

BY DESIGN

Structured for Strength and Stability



CINCINNATI FINANCIAL CORPORATION

2002 ANNUAL REPORT

About the Company

Cincinnati Financial Corporation is the nation's 17th largest publicly traded property casualty insurer, based on consolidated revenues.

By design, Cincinnati Financial Corporation is structured for strength and stability, built on a foundation of personal relationships with local independent insurance agents. These agents have an informed, frontline perspective that benefits policyholders as well as the company, helping to create profitability and value for shareholders.

The company provides agents with flexible underwriting solutions, prompt claims service and a large, strong field presence. Cincinnati streamlines its field structure by eliminating branch office bureaucracy. Instead, local-resident field representatives are assigned directly to agencies, where they are ideally situated to provide prompt and personal service, gain firsthand knowledge and be effective decision-makers for the company.

Cincinnati Financial Corporation's long-term record of outperforming the industry in growth, profitability and return to shareholders reflects the strength of its business approach. The company's strong surplus and asset positions provide security for policyholders while allowing for a successful, equity-centered investment strategy.

Cincinnati Financial was formed in 1968 and operates through six subsidiaries. The Cincinnati Insurance Company, founded in 1950, leads the property casualty group. The group operates in 31 states, marketing a broad range of business and personal policies and retaining its strong customer focus on a select group of fewer than 1,000 independent insurance agencies. The Cincinnati Casualty Company and The Cincinnati Indemnity Company round out the property casualty insurance group, rated A++ (Superior) by A.M. Best. The Cincinnati Life Insurance Company - rated A+ (Superior) — markets life, disability income and long-term care insurance and annuities, while CFC Investment Company complements the insurance subsidiaries with commercial leasing and financing services. CinFin Capital Management Company provides asset management services to institutions, corporations and individuals.

This report contains forward-looking statements that involve potential risks and uncertainties. Please see the company's Annual Report on Form 10-K for factors that could cause results to differ materially from those discussed.

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For financial statements and management's discussion and analysis, please see Cincinnati Financial Corporation's Annual Report on Form 10-K for 2002.

FINANCIAL HIGHLIGHTS

Cincinnati Financial Corporation and Subsidiaries

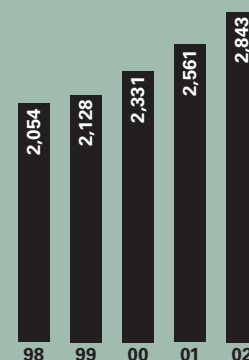
(Dollars in millions except share data)

	2002	2001	Change %
Income Statement Data			
Net realized investment gains and losses	\$ (62)	\$ (17)	(277.9)
Net income	238	193	23.3
Per Share Data (Diluted)			
Net realized investment gains and losses	\$ (.38)	\$ (.10)	(280.0)
Net income	1.46	1.19	22.7
Cash dividend declared . . . . .	.89	.84	6.0
Book value	34.65	37.07	(6.5)
Balance Sheet Data			
Total assets	\$14,059	\$13,914	1.1
Shareholders' equity	5,598	5,998	(6.7)
Average shares outstanding	163,193,184	162,398,777	
Ratio Data			
Statutory combined ratio*	98.4%	103.6%	
Annualized return on equity	4.1%	3.2%	28.4
Annualized return on equity including based on comprehensive income**	(4.0%)	2.5%	(259.2)

* 2001 property casualty operations data excludes the effects of a \$402 million one-time adjustment to recognize net written premiums on an annualized basis rather than the billing period, as of January 1, 2001, as required to conform with Codification of Statutory Accounting Principles.

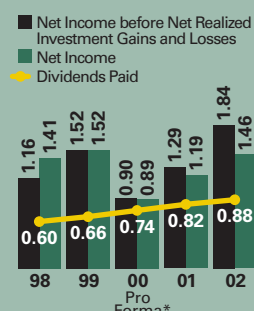
** Comprehensive net income recognizes the company's equity focus and the resulting appreciation/depreciation not reflected in traditional return calculations that consider income statement-based earnings only.

Revenues (dollars in millions)



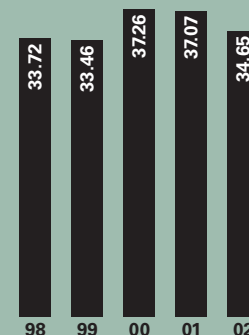
Revenues rose 11% in 2002 on strong growth of insurance premiums and investment income.

Net Income/ Dividends Paid Per Common Share (dollars)



2002 net income before net realized investment gains and losses included \$78 million from parent company operations; \$25 million from life operations; and \$188 million from property casualty operations.

Book Value Per Common Share (dollars)



Book value has grown at a compound average rate of 4.1% since the end of 1997. Unrealized gains in the investment portfolio contributed 65% of book value as of December 31, 2002.

BY DESIGN

Structured for Strength and Stability

To Our Shareholders:

The year ended with a strong second half, and your company reported 2002 full-year net income of \$238 million, up 23.3 percent. Net income before net realized investment gains and losses reached \$300 million, making this our most profitable year ever. Performance measures for property casualty insurance were positive, with premiums up and losses and expenses down as a percent of premiums. In three of the four quarters, the statutory combined ratio improved to less than 100 percent – at or near the breakeven point for underwriting profitability.

For the full year, the combined ratio improved to 98.4 percent, the first sub-100 full-year ratio since 1997.

These 2002 accomplishments are works in progress. We will have to keep pressing in 2003 with all of the profitability initiatives that now have started to benefit your company's performance. These results represent the beginning, not the end, of our response to company-specific challenges of the past three years, as well as to broader marketplace issues. The world in which our stakeholders live today seems more uncertain, a little more likely to bring unwanted surprises than in the past. While we cannot fix political and economic instability, we have made deliberate choices to establish and maintain financial strength and an operating structure that supports and increases your company's

Net income before net realized investment gains and losses reached \$300 million, making this our most profitable year ever. Performance measures for property casualty insurance were positive, with premiums up and losses and expenses down as a percent of premiums.

responsiveness to stakeholder needs.

During 2002, The Cincinnati Insurance Companies acted consistently with our mission of increasing stability for stakeholders, including our independent agent representatives, policyholders, claimants, shareholders, company associates and communities.

First and foremost, agents need stable markets. A better insurance pricing environment has created opportunities to improve our underwriting results and operations. In 2002, we continued to raise prices as appropriate, to gather more risk data, to tighten underwriting guidelines, to apply fewer

discounts and credits, and to revise policy contracts to address new or increased exposures to risk.

These underwriting actions and continued discipline enabled us to preserve markets while giving agents and policyholders choice and control. Looking at each piece of business separately, we crafted solutions by changing deductibles, limits or other terms. We have deliberately been followers rather than market leaders when it comes to restricting coverages, choosing to do so only where it is necessary to restore profitability or avoid becoming the default market for unacceptable risks. An approach we apply where reasonable is to limit coverage provided by the basic policy and provide higher limit options at a separate charge, giving agents and policyholders more control over coverage and price.



John J. Schiff, Jr., CPCU, addressed top-producing agents at the President's Club event in June.

Our agents support these measures. They are the ones presenting double-digit price increases to policyholders, and they are the ones working harder than ever before to find the limits, coverages and

terms their clients need. They do this willingly because they know that having access to insurers that are financially secure, highly rated and profitable enhances their own stability and that of their policyholders.

Policyholders need stable protection. As prices in the insurance marketplace firmed, so did the reinsurance prices that primary insurers pay to cap their losses from larger risks and catastrophes. Reinsurance agreements spread losses, making it possible to write business that insurers could not otherwise accept. We negotiated 2003 reinsurance agreements that protect the company and our policyholders. Pricing rose modestly as we retained more risk, a cost-effective choice afforded by your company's superior capital and surplus condition.

With our focus on relatively low-risk Main Street business, we had chosen not to exclude terrorism losses for most commercial policies. Our 2003 reinsurance agreements do protect us for the terrorism exposure, with certain limitations. Additionally, the federal government acted to provide a backstop for the industry's annual aggregate commercial losses exceeding \$10 billion due to international terrorism events. Insurers would pay losses within their retentions, which

would be \$136 million for your company in 2003. Our rating plan for new and renewal policies in most areas will add a charge of just 1 or 2 percent to policy premium. This choice provides important peace of mind and encourages policyholders to purchase the coverage, achieving the goal of spreading the risk. While our reinsurance and the government plan are steps in the right direction, we believe more must be done to protect policyholders and insurers from devastating terror losses.

Investors need restored confidence in the stability of corporate America. Over the course of 2002, high-profile meltdowns of large companies continued to shake the investment world, and a weak economy helped reduce portfolio values. Most executives are honest and most balance sheets remain strong. However, all corporate leaders must do more to demonstrate integrity by adding checks and balances to our governance and disclosure practices.

Your company has a hard-working board that brings candor and expertise – agency, financial and operational – to the table. Directors attend educational programs as well as company and agent events so they can make informed decisions. During 2002, an independent director became chair of the nominating committee, and a new independent director joined your company's board: Gretchen W. Price is vice president – finance and accounting, Global Market Development Organization, Procter & Gamble. Early in 2003, CFC Director and Chief Investment Officer James G. Miller retired. Jim formed our investment department in 1972 and CinFin Capital Management Company in 1998.

We are working to update and publish board committee charters and a code of ethics, preparing to comply fully with all new regulations when or before they take effect.

Overview of Investment Operations

A Steady Performance in Unsteady Times

Pre-tax investment income from our portfolio rose to an all-time high of \$445 million, up 5.6 percent for the year. Because we select equity holdings with annual dividend yields in the range of 1.5 percent to 3.0 percent, a steady flow of dividends added stability to our investment income. At year-end 2002, gross annualized dividend income from common stocks stood at \$185 million, including \$12 million from dividend increases announced during 2002 by 28 of our 46 equity holdings.

During 2002, historically low interest rates and a third consecutive year of stock market declines both affected your company's ability to invest strong cash flows. Net realized losses were \$94 million, including impairments of \$98 million, or less than 1 percent of our \$11.189 billion portfolio, for securities that had been in an unrealized loss position for several quarters. Net realized gains from sales of investment assets were positive at \$8 million versus \$11 million in 2001.

At December 31, 2002, net unrealized portfolio gains, noted on our balance sheets in accumulated other comprehensive income, totaled \$3.643 billion versus \$4.113 billion at year-end 2001. 2002 year-end book value was \$34.65, down from \$37.07 a year ago but up from \$34.14 at the end of the third quarter.

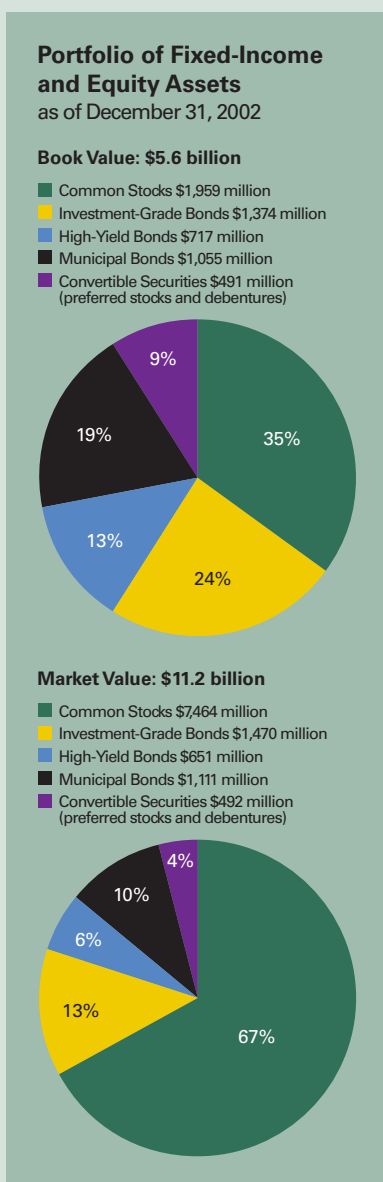
In response to current economic conditions, we are favoring shorter bond maturities, higher credit quality and municipals with tax-exempt income for the fixed-income portfolio.

On the equity side, your company's total return investment strategy is based on the compounding of cash flows over time. We like income; we like growth; and we are patient. We consistently select and hold securities with a proven record of steadily increasing sales, earnings and dividends and a favorable outlook, managing equity investments the same way your company manages insurance operations – leveraging personal knowledge and relationships. By controlling the number of holdings, monitoring fundamentals and studying executive leadership, we manage concentration of risk and achieve advantages.

Financial Services

CFC Investment Company leases and finances vehicle, equipment and real estate for Cincinnati's independent agencies, their commercial clients and other businesses. 2002 net income was \$4 million, including \$2 million from the sale of a property.

CinFin Capital Management Company, now in its fourth year, manages \$726 million of assets for 35 clients, mostly institutional clients such as pension funds and insurance companies or agencies. Net income was \$1 million in 2002, up 19.4 percent.



Approximately \$69 in invested assets supported each Cincinnati Financial common share at year-end 2002. Common stocks represented just 35% of the portfolio's book value. These stocks have performed well over time, appreciating to account for 67% of market value.

In 2002, we formalized a disclosure process and committee to verify that financial reporting continues to exceed regulatory standards in both timing and content.

We plan to adopt accounting standards to expense options on the income statement as soon as valuation methodology is finalized so that companies provide consistent, comparable information. At this time, the effect of stock option grants shows up in diluted per-share numbers on the income statement.

Your company's associates are working to secure bright and stable futures. We provide reasonable compensation, including stock option grants, to deserving associates. Options align their interests with those of shareholders. Your company has been a leader in using options to motivate and reward non-executive associates, from field associates to file clerks. The five most senior executives received less than 14 percent of options granted in 2002, while nearly 50 percent was awarded to associates below the junior officer level.

Your company develops and promotes associates to create depth and stability. CFC Vice President Kenneth S. Miller, mentored by Jim Miller since 1979, now heads our investment department. Ken and the 10 portfolio managers on his staff average eight years of Cincinnati experience, exemplifying the benefits of investing in associates.

Shareholders seek a stable, fair return on their investment. We believe the way to increase the price of Cincinnati Financial shares is to keep increasing earnings and book value. While your company's performance is affected by insurance pricing cycles and economic conditions, we believe that the best long-term results will come when we hold unwaveringly to our underwriting and investing standards. Earnings improved in 2002, as underwriting initiatives reduced loss

frequency and firmer prices offset severity. On the investment side, book value declined to \$34.65 versus \$37.07 at year-end 2001. We are monitoring Fifth Third Bancorp and the other well-managed companies in our portfolio. Their market values should recover over time as they continue to achieve earnings growth, comply with regulations and benefit from any broad marketplace events that reduce uncertainty.

Our commitment to increase earnings and book value has resulted in 42 consecutive years of steadily increasing cash dividends paid to shareholders. On February 1, 2003, the board again voted to increase the quarterly payout, bringing the indicated annual dividend to \$1.00 per share. Additionally, the company repurchased more than a million of its own shares in 2002 and intends to continue repurchasing amounts that at least offset dilution from options. During 2002, a total of \$184 million was returned to shareholders through dividends and repurchases.

* * *

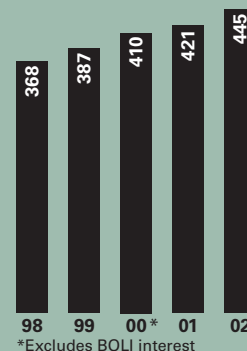
The discipline and momentum of 2002 have built strength that should help Cincinnati outperform in 2003 and beyond. We expect improved pricing and risk selection to continue driving healthy cash flow to pay claims and to invest for current income and future appreciation. We remain confident in a strong and stable future for your company.

/S/ John J. Schiff, Jr.,

John J. Schiff, Jr., CPCU
Chairman, President and Chief Executive Officer
February 6, 2003

Investment Income

Less Expenses
(dollars in millions)



*Excludes BOLI interest
Pre-tax investment income grew 5.6% in 2002, contributing to a five-year compound growth rate of 5%. Steadily increasing dividends from equity holdings helped offset low prevailing interest rates.

Assets

(dollars in millions)



Total assets rose \$145 million as of December 31, 2002. Over the past five years, assets grew at a 7.3% compound rate.

SELECTED FINANCIAL INFORMATION

Cincinnati Financial Corporation and Subsidiaries

(Dollars in millions except per share data)

	Years Ended December 31,			
	2002	2001	2000	1999
Income Statement Data (GAAP)				
Earned premiums	\$ 2,478	\$ 2,152	\$ 1,907	\$ 1,732
Investment income, net of expenses	445	421	415	387
Total revenues	2,843	2,561	2,331	2,128
Net realized investment gains and losses . . .	(62)	(17)	(2)	0
Net income	238	193	118	255
Net income per common share:				
Basic	1.47	1.20	.74	1.55
Diluted	1.46	1.19	.73	1.52
Cash dividends per common share:				
Declared . . . . .	.89	.84	.76	.68
Paid . . . . .	.87 ^{3/4}	.82	.74	.66 ^{1/3}
Balance Sheet Data (GAAP)				
Total assets	\$14,059	\$13,914	\$13,239	\$11,770
Long-term debt	420	426	449	456
Shareholders' equity	5,598	5,998	5,995	5,421
Book value per share	34.65	37.07	37.26	33.46
Ratio Data (GAAP)				
Loss ratio	61.5%	66.6%	71.1%	61.6%
Loss expense ratio	11.4	10.1	11.3	10.0
Expense ratio	26.8	28.2	30.4	28.6
Combined ratio	99.7%	104.9%	112.8%	100.2%
Property Casualty Insurance Operations (Statutory Data)				
Written premiums	\$ 2,613	\$ 2,188	\$ 1,936	\$ 1,681
Earned premiums	2,393	2,067	1,828	1,658
Investment income, net of expenses	234	223	223	208
Unearned premiums	1,270	1,033	507	455
Loss reserves	2,090	1,886	1,730	1,513
Loss expense reserves	519	466	452	419
Policyholders' surplus	2,340	2,533	3,172	2,852
Loss ratio	61.5%	66.8%	71.1%	61.6%
Loss expense ratio	11.4	10.1	11.3	10.0
Expense ratio	25.5	26.7	29.2	28.8
Combined ratio	98.4%	103.6%	111.6%	100.4%

The selected financial information above allows for a more complete analysis of results of operations and should not be considered a substitute for any GAAP measure of performance.

As more fully discussed in the company's Form 10-K for 2002, 2001 statutory data for the property casualty subsidiaries reflects the company's adoption of Codification effective January 1, 2001. Codification of Statutory Accounting Principles required recognition of net written premiums on the basis of the policy contract term rather than the policy billing period. For comparison purposes, a \$402 million one-time net written premium adjustment required to conform with Codification was excluded from 2001 data, and 2000 statutory data was reclassified; information was not readily available to reclassify earlier years' statutory data presented above.

1998	1997	1996	1995	1994	1993	1992
\$ 1,613	\$ 1,516	\$ 1,423	\$ 1,314	\$ 1,219	\$ 1,141	\$ 1,039
368	349	327	300	263	239	219
2,054	1,942	1,809	1,656	1,513	1,442	1,304
43	45	31	20	12	33	23
242	299	224	227	201	216	171
1.45	1.81	1.34	1.36	1.21	1.30	1.04
1.41	1.77	1.31	1.33	1.18	1.27	1.03
.61 ^{1/3}	.54 ^{2/3}	.48 ^{2/3}	.42 ^{2/3}	.38 ^{2/3}	.34	.31
.59 ^{2/3}	.53 ^{1/3}	.47 ^{2/3}	.42	.37 ^{1/3}	.33 ^{1/3}	.30
\$11,482	\$ 9,867	\$ 7,397	\$ 6,439	\$ 5,037	\$ 4,888	\$ 4,357
472	58	80	80	80	80	80
5,621	4,717	3,163	2,658	1,940	1,947	1,714
33.72	28.35	18.95	15.80	11.63	11.70	10.37
65.4%	58.3%	61.6%	57.6%	63.3%	63.5%	63.8%
9.3	10.1	13.8	14.7	9.8	8.7	9.0
29.6	30.0	28.2	27.8	27.8	28.5	29.9
104.3%	98.4%	103.6%	100.1%	100.9%	100.7%	102.7%
\$ 1,558	\$ 1,472	\$ 1,384	\$ 1,296	\$ 1,191	\$ 1,124	\$ 1,015
1,543	1,454	1,367	1,263	1,170	1,092	992
204	199	190	180	162	153	142
432	418	402	385	354	334	302
1,432	1,374	1,319	1,274	1,213	1,100	961
408	403	383	307	219	193	177
3,020	2,473	1,608	1,269	999	1,012	934
65.4%	58.3%	61.6%	57.6%	63.3%	63.5%	63.8%
9.3	10.1	13.8	14.7	9.8	8.7	9.0
29.5	29.9	28.1	27.6	27.7	28.1	29.6
104.2%	98.3%	103.5%	99.9%	100.8%	100.3%	102.4%

2000 results include a one-time charge for asset impairment of \$39 million, before tax; \$25 million, or 16 cents per share, net of tax. The charge affected the statutory expense ratio and combined ratio by 1.7 percentage points and the GAAP expense ratio and combined ratio by 2.1 percentage points.

1993 earnings include a net credit for \$14 million, or 8 cents per share, cumulative effect of a change in the method of accounting for income taxes to conform with SFAS No. 109 and a net charge of \$9 million, or 5 cents per share, related to the effect of the 1993 increase in income tax rates on deferred taxes recorded for various prior-year items.

Overview of Insurance Operations

Property Casualty Insurance Operations: Growth

Property casualty statutory net written premiums grew 19.4 percent for the year. For comparison purposes, the growth rate was 14 percent excluding an adjustment that reflected refinement of the estimation

process for matching written and earned premiums to policy effective dates. Commercial statutory net written premiums rose 22.8 percent, or 15.8 percent to \$1.795 billion excluding the adjustment; premiums for personal lines rose 11 percent, or 9.8 percent to \$700 million excluding the adjustment.

While firm commercial pricing drove this growth, increases also arose from agent and underwriter efforts to verify that coverage amounts matched insured values.

New business written directly by agents in 2002 reached an all-time high of \$317 million as double-digit price

increases more than offset a lower number of new policies. New commercial business rose 14.4 percent and new personal lines business rose 27.2 percent.

Growth of new business moderated during the fourth quarter as we continued making deliberate, case-by-case decisions to leave some risks on the table. We have historically written workers' compensation to help agents present a full package of Cincinnati coverage to the policyholder. Because rising loss cost trends concern us, and agents in most states can easily provide workers' compensation on a stand-alone basis, we reduced writings in this line. New workers' compensation business was down 17.4 percent for the year while total direct written premiums rose 8.9 percent on improved pricing of new and renewal policies.

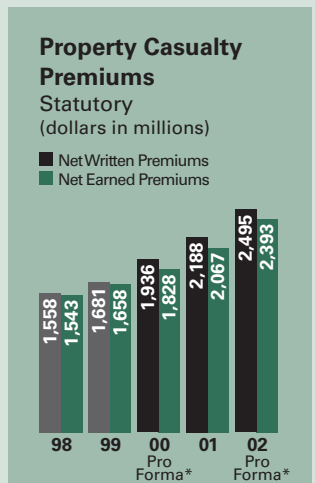
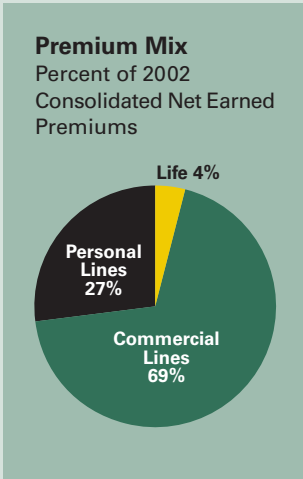
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* In 2002, the company refined its estimation process for matching written and earned premiums to policy effective dates. For comparison purposes only, pro forma results exclude the benefit. Including the 2002 adjustment, statutory written premiums rose 19.4 percent to \$2.613 billion.

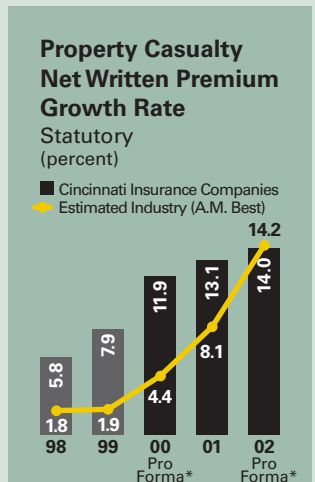
In 2000, the company incurred a one-time charge for asset impairment. For comparison purposes only, pro forma results exclude the charge. Including the 2000 charge, the statutory combined ratio for 2000 was 111.6 percent.

■ The Cincinnati Insurance Companies (statutory, property casualty subsidiaries)

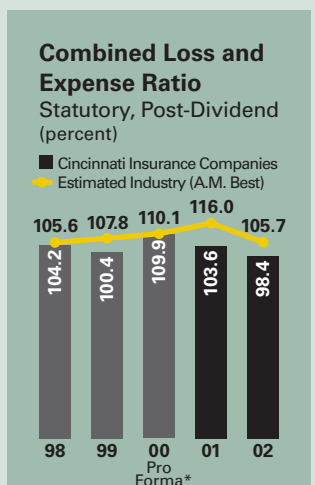
■ The Cincinnati Insurance Companies (statutory, including effects of Codification, property casualty subsidiaries)



Growth in established states fueled a \$332 million increase in agency direct premiums. Ohio, with 24.2% of total direct volume, grew 11.4%. Other top states: Illinois, up 15.1%; Indiana, up 12.3%; Michigan, up 17.7%.



Cincinnati's five-year average growth of 12.2% doubled the 6% industry average. Commercial premiums accounted for 73% of 2002 property casualty volume.



Cincinnati's ratio improved to 98.4%, the best full-year result since 1997. The 2002 ratio included 3.6 points for catastrophes and compared favorably with the industry average of 105.7%, with 1.4 catastrophe points.

Property Casualty Insurance Operations: Profitability

In 2002, the company recorded its best statutory combined ratio in five years, outperforming the 105.7 percent industry average estimated by A.M. Best Co. Our ratio improved to the sub-100 level on both a statutory basis, at 98.4 percent, and on a GAAP accounting basis, at 99.7 percent. We achieved a GAAP underwriting profit of \$8 million, with \$48 million of profits for the second half offsetting a first-half underwriting loss due to unusually heavy catastrophes.

This was our first full-year underwriting profit since 1997 and compared with a loss of \$102 million last year. It reflected better pricing and profitability initiatives such as re-underwriting programs, renewal field reviews, risk reports, rate increases and changes in policy terms and conditions. Task forces have researched, recommended and implemented changes to eligibility and underwriting guidelines for business lines that have incurred some of our largest losses, including commercial auto and contractor risks.

For commercial lines business, our statutory combined ratio was very satisfactory at 95.3 percent versus 103.4 percent estimated for the industry. And while our personal lines ratio remained above the level we consider acceptable, at 106.5 percent versus the industry's estimated 105.6 percent, our ratio included 7.1 percentage points of catastrophes versus only 1.8 percentage points in the industry ratio. As has been the case over the past two years, our homeowner business was the main cause of the high ratio, with a loss and loss expense ratio of 98.6 percent versus 67.6 percent for personal auto. In addition to stricter underwriting and policy changes, we are working to package homeowner accounts with the more profitable auto business. New direct homeowner-auto package business rose 47.4 percent to \$26 million.

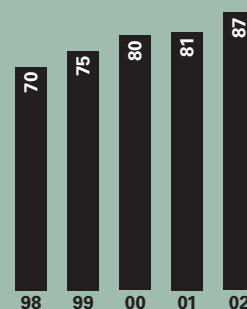
Life Insurance Operations

The Cincinnati Life Insurance Company reported net income of \$17 million in 2002. Revenues rose 2.8 percent, with earned premiums up 8.3 percent and pre-tax investment income up 6.9 percent. After higher expenses related to strong growth and increased regulatory and legal expenses, 2002 net income before net realized investment gains and losses was \$25 million, compared with \$30 million in 2001.

New submitted applications rose 16 percent to more than 47,600 on strong sales of ordinary life products. Excluding the sale of a \$33 million bank-owned life insurance policy, first-year net ordinary life premiums written in 2002 increased 21 percent to \$24 million, primarily from the sale of LifeHorizons term and universal life products. First-year annuities written reached \$84 million, up from \$9 million in 2001, reflecting the appeal of return of principal and guaranteed income and interest-rate features in today's low interest-rate environment.

Net Earned Premiums

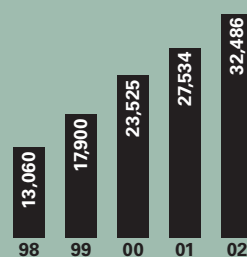
The Cincinnati Life Insurance Company
(dollars in millions)



Cincinnati Life's 2002 net earned premiums rose 8.3%, contributing to a five-year compound growth rate of 7.3%.

Life Policy Face Amounts in Force

Excluding Annuities, Accident and Health Business
(dollars in millions)



Face amounts of ordinary life insurance policies in force increased 18% from 2001 to 2002. Policy count rose to 332,783 from 319,281.

BY DESIGN

Merging Responsiveness and Cost-effectiveness

Structure That Reverses the Norm

Cincinnati's founders established a structure unlike any other insurer's, designed to support and preserve responsiveness to local conditions as your company grew. A flat operating structure is the platform for strategic differences such as agents who function as frontline underwriters, the absence of branch office hierarchy and bureaucracy, and assignment of field claims representatives to agency instead of type of claim. While other insurers have adopted central authority models, Cincinnati deliberately reverses the norm. Our headquarters staff of 2,500 supports the more than 1,000 decision-making representatives in the field.

This reverse structure leads to competitive advantages and cost-effectiveness. As a matter of record,

Cincinnati's ratios for expenses other than commissions are among the very lowest in the industry. By being cost-conscious at headquarters, we can choose to reward our professional agents for their work providing the personal service that sets Cincinnati apart.

To achieve cost-effectiveness, we keep things simple, introduce changes incrementally and develop relationships for the long term. Within our unorthodox structure, savings and stability arise from unorthodox business approaches: By concentrating our resources on a relatively small number of agencies, we earn a large share of their business and high policy retention. By investing

heavily in agency and associate education, we achieve high staff retention. By minimizing advertising expense, we can afford to provide outstanding claims service that is a more powerful reputation-builder on the local level. By writing three-year insurance policies, we benefit from both processing savings and high policy retention.

Just as responsiveness and cost-effectiveness are structural imperatives, financial strength is a strategic imperative. Cincinnati stands among the most financially secure insurance groups in the nation, with a property casualty written premiums-to-surplus ratio of 1.12 versus an

estimated 1.3 for the industry. Significant assets held by Cincinnati Financial at the parent company level provide further access to capital.

While the current climate favors strongly capitalized insurers, some industry observers have labeled large surpluses as wasteful. Capital has been a Cincinnati priority because it allows us to operate flexibly and protect policyholders; to continue growing even as capacity constricts due to insurance or investment market conditions; and to pursue an equity-focused investment strategy that consistently rewards shareholders.

Financial Strength for Policyholder Safety and Shareholder Return

Our business is paying claims, and financial strength enables us to meet this commitment promptly, consistently and fairly. Policyholders can gauge an insurer's ability to pay claims partly

To achieve cost-effectiveness, we keep things simple, introduce changes incrementally and develop relationships for the long term. Within our unorthodox structure, savings and stability arise from unorthodox business approaches.

through the financial strength ratings awarded by the industry's independent ratings organizations.

During 2002, **Fitch Ratings** initiated an AA (Very Strong) insurer financial strength rating for the property casualty companies and for The Cincinnati Life Insurance Company, recognizing profitability, premium growth, financial flexibility and capitalization. In November, other leading firms affirmed their ratings:

- **A.M. Best Co.**, the nation's oldest and most authoritative insurance rating firm, affirmed its highest rating for the property casualty group, A++ (Superior), noting superior capitalization, sustained profitability and the long-standing independent agency strategy. Best also affirmed Cincinnati Life's rating of A+ (Superior) based on strong capitalization, consistently positive operating results and new business growth.

- **Moody's Investors Service** affirmed its Aa3 rating on the property casualty companies, citing Cincinnati's sound balance sheet, capitalization, conservative leverage profile and agency franchise.

- **Standard & Poor's** affirmed its AA- (Very Strong) rating on each of the property casualty companies and Cincinnati Life. S&P recognized Cincinnati's competitive position, agency relationships, business persistency, capitalization and financial flexibility.

During 2002, Ward Group, an insurance management consulting firm, again recognized Cincinnati as one of the nation's best performers. Ward annually examines five years of data from nearly 4,000 insurers, selecting the top 50 property casualty and the top 50 life/health insurers. Ward chooses companies that excel at balancing financial safety, consistency and performance. In 2002,



Policyholder Frank M. Hancock (foreground), president and CEO of Sport Graphics Printing in Indianapolis, resumed business quickly in a new facility after a September tornado destroyed the plant. He credits his agent from City Securities, Corp., Executive VP Patrick J. O'Connor (left), and Cincinnati's Senior Claims Representative Bruce P. Graham (center).

Cincinnati was one of only eight insurers that merited a place on both lists and one of just eight property casualty insurers that had qualified every year since the study's inception 12 years ago.

Your company's long record of increasing dividends earned the No. 14 spot in *The 2002 Merger's Handbook of Dividend Achievers*. *Fortune Magazine* (December 9, 2002), took note as well, identifying Cincinnati Financial as one of the top 15 "secure dividend payers" in the S&P 500 Index. In February 2003, directors voted to raise the quarterly cash dividend 12.4 percent, with the indicated annual dividend of \$1.00 per share marking our 43rd year of increased cash dividends.

Despite the difficult investment environment, Cincinnati Financial common stock returned a positive 0.6 percent, compared with a negative return of 22 percent for the S&P 500 Index.

Doing Business Person to Person

The agents who founded Cincinnati thought their neighbors and local business clients deserved an insurer structured for heightened sensitivity to local market conditions. They saw an opportunity to benefit their communities while rewarding investors who backed their concept: Cincinnati would be an agent-centered insurer that valued agents' knowledge of their communities, supported their personal relationships with clients and delegated decision-making to representatives in the field.

Cincinnati's one-size-does-NOT-fit-all approach seemed like a good, contrarian idea in the 1950s when direct writers began making a bid for market share. The idea may make even better sense today, as some insurers move toward a commodity approach. The Cincinnati way appeals to those who weigh value above price. They expect their agent and insurer to earn their trust and their business by giving them personal attention, top-of-the-line claims service, informed underwriting decisions and tailored insurance programs. Your company's success reaching these value-oriented buyers is directly linked to the success of the professional independent agents who deliver the value.

There are few shortcuts to offering truly personal service. We're highly dependent on having the right talent in the right place – on our ability to appoint top-tier agencies. Willingness to work on the relationship is the key to merging agency and company success.

The Cincinnati Franchise

Cincinnati has appointed approximately 1,000 high-caliber agencies with compatible philosophies and business practices, sound balance sheets and succession plans. Agents write business within a reasonable radius of their offices, where they can expect to have personal relationships with policyholders and perform as frontline underwriters. Serving just 950 agencies in 31 states, we know our agency customers. Before appointment, agency principals come to Cincinnati to interview key staff and executives, exploring the match. It's up to us to demonstrate the value of the franchise:

- Agencies receive personal service from the entire organization. They and their clients know the representative who handles their claims by name. They know a team of people is looking out for their business and available to listen.
- Agents know they will see our CEO and senior officers. Executives are traveling to 25 cities in 2003 to meet agents and discuss results, goals and issues at our annual sales meetings. Additionally, underwriters visit agencies regularly and executives travel with marketing representatives, calling on agencies and policyholders.
- Agencies receive individualized attention; they are not broadly categorized by regions or risks. Territories are subdivided to maintain or improve the level of service as business volume grows. During 2002, seven territories split, reducing the average number of agencies per

marketing representative to 11 from 13. Plans for 2003 include six additional marketing territories.

- Field representatives are accessible, empowered and accountable. They make the decision; they inspect the property; they write the claim checks. Decades of experience stand behind them. Field claims representatives have an average of 14 years of industry experience; property casualty marketing representatives average 15 years; and life marketing representatives average 22 years. Field-based decisions speed response times and reduce layers of red tape and expenses.
- Agencies that reach growth and profitability targets share in the success of The Cincinnati Insurance Companies through profit-sharing commissions.

Support, Above and Beyond

Value-added service also extends to agent education. That means sales schools and roundtables where agents share management ideas. It means seminars for agency staff on Cincinnati coverages, policy rating and production or software systems. It means practical advice on how to effectively transfer contractor risk, how to accurately measure and insure property values, or how to find cross-selling opportunities using the agency's management system.

Just as important, it means training our own associates to provide optimal service to agents and their clients. During 2002, we provided online and traditional classes on topics from keeping records to estimating auto physical damage repairs. Cincinnati's own underwriters,



Peter N. Ewend, CIC (foreground), president and CEO of Saginaw Bay Underwriters, appreciates Cincinnati's sales meetings in field locations that make it convenient for multiple agency associates to meet executives. Left to right (background): Cincinnati Senior VP J.F. Scherer; Cincinnati Life President & COO David H. Popplewell, FALU, LLIF; Saginaw Bay Underwriters' Senior VP Larry H. Sims.

management, agents, claims associates and headquarters staff often teach these classes, ensuring that instructors are active members of the industry.

Cincinnati graduated five classes of entry-level underwriters in 2002, for the third consecutive year, and has plans for another five classes in 2003. When other insurers cut back in recent years, we expanded our program, recognizing that skilled underwriters are key to the agents' and company's profitability. In 2003, we will meet agency requests to open these classes to producers. Integrating underwriter perspectives into their marketing activities, agents effectively perform the frontline underwriting that assures our mutual success.

Open for Business

Your company makes a commitment to be a market for 60 percent to 70 percent of an agency's typical accounts. We intend to earn a position as each agency's carrier of choice in terms of number of accounts, and approximately 80 percent of commercial accounts have total premium under \$10,000. Yet, even without writing the largest accounts, our overall share of each agency's premium volume is high at nearly 20 percent, or \$2.6 million on average. These numbers indicate exceptional success turning policy quotes into policies and keeping business on our books.

As the insurance marketplace changes, overall or for specific lines, some carriers take pride in responding quickly to the changed environment. Often these responses may be decisions to severely restrict or to cease entirely writing whole classes or lines of business on a state or national basis. Cincinnati doesn't make fast, across-the-board changes, preferring instead to respond deliberately and case by case. While this choice requires more work and more time to turn around negative trends, it is a strategic choice to take care of our relationships and be a stable market for agents and policyholders.

The agent-centered structure requires a relationship strategy, and our primary effort is to underwrite agency relationships rather than policies, accounts or lines of business. For a growing and profitable agency, we may be willing

The agent-centered structure requires a relationship strategy, and our primary effort is to underwrite agency relationships rather than policies, accounts or lines of business.

to work out terms that will let us write a more challenging account. Collaborating with agents to create a book of business that is healthy in total, we can accept that occasional piece of business that is not as natural a fit but is very important to the agency. Maybe the agent knows good things about management and safety; maybe the account has a high profile in the community; or maybe the policyholder is a center of influence or controls other good accounts.

Trust and Teamwork

One reason Cincinnati continues to accept business when others back away is that we have

teams of people supporting and monitoring each agency, keeping their eyes open for ways to grow profitably together:

- **The agency's field team** – Cincinnati's

marketing representatives stand apart from other carriers' associates with similar titles. By training, experience and daily actions, they are actually field underwriters, fully responsible for selecting and pricing new commercial business. As appropriate, they involve other field associates who perform valuable claims, loss control, premium audit, bond and equipment engineering services. These specialists help agents find the right coverage and terms to successfully quote and keep accounts. Based in offices in their homes, field representatives are nearby to help in urgent situations 24 hours a day, seven days a week.

- **Renewal review teams** – Marketing representatives convene risk reviews for renewal business, bringing together agents and field team members who have interacted with policyholders and visited properties. Their observations about coverage needs, changes in the business conducted or physical premises help the agent provide the right coverage at the right price.
- **Catastrophe claim teams** – When disaster strikes and the local field claims staff needs extra hands to get policyholders and property out of harm’s way, to pay claims and to help people get back to normal, your company sends in our own volunteers from other territories. Already familiar with Cincinnati’s policy forms and service standards, they can respond quickly and fairly.
- **The “10 o’clock” team** – Every morning at 10 a.m., the company’s senior production officers meet to review new business and assess trends, evaluate agency books of business and consider our appetite for risk.

Authority and Superior Service

Loyal agents need more than viable markets; they need superiority within those markets. Cincinnati’s agents have exceptional authority and control that helps them shine in front of their clients. They write first-party claims checks up to \$2,500 on their own authority. They bind many coverages. They issue personal lines policies and endorsements in their own agencies, making it possible to hand a client an updated policy with same-day service.

They write convenient, three-year policies where peers may write single-year or even six-month contracts. While some coverages within multi-year policies are re-rated annually, other coverage rates are fixed for the duration of the



Agency President and CEO John S. Delinsky, CIC (foreground), welcomed his Cincinnati field team for a quarterly renewal risk review at Apollo Insurance, Inc. in St. Cloud, Minnesota. Left to right: Cincinnati State Agent Robert C. Proudfoot, CIC; agents Barbara E. Harlander, CIC, and Barry A. Quernemoen, CIC, AAI, and Helga J. Bauerly, CISR; Cincinnati Field Claims Specialist Laurie A. Dustin, AIC, and Loss Control Consultant Kathy A. Barreth; agent Steve R. Rotenberger, CIC.

contract. This offers policyholders peace of mind and generally keeps them with their agent – and with Cincinnati – for the long term.

Agents give their clients access to a full range of insurance products and financial services through Cincinnati and its sister companies: Bond or boiler coverages, equipment leases or investment management services and life insurance. Ninety percent of Cincinnati’s property casualty agencies also offer Cincinnati Life products, diversifying their revenue stream and ours.

Acting with Integrity

Every corporation has serious responsibilities to people outside the organization – to its shareholders and its communities. We believe your company's primary responsibility is to act with integrity, defined as both consistency and honesty. We manage the business purposefully to continually align decisions with our mission...

To grow profitably and enhance the ability of the local independent agent to deliver quality financial protection to the people and businesses they serve by providing market stability through financial strength; by providing competitive, up-to-date products and services; and by developing associates committed to superior service.

True to our structural imperatives, Cincinnati Financial's philosophy on legislative and regulatory matters reflects the voices of our agents and field force across our operating territories. We are resolved to reflect those independent voices rather than follow in step with industry trade organizations. Our stance tends to be nonconformist on issues such as proposed federal chartering, tort reform and credit scoring, just as we have designed our business with the agent at the center in a nonconformist fashion.

Just as responsiveness to local conditions and affinity for personal involvement are cornerstones of our business operations, they also guide our civic and charitable programs. We support programs that build stronger communities, with associates personally involved at headquarters and in the field in the neighborhoods we serve. Headquarters associates have a tradition of

supporting arts and educational activities and working with local school districts on mentoring, literacy and other partnership programs. Financial and volunteer support for United Way, the Fine Arts Fund and the blood donation program continues to grow, both as corporate commitments and personal commitments. And across the states in which we operate, field associates volunteer their time to schools, churches, civic and community endeavors.

Preserving Strategic Advantages

Legislation and regulations enacted and proposed during 2002 imposed new governance requirements on public companies, primarily regarding board and committee composition, as well as financial reporting and disclosure. Your company has explicitly stated certain obligations to shareholders, agents, policyholders and associates in our mission statement. We believe the best way to fulfill obligations to shareholders is to do a good job with our obligations to others.

After the 2002 addition of one independent director and the retirement of one inside director, the Cincinnati Financial board now is composed of 15 directors. Six directors are classified as independent outsiders. The remainder includes CEO John J. Schiff, Jr., two family members and six more affiliated directors. Among those six are four outside directors who are independent insurance agents. While we know of no other insurer with that level of independent agent representation on the board, we also know of no other insurer founded by agents and structured

specifically to optimize inherent advantages of the independent agency system. We believe we can meet all new and proposed requirements for board composition while preserving this strategic advantage.

Many of the new or proposed rules focus on audit committees. Cincinnati Financial's audit committee, chartered in 1999, has been made up entirely of independent directors since 1976. Member directors are seasoned executives with relevant financial, operational and investment responsibilities and experiences. This committee recommends and directs our outside audit firm. The chair of the audit committee participated in an educational program for audit committee leaders during 2002.

Board members also serve your company on executive, investment, nominating and compensation committees. Charters for each committee are in the process of being written or updated, as is the code of ethics.

During 2002, your company formalized a disclosure process and committee of senior officers. Their function is to verify that relevant information has been brought to the attention of the chief executive and chief financial officers, allowing them to make sound judgments regarding the accuracy and completeness of your company's financial reports. In fact, over the past several years management already had greatly enhanced both the quality and the quantity of information reported to regulators and investors. Members of the investment community have commented on the exceptional detail provided in our claims and loss analysis. This year, we are providing our expanded



Kenneth C. Lichtendahl (foreground) chairs Cincinnati Financial Corporation's audit committee. Members include (left to right): John M. Shepherd, E. Anthony Woods and William F. Bahl, CFA.

Annual Report on Form 10-K to shareholders in this annual report package.

Additionally, we have for several years posted information for the public on www.cinfin.com including news releases, financial reports, SEC filings, stock price information, director biographical information and committee service, conference call Webcasts and much more. You are invited to bookmark this site and to register for automatic e-mail alerts of newly posted material, which will include items mentioned above as well as any regulatory or Nasdaq exchange requirements.

CINCINNATI FINANCIAL CORPORATION OFFICERS AND DIRECTORS



W.F. Bahl



J.E. Benoski



M. Brown



J.E. Field



K.C. Lichtendahl



W.R. McMullen



J.G. Miller



G.W. Price



J.J. Schiff, Jr.



R.C. Schiff



T.R. Schiff



F.J. Schultheis



J.M. Shepherd



L.R. Webb



A.R. Weiler



E.A. Woods

Officers as of December 31, 2002

John J. Schiff, Jr., CPCU
Chairman, President and Chief Executive Officer

James G. Miller
Chief Investment Officer and Senior Vice
President, Assistant Secretary, Assistant Treasurer
(Retired January 2003)

Kenneth W. Stecher
Chief Financial Officer and Senior Vice
President, Secretary, Treasurer

Kenneth S. Miller, CLU, ChFC
Vice President, Assistant Secretary, Assistant
Treasurer

Eric N. Mathews, AIAF
Vice President, Assistant Secretary, Assistant
Treasurer

Directors as of December 31, 2002

William F. Bahl, CFA (1)(2*)(4)(5)
Chairman
Bahl & Gaynor, Inc.
(investment advisors)
Director since 1995

James E. Benoski
Vice Chairman, Chief Insurance Officer and
Senior Vice President
The Cincinnati Insurance Company
Director since 2000

Michael Brown (2)(3)(5*)
President and General Manager
Cincinnati Bengals, Inc.
Director since 1980

John E. Field, CPCU (3)
Chairman
Wallace & Turner, Inc.
(insurance agency)
Director since 1995

Kenneth C. Lichtendahl (1*)(2)
President and Chief Executive Officer
Tradewinds Beverage Company
Director since 1988

W. Rodney McMullen (4)
Executive Vice President
The Kroger Co.
Director since 2001

James G. Miller (4)
Chief Investment Officer and Senior Vice
President
Cincinnati Financial Corporation
Director since 1996
(Retired January 2003)

Gretchen W. Price
Vice President
Finance & Accounting
Global Market Development Organization
Procter & Gamble
Director since 2002

John J. Schiff, Jr., CPCU (3*)(4*)
Chairman, President and Chief Executive Officer
Cincinnati Financial Corporation
Director since 1968

Robert C. Schiff
Chairman
Schiff, Kreidler-Shell, Inc.
(insurance agency)
Director since 1968

Thomas R. Schiff (4)
Chairman and Chief Executive Officer
John J. & Thomas R. Schiff & Co., Inc.
(insurance agency)
Director since 1975

Frank J. Schultheis (3)
President
Schultheis Insurance Agency, Inc.
Director since 1995

John M. Shepherd (1)
Chairman and Chief Executive Officer
The Shepherd Chemical Company
Director since 2001

Larry R. Webb, CPCU
President
Webb Insurance Agency, Inc.
Director since 1979

Alan R. Weiler, CPCU (3)(5)
Chairman
Archer-Meek-Weiler Agency, Inc.
(insurance agency)
Director since 1992

E. Anthony Woods (1)
Chairman (as of February 2003)
Deaconess Associations, Inc. (health care)
Director since 1998

Directors Emeriti:

Vincent H. Beckman
Robert J. Driehaus
Jackson H. Randolph
Lawrence H. Rogers II
John Sawyer
David B. Sharrock
Thomas J. Smart
Charles I. Westheimer
William H. Zimmer

- (1) Audit Committee
- (2) Compensation Committee;
also Lawrence H. Rogers II, advisor
- (3) Executive Committee
- (4) Investment Committee;
also Richard M. Burridge, CFA, advisor
- (5) Nominating Committee
- * Committee chairperson

SUBSIDIARY OFFICERS AND DIRECTORS

As of December 31, 2002, listed alphabetically

The Cincinnati Insurance Company (CIC)
The Cincinnati Indemnity Company (CID)

The Cincinnati Casualty Company (CCC)
The Cincinnati Life Insurance Company (CLIC)

CFC Investment Company (CFC-I)
CinFin Capital Management (CCM)

Executive Officers

James E. Benoski

CIC, CID, CCC Vice Chairman of the Board
CIC, CID, CCC, CLIC Chief Insurance Officer and
Senior Vice President-Headquarters Claims
CIC, CID, CCC, CLIC, CFC-I Director

James G. Miller (Retired January 2003)

CIC, CID, CCC, CLIC Chief Investment Officer and
Senior Vice President-Investments
CCM President
CFC-I Senior Vice President and Treasurer
CIC, CID, CLIC, CFC-I, CCM Director

Kenneth S. Miller, CLU, ChFC

CFC-I President and Chief Operating Officer; Director
CIC, CID, CCC, CLIC Senior Vice President-
Investments
CCM Executive Vice President; Director

Larry R. Plum, CPCU

CCC President
CIC, CID Senior Vice President-Personal Lines
CIC, CID, CCC, CLIC Director

David H. Popplewell, FALU, LLIF

CLIC President and Chief Operating Officer; Director
CCM Director

J. F. Scherer

CIC, CID, CCC, CLIC Senior Vice President-
Sales & Marketing
Director of all subsidiaries

John J. Schiff, Jr., CPCU

CIC, CID Chairman, President and Chief Executive
Officer
CCC Chairman and Chief Executive Officer
CLIC Chief Executive Officer
CCM Chairman
Director of all subsidiaries

Kenneth W. Stecher

CIC, CID, CCC, CLIC, CFC-I Chief Financial Officer
and Senior Vice President-Corporate Accounting;
Secretary
CCM Treasurer
Director of all subsidiaries

Timothy L. Timmel

CIC, CID, CCC, CLIC, CFC-I Senior Vice
President-Operations
Director of all subsidiaries

Senior Officers and Directors

Michael R. Abrams

CCM Vice President

Donald R. Adick, FLMI

CLIC Senior Vice President-Life Marketing
Administration

Dawn M. Alcorn

CIC, CID, CCC Vice President- Administrative Services

Brad E. Behringer

CLIC Vice President and Chief Underwriter

David L. Burbrink

CLIC Vice President-Life Field Services

Richard W. Cumming, FSA, ChFC, CLU

CIC, CID, CCC, CLIC Senior Vice President and
Chief Actuary
CLIC Director

J. Michael Dempsey, CLU

CLIC Vice President-Life Marketing Administration

Mark R. DesJardins, CPCU, AIM, AIC, ARP

CIC, CID, CCC Vice President-Education & Training

Dean W. Dicke

CIC, CID, CCC Senior Vice President-Field Claims
CCC Director

Donald J. Doyle, Jr., AIM

CIC, CID, CCC, CLIC Vice President-Information
Technology

Harold L. Eggers, CLU, FLMI, FALU, HIA

CLIC Vice President-Life Policy Issue

Frederick A. Ferris

CIC, CID, CCC Vice President-Commercial Lines

John E. Field, CPCU

CIC, CID Director

Bruce S. Fisher, CPCU, AIC

CIC, CID, CCC Vice President-Headquarters Claims

Craig W. Forrester, CLU

CIC, CID, CCC, CLIC Senior Vice President-
Information Technology

Stephen C. Frechtling, FSA, MAAA, CLU, FLMI

CLIC Vice President-Actuarial

Michael J. Gagnon

CIC, CID, CCC Vice President-Headquarters Claims

Kevin E. Guilfoyle

CFC-I Senior Vice President-Leasing

David L. Helmers, CPCU, API, AR, AIM

CIC, CID, CCC Vice President-Personal Lines

Theresa A. Hoffer

CIC, CID, CCC Vice President-Corporate Accounting

Martin F. Hollenbeck, CFA

CCM Vice President-Investments

Thomas A. Joseph, CPCU

CIC, CID, CCC Senior Vice President-
Commercial Lines
CCC, CCM Director

Thomas H. Kelly

CIC, CID, CCC Vice President-Bond & Executive Risk

Christopher O. Kendall, CPCU, AIT, AIM, AR, ARM, ARP

CIC, CID, CCC Vice President-Commercial Lines

Eric N. Mathews, AIAF

CIC, CID, CCC Senior Vice President-Corporate
Accounting and Treasurer

Richard P. Matson

CIC, CID, CCC, CFC-I, CLIC Vice President-
Purchasing/Fleet

Daniel T. McCurdy

CIC, CID, CCC Senior Vice President-Bond &
Executive Risk
CCC Director

Glenn D. Nicholson, LLIF

CLIC Senior Vice President and Senior Marketing
Officer

Marc A. O'Dowd, CPA, CPCU

CIC, CID, CCC, CLIC Internal Audit Officer

Todd H. Pendery, FLMI

CLIC Vice President-Corporate Accounting and
Treasurer

Thomas J. Scheid

CIC, CID, CCC, CLIC Vice President-
Premium Audit

Robert C. Schiff

CIC, CID, CCC, CLIC Director

Thomas R. Schiff

CIC, CID, CCC, CLIC Director

Gregory D. Schmidt, CPCU, ARP, CSF, ARC

CIC, CID, CCC, CLIC Vice President-Staff
Underwriting

Frank J. Schultheis

CIC, CID Director

Norman R. Settle

CIC, CID, CCC Senior Vice President-
Administrative Services/Machinery & Equipment
Specialties/Loss Control

Joan O. Shevchik, CPCU, CLU

CIC, CID, CCC Senior Vice President-
Corporate Communications

J. B. Shockey, CPCU, CIC, CLU

CIC, CID, CCC Vice President-Sales & Marketing

David W. Sloan

CFC-I Vice President-Leasing

Steven A. Soloria, CFA

CCM Vice President and Secretary

Henry W. Stein, Jr.

CIC, CID, CCC Vice President-Commercial Lines

Duane I. Swanson, CIC

CIC, CID, CCC Vice President-Sales & Marketing

Jody L. Wainscott

CIC, CID, CCC Vice President-Research &
Development

Larry R. Webb, CPCU

CIC, CID, CCM Director

Alan R. Weiler, CPCU

CIC, CID, CCM Director

Mark A. Welsh

CIC, CID, CCC, CLIC Vice President-Staff
Underwriting

Mark S. Wietmarschen

CIC, CID, CCC Vice President-Commercial Lines

Gregory J. Ziegler

CIC, CID, CCC, CLIC, CFC-I Vice President-
Personnel

Mark J. Huller

CIC, CID, CCC, CLIC Senior Counsel

Eugene M. Gelfand

CIC, CID, CCC, CLIC Counsel

G. Gregory Lewis

CIC, CID, CCC, CLIC Counsel

Lisa A. Love

CIC, CID, CCC, CLIC Counsel

Stephen C. Roach

CIC, CID, CCC, CLIC Counsel

CIC Directors Emeriti

Vincent H. Beckman

Robert J. Driehaus

Richard L. Hildbold, CPCU

William H. Zimmer

SHAREHOLDER INFORMATION

Cincinnati Financial Corporation had 11,486 direct shareholders of record as of December 31, 2002. Registered owners hold 30 percent of Cincinnati Financial Corporation's outstanding shares. Many of the company's independent agent representatives and most of the 3,511 associates of its subsidiaries own the company's common stock.

Stock Listing

Common shares are traded under the symbol CINF on the Nasdaq National Market List.

Annual Meeting

The Annual Meeting of Shareholders of Cincinnati Financial Corporation will take place at 9:30 a.m. on Saturday, April 19, 2003, at the Cincinnati Art Museum in Eden Park, Cincinnati, Ohio.

Shareholder Services

Please direct inquiries about stock transfer, dividend reinvestment, dividend direct deposit, lost certificates, change of address and elimination of duplicate mailings to Kenneth W. Stecher, Chief Financial Officer, Cincinnati Financial Corporation, P. O. Box 145496, Cincinnati, Ohio 45250-5496, (513) 870-2639, or e-mail to investor_inquiries@cinfn.com.

Form 10-K

Cincinnati Financial Corporation's Annual Report on Form 10-K, filed annually with the Securities and Exchange Commission, is available at no cost by contacting Mr. Stecher. You may access this document through a link to the SEC's EDGAR database from the Investors/Financial Reports section of the company's Web site, www.cinfn.com.

Interim Communications

Information regarding interim release dates and a Webcast of the company's quarterly earnings conference call is available approximately two weeks after the end of each quarter on www.cinfn.com, or by calling (513) 870-2639 or by e-mail to investor_inquiries@cinfn.com.

Corporate Headquarters

Cincinnati Financial Corporation
6200 South Gilmore Road
Fairfield, Ohio 45014-5141
Phone: (513) 870-2000
Fax: (513) 870-2066

Independent Auditors

Deloitte & Touche LLP
250 East Fifth Street
Cincinnati, Ohio 45202

COMMON STOCK PRICE AND DIVIDEND DATA

Quarter	2002				2001			
	1 st	2 nd	3 rd	4 th	1 st	2 nd	3 rd	4 th
High close	\$43.66	\$47.04	\$46.41	\$39.44	\$41.25	\$42.92	\$42.20	\$42.93
Low close	36.71	43.41	35.37	32.69	34.75	34.00	34.36	36.33
Period end close	43.66	46.53	35.58	37.55	37.94	39.50	41.62	38.15
Cash dividends paid	.2100	.2225	.2225	.2225	.19	.21	.21	.21