

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **September 19, 2008**

AMERICAN FINANCIAL GROUP, INC.

(Exact name of registrant as specified in its charter)

Ohio

1-13653

31-1544320

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(IRS Employer
Identification No.)

One East Fourth Street, Cincinnati, OH

45202

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code **513-579-2121**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 8 - Other Events

Item 8.01 Other Events.

On September 19, 2008, the Company issued a press release to report investments in certain credit impacted securities and reaffirm 2008 earnings guidance.

A copy of the press release is attached as Exhibit 99.1 and is incorporated by reference herein.

Section 9 - Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

- a. Financial statements of business acquired. Not applicable.
- b. Pro forma financial information. Not applicable.
- c. Exhibits

<u>Exhibit No.</u>	<u>Description</u>
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99.1	Press release, dated September 19, 2008.
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AMERICAN FINANCIAL GROUP, INC.

Date: September 19, 2008

By: Karl J. Grafe
Karl J. Grafe
Vice President

American Financial Group Reports Investments in Certain Securities and Reaffirms 2008 Earnings Guidance

Cincinnati, Ohio - September 19, 2008 - American Financial Group, Inc. (NYSE/NASDAQ: AFG) today released information regarding its exposure to certain credit impacted securities listed in the table below in response to continued volatility in global credit markets.

During the third quarter (through September 18, 2008), AFG incurred net, after-tax losses on securities totaling \$5 million. Based on current market values the securities in the table below have an unrealized loss of approximately \$0.30 per share, after tax.

Aggregate Amortized Cost as of 9/18/08
(Dollars in millions)

	<u>Senior Debt</u>	<u>GICs</u>	<u>Sub Debt</u>	<u>Jr. Sub Debt</u>	<u>Preferred Stock</u>	<u>Common Stock</u>
Fannie Mae	*	-	*	-	\$ 1.3	-
Freddie Mac	*	-	-	-	\$ 1.1	-
Lehman	\$ 11.2	-	-	-	\$ 0.7	-
AIG						
Holding Companies	\$ 0.7	-	-	\$ 1.8	-	-
Subsidiary Companies	\$ 56.4	\$ 11.3	-	\$ 3.0	\$ 5.0	-
Washington Mutual						
Holding Company	\$ 6.4	-	-	-	\$ 3.3	-
Subsidiary Companies	-	-	\$ 34.0	-	-	-

* We hold \$63 million and \$65 million, respectively, of Senior Notes of Fannie Mae and Freddie Mac as of September 18, 2008. We also hold \$1 million of Fannie Mae Subordinated Debt. These securities are trading at approximately their amortized cost.

S. Craig Lindner and Carl Lindner III, Co-Chief Executive Officers stated "While this is a challenging time in the financial markets, we believe that our investment philosophy has limited our exposure to these high profile credit related investments. We will assess our investment portfolio as of September 30, 2008, and determine the appropriate amount of any impairment charges for these and other securities as of that date."

"Based on current information, we remain comfortable with our core earnings guidance of \$3.90 to \$4.10 per share."

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About American Financial Group, Inc.

American Financial Group is an insurance holding company, based in Cincinnati, Ohio with assets in excess of \$26 billion. Through the operations of 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 traditional fixed, indexed and variable annuities and a variety of supplemental insurance products. Great American Insurance Group's roots go back to 1872 with the founding of its flagship company, Great American Insurance Company.

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 and their effect on future premiums, revenues, earnings and investment activities; recoverability of asset values; expected losses and the adequacy of reserves for asbestos, environmental pollution and mass tort claims; rate changes and improved loss experience.

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 financial, political and economic conditions including changes in interest rates and any extended economic recessions or expansions, performance of securities markets, our ability to estimate accurately the likelihood, magnitude and timing of any losses in connection with investments in the residential mortgage market, especially in the subprime sector, the availability of capital, regulatory actions and changes in the legal environment affecting AFG or its customers, tax law changes, levels of natural catastrophes, terrorist activities, including any nuclear, biological, chemical or radiological events, incidents of war and other major losses, development of insurance loss reserves 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, trends in persistency, mortality and morbidity, competitive pressures, including the ability to obtain adequate rates, changes in AFG's credit ratings or the financial strength ratings assigned by major ratings agencies to our operating subsidiaries, and other factors identified in our filings with the Securities and Exchange Commission.

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Contact: Anne N. Watson
Vice President-Investor Relations
(513) 579-6652

Web Sites: www.afginc.com
www.GreatAmericanInsurance.com

Diane P. Weidner
Director - Investor Relations
(513) 369-5713