

GREAT AMERICAN INSURANCE GROUP CREATES NEW ENVIRONMENTAL DIVISION

Cincinnati, Ohio – January 8, 2008 - Great American Insurance Group is pleased to announce its entrance into the environmental liability insurance business. Great American's newly created Environmental Division will be led by an experienced and very capable management team, headed by John W. Reynolds, Divisional President. Mr. Reynolds recently served as Chief Executive Officer (CEO) of the Willis Environmental Practice and has also held senior positions with Kemper Environmental and American Reinsurance Company's environmental business.

Mr. Reynolds is joined by Divisional Senior Vice Presidents, Mark Vuono and Doug Stepenosky. Mr. Vuono previously served as Senior Vice President and Executive Underwriter for Worldwide Pollution at XL Insurance and Executive Vice President and Chief Underwriting Officer of ECS Underwriting, Inc. Mr. Stepenosky was Senior Vice President at XL Insurance with responsibility for all environmental operations.

Carl Lindner III, head of Great American's Property and Casualty Insurance Group, commented, "This is a great way for us to grow our specialty business. We were able to attract outstanding professional underwriting talent to our company by providing them with the capital, security, and back office support to operate this division in an entrepreneurial manner. We are very pleased to have John, Mark, and Doug lead this new division."

Great American expects the Environmental Division to begin writing business in April 2008. The Division's offices will be located in Plymouth Meeting, PA with an initial staff of 10 -15 specialty personnel. The new Division will offer an array of environmental liability products on both a retail and wholesale basis, and will provide coverage up to \$25 million in policy limits.

About Great American Insurance Group

Great American Insurance Group's roots go back to 1872 with the founding of its flagship company, Great American Insurance Company. Based in Cincinnati, Ohio, the operations of Great American Insurance Group are engaged primarily in property and casualty insurance, focusing on specialty commercial products for businesses, and in the sale of traditional fixed, indexed and variable annuities and a variety of supplemental insurance products. The members of the Great American Insurance Group are subsidiaries of American Financial Group, Inc. (AFG), also based in Cincinnati, Ohio.

AFG's common stock is listed and traded on the New York Stock Exchange ("NYSE") and NASDAQ under the symbol ("AFG").

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