



American Financial Group Announces Preliminary Estimate on Hurricane Charley Losses

August 27, 2004

CINCINNATI, Aug. 27 /PRNewswire-FirstCall/ -- American Financial Group, Inc. (NYSE: AFG) (Nasdaq: AFG) today issued a preliminary estimate of its expected losses from Hurricane Charley. Based on information available at this time, AFG estimates that its after-tax losses, net of reinsurance, will be approximately \$8 million (\$.10 per share).

Substantially all of the claims reported thus far are from commercial policies covering businesses located in Florida. The Company reiterated its 2004 core earnings guidance of \$2.85 to \$3.10 per share, including the impact of the hurricane losses.

Carl H. Lindner III, AFG Co-President and head of the P&C Group stated: "We extend our sympathies to all those affected by this disaster. Our claims teams are working with our agents and policyholders to identify and process covered claims as efficiently as possible."

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 insurance and life products.

Forward Looking Statements

This press release contains certain statements that may be deemed to be "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements in this press release not dealing with historical results are forward-looking and are based on estimates, assumptions and projections. Examples of such forward-looking statements include statements relating to: the Company's expectations concerning market and other conditions, future premiums, revenues and earnings; and rate increases.

Actual results could differ materially from those expected by AFG depending on certain factors including but not limited to: the unpredictability of possible future litigation if certain settlements do not become effective, changes in economic conditions including interest rates, performance of securities markets, and the availability of capital, regulatory actions, changes in legal environment, judicial decisions and rulings, tax law changes, levels of catastrophes and other major losses, adequacy of loss reserves of the insurance businesses and other reserves, particularly with respect to amounts associated with asbestos and environmental claims, availability of reinsurance and ability of reinsurers to pay their obligations, competitive pressures, including the ability to obtain rate increases and other changes in market conditions that could affect AFG's insurance operations.

SOURCE American Financial Group, Inc.

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