



American Financial Group, Inc. Considering Initial Public Offering of Majority-Owned Subsidiary

June 29, 2004

CINCINNATI, June 29 /PRNewswire-FirstCall/ -- American Financial Group, Inc. (NYSE: AFG) announced today that it is considering an initial public offering of shares of its 65%-owned Richfield, OH based transportation insurance subsidiary, National Interstate Corporation. The offering, if executed, would raise approximately \$55 million of capital. AFG would not sell any of its shares in the offering and would remain the majority owner of the company.

Carl H. Lindner III, co-president of AFG stated, "We are considering this offering as a means of supporting the continuing growth of National Interstate and of providing liquidity to its minority shareholders. AFG will be pleased to provide additional capital to National Interstate and additional liquidity to minority shareholders if the offering does not go forward because the minimum price set for this offering is not achieved."

The transaction would be subject to the negotiation of final documentation, the approval of the Board of Directors of National Interstate and the receipt of all required listing and regulatory approvals.

This announcement does not constitute a solicitation of offers to buy or an offer to sell shares of National Interstate common stock, which will only be made by means of a prospectus relating to such shares which has yet to be filed with the Securities and Exchange Commission.

Through the operations of the Great American Insurance Group, AFG is engaged primarily in property and casualty insurance, focusing on specialized commercial products for businesses, and in the sale of retirement annuities, supplemental health and life insurance products.

Web Sites: <http://www.afginc.com>

<http://www.GreatAmericanInsurance.com>

SOURCE American Financial Group, Inc.

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(AFG)

CO: American Financial Group, Inc.; National Interstate Corporation; Great American Insurance Group

ST: Ohio

IN: INS FIN

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