

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): October 23, 2012

AMERICAN FINANCIAL GROUP, INC.
(Exact name of registrant as specified in its charter)

Ohio

(State or other jurisdiction
of incorporation)

1-13653

(Commission File Number)

31-1544320

(IRS Employer
Identification No.)

301 East Fourth Street, Cincinnati, OH

(Address of principal executive offices)

45202

(Zip Code)

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

(Former name or former address, if changed since last report.)

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))
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Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On October 23, 2012, Joseph E. (Jeff) Consolino was appointed to the Board of Directors of American Financial Group, Inc. (the “Company”), to be effective December 1, 2012. The Board also elected Mr. Consolino to serve as Executive Vice President and Chief Financial Officer of the Company. Mr. Consolino’s election as Executive Vice President will become effective on or about February 16, 2013, and his election as Chief Financial Officer will become effective on or about March 4, 2013, after the Company files its Form 10-K for the year ending December 31, 2012.

In addition, Keith A. Jensen has announced that he will retire as Senior Vice President shortly after the Company files its Form 10-K for the year ending December 31, 2012. Mr. Jensen currently serves as the Company’s principal financial officer and principal accounting officer, roles which Mr. Consolino will assume upon becoming the Company’s Chief Financial Officer.

Mr. Consolino, 45, will continue as President and Chief Financial Officer of Validus Holdings, Ltd. (“Validus”) until commencing employment with the Company. Mr. Consolino was appointed President of Validus in November 2010 and Chief Financial Officer in March 2006. Prior to joining Validus, Mr. Consolino served as a managing director in Merrill Lynch’s investment banking division. He serves as a Director of National Interstate Corporation, a property and casualty company and 52%-owned subsidiary of the Company based in Ohio, as well as AmWINS Group, Inc., a wholesale insurance broker based in North Carolina. Validus has announced that Mr. Consolino will join its board of directors at the end of October 2012.

The Company and Mr. Consolino entered into an Offer Letter dated October 23, 2012, attached as Exhibit 10 to this Current Report on Form 8-K and incorporated in this Current Report on Form 8-K by reference, the material terms of which are as follows:

- Mr. Consolino’s annual salary as Executive Vice President and Chief Financial Officer will be \$800,000.
 - Mr. Consolino will participate in the Company’s Annual Senior Executive Bonus Plan with an initial annual target of \$1,000,000. As with all other participants, Mr. Consolino can receive a maximum of 150% of target, with awards based 50% on the Company’s earnings per share performance and 50% on individual performance as determined by the Company’s Co-Chief Executive Officers.
 - Mr. Consolino will be eligible for Company stock option and restricted stock awards with an initial annual target value of \$750,000.
 - Mr. Consolino will participate in the 2011 Equity Bonus Plan with an initial annual target of \$1,500,000 payable in Company common stock. Awards are based solely the Company’s book value per share performance relative to a peer group.
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- Mr. Consolino will receive up to 113,453 shares of Company common stock, vesting ratably over three years, to compensate Mr. Consolino for any forfeited Validus equity awards.
- Mr. Consolino will be eligible to participate in the Company's benefit programs available to all employees including retirement plans and medical benefit plans. Mr. Consolino will also participate in benefit programs available to senior executives including the executive insurance program and deferred compensation plan.
- The Company will provide Mr. Consolino with a relocation package in connection with his move to Cincinnati, Ohio where the Company's headquarters are located. Mr. Consolino's relocation package includes reimbursement of reasonable relocation expenses, payment of closing costs and additional expenses related to the sale of his existing home, reimbursement of temporary housing and commute costs and reimbursement for taxes payable on his relocation benefits.

Mr. Consolino will also enter into the Company's standard indemnification agreement in the form executed between the Company and its other officers and directors.

There is no arrangement or understanding between Mr. Consolino and any other person pursuant to which Mr. Consolino was elected as a director of the Company. Validus Reinsurance, Ltd., a subsidiary of Validus, participates on various reinsurance agreements and treaties of the Company and National Interstate. In 2011 and the first nine months of 2012, premiums ceded by the Company to Validus Reinsurance, Ltd. totaled approximately \$1.4 million and \$1.1 million, respectively, and premiums ceded by National Interstate to Validus Reinsurance, Ltd. totaled approximately \$0.9 and \$0.7 million, respectively. In 2011 and the first nine months of 2012, ceding commissions from Validus Reinsurance, Ltd. to National Interstate were approximately \$0.3 million and \$0.2 million, respectively. These reinsurance arrangements were negotiated at arms-length through independent reinsurance brokers as part of the Company's and National Interstate's customary reinsurance evaluation and placement process.

A copy of the press release announcing Mr. Consolino's election and Mr. Jensen's retirement is attached as Exhibit 99.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

10 Offer Letter dated October 23, 2012

99 Press release dated October 25, 2012

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 thereunto duly authorized.

AMERICAN FINANCIAL GROUP, INC.

Date: October 26, 2012

By: /s/Karl J. Grafe

Karl J. Grafe

Vice President

October 23, 2012

Joseph E. (Jeff) Consolino
Three Smith Ridge Lane
New Canaan, CT 06840

Dear Jeff,

It is our pleasure to provide you with this letter formalizing our offer of employment with American Financial Group, Inc. (“AFG” or the “Company”). With your acceptance of this offer, you will join us as Executive Vice President on February 16, 2013, and as Chief Financial Officer on March 4, 2013, reporting jointly to the Co-Chief Executive Officers of AFG. The AFG Board of Directors has acted on our recommendation and that of the Corporate Governance Committee that you become a member of the Board of Directors, effective on December 1, 2012.

It is expected that you will devote substantially all of your working time and efforts to the business and affairs of AFG, and that you will not directly or indirectly render any services of a professional nature to any other person or for-profit organization not related to the business of AFG or its subsidiaries, whether for compensation or otherwise, without our prior written consent.

Consistent with our discussions, AFG has no objection to you continuing to serve as a director of AmWINS Group, Inc., and, with the prior consent of one of the Co-Chief Executive Officers, as a director of an additional public company unaffiliated with AFG.

In addition, with Co-CEO notification, you may serve on boards of directors with trade associations and charitable organizations, so long as such service does not interfere with your duties or responsibilities or result in a conflict with AFG or its subsidiaries.

As with all positions at AFG, each of us is employed on an at-will basis and no part of this letter should be construed to change that relationship. That is, the Company and each employee may terminate employment at any time.

We are pleased to offer you the following overall compensation package:

Annual Salary. Your annual salary will be \$800,000. AFG pays all employees on a bi-weekly basis.

Cash Bonus Plan. You will be eligible to participate in the AFG Annual Senior Executive Bonus Plan. Your bonus target will be \$1,000,000. The maximum award amount is equal to 150% of target. The bonus is based on Earnings per Share (EPS) performance (50%) and individual and company performance (50%) as determined by the Co-CEOs. Copies of each bonus and equity incentive plan in which you will participate have been provided to you.

AFG Stock Option and Restricted Stock Plans. You will be eligible to be granted AFG stock options and restricted stock shares. Equity awards are typically awarded in the first quarter of each year. Stock options will vest over a five-year period; restricted stock vests at the end of a four-year period. The annual target value for these awards to you is approximately \$750,000.

AFG Annual Senior Executive Equity Bonus Plan. You will be eligible to participate in the AFG Annual Senior Executive Equity Bonus Plan with an annual bonus target of \$1,500,000. The awards for this plan are paid in shares of AFG Common Stock and are based upon BVPS growth relative to a peer group.

AFG 401(k) Retirement & Savings Plan (AFG RASP) Retirement Account. You are automatically enrolled in the AFG RASP Retirement Account on January 1st or July 1st after you complete twelve months of employment. This account is solely funded by company contributions. In most instances, you must be employed as of December 31st of each plan (calendar) year to receive the annual company contribution on your eligible compensation for that year. The Company may make contributions at its discretion. Any retirement account contribution is typically credited to an employee's account in March following the end of the plan year.

AFG 401(k) Retirement and Savings Plan (AFG RASP) 401(k) Savings Account. The 401(k) Savings Account portion of the AFG RASP will include your own pre-tax contributions to the plan and AFG matching contributions, if applicable. You may participate immediately and defer/save from 1% to 80% of your eligible compensation, subject to IRS limitations and overall plan participation. With each payroll, AFG will match your contribution as follows: 100% for the first 3% plus 50% match on the next 3% of your 401(k) contributions. Further information is included with the Total Rewards package provided under separate cover.

Paid Time Off. Beginning in 2013, you will be eligible for 28 days of PTO. Your PTO for 2012 will be prorated accordingly.

Prior Equity Awards Make-Whole Agreement. We recognize that you have unvested equity in shares of your previous employer. You have provided us with an analysis of the economic amount required to make you whole with respect to these shares that, by virtue of your joining AFG, will be forfeited. This provision will result in you being issued, on or shortly after your start date, 113,453 restricted shares of AFG stock which will vest ratably over three years to approximate the vesting of your forfeited shares.

Relocation. A relocation package will be provided for your move from New Canaan, Connecticut to Cincinnati, Ohio. Diana Hawkins, Relocation Coordinator, will coordinate all the details with you. Her email is dhawkins@gaic.com and telephone is (513) 369-5052. The primary components of the program include the following:

- Guaranteed home buyout program including standard seller's costs and real estate commission
- Reimbursement of up to 7% realtor's commission and seller's closing costs (No VA or FHA points). These costs will be reimbursed after closing off of the Relocation Expense Account form.
- AFG uses the services of Home Services Relocation, who will assist in the home sale process. Once a buyer has been located, Home Services Relocation will buy the house directly and sell to the third party, resulting in a tax sheltered closing process. Additional details will be provided.
- Closing costs on the purchase of a new home
- Three home finding trips for you and your spouse
- Movement of normal household goods
- Temporary living as required
- Tax gross-up provision

Upon acceptance of this offer, please execute the enclosed Relocation Repayment Agreement to be eligible to receive relocation assistance.

Executive Insurance Program. As an Executive Vice President, you will be eligible to participate in the Executive Insurance Program. This is an excellent benefit that provides company-paid personal auto, home and umbrella coverage for you and your immediate family members residing in your household (subject to normal underwriting criteria, and coverage terms). You will be responsible for any applicable taxes.

Stock Purchase, Medical, Dental and other Benefits. AFG is proud of the comprehensive benefit package offered to its employees. Our benefits program is designed to provide the protection you need today while providing you with the opportunity to save for the future. Please refer to the enclosed 2012 Total Rewards Package sent under separate cover for additional information.

Parking and Automobile Services. As an Executive Vice President, you will also be eligible to receive company paid parking and weekly car wash and fuel services. You will be responsible for any applicable taxes.

Tax Preparation Services. To assist with your transition to AFG and relocation to Cincinnati, Ohio, you will be eligible to receive tax preparation services for the 2012 tax year. Amounts will be reimbursed and you will be responsible for any applicable taxes.

The offer is contingent upon satisfactory completion of an employment application, satisfactory pre-employment screening and routine background checks being coordinated by Human Resources.

On your first day of employment, we will set up an Executive orientation meeting with you to complete the required employment documentation upon hire.

Joseph E. (Jeff) Consolino
October 23, 2012
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Jeff, we look forward to working with you, look forward to welcoming you and your family to Cincinnati, Ohio and are thrilled to have you as part of the AFG organization. To acknowledge acceptance of this offer, please sign, date and return this letter to me at your convenience. If you have any questions, please do not hesitate to call Shelly Gillis at 513-369-5066 or via email at mgillis@gaic.com.

Sincerely,

AMERICAN FINANCIAL GROUP, INC.

By: /s/Carl H. Lindner, III
Carl H. Lindner, III
Co-CEO

/s/S. Craig Lindner
S. Craig Lindner
Co-CEO

Acknowledged and Accepted:

/s/Joseph E. (Jeff) Consolino
Joseph E. (Jeff) Consolino

10/23/2012
Date

**Jeff Consolino to Join American Financial Group as Director,
Executive Vice President and Chief Financial Officer as
Keith A. Jensen Announces Retirement**

CINCINNATI, Ohio – October 25, 2012. American Financial Group, Inc. (NYSE/NASDAQ: AFG) announced today that its Board of Directors elected Joseph E. (Jeff) Consolino as a Director, beginning December 1, 2012. The Company further announced that Mr. Consolino will join the Company as Executive Vice President and Chief Financial Officer. Mr. Consolino's election as Executive Vice President will become effective on February 16, 2013, and his election as Chief Financial Officer will become effective after the Company files its Annual Report on Form 10-K for 2012. Mr. Consolino will report to the co-Chief Executive Officers of American Financial Group, Carl H. Lindner III and S. Craig Lindner, and will succeed Keith A. Jensen, who will retire at the end of March 2013.

Mr. Jensen joined the Company in 1997 and was named as Senior Vice President of AFG in 1999. Since 2005, Mr. Jensen has also served as the chief financial officer of AFG.

Mr. Consolino has over 20 years' experience in the insurance and financial services industry. He most recently served as President and Chief Financial Officer of Validus Holdings, Ltd., a worldwide provider of reinsurance and insurance with operations in Bermuda, the United Kingdom, Asia and Latin America. Prior to his role at Validus, Mr. Consolino served as a Managing Director in Merrill Lynch's Financial Institutions Group specializing in insurance company advisory and financing transactions. During his tenure with Merrill Lynch, he worked with AFG and related companies in a broad range of financing and merger and acquisition transactions.

Since 2006, Mr. Consolino has served as a Director of National Interstate Corporation (NASDAQ: NATL), a property and casualty company based in Ohio, which is a 52%-owned subsidiary of AFG. It is expected that he will continue to serve in that capacity.

Mr. Consolino holds an undergraduate degree from Duke University and an M.B.A. from Cornell University. He serves as a Director of AmWINS Group, Inc., a wholesale insurance broker based in North Carolina. Mr. Consolino will also serve as a Director of Validus Holdings, Ltd.

Carl H. Lindner said, "On behalf of our board of directors and our entire senior management team, Craig and I want to thank Keith for his contributions to our Company. While our management team and our board will miss his leadership, we know that he leaves the Company in a strong financial position. Jeff's financial expertise, knowledge of capital markets and leadership ability will serve our company well".

Craig Lindner added, "Keith has been instrumental in many aspects of AFG's success during his 15-year tenure. We are thankful for his vision, leadership and contributions and wish him the best in his well-deserved retirement. The AFG professionals who have worked with Jeff over the years look forward to welcoming him into our organization."

About American Financial Group, Inc.

American Financial Group is an insurance holding company based in Cincinnati, Ohio with assets in excess of \$35 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 and fixed-indexed annuities in the education, bank and individual markets. Great American Insurance Group's roots go back to 1872 with the founding of its flagship company, Great American Insurance Company.

Contact: Diane P. Weidner
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(513) 369-5713

Websites: www.AFGinc.com
www.GreatAmericanInsuranceGroup.com
www.GAFRI.com