall Stacks and the Cincinnati Zoo."

Robert Schiff is survived by his wife, Adele; their two sons, Dr. James A. Schiff (Beth) and Dr. Robert C. Schiff, Jr. (Dawn); and six grandchildren. Visitation will take place Tuesday, 4 p.m. to 7 p.m., with services on Wednesday, 1:30 p.m., both at Pleasant Ridge Presbyterian Church (*www.prpc.org*).

Cincinnati Financial Corporation Announces Addition to Board

Cincinnati, February 1, 2010 – Cincinnati Financial Corporation (Nasdaq: CINF) – The Cincinnati Financial board of directors, at its regular meeting on January 29, 2010, added a fourteenth seat to the board, appointing Linda W. Clement-Holmes to fill the seat effective February 1, 2010. She also will serve on the audit committee.

Clement-Holmes is senior vice president, Global Diversity and Global Business Services, for The Procter & Gamble Company. She joined P&G as a systems analyst and, through her 27-year career, has moved through positions of expanding responsibility in IT and Global Business Services. She has led numerous breakthrough initiatives in IT systems management and organizational development. She earned a Bachelor of Science in Industrial Management and Computer Science degree from Purdue University. She has served on a number of advisory boards including: Conference Board-Council of Chief Information Officers, IT Senior Management Forum, National Urban League, Jack & Jill of America, Cincinnati Black Data Processing Association, Victory Neighborhood Services and 4C (Comprehensive Community Child Care). John J. Schiff, Jr., CPCU, chairman of the board, commented: "Linda's expertise in strategic technology management complements the diverse strengths of our current directors, rounding out our board and supporting our goal to create value for shareholders."

In accordance with the company's governance guidelines, Clement-Holmes will stand for re-election by shareholders at the annual meeting of shareholders on May 1, 2010. Other nominees on the slate for terms to expire in 2013 are continuing directors: Gregory T. Bier, CPA (Ret), Douglas S. Skidmore and Larry R. Webb, CPCU. Vice Chairman of the Board James E. Benoski, whose term also is expiring, will not stand for re-election. Benoski, age 71, was president, chief operating officer, chief insurance officer of the company until July 2008. As previously announced, he retired from active employment in January 2009. He continues as a director on all subsidiary boards.

Cincinnati Financial plans to report fourth-quarter and year-end 2009 results on Thursday, February 4. 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 Subsidiaries Announce Appointments and Promotions

Cincinnati, February 1, 2010 – Cincinnati Financial Corporation (Nasdaq:CINF) announced today that boards of its subsidiary companies appointed directors, officers and counsel at their regular meetings on January 29, 2010.

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

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

Promoted to Vice President:
Scott A. Gilliam – Government Relations Officer
Debra K. Smith – Commercial Lines
Stephen M. Spray – Target Markets
James E. Streicher, CPCU, AIM, AIT, ARe, ASLI – Personal Lines
Scott L. Unger – Bond & Executive Risk

Promoted to Assistant Vice President:
Beth A. Adkins – Corporate Accounting
M. Cathleen Cloud, CPCU, AIM – Commercial Lines
Michael W. Klenk – Commercial Lines
David U. Neville, CPCU, AIM, API, ARe – Personal Lines
James D. Ogle, CPCU, AIC – Headquarters Claims
Henry C. Schmidt III, AIM – Personal Lines
Blake D. Slater – Corporate Accounting

Promoted to Secretary:
Matthew R. Barton, CPCU, AIM, ARe, ARM, AU – Commercial Lines
Kimberly A. Beckman, PMP – Information Technology
John B. Boylan, CPCU, APA – Premium Audit
Jason B. Couch, AFSB, RPLU – Bond & Executive Risk
Michael J. Donges, CPCU – Web Content Management
Brent A. Hardesty III, CPCU, CIA, CISA, AIAF – Internal Audit
J. Michael Hennigan – Headquarters Claims
Derek J. Rice, AIM – Learning & Development

New Appointments to Assistant Secretary:
B. Scott Albaugh, CPCU, AIM – Commercial Lines
Scott R. Boden, AFSB – Bond & Executive Risk
John L. Crow – Headquarters Claims
Steven D. Dorr – Bond & Executive Risk
Richard J. Dugan, AIC – Headquarters Claims
Constance S. Hennigan, CPCU, AIC, AIM, RPLU – Headquarters Claims
Anthony P. Vallone, CIPP – Information Security

New Appointments to Associate Counsel:
Thomas C. Hogan
Paul J. Johnson
Joseph A. McGee

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

Promoted to Secretary:
Scott E. Hintze, CPCU, AIM, ASLI, AU, CIC, CRM
Marc J. Schambow, CPCU, AIM, ASLI

New Appointments to Assistant Secretary:
Dawn S. Chapel, CPCU, APA, ARe, ASLI, AU
Michael T. Luebbe, CPCU, AIM

The Cincinnati Life Insurance Company:

Promoted to Vice President:
Roger A. Brown, FSA, MAAA, Actuarial
Scott A. Gilliam*

Promoted to Secretary:
Kimberly A. Beckman*
Brent A. Hardesty III*

New Appointments to Assistant Secretary:
C. Elaine Mackey, FSA, MAAA, Actuarial
Anthony P. Vallone*

New Appointments to Associate Counsel:
Thomas C. Hogan*
Paul J. Johnson*
Joseph A. McGee*

CFC Investment Company:

Promoted to Assistant Vice President:
Blake D. Slater*

*Title as listed above

Cincinnati Financial Corporation Declares Regular Quarterly Cash Dividend

Cincinnati, February 1, 2010 – Cincinnati Financial Corporation (Nasdaq: CINF) today announced that at its regular meeting on January 29, 2010, the board of directors declared a 39.5 cents per share regular quarterly cash dividend payable April 15, 2010, to shareholders of record as of March 24, 2010. Following the increase in the regular dividend rate with the August 14, 2009, dividend declaration, the indicated annual dividend is $1.58 per share. Cash dividends declared during 2009 totaling $1.57 per share marked the 49th consecutive year of increasing the company's annual cash dividend.

Kenneth W. Stecher, president and chief executive officer, commented, "The board considers company performance prospects and current financial strength as part of its quarterly evaluation of opportunities to return capital to shareholders. Declaring the regular dividend demonstrates their confidence in the company's strategy and its execution by management and our associates, who continue to work closely with the independent agents that represent The Cincinnati Insurance Companies. Collectively, we are focused on increasing shareholder value over the long term by investing now to profitably grow our insurance business, while also rewarding shareholders in the near term through cash dividends."

Cincinnati Financial plans to report fourth-quarter and year-end 2009 results on Thursday, February 4. 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*.

Inside Cincinnati

Since our last *Letter to Shareholders*, these associates merited promotions:

Bond & Executive Risk
Bond Field Director – **Randy Deskins**
Bond Regional Director – **Debbie Gems**
Bond State Agents – **Charlie Heider, AFSB; Steve Schmalz; Matthew Stephen**
Underwriting Director Field – **Jeff Ball**
Senior Underwriting Superintendent Field – **Todd Musch**
Underwriting Specialist – **Charles Cutter**

Commercial Lines
Associate Territory Managers – **Lynn Dassel, CPCU, AIM, AU; Elizabeth Greene, AIM**
Senior Underwriting Managers – **Rick Keller, AIM; Tim Ritzie, CPCU; Steve Smith, CPCU, AIM**
Underwriting Manager – **Brian Shaffer, AIM**
Underwriting Directors – **Michelle Bucheit; Greg Popelka, CPCU, ASLI**
System Deployment Director – **Jennifer Baker, CPCU, AIM ARM, AU**
Chief Underwriting Specialists – **Kim Brenner; Heather Dingledine; Wes Lewis; Patricia Scott**
Underwriting Superintendents – **Tom Krieghoff; Steve Krolicki; Kim Meinberg; Jennifer West, CPCU, AIM, API**
Underwriting Specialists – **Angie Rose, AU; Jason Stofel, CPCU**
Senior Underwriters – **Brian Baumgardner; Kristi Cordray; Melissa Dietrich; Kristen Easton; Robert Frey; Tim Hoch; Tami Hubbard; Andrea Reed; Jeff Reisert; Justin Rivet; Lauren Winter**

Corporate Communications
Editor – **Jessie Moore, AU**

CSU Underwriting
Underwriting Superintendent – **Brian Huwel, AIS, ASLI**

Field Claims
Regional Field Claims Managers – **Mike Cranney, AIC; Dan Worth, AIC, AIM**
Field Claims Manager – **Eric Hoffman, SCLA, AIC, AIM**
Field Claims Superintendents – **Chris Campbell; Jeff Crane, AIC, AIM; Karen Jackson, AIC; Pieter Kes, AIC**
Field Claims Coordinators – **Tom Busch, CPCU, AIC, AIM; Terron Kemp, AIC**
Senior Claims Representatives – **Connie Cockerham; Jenifer Corey, AIC; Craig Cymbalski, AIC; Jerry DiClaudio; Wayne Gammon, AIC; Larry Gollon; Gretchen Herzig, CPCU; Sharri Monte, AIC; Michael Richardson, AIC**

Senior Claims Specialists – **David Gwinn, AIC; Patrick McCarthy, AIC; Scott Miller, AIC; Mark Rush, AIC; Kevin Tierney; Helen Varela AIC, AIM**
Claims Specialists – **Catherine Gavin; Denise Kozak, AIC; Vicky MacBride; Kevin McComas; Todd Morgan; Parish Pollard**

Headquarters Claims
Superintendents, Casualty Claims – **Rick Bridges, AIC; Mike Schirm, AIC, AIM, ARM**
Associate Superintendent, Casualty Claims – **Al Cartwright**
Supervisor, Casualty Claims – **Missy Neumiller, SCLA, AIC**

Information Technology
Senior Application Architect – **Larry Snyder**
Senior Systems Engineers – **Robert Meyer**
Systems Engineer – **Ken Cenci, Jr.**
Senior Systems Analyst – **Brendan Classen; Michael Puno, ACS, FLMI**
Systems Analyst – **Rick Harlan III, AIT**
Senior Business Analyst – **Patty Carson, AIT**
Business Analyst – **Mike Kelley**

Life Sales Field
Life Field Directors – **Ron Bair, ChFC, CLU; Bob Kerr, ChFC, CLU; Marshall Muse, ChFC, CLU**
Senior Life Regional Director – **Brian Druley**
Life Regional Director – **Nick Elbert**

Loss Control Field
Loss Control Field Director – **Ed Lewis, CPCU, SCLA, AIM**
Senior Loss Control Consultant – **Brian Dormeier, AIC**

Machinery & Equipment Specialties Field
Senior Machinery & Equipment Specialist – **Chuck Stoddard, AIC**

Personal Lines
Senior Underwriting Manager – **Jeff Leininger, CPCU, AIM, API**
Underwriting Superintendents – **Heather Gabriel, CPCU, AIM, AIS, API; Diana Godsey, AIM, AIS, API; Rob Treinen, AIM, AIS, API**
Underwriting Specialists – **Aaron Austin, API; Jason Engel, CPCU, API; Tara Hibbard, API**
Senior Underwriters – **Emily Havlin; Brian McClure, API; Katie Simpson; Ryan Tomlinson, API**

Premium Audit Field
Field Audit Specialist – **Kevin Wisdom, APA**

Sales Field
Field Director – **Barb Drook, CPCU**
Senior Regional Directors – **Brent Burton, CIC, AIC; Mike Herron, CIC**
State Agents – **Nicole Kinkaid; Bryan Sturdy, CPCU**

Special Investigations Field
Senior Investigator – **Jeff Lazarski**

Staff Underwriting
Senior Actuarial Analyst – **Jeff Casey**

Professional Development

We encourage and reward associates who continue their professional insurance education, earning credentials by meeting high academic, ethical and length-of-experience standards. Congratulations to the following associates who completed a series of courses to earn a designation: **Kristin Klemmer** and **Michael Mirizzi**, Chartered Property Casualty Underwriter (CPCU); **Nick Burgdorf, Kevin Getz** and **Scott Fitzharris**, Certified Insurance Counselor (CIC); **Molly Grimm**, Certified Estate Planner (CEP); **Sara Saplis**, Fellow Life Management Institute (FLMI).

The Above and Beyond the Call (ABC) Award recognizes exemplary productivity, service and quality in exceptional associates. Congratulations to first-quarter 2010 ABC Award winners **Jeff Kinman**, senior programmer analyst, IT Claims/CSU Development Support, and **Katie Simpson**, senior underwriter, Personal Lines.

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 2008 Annual Report on Form 10-K, Item 1A, Risk Factors, Page 25. 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
- 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:
  - Multi-notch 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
  - Increase our expenses
  - 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
  - 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

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.

Contact Information

Communications directed to Cincinnati Financial Corporation's secretary, Steven J. Johnston, FCAS, MAAA, CFA, chief financial officer, are shared with the appropriate individual(s). Or, you may directly access services:

Investors: Investor Relations responds to investor inquiries about the company and its performance.
Dennis E. McDaniel, CPA, CMA, CFM, CPCU – Assistant Vice President, Investor Relations
513-870-2768 or *investor_inquiries@cinfin.com*

Shareholders: Shareholder Services provides stock transfer services, fulfills requests for shareholder materials and assists registered shareholders who wish to update account information or enroll in shareholder plans.
Jerry L. Litton – Assistant Vice President, Shareholder Services
513-870-2639 or *shareholder_inquiries@cinfin.com*

Media: Corporate Communications assists media representatives seeking information or comment from the company or its subsidiaries.
Joan O. Shevchik, CPCU, CLU – Senior Vice President, Corporate Communications
513-603-5323 or *media_inquiries@cinfin.com*

CINCINNATI FINANCIAL CORPORATION

The Cincinnati Insurance Company
The Cincinnati Casualty Company
The Cincinnati Indemnity Company
The Cincinnati Specialty Underwriters Insurance Company

The Cincinnati Life Insurance Company
CSU Producer Resources Inc.
CFC Investment Company