

GREAT AMERICAN INSURANCE GROUP CONTESTS ALLEGATIONS BY MASSACHUSETTS ATTORNEY GENERAL

Cincinnati, Ohio – January 4, 2008 - Great American Insurance Group issued the following statement today in response to allegations by the Attorney General of Massachusetts concerning the Company's conduct associated with one quotation for a Massachusetts company.

"The Company is disappointed that the Attorney General of Massachusetts decided to file suit today against Great American concerning alleged conduct associated with one quotation for insurance coverage made in the spring of 2004 and contingent commission payments made to the producer for the account. Great American denies wrongdoing and denies the allegations of the Attorney General's suit. Great American's conduct in issuing that quote was lawful.

The Company has cooperated with the Attorney General's investigation and has tried for an extended period of time to reach resolution of the issue without litigation. Great American already has directly resolved and been released from any potential issue with the corporate entity relevant to the one quote that is the subject of the Attorney General's suit. But, Great American believes that the demands of the Attorney General's Office have been unreasonable. Thus, the Company intends to vigorously defend itself against the Attorney General's allegations."

About Great American Insurance Group

Great American Insurance Group's roots go back to 1872 with the founding of its flagship company, Great American Insurance Company. Based in Cincinnati, Ohio, the operations of Great American Insurance Group are engaged primarily in property and casualty insurance, focusing on specialty commercial products for businesses, and in the sale of annuities, supplemental insurance and life products. The members of the Great American Insurance Group are subsidiaries of American Financial Group, Inc. (AFG), also based in Cincinnati, Ohio. AFG's common stock is listed and traded on the New York Stock Exchange ("NYSE") and NASDAQ under the symbol ("AFG").

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