



American Financial Group, Inc.



AFG NYSE

Insurance - Property / Casualty

Market Capitalization USD:

\$3,123.04 mm

CONCERN LEVEL: LOW

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group.
- 7 The company's dilution from equity incentives is 10 percent or less. 
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

CEO: S. Craig Lindner

Age: 57

CEO Since: 2005

	2009	2010	2011
Base Salary	\$1,144,250	\$1,150,000	\$1,150,000
Discretionary Bonus	\$0	\$0	\$0
Annual Cash Incentive	\$1,990,625	\$2,275,000	\$1,521,000
Benefits and Perquisites	\$630,490	\$781,535	\$806,672
TOTAL ANNUAL COMPENSATION	\$3,765,365	\$4,206,535	\$3,477,672
Increase in Post-Retirement Benefits	\$4,868	\$0	\$0
Stock Option Awards	\$219,375	\$445,000	\$624,500
Stock Awards	\$1,968,668	\$3,667,670	\$4,328,086
TOTAL COMPENSATION	\$5,958,276	\$8,319,205	\$8,430,258
Median of Other Named Executive Officers Total Compensation	\$1,927,577	\$2,160,203	\$3,843,994
Value Realized on Exercise of Stock Option	\$2,638,342	\$1,450,350	\$0
Value Realized on Vesting of Stock	\$0	\$0	\$1,897,090
TOTAL REALIZED EQUITY COMPENSATION	\$2,638,342	\$1,450,350	\$1,897,090

Proxy Date: 2 Apr 2012

Annual Meeting Date: 16 May 2012

Equity Reserves: 18.58%

Stock Option Run Rate: 1.15%

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Performance Comparison

■ S&P500 ■ Industry ■ AFG



Peer Comparisons (TRBC) = Insurance - Property / Casualty

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
AFG	American Financial Group, Inc.	\$5,958,276	\$8,319,205	\$8,430,258	\$3,123,042,621
CNA	CNA Financial Corporation	\$10,431,113	\$9,485,586	\$8,363,417	\$6,050,599,340
VRSK	Verisk Analytics, Inc.	\$11,636,561	\$7,144,832	\$7,598,137	\$5,730,593,384
XL	XL Group plc	\$6,212,437	\$10,481,557	\$8,936,065	\$5,599,725,173
ACGL	Arch Capital Group, Ltd.	\$7,675,615	\$9,474,938	\$9,287,412	\$4,353,762,240
CINF	Cincinnati Financial Corporation	\$1,409,796	\$2,314,728	\$1,754,487	\$4,295,637,787
WRB	W. R. Berkley Corporation	\$17,810,079	\$24,633,641		\$4,160,529,887

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

Pay Peer Group

Ace Limited, Alleghany Corp., American Equity Investment Life Holding Co., American National Insurance Co., Arch Capital Group Ltd., Argo Group International Holdings, Ltd., Baldwin & Lyons Inc., The Chubb Corporation, Cincinnati Financial Corp., CNA Financial Corporation, CNO Financial Group, Inc., Hanover Insurance Group, Inc., The Hartford Financial Services Group, Inc., HCC Insurance Holdings, Inc., Horace Mann Educators Corp., Lincoln National Corp., Markel Corporation, Metlife Inc., National Western Life Insurance Co., Presidential Life Corp., Protective Life Corp., RLI Corp., Travelers Companies, Inc., W.R. Berkley Corporation, XL Group plc.

Performance Peer Group

Ace Limited, Alleghany Corp., American Equity Investment Life Holding Co., American National Insurance Co., Arch Capital Group Ltd., Argo Group International Holdings, Ltd., Baldwin & Lyons Inc., The Chubb Corporation, Cincinnati Financial Corp., CNA Financial Corporation, CNO Financial Group, Inc., Hanover Insurance Group, Inc., The Hartford Financial Services Group, Inc., HCC Insurance Holdings, Inc., Horace Mann Educators Corp., Lincoln National Corp., Markel Corporation, Metlife Inc., National Western Life Insurance Co., Presidential Life Corp., Protective Life Corp., RLI Corp., Travelers Companies, Inc., W.R. Berkley Corporation, XL Group plc.

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Terr S. Jacobs	Chairman	69	Male	9	Outside
Kenneth C. Ambrecht	Member	66	Male	7	Outside
William W. Verity	Member	53	Male	10	Outside Related