

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

| OMB APPROVAL | |
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| OMB Number: | 3235-0287 |
| Estimated average burden hours per response: | 0.5 |

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| 1. Name and Address of Reporting Person* <u>JENSEN KEITH A</u> (Last) (First) (Middle) <u>ONE EAST FOURTH STREET</u> (Street) <u>CINCINNATI OH 45202</u> (City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol <u>AMERICAN FINANCIAL GROUP INC [AFG]</u> | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Sr. Vice President</u> |
| | 3. Date of Earliest Transaction (Month/Day/Year) <u>08/16/2006</u> | |
| | 4. If Amendment, Date of Original Filed (Month/Day/Year) | 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person |

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | | 4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|------------|----------|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock | 08/16/2006 | | M | | 15,000 | A | \$26.59 | 19,873 | D | |
| Common Stock | 08/16/2006 | | M | | 60,000 | A | \$19.75 | 79,873 | D | |
| Common Stock | 08/16/2006 | | S | | 1,000 | D | \$45.192 | 78,873 | D | |
| Common Stock | 08/16/2006 | | S | | 1,000 | D | \$45.2 | 77,873 | D | |
| Common Stock | 08/16/2006 | | S | | 900 | D | \$45.25 | 76,973 | D | |
| Common Stock | 08/16/2006 | | S | | 1,400 | D | \$45.29 | 75,573 | D | |
| Common Stock | 08/16/2006 | | S | | 600 | D | \$45.3 | 74,973 | D | |
| Common Stock | 08/16/2006 | | S | | 1,000 | D | \$45.31 | 73,973 | D | |
| Common Stock | 08/16/2006 | | S | | 100 | D | \$45.35 | 32,873 | D | |
| Common Stock | 08/16/2006 | | S | | 1,900 | D | \$45.36 | 71,973 | D | |
| Common Stock | 08/16/2006 | | S | | 1,500 | D | \$45.37 | 70,473 | D | |
| Common Stock | 08/16/2006 | | S | | 1,000 | D | \$45.38 | 69,473 | D | |
| Common Stock | 08/16/2006 | | S | | 2,100 | D | \$45.41 | 67,373 | D | |
| Common Stock | 08/16/2006 | | S | | 2,000 | D | \$45.44 | 65,373 | D | |
| Common Stock | 08/16/2006 | | S | | 2,000 | D | \$45.443 | 63,373 | D | |
| Common Stock | 08/16/2006 | | S | | 1,200 | D | \$45.47 | 62,173 | D | |
| Common Stock | 08/16/2006 | | S | | 8,000 | D | \$45.48 | 54,173 | D | |
| Common Stock | 08/16/2006 | | S | | 5,700 | D | \$45.49 | 48,473 | D | |
| Common Stock | 08/16/2006 | | S | | 4,700 | D | \$45.5 | 43,773 | D | |
| Common Stock | 08/16/2006 | | S | | 11,600 | D | \$45.51 | 32,173 | D | |
| Common Stock | 08/16/2006 | | S | | 9,000 | D | \$45.52 | 23,173 | D | |
| Common Stock | 08/16/2006 | | S | | 2,000 | D | \$45.525 | 21,173 | D | |
| Common Stock | 08/16/2006 | | S | | 3,800 | D | \$45.53 | 17,373 | D | |
| Common Stock | 08/16/2006 | | S | | 800 | D | \$45.54 | 16,573 | D | |
| Common Stock | 08/16/2006 | | S | | 1,800 | D | \$45.57 | 14,773 | D | |
| Common Stock | 08/16/2006 | | S | | 1,200 | D | \$45.58 | 13,573 | D | |
| Common Stock | 08/16/2006 | | S | | 2,000 | D | \$45.6 | 11,573 | D | |
| Common Stock | 08/16/2006 | | S | | 3,400 | D | \$45.65 | 8,173 | D | |
| Common Stock | 08/16/2006 | | S | | 1,700 | D | \$45.67 | 6,473 | D | |
| Common Stock | 08/16/2006 | | S | | 600 | D | \$45.68 | 5,873 | D | |

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|--------|--|---------------------------|---|----------------------------|--|--|---|--|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | | |
| Employee Stock Option | \$25.69 | 08/16/2006 | | M | | | 15,000 | (I) | 12/31/2009 ⁽¹⁾ | Common Stock | 15,000 | \$0.00 | 35,000 | D | |
| Employee Stock Option | \$19.75 | 08/16/2006 | | M | | | 60,000 | (I) | 12/17/2010 | Common Stock | 60,000 | \$0.00 | 0 | D | |

Explanation of Responses:

1. These Employee Stock Options ("Options") become exercisable as to 20% of the shares initially granted on the first anniversary of the date of grant, with an additional 20% becoming exercisable on each subsequent anniversary. The Options were granted under the Issuer's Stock Option Plan pursuant to Rule 16b-3.

Remarks:

Keith A. Jensen By: Karl J. Grafe, as Attorney-in-Fact

08/18/2006

** Signature of Reporting Person

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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