

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

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

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
OMB Number:	3235-0287
Estimated average burden hours per response:	0.5

1. Name and Address of Reporting Person* <u>EVANS JAMES E</u>  (Last) (First) (Middle) <u>ONE EAST FOURTH STREET</u>  (Street) <u>CINCINNATI OH 45202</u>  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>AMERICAN FINANCIAL GROUP INC [ AFG ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Sr. V. Pres. &amp; Gen. Counsel</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>09/13/2006</u>	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	
		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person

**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 Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	09/13/2006		S		600	D	\$47.89	175,819	D	
Common Stock	09/13/2006		S		900	D	\$47.9	174,919	D	
Common Stock	09/13/2006		S		1,000	D	\$47.91	173,919	D	
Common Stock	09/13/2006		S		7,500	D	\$47.92	166,419	D	
Common Stock	09/13/2006		S		3,100	D	\$47.93	163,319	D	
Common Stock	09/13/2006		S		3,800	D	\$47.94	159,519	D	
Common Stock	09/13/2006		S		6,600	D	\$47.95	152,919	D	
Common Stock	09/13/2006		S		3,300	D	\$47.96	149,619	D	
Common Stock	09/13/2006		S		1,100	D	\$47.97	148,519	D	
Common Stock	09/13/2006		S		1,300	D	\$47.98	147,219	D	
Common Stock	09/13/2006		S		2,300	D	\$47.99	144,919	D	
Common Stock	09/13/2006		S		2,600	D	\$48	142,319	D	
Common Stock	09/13/2006		S		3,100	D	\$48.01	139,219	D	
Common Stock	09/13/2006		S		300	D	\$48.02	138,919	D	
Common Stock	09/13/2006		S		100	D	\$48.03	138,819	D	
Common Stock	09/13/2006		S		2,300	D	\$48.04	136,519	D	
Common Stock	09/13/2006		S		18,400	D	\$48.05	118,119	D	
Common Stock	09/13/2006		S		100	D	\$48.06	118,019	D	
Common Stock	09/13/2006		S		700	D	\$48.07	117,319	D	
Common Stock	09/13/2006		M		6,664	A	\$30.01	123,983	D	
Common Stock	09/13/2006		F		4,172	D	\$47.93	119,811	D	
Common Stock								5,963.778	I	ESPP <sup>(1)</sup>
Common Stock								24.4627	I	DRIP <sup>(2)</sup>
Common Stock								0	I	401-k

**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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
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**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)	Code	V	4. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		5. Date Exercisable (Month/Day/Year)	6. Expiration Date (Month/Day/Year)	7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
						(A)	(D)								
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Employee Stock Option	\$30.01	09/13/2006		M			6,664	(3)	02/27/2014	Common Stock	6,664	(4)	43,336	D	

**Explanation of Responses:**

- Shares allocated to the Reporting Person's account under the Issuer's Employee Stock Purchase Plan (the "ESPP"). All ESPP information reporting herein is based on a plan statement dated as of December 31, 2005.
- Issuer's Dividend Reinvestment Plan (the "DRIP"). All DRIP information reported herein is based on a plan statement dated as of December 31, 2005.
- These Employee Stock Options ("Options") become exercisable as to 20% of the shares initially granted on the first anniversary of the 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.
- The Reporting Person exercised this stock option using previously held shares of the issuer.

**Remarks:**

James E. Evans By: Karl J. Grafe, as Attorney-in-Fact      09/14/2006

\*\* Signature of Reporting Person      Date

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

\* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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 Number.