

AMERICAN FINANCIAL GROUP INC  
 Form 4  
 August 18, 2006

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549**

OMB APPROVAL

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

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**JENSEN KEITH A**

2. Issuer Name and Ticker or Trading Symbol  
**AMERICAN FINANCIAL GROUP INC [AFG]**

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
**ONE EAST FOURTH STREET**  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
**08/16/2006**

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
**Sr. Vice President**

**CINCINNATI, OH 45202**

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
|                                 |                                      |  |                                | (A) or (D)  | Price   |  |  |
| Common Stock                    | 08/16/2006                           |  | S                              | 1,000   | D \$ 45.16  | 4,873  | D  |
| Common Stock                    | 08/17/2006                           |  | M                              | 25,000  | A \$ 19.84  | 29,873   | D  |
| Common Stock                    | 08/17/2006                           |  | S                              | 5,000   | D \$ 46   | 24,873   | D  |
| Common Stock                    | 08/17/2006                           |  | S                              | 2,000   | D \$ 46.02  | 22,873   | D  |
| Common Stock                    | 08/17/2006                           |  | S                              | 2,000   | D \$ 46.03  | 20,873   | D  |

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|              |            |   |       |   |          |                  |   |       |
|--------------|------------|---|-------|---|----------|------------------|---|-------|
| Common Stock | 08/17/2006 | S | 1,700 | D | \$ 46.04 | 19,173           | D |       |
| Common Stock | 08/17/2006 | S | 2,000 | D | \$ 46.05 | 17,173           | D |       |
| Common Stock | 08/17/2006 | S | 2,000 | D | \$ 46.11 | 15,173           | D |       |
| Common Stock | 08/17/2006 | S | 1,000 | D | \$ 46.12 | 14,173           | D |       |
| Common Stock | 08/17/2006 | S | 1,000 | D | \$ 46.13 | 13,173           | D |       |
| Common Stock | 08/17/2006 | S | 700   | D | \$ 46.14 | 12,473           | D |       |
| Common Stock | 08/17/2006 | S | 3,000 | D | \$ 46.2  | 9,473            | D |       |
| Common Stock | 08/17/2006 | S | 3,000 | D | \$ 46.21 | 6,473            | D |       |
| Common Stock | 08/17/2006 | S | 1,600 | D | \$ 46.22 | 4,873            | D |       |
| Common Stock |            |   |       |   |          | 0 <sup>(1)</sup> | I | 401-K |

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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(9-02)

**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 Underlying Securities (Instr. 3 and 4) |              |                            |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|----------------------------|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title        | Amount or Number of Shares |
| Employee Stock Option                      | \$ 19.84   | 08/17/2006                           |  | M                              | 25,000  | <u>(2)</u>   | 02/21/2010  | Common Stock | 25,000                     |

## Reporting Owners

| Reporting Owner Name / Address                                   | Relationships |           |                    |       |
|--|---------------|-----------|--------------------|-------|
|  | Director      | 10% Owner | Officer            | Other |
| JENSEN KEITH A<br>ONE EAST FOURTH STREET<br>CINCINNATI, OH 45202 |               |           | Sr. Vice President |       |

## Signatures

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

08/18/2006

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* 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).
- (1) Totals as of 12/31/2005.

- These Employee Stock Options ("Options") become exercisable as to 20% of the shares initially granted on the first anniversary of the
- (2) 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.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.