UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

[X] **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2016

OR

[ ] **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Transition Period From ____________ to ____________

Commission File Number 1-6541

LOEWS CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**13-2646102**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

667 Madison Avenue, New York, N.Y. 10065-8087
(Address of principal executive offices) (Zip Code)

(212) 521-2000
(Registrant's telephone number, including area code)

NOT APPLICABLE
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes __X__ No ______

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes __X__ No ______ Not Applicable ______

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer __X__ Accelerated filer ____ Non-accelerated filer ____ Smaller reporting company ____

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ______ No __X__

Class	Outstanding at July 22, 2016
Common stock, $0.01 par value	337,106,639 shares

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

Loews Corporation and Subsidiaries
CONSOLIDATED CONDENSED BALANCE SHEETS
(Unaudited)

	June 30, 2016	December 31, 2015
(Dollar amounts in millions, except per share data)		
Assets:		
Investments:		
Fixed maturities, amortized cost of $38,285 and $37,407	**$ 42,307**	$ 39,701
Equity securities, cost of $642 and $824	**667**	752
Limited partnership investments	**3,355**	3,313
Other invested assets, primarily mortgage loans	**696**	824
Short term investments	**5,334**	4,810
Total investments	**52,359**	49,400
Cash	**348**	440
Receivables	**8,616**	8,041
Property, plant and equipment	**15,126**	15,477
Goodwill	**348**	351
Other assets	**1,766**	1,699
Deferred acquisition costs of insurance subsidiaries	**620**	598
Total assets	**$ 79,183**	$ 76,006
Liabilities and Equity:		
Insurance reserves:		
Claim and claim adjustment expense	**$ 22,975**	$ 22,663
Future policy benefits	**11,140**	10,152
Unearned premiums	**3,865**	3,671
Total insurance reserves	**37,980**	36,486
Payable to brokers	**1,310**	567
Short term debt	**330**	1,040
Long term debt	**10,735**	9,520
Deferred income taxes	**604**	382
Other liabilities	**5,193**	5,201
Total liabilities	**56,152**	53,196
Commitments and contingent liabilities		
Preferred stock, $0.10 par value:		
Authorized – 100,000,000 shares		
Common stock, $0.01 par value:		
Authorized – 1,800,000,000 shares		
Issued – 339,941,534 and 339,897,547 shares	**3**	3
Additional paid-in capital	**3,197**	3,184
Retained earnings	**14,724**	14,731
Accumulated other comprehensive income (loss)	**119**	(357)
	18,043	17,561
Less treasury stock, at cost (2,552,593 shares)	**(98)**	
Total shareholders' equity	**17,945**	17,561
Noncontrolling interests	**5,086**	5,249
Total equity	**23,031**	22,810
Total liabilities and equity	**$ 79,183**	$ 76,006

See accompanying Notes to Consolidated Condensed Financial Statements.

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Loews Corporation and Subsidiaries
CONSOLIDATED CONDENSED STATEMENTS OF INCOME
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	**2016**	2015
(In millions, except per share data)				
Revenues:				
Insurance premiums	**$ 1,730**	$ 1,735	**$ 3,429**	$ 3,422
Net investment income	**587**	510	**1,009**	1,098
Investment gains (losses):				
Other-than-temporary impairment losses	**(15)**	(31)	**(38)**	(43)
Other net investment gains	**16**	29	**11**	51
Total investment gains (losses)	**1**	(2)	**(27)**	8
Contract drilling revenues	**357**	617	**801**	1,217
Other revenues	**632**	575	**1,268**	1,168
Total	**3,307**	3,435	**6,480**	6,913
Expenses:				
Insurance claims and policyholders' benefits	**1,339**	1,469	**2,747**	2,808
Amortization of deferred acquisition costs	**305**	314	**612**	617
Contract drilling expenses	**198**	344	**411**	695
Other operating expenses (Note 4)	**1,611**	879	**2,518**	2,128
Interest	**130**	134	**273**	265
Total	**3,583**	3,140	**6,561**	6,513
Income (loss) before income tax	**(276)**	295	**(81)**	400
Income tax expense	**(12)**	(48)	**(8)**	(104)
Net income (loss)	**(288)**	247	**(89)**	296
Amounts attributable to noncontrolling interests	**223**	(77)	**126**	(17)
Net income (loss) attributable to Loews Corporation	**$ (65)**	$ 170	**$ 37**	$ 279
Basic and diluted net income (loss) per share	**$ (0.19)**	$ 0.46	**$ 0.11**	$ 0.75
Dividends per share	**$ 0.0625**	$ 0.0625	**$ 0.125**	$ 0.125
Weighted average shares outstanding:				
Shares of common stock	**338.72**	369.61	**338.91**	371.21
Dilutive potential shares of common stock		0.36	**0.19**	0.36
Total weighted average shares outstanding assuming dilution	**338.72**	369.97	**339.10**	371.57

See accompanying Notes to Consolidated Condensed Financial Statements.

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Loews Corporation and Subsidiaries
CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	**2016**	2015
(In millions)				
Net income (loss)	**$ (288)**	$ 247	**$ (89)**	$ 296
Other comprehensive income (loss), after tax				
Changes in:				
Net unrealized gains (losses) on investments with other- than-temporary impairments	**(1)**	(4)	**4**	(5)
Net other unrealized gains (losses) on investments	**321**	(363)	**549**	(253)
Total unrealized gains (losses) on available-for-sale investments	**320**	(367)	**553**	(258)
Unrealized gains on cash flow hedges		1	**1**	4
Pension liability	**5**	43	**13**	47
Foreign currency	**(48)**	49	**(34)**	(47)
Other comprehensive income (loss)	**277**	(274)	**533**	(254)
Comprehensive income (loss)	**(11)**	(27)	**444**	42
Amounts attributable to noncontrolling interests	**191**	(48)	**69**	9
Total comprehensive income (loss) attributable to Loews Corporation	**$ 180**	$ (75)	**$ 513**	$ 51

See accompanying Notes to Consolidated Condensed Financial Statements.

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Loews Corporation and Subsidiaries
CONSOLIDATED CONDENSED STATEMENTS OF EQUITY
(Unaudited)

		Loews Corporation Shareholders					
(In millions)	Total	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Common Stock Held in Treasury	Noncontrolling Interests
Balance, January 1, 2015	$ 24,650	$ 4	$ 3,481	$ 15,515	$ 280	$ -	$ 5,370
Net income	296			279			17
Other comprehensive loss	(254)				(228)		(26)
Dividends paid	(156)			(46)			(110)
Issuance of equity securities by subsidiary	115		(2)		1		116
Purchases of subsidiary stock from noncontrolling interests	(26)		3				(29)
Purchases of Loews treasury stock	(305)					(305)	
Issuance of Loews common stock	7		7				
Stock-based compensation	12		12				
Other	(7)		(18)	(1)			12
Balance, June 30, 2015	$ 24,332	$ 4	$ 3,483	$ 15,747	$ 53	$ (305)	$ 5,350
Balance, January 1, 2016	**$ 22,810**	**$ 3**	**$ 3,184**	**$ 14,731**	**$ (357)**	**$ -**	**$ 5,249**
Net income (loss)	**(89)**			**37**			**(126)**
Other comprehensive income	**533**				**476**		**57**
Dividends paid	**(136)**			**(42)**			**(94)**
Purchases of subsidiary stock from noncontrolling interests	**(9)**		**3**				**(12)**
Purchases of Loews treasury stock	**(98)**					**(98)**	
Stock-based compensation	**24**		**23**				**1**
Other	**(4)**		**(13)**	**(2)**			**11**
Balance, June 30, 2016	**$ 23,031**	**$ 3**	**$ 3,197**	**$ 14,724**	**$ 119**	**$ (98)**	**$ 5,086**

See accompanying Notes to Consolidated Condensed Financial Statements.

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Loews Corporation and Subsidiaries
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

Six Months Ended June 30	**2016**	2015
(In millions)		
Operating Activities:		
Net income (loss)	**$ (89)**	$ 296
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities, net	**1,389**	803
Changes in operating assets and liabilities, net:		
Receivables	**(429)**	(243)
Deferred acquisition costs	**(25)**	(8)
Insurance reserves	**666**	451
Other assets	**(87)**	(102)
Other liabilities	**(106)**	(120)
Trading securities	**(548)**	10
Net cash flow operating activities	**771**	1,087
Investing Activities:		
Purchases of fixed maturities	**(4,874)**	(5,029)
Proceeds from sales of fixed maturities	**3,070**	2,859
Proceeds from maturities of fixed maturities	**1,247**	2,304
Purchases of limited partnership investments	**(280)**	(78)
Proceeds from sales of limited partnership investments	**124**	85
Purchases of property, plant and equipment	**(974)**	(1,227)
Dispositions	**274**	20
Change in short term investments	**148**	119
Other, net	**148**	(87)
Net cash flow investing activities	**(1,117)**	(1,034)
Financing Activities:		
Dividends paid	**(42)**	(46)
Dividends paid to noncontrolling interests	**(94)**	(110)
Purchases of subsidiary stock from noncontrolling interests	**(8)**	(24)
Purchases of Loews treasury stock	**(86)**	(287)
Issuance of Loews common stock		7
Proceeds from sale of subsidiary stock		114
Principal payments on debt	**(2,352)**	(1,329)
Issuance of debt	**2,843**	1,503
Other, net	**(1)**	6
Net cash flow financing activities	**260**	(166)
Effect of foreign exchange rate on cash	**(6)**	(2)
Net change in cash	**(92)**	(115)
Cash, beginning of period	**440**	364
Cash, end of period	**$ 348**	$ 249

See accompanying Notes to Consolidated Condensed Financial Statements.

Loews Corporation and Subsidiaries
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(Unaudited)

1. Basis of Presentation

Loews Corporation is a holding company. Its subsidiaries are engaged in the following lines of business: commercial property and casualty insurance (CNA Financial Corporation ("CNA"), a 90% owned subsidiary); the operation of offshore oil and gas drilling rigs (Diamond Offshore Drilling, Inc. ("Diamond Offshore"), a 53% owned subsidiary); transportation and storage of natural gas and natural gas liquids and gathering and processing of natural gas (Boardwalk Pipeline Partners, LP ("Boardwalk Pipeline"), a 51% owned subsidiary); and the operation of a chain of hotels (Loews Hotels Holding Corporation ("Loews Hotels"), a wholly owned subsidiary). Unless the context otherwise requires, the terms "Company," "Loews" and "Registrant" as used herein mean Loews Corporation excluding its subsidiaries and the term "Net income (loss) attributable to Loews Corporation" as used herein means Net income (loss) attributable to Loews Corporation shareholders.

In the opinion of management, the accompanying unaudited Consolidated Condensed Financial Statements reflect all adjustments (consisting of only normal recurring accruals) necessary to present fairly the Company's financial position as of June 30, 2016 and December 31, 2015, results of operations and comprehensive income for the three and six months ended June 30, 2016 and 2015 and changes in shareholders' equity and cash flows for the six months ended June 30, 2016 and 2015. Net income (loss) for the second quarter and first half of each of the years is not necessarily indicative of net income (loss) for that entire year. These Consolidated Condensed Financial Statements should be read in conjunction with the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2015.

The Company presents basic and diluted net income (loss) per share on the Consolidated Condensed Statements of Income. Basic net income (loss) per share excludes dilution and is computed by dividing net income (loss) attributable to common stock by the weighted average number of common shares outstanding for the period. Diluted net income per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock. Shares attributable to employee stock-based compensation plans of 4.7 million, 3.7 million, 5.1 million and 3.6 million shares were not included in the diluted weighted average shares amounts for the three and six months ended June 30, 2016 and 2015 because the effect would have been antidilutive.

Accounting changes – In April of 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2015-03, "Interest-Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs." The updated accounting guidance requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, rather than as a deferred asset. As required, the Company's Consolidated Condensed Balance Sheet has been retrospectively adjusted to reflect the effect of the adoption of the updated accounting guidance, which resulted in a decrease of $23 million in Other assets and Long term debt at December 31, 2015.

Recently issued ASUs – In May of 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)." The core principle of the new accounting guidance is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The new accounting guidance provides a five-step analysis of transactions to determine when and how revenue is recognized and requires enhanced disclosures about revenue. In August of 2015, the FASB formally amended the effective date of this update to annual reporting periods beginning after December 15, 2017, including interim periods, and it can be adopted either retrospectively or with a cumulative effect adjustment at the date of adoption. The Company is currently evaluating the effect that adopting this new accounting guidance will have on its consolidated financial statements.

In May of 2015, the FASB issued ASU 2015-09, "Financial Services – Insurance (Topic 944): Disclosures about Short-Duration Contracts." The updated accounting guidance requires enhanced disclosures to provide additional information about insurance liabilities for short-duration contracts. The guidance is effective for annual periods beginning after December 15, 2015 and for interim periods beginning after December 15, 2016. The Company is currently evaluating the effect the updated guidance will have on its financial statement disclosures, but expects to provide additional incurred and paid claims development information by accident year, quantitative information about claim frequency and the history of claims duration for significant lines of business within the annual financial statements.

In January of 2016, the FASB issued ASU 2016-01, “Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities.” The updated accounting guidance requires changes to the reporting model for financial instruments. The guidance is effective for interim and annual periods beginning after December 15, 2017. The Company is currently evaluating the effect the guidance will have on its consolidated financial statements, and expects the primary change to be the requirement for equity investments (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income (loss).

In February of 2016, the FASB issued ASU 2016-02, “Leases (Topic 842).” The updated guidance requires lessees to recognize lease assets and lease liabilities for most operating leases. In addition, the updated guidance requires that lessors separate lease and nonlease components in a contract in accordance with the new revenue guidance in ASU 2014-09. The updated guidance is effective for interim and annual periods beginning after December 15, 2018. The Company is currently evaluating the effect the updated guidance will have on its consolidated financial statements.

In June of 2016, the FASB issued ASU 2016-13, “Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments.” The updated accounting guidance requires changes to the recognition of credit losses on financial instruments not accounted for at fair value through net income (loss). The guidance is effective for interim and annual periods beginning after December 15, 2019. The Company is currently evaluating the effect the guidance will have on its consolidated financial statements, and expects the primary changes to be the use of the expected credit loss model for the mortgage loan portfolio and reinsurance receivables and the presentation of credit losses within the available-for-sale fixed maturities portfolio through an allowance method rather than as a direct write-down. The expected credit loss model will require a financial asset to be presented at the net amount expected to be collected. The allowance method for available-for-sale debt securities will allow the Company to record reversals of credit losses when the estimate of credit losses declines.

2. Investments

Net investment income is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	**2016**	2015	**2016**	2015
Fixed maturity securities	**$ 449**	$ 452	**$ 895**	$ 895
Limited partnership investments	**47**	50	**7**	210
Short term investments	**2**		**5**	3
Equity securities	**4**	3	**7**	6
Income (loss) from trading portfolio (a)	**87**	11	**102**	(4)
Other	**13**	9	**22**	17
Total investment income	**602**	525	**1,038**	1,127
Investment expenses	**(15)**	(15)	**(29)**	(29)
Net investment income	**$ 587**	$ 510	**$ 1,009**	$ 1,098

(a) Includes net unrealized gains (losses) related to changes in fair value on trading securities still held of $60, $(10), $81 and $(17) for the three and six months ended June 30, 2016 and 2015.

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Investment gains (losses) are as follows:

(In millions)	Three Months Ended June 30, 2016	2015	Six Months Ended June 30, 2016	2015
Fixed maturity securities	**$ 4**	$ (12)	**$ (13)**	
Equity securities	**3**	(1)	**(2)**	$ (1)
Derivative instruments	**(6)**	11	**(13)**	10
Short term investments and other			**1**	(1)
Investment gains (losses) (a)	**$ 1**	$ (2)	**$ (27)**	$ 8

(a) Includes gross realized gains of $44, $36, $89 and $70 and gross realized losses of $37, $49, $104 and $71 on available-for-sale securities for the three and six months ended June 30, 2016 and 2015.

The components of net other-than-temporary impairment ("OTTI") losses recognized in earnings by asset type are as follows:

(In millions)	Three Months Ended June 30, 2016	2015	Six Months Ended June 30, 2016	2015
Fixed maturity securities available-for-sale:				
Corporate and other bonds	**$ 13**	$ 11	**$ 29**	$ 16
States, municipalities and political subdivisions		13		18
Asset-backed:				
Residential mortgage-backed	**1**	5	**1**	6
Other asset-backed	**1**	1	**3**	1
Total asset-backed	**2**	6	**4**	7
Total fixed maturities available-for-sale	**15**	30	**33**	41
Equity securities available-for-sale - common stock			**5**	1
Short term investments		1		1
Net OTTI losses recognized in earnings	**$ 15**	$ 31	**$ 38**	$ 43

The amortized cost and fair values of securities are as follows:

June 30, 2016	**Cost or Amortized Cost**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Estimated Fair Value**	**Unrealized OTTI Losses (Gains)**
(In millions)					
Fixed maturity securities:					
Corporate and other bonds	**$ 17,613**	**$ 1,684**	**$ 93**	**$ 19,204**	**$ (1)**
States, municipalities and political subdivisions	**11,661**	**2,114**	**2**	**13,773**	**(25)**
Asset-backed:					
Residential mortgage-backed	**4,994**	**215**	**20**	**5,189**	**(21)**
Commercial mortgage-backed	**2,080**	**91**	**8**	**2,163**	
Other asset-backed	**928**	**8**	**5**	**931**	
Total asset-backed	**8,002**	**314**	**33**	**8,283**	**(21)**
U.S. Treasury and obligations of government-sponsored enterprises	**81**	**11**		**92**	
Foreign government	**438**	**22**		**460**	
Redeemable preferred stock	**33**	**2**		**35**	
Fixed maturities available-for-sale	**37,828**	**4,147**	**128**	**41,847**	**(47)**
Fixed maturities trading	**457**	**4**	**1**	**460**	
Total fixed maturities	**38,285**	**4,151**	**129**	**42,307**	**(47)**
Equity securities:					
Common stock	**20**	**5**	**2**	**23**	
Preferred stock	**97**	**6**	**3**	**100**	
Equity securities available-for-sale	**117**	**11**	**5**	**123**	**-**
Equity securities trading	**525**	**108**	**89**	**544**	
Total equity securities	**642**	**119**	**94**	**667**	**-**
Total	**$ 38,927**	**$ 4,270**	**$ 223**	**$ 42,974**	**$ (47)**

December 31, 2015					
(In millions)					
Fixed maturity securities:					
Corporate and other bonds	$ 17,097	$ 1,019	$ 347	$ 17,769	
States, municipalities and political subdivisions	11,729	1,453	8	13,174	$ (4)
Asset-backed:					
Residential mortgage-backed	4,935	154	17	5,072	(37)
Commercial mortgage-backed	2,154	55	12	2,197	
Other asset-backed	923	6	8	921	
Total asset-backed	8,012	215	37	8,190	(37)
U.S. Treasury and obligations of government-sponsored enterprises	62	5		67	
Foreign government	334	13	1	346	
Redeemable preferred stock	33	2		35	
Fixed maturities available-for-sale	37,267	2,707	393	39,581	(41)
Fixed maturities, trading	140		20	120	
Total fixed maturities	37,407	2,707	413	39,701	(41)
Equity securities:					
Common stock	46	3	1	48	
Preferred stock	145	7	3	149	
Equity securities available-for-sale	191	10	4	197	-
Equity securities, trading	633	56	134	555	
Total equity securities	824	66	138	752	-
Total	$ 38,231	$ 2,773	$ 551	$ 40,453	$ (41)

The net unrealized gains on investments included in the tables above are recorded as a component of Accumulated other comprehensive income ("AOCI"). When presented in AOCI, these amounts are net of tax and noncontrolling interests and any required Shadow Adjustments. To the extent that unrealized gains on fixed income securities supporting certain products within CNA's Life & Group Non-Core business would result in a premium deficiency if realized, a related increase in Insurance reserves is recorded, net of tax and noncontrolling interests, as a reduction of net unrealized gains through Other comprehensive income ("Shadow Adjustments"). As of June 30, 2016 and December 31, 2015, the net unrealized gains on investments included in AOCI were correspondingly reduced by Shadow Adjustments of $1.5 billion and $996 million.

The available-for-sale securities in a gross unrealized loss position are as follows:

	Less than 12 Months		12 Months or Longer		Total	
June 30, 2016	**Estimated Fair Value**	**Gross Unrealized Losses**	**Estimated Fair Value**	**Gross Unrealized Losses**	**Estimated Fair Value**	**Gross Unrealized Losses**
(In millions)						
Fixed maturity securities:						
Corporate and other bonds	**$ 1,032**	**$ 43**	**$ 562**	**$ 50**	**$ 1,594**	**$ 93**
States, municipalities and political subdivisions	**68**	**2**	**10**		**78**	**2**
Asset-backed:						
Residential mortgage-backed	**293**	**8**	**234**	**12**	**527**	**20**
Commercial mortgage-backed	**386**	**7**	**118**	**1**	**504**	**8**
Other asset-backed	**306**	**5**	**5**		**311**	**5**
Total asset-backed	**985**	**20**	**357**	**13**	**1,342**	**33**
Foreign government	**8**		**5**		**13**	
Total fixed maturity securities	**2,093**	**65**	**934**	**63**	**3,027**	**128**
Common stock	**4**	**2**			**4**	**2**
Preferred stock	**23**	**3**			**23**	**3**
Total	**$ 2,120**	**$ 70**	**$ 934**	**$ 63**	**$ 3,054**	**$ 133**
December 31, 2015						
(In millions)						
Fixed maturity securities:						
Corporate and other bonds	$ 4,882	$ 302	$ 174	$ 45	$ 5,056	$ 347
States, municipalities and political subdivisions	338	8	75		413	8
Asset-backed:						
Residential mortgage-backed	963	9	164	8	1,127	17
Commercial mortgage-backed	652	10	96	2	748	12
Other asset-backed	552	8	5		557	8
Total asset-backed	2,167	27	265	10	2,432	37
U.S. Treasury and obligations of government-sponsored enterprises	4				4	
Foreign government	54	1			54	1
Redeemable preferred stock	3				3	
Total fixed maturity securities	7,448	338	514	55	7,962	393
Common stock	3	1			3	1
Preferred stock	13	3			13	3
Total	$ 7,464	$ 342	$ 514	$ 55	$ 7,978	$ 397

Based on current facts and circumstances, the Company believes the unrealized losses presented in the table above are not indicative of the ultimate collectibility of the current amortized cost of the securities, but rather are attributable to changes in interest rates, credit spreads and other factors. The Company has no current intent to sell securities with unrealized losses, nor is it more likely than not that it will be required to sell prior to recovery of amortized cost; accordingly, the Company has determined that there are no additional OTTI losses to be recorded as of June 30, 2016.

The following table presents the activity related to the pretax credit loss component reflected in Retained earnings on fixed maturity securities still held as of June 30, 2016 and 2015 for which a portion of an OTTI loss was recognized in Other comprehensive income.

(In millions)	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Beginning balance of credit losses on fixed maturity securities	**$ 48**	$ 61	**$ 53**	$ 62
Reductions for securities sold during the period	**(7)**	(2)	**(12)**	(3)
Ending balance of credit losses on fixed maturity securities	**$ 41**	$ 59	**$ 41**	$ 59

Contractual Maturity

The following table presents available-for-sale fixed maturity securities by contractual maturity.

	June 30, 2016		December 31, 2015	
(In millions)	**Cost or Amortized Cost**	**Estimated Fair Value**	Cost or Amortized Cost	Estimated Fair Value
Due in one year or less	**$ 1,817**	**$ 1,855**	$ 1,574	$ 1,595
Due after one year through five years	**8,616**	**9,114**	7,738	8,082
Due after five years through ten years	**14,583**	**15,466**	14,652	14,915
Due after ten years	**12,812**	**15,412**	13,303	14,989
Total	**$ 37,828**	**$ 41,847**	$ 37,267	$ 39,581

Actual maturities may differ from contractual maturities because certain securities may be called or prepaid. Securities not due at a single date are allocated based on weighted average life.

Derivative Financial Instruments

A summary of the aggregate contractual or notional amounts and gross estimated fair values related to derivative financial instruments follows. The contractual or notional amounts for derivatives are used to calculate the exchange of contractual payments under the agreements and may not be representative of the potential for gain or loss on these instruments. Gross estimated fair values of derivative positions are currently presented in Equity securities, Receivables and Payable to brokers on the Consolidated Condensed Balance Sheets.

	June 30, 2016			December 31, 2015		
	Contractual/ Notional Amount	**Estimated Fair Value Asset**	**Estimated Fair Value (Liability)**	Contractual/ Notional Amount	Estimated Fair Value Asset	Estimated Fair Value (Liability)
(In millions)						
Without hedge designation:						
Equity markets:						
Options – purchased	**$ 229**	**$ 24**		$ 501	$ 16	
– written	**198**		**$ (10)**	614		$ (28)
Futures – long				312		(1)
– short	**51**		**(1)**			
Interest rate risk:						
Futures – long				63		
Foreign exchange:						
Currency forwards – long				133	2	
– short				152		
Currency options – long	**250**	**1**		550	7	
Commodities:						
Futures – long	**62**		**(1)**			
Swaps – short	**50**					
Embedded derivative on funds withheld liability	**177**		**(8)**	179	5	

3. Fair Value

Fair value is the price that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following fair value hierarchy is used in selecting inputs, with the highest priority given to Level 1, as these are the most transparent or reliable:

- Level 1 – Quoted prices for identical instruments in active markets.
- Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable in active markets.
- Level 3 – Valuations derived from valuation techniques in which one or more significant inputs are not observable.

Prices may fall within Level 1, 2 or 3 depending upon the methodology and inputs used to estimate fair value for each specific security. In general, the Company seeks to price securities using third party pricing services. Securities not priced by pricing services are submitted to independent brokers for valuation and, if those are not available, internally developed pricing models are used to value assets using a methodology and inputs the Company believes market participants would use to value the assets. Prices obtained from third-party pricing services or brokers are not adjusted by the Company.

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The Company performs control procedures over information obtained from pricing services and brokers to ensure prices received represent a reasonable estimate of fair value and to confirm representations regarding whether inputs are observable or unobservable. Procedures include: (i) the review of pricing service or broker pricing methodologies, (ii) back-testing, where past fair value estimates are compared to actual transactions executed in the market on similar dates, (iii) exception reporting, where period-over-period changes in price are reviewed and challenged with the pricing service or broker based on exception criteria, (iv) detailed analysis, where the Company performs an independent analysis of the inputs and assumptions used to price individual securities and (v) pricing validation, where prices received are compared to prices independently estimated by the Company.

The fair values of CNA's life settlement contracts are included in Other assets on the Consolidated Condensed Balance Sheets. Equity options purchased are included in Equity securities, and all other derivative assets are included in Receivables. Derivative liabilities are included in Payable to brokers. Assets and liabilities measured at fair value on a recurring basis are presented in the following tables:

June 30, 2016	Level 1	Level 2	Level 3	Total
(In millions)				
Fixed maturity securities:				
Corporate and other bonds		$18,962	$ 242	$19,204
States, municipalities and political subdivisions		13,771	2	13,773
Asset-backed:				
Residential mortgage-backed		5,055	134	5,189
Commercial mortgage-backed		2,152	11	2,163
Other asset-backed		886	45	931
Total asset-backed		8,093	190	8,283
U.S. Treasury and obligations of government-sponsored enterprises	$ 91	1		92
Foreign government		460		460
Redeemable preferred stock	35			35
Fixed maturities available-for-sale	126	41,287	434	41,847
Fixed maturities trading		454	6	460
Total fixed maturities	$ 126	$41,741	$ 440	$42,307
Equity securities available-for-sale	$ 104		$ 19	$ 123
Equity securities trading	542		2	544
Total equity securities	$ 646	$ -	$ 21	$ 667
Short term investments	$ 4,289	$ 950		$ 5,239
Other invested assets	53	5		58
Receivables			$ 1	1
Life settlement contracts			67	67
Payable to brokers	(657)			(657)

December 31, 2015 (In millions)	Level 1	Level 2	Level 3	Total
Fixed maturity securities:				
Corporate and other bonds		$ 17,601	$ 168	$ 17,769
States, municipalities and political subdivisions		13,172	2	13,174
Asset-backed:				
Residential mortgage-backed		4,938	134	5,072
Commercial mortgage-backed		2,175	22	2,197
Other asset-backed		868	53	921
Total asset-backed		7,981	209	8,190
U.S. Treasury and obligations of government-sponsored enterprises	$ 66	1		67
Foreign government		346		346
Redeemable preferred stock	35			35
Fixed maturities available-for-sale	101	39,101	379	39,581
Fixed maturities trading		35	85	120
Total fixed maturities	$ 101	$ 39,136	$ 464	$ 39,701
Equity securities available-for-sale	$ 177		$ 20	$ 197
Equity securities trading	554		1	555
Total equity securities	$ 731	$ -	$ 21	$ 752
Short term investments	$ 3,600	$ 1,134		$ 4,734
Other invested assets	102	44		146
Receivables		9	$ 3	12
Life settlement contracts			74	74
Payable to brokers	(196)			(196)

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The following tables present reconciliations for all assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the three and six months ended June 30, 2016 and 2015:

		Net Realized Gains (Losses) and Net Change in Unrealized Gains (Losses)								
2016	**Balance, April 1**	**Included in Net Income (Loss)**	**Included in OCI**	**Purchases**	**Sales**	**Settlements**	**Transfers into Level 3**	**Transfers out of Level 3**	**Balance, June 30**	**Unrealized Gains (Losses) Recognized in Net Income (Loss) on Level 3 Assets and Liabilities Held at June 30**
(In millions)										
Fixed maturity securities:										
Corporate and other bonds	$ 193	$ 1	$ 3	$ 94	$ (20)	$ (7)		$ (22)	$ 242	
States, municipalities and political subdivisions	2								2	
Asset-backed:										
Residential mortgage-backed	128	1	(1)	10		(4)			134	
Commercial mortgage-backed	27					(9)	$ 3	(10)	11	
Other asset-backed	50		2	35	(25)	(1)		(16)	45	
Total asset-backed	205	1	1	45	(25)	(14)	3	(26)	190	$ -
Fixed maturities available-for-sale	400	2	4	139	(45)	(21)	3	(48)	434	
Fixed maturities trading	3	4			(1)				6	4
Total fixed maturities	$ 403	$ 6	$ 4	$ 139	$ (46)	$ (21)	$ 3	$ (48)	$ 440	$ 4
Equity securities available-for-sale	$ 19								$ 19	
Equity securities trading	-	$ 1		$ 1					2	$ 1
Total equity securities	$ 19	$ 1	$ -	$ 1	$ -	$ -	$ -	$ -	$ 21	$ 1
Life settlement contracts	$ 72	$ 6				$ (11)			$ 67	$ (3)
Derivative financial instruments, net		(2)					$ 3		1	(3)

2015	Balance, April 1	Net Realized Gains (Losses) and Net Change in Unrealized Gains (Losses)		Purchases	Sales	Settlements	Transfers into Level 3	Transfers out of Level 3	Balance, June 30	Unrealized Gains (Losses) Recognized in Net Income on Level 3 Assets and Liabilities Held at June 30
		Included in Net Income	Included in OCI							
(In millions)										
Fixed maturity securities:										
Corporate and other bonds	$ 186	$ (2)	$ (1)			$ (7)		$ (35)	$ 141	$ (3)
States, municipalities and political subdivisions	86					(1)			85	
Asset-backed:										
Residential mortgage-backed	232	1	(2)			(11)		(13)	207	
Commercial mortgage-backed	64	1	(1)	$ 9		(1)	$ 17	(2)	87	
Other asset-backed	553	2	1	47	$ (90)	(17)		(6)	490	
Total asset-backed	849	4	(2)	56	(90)	(29)	17	(21)	784	-
Fixed maturities available-for-sale	1,121	2	(3)	56	(90)	(37)	17	(56)	1,010	(3)
Fixed maturities trading	89								89	
Total fixed maturities	$ 1,210	$ 2	$ (3)	$ 56	$ (90)	$ (37)	$ 17	$ (56)	$ 1,099	$ (3)
Equity securities available-for-sale	$ 13		$ 3						$ 16	
Equity securities trading	1								1	
Total equity securities	$ 14	$ -	$ 3	$ -	$ -	$ -	$ -	$ -	$ 17	$ -
Life settlement contracts	$ 79	$ 4				$ (8)			$ 75	$ (2)

2016	Balance, January 1	Net Realized Gains (Losses) and Net Change in Unrealized Gains (Losses)		Purchases	Sales	Settlements	Transfers into Level 3	Transfers out of Level 3	Balance, June 30	Unrealized Gains (Losses) Recognized in Net Income (Loss) on Level 3 Assets and Liabilities Held at June 30
		Included in Net Income (Loss)	Included in OCI							
(In millions)										
Fixed maturity securities:										
Corporate and other bonds	$ 168		$ 7	$ 147	$ (36)	$ (10)		$ (34)	$ 242	
States, municipalities and political subdivisions	2								2	
Asset-backed:										
Residential mortgage-backed	134	$ 2	(1)	10		(9)		(2)	134	
Commercial mortgage-backed	22			9		(9)	$ 3	(14)	11	
Other asset-backed	53		2	35	(25)	(1)	2	(21)	45	
Total asset-backed	209	2	1	54	(25)	(19)	5	(37)	190	$ -
Fixed maturities available-for-sale	379	2	8	201	(61)	(29)	5	(71)	434	
Fixed maturities trading	85	5		2	(86)				6	4
Total fixed maturities	$ 464	$ 7	$ 8	$ 203	$ (147)	$ (29)	$ 5	$ (71)	$ 440	$ 4
Equity securities available-for-sale	$ 20		$ (1)						$ 19	
Equity securities trading	1	$ 1		$ 1	$ (1)				2	$ 1
Total equity securities	$ 21	$ 1	$ (1)	$ 1	$ (1)	$ -	$ -	$ -	$ 21	$ 1
Life settlement contracts	$ 74	$ 10				$ (17)			$ 67	$ (3)
Derivative financial instruments, net	3	(3)			$ (2)		$ 3		1	(3)

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2015 (In millions)	Balance, January 1	Net Realized Gains (Losses) and Net Change in Unrealized Gains (Losses) Included in Net Income	Included in OCI	Purchases	Sales	Settlements	Transfers into Level 3	Transfers out of Level 3	Balance, June 30	Unrealized Gains (Losses) Recognized in Net Income on Level 3 Assets and Liabilities Held at June 30
Fixed maturity securities:										
Corporate and other bonds	$ 162	$ (1)	$ (1)	$ 12	$ (12)	$ (21)	$ 37	$ (35)	$ 141	$ (3)
States, municipalities and political subdivisions	94	1				(10)			85	
Asset-backed:										
Residential mortgage-backed	189	2	(2)	72		(21)		(33)	207	
Commercial mortgage-backed	83	2		15		(2)	17	(28)	87	
Other asset-backed	655	3	10	82	(234)	(20)		(6)	490	
Total asset-backed	927	7	8	169	(234)	(43)	17	(67)	784	-
Fixed maturities available-for-sale	1,183	7	7	181	(246)	(74)	54	(102)	1,010	(3)
Fixed maturities trading	90				(1)				89	
Total fixed maturities	$ 1,273	$ 7	$ 7	$ 181	$ (247)	$ (74)	$ 54	$ (102)	$ 1,099	$ (3)
Equity securities available-for-sale	$ 16								$ 16	
Equity securities trading	1								1	
Total equity securities	$ 17	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 17	$ -
Life settlement contracts	$ 82	$ 17				$ (24)			$ 75	$ (1)

Net realized and unrealized gains and losses are reported in Net income (loss) as follows:

Major Category of Assets and Liabilities	Consolidated Condensed Statements of Income Line Items
Fixed maturity securities available-for-sale	Investment gains (losses)
Fixed maturity securities, trading	Net investment income
Equity securities available-for-sale	Investment gains (losses)
Equity securities, trading	Net investment income
Other invested assets	Investment gains (losses) and Net investment income
Derivative financial instruments held in a trading portfolio	Net investment income
Derivative financial instruments, other	Investment gains (losses) and Other revenues
Life settlement contracts	Other revenues

Securities may be transferred in or out of levels within the fair value hierarchy based on the availability of observable market information and quoted prices used to determine the fair value of the security. The availability of observable market information and quoted prices varies based on market conditions and trading volume. During the three and six months ended June 30, 2016 and 2015 there were no transfers between Level 1 and Level 2. The Company's policy is to recognize transfers between levels at the beginning of quarterly reporting periods.

Valuation Methodologies and Inputs

The following section describes the valuation methodologies and relevant inputs used to measure different financial instruments at fair value, including an indication of the level in the fair value hierarchy in which the instruments are generally classified.

Fixed Maturity Securities

Level 1 securities include highly liquid and exchange traded bonds and redeemable preferred stock, valued using quoted market prices. Level 2 securities include most other fixed maturity securities as the significant inputs are observable in the marketplace. All classes of Level 2 fixed maturity securities are valued using a methodology based on information generated by market transactions involving identical or comparable assets, a discounted cash flow methodology or a combination of both when necessary. Common inputs for all classes of fixed maturity securities include prices from recently executed transactions of similar securities, marketplace quotes, benchmark yields, spreads off benchmark yields, interest rates and U.S. Treasury or swap curves. Specifically for asset-backed securities, key inputs include prepayment and default projections based on past performance of the underlying collateral and current market data. Fixed maturity securities are primarily assigned to Level 3 in cases where broker/dealer quotes are significant inputs to the valuation and there is a lack of transparency as to whether these quotes are based on information that is observable in the marketplace. Level 3 securities also include private placement debt securities whose fair value is determined using internal models with inputs that are not market observable.

Equity Securities

Level 1 equity securities include publicly traded securities valued using quoted market prices. Level 2 securities are primarily non-redeemable preferred stocks and common stocks valued using pricing for similar securities, recently executed transactions and other pricing models utilizing market observable inputs. Level 3 securities are primarily priced using broker/dealer quotes and internal models with inputs that are not market observable.

Derivative Financial Instruments

Exchange traded derivatives are valued using quoted market prices and are classified within Level 1 of the fair value hierarchy. Level 2 derivatives primarily include currency forwards valued using observable market forward rates. Over-the-counter derivatives, principally interest rate swaps, total return swaps, commodity swaps, equity warrants and options, are valued using inputs including broker/dealer quotes and are classified within Level 2 or Level 3 of the valuation hierarchy, depending on the amount of transparency as to whether these quotes are based on information that is observable in the marketplace.

Short Term Investments

Securities that are actively traded or have quoted prices are classified as Level 1. These securities include money market funds and treasury bills. Level 2 primarily includes commercial paper, for which all inputs are market observable. Fixed maturity securities purchased within one year of maturity are valued consistent with fixed maturity securities discussed above. Short term investments as presented in the tables above differ from the amounts presented in the Consolidated Condensed Balance Sheets because certain short term investments, such as time deposits, are not measured at fair value.

Other Invested Assets

Level 1 securities include exchange traded open-end funds valued using quoted market prices.

Life Settlement Contracts

The fair values of life settlement contracts are determined as the present value of the anticipated death benefits less anticipated premium payments based on contract terms that are distinct for each insured, as well as CNA's own assumptions for mortality, premium expense, and the rate of return that a buyer would require on the contracts, as no comparable market pricing data is available.

Significant Unobservable Inputs

The following tables present quantitative information about the significant unobservable inputs utilized by the Company in the fair value measurement of Level 3 assets. Valuations for assets and liabilities not presented in the tables below are primarily based on broker/dealer quotes for which there is a lack of transparency as to inputs used to develop the valuations. The quantitative detail of unobservable inputs from these broker quotes is neither provided nor reasonably available to the Company.

June 30, 2016	**Estimated Fair Value**	**Valuation Techniques**	**Unobservable Inputs**	**Range (Weighted Average)**
	(In millions)			
Fixed maturity securities	**$ 226**	**Discounted cash flow**	**Credit spread**	**1% – 40% (6%)**
Life settlement contracts	**67**	**Discounted cash flow**	**Discount rate risk premium**	**9%**
			Mortality assumption	**55% – 1,676% (162%)**
December 31, 2015				
Fixed maturity securities	$ 138	Discounted cash flow	Credit spread	3% – 184% (6%)
Life settlement contracts	74	Discounted cash flow	Discount rate risk premium	9%
			Mortality assumption	55% – 1,676% (164%)

For fixed maturity securities, an increase to the credit spread assumptions would result in a lower fair value measurement. For life settlement contracts, an increase in the discount rate risk premium or decrease in the mortality assumption would result in a lower fair value measurement.

Financial Assets and Liabilities Not Measured at Fair Value

The carrying amount, estimated fair value and the level of the fair value hierarchy of the Company's financial assets and liabilities which are not measured at fair value on the Consolidated Condensed Balance Sheets are presented in the following tables. The carrying amounts and estimated fair values of short term debt and long term debt exclude capital lease obligations. The carrying amounts reported on the Consolidated Condensed Balance Sheets for cash and short term investments not carried at fair value and certain other assets and liabilities approximate fair value due to the short term nature of these items.

	Carrying	Estimated Fair Value			
June 30, 2016	**Amount**	**Level 1**	**Level 2**	**Level 3**	**Total**
(In millions)					
Assets:					
Other invested assets, primarily mortgage loans	**$ 610**			**$ 638**	**$ 638**
Liabilities:					
Short term debt	**329**		**$ 327**	**2**	**329**
Long term debt	**10,721**		**10,267**	**648**	**10,915**
December 31, 2015					
Assets:					
Other invested assets, primarily mortgage loans	$ 678			$ 688	$ 688
Liabilities:					
Short term debt	1,038		$ 1,050	2	1,052
Long term debt	9,507		8,538	595	9,133

The following methods and assumptions were used in estimating the fair value of these financial assets and liabilities.

The fair value of mortgage loans, included in Other invested assets, was based on the present value of the expected future cash flows discounted at the current interest rate for similar financial instruments, adjusted for specific loan risk.

Fair value of debt was based on observable market prices when available. When observable market prices were not available, the fair value of debt was based on observable market prices of comparable instruments adjusted for differences between the observed instruments and the instruments being valued or is estimated using discounted cash flow analyses, based on current incremental borrowing rates for similar types of borrowing arrangements.

4. Property, Plant and Equipment

Diamond Offshore

Sale of Assets

In February of 2016, Diamond Offshore entered into a ten-year agreement with a subsidiary of GE Oil & Gas ("GE") to provide services with respect to certain blowout preventer and related well control equipment on four newly-built drillships. Such services include management of maintenance, certification and reliability with respect to such equipment. In connection with the contractual services agreement with GE, Diamond Offshore will sell the well control equipment to a GE affiliate and subsequently lease back such equipment pursuant to separate ten-year operating leases. During the six months ended June 30, 2016, Diamond Offshore executed three sale and leaseback transactions and received $158 million in proceeds, which was less than the carrying value of the equipment. The resulting difference was recorded as prepaid rent with no gain or loss recognized on the transactions, and will be amortized over the terms of the operating leases. Future commitments under the operating leases and contractual services agreements are estimated to aggregate approximately $491 million over the term of the agreements. Diamond Offshore expects to complete the remaining sale and leaseback transaction in the third quarter of 2016.

Asset Impairments

During the second quarter of 2016, in response to the continuing decline in industry-wide utilization for semisubmersible rigs, further exacerbated by additional and more frequent contract cancelations by customers, declining dayrates, as well as the results of a third-party strategic review of Diamond Offshore's long-term business plan completed in the second quarter of 2016, Diamond Offshore reassessed its projections for a recovery in the offshore drilling market. As a result, Diamond Offshore concluded that an expected market recovery is now likely further in the future than had previously been estimated. Consequently, Diamond Offshore believes its cold-stacked rigs, as well as those rigs expected to be cold-stacked in the near term after they come off contract, will likely remain cold-stacked for an extended period of time. Diamond Offshore also believes that the re-entry costs for these rigs will be higher than previously estimated, negatively impacting the undiscounted, projected probability-weighted cash flow projections utilized in its impairment analysis. In addition, in response to the declining market, Diamond Offshore also reduced anticipated market pricing and expected utilization of these rigs after reactivation. In the second quarter of 2016, Diamond Offshore evaluated 15 of its drilling rigs with indications that their carrying amounts may not be recoverable. Based on updated assumptions and analyses, Diamond Offshore determined that the carrying values of eight of these rigs, consisting of three ultra-deepwater, three deepwater and two mid-water semisubmersible rigs, were impaired.

Diamond Offshore estimated the fair value of the eight impaired rigs using an income approach. The fair value of each rig was estimated based on a calculation of the rig's discounted future net cash flows over its remaining economic life, which utilized significant unobservable inputs, including, but not limited to, assumptions related to estimated dayrate revenue, rig utilization, estimated reactivation and regulatory survey costs, as well as estimated proceeds that may be received on ultimate disposition of the rig. The fair value estimates were representative of Level 3 fair value measurements due to the significant level of estimation involved and the lack of transparency as to the inputs used. During the second quarter of 2016, Diamond Offshore recognized an impairment loss of $672 million ($263 million after tax and noncontrolling interests).

As of June 30, 2016, there were seven rigs in Diamond Offshore's drilling fleet for which there were no indications that their carrying amounts may not be recoverable and, thus, were not evaluated for impairment at this time. If market fundamentals in the offshore oil and gas industry deteriorate further, Diamond Offshore may be required to recognize additional impairment losses in future periods.

During the first quarter of 2015, Diamond Offshore evaluated 17 of its drilling rigs with indications that their carrying amounts may not be recoverable. Based on this evaluation, Diamond Offshore determined that seven mid-water semisubmersibles as well as an older drillship were impaired and an impairment loss was recognized aggregating $359 million ($158 million after tax and noncontrolling interests) for the six months ended June 30, 2015.

See Note 6 of the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2015 for further discussion of Diamond Offshore's 2015 asset impairments.

5. Claim and Claim Adjustment Expense Reserves

CNA's property and casualty insurance claim and claim adjustment expense reserves represent the estimated amounts necessary to resolve all outstanding claims, including claims that are incurred but not reported ("IBNR") as of the reporting date. CNA's reserve projections are based primarily on detailed analysis of the facts in each case, CNA's experience with similar cases and various historical development patterns. Consideration is given to such historical patterns as field reserving trends and claims settlement practices, loss payments, pending levels of unpaid claims and product mix, as well as court decisions, economic conditions including inflation and public attitudes. All of these factors can affect the estimation of claim and claim adjustment expense reserves.

Establishing claim and claim adjustment expense reserves, including claim and claim adjustment expense reserves for catastrophic events that have occurred, is an estimation process. Many factors can ultimately affect the final settlement of a claim and, therefore, the necessary reserve. Changes in the law, results of litigation, medical costs, the cost of repair materials and labor rates can all affect ultimate claim costs. In addition, time can be a critical part of reserving determinations since the longer the span between the incidence of a loss and the payment or settlement of the claim, the more variable the ultimate settlement amount can be. Accordingly, short-tail claims, such as property damage claims, tend to be more reasonably estimable than long-tail claims, such as workers' compensation, general liability and professional liability claims. Adjustments to prior year reserve estimates, if necessary, are reflected in the results of operations in the period that the need for such adjustments is determined. There can be no assurance that CNA's ultimate cost for insurance losses will not exceed current estimates.

Catastrophes are an inherent risk of the property and casualty insurance business and have contributed to material period-to-period fluctuations in CNA's results of operations and/or equity. CNA reported catastrophe losses, net of reinsurance, of $85 million and $60 million for the three months ended June 30, 2016 and 2015 and $121 million and $89 million for the six months ended June 30, 2016 and 2015. Catastrophe losses in 2016 resulted primarily from U.S. weather-related events and the Fort McMurray wildfires.

Net Prior Year Development

The following tables and discussion present net prior year development.

Three Months Ended June 30, 2016	**Specialty**	**Commercial**	**International**	**Total**
(In millions)				
Pretax (favorable) unfavorable net prior year claim and allocated claim adjustment expense reserve development	**$ (65)**	**$ (18)**	**$ (15)**	**$ (98)**
Pretax (favorable) unfavorable premium development	**(7)**	**(2)**	**1**	**(8)**
Total pretax (favorable) unfavorable net prior year development	**$ (72)**	**$ (20)**	**$ (14)**	**$ (106)**

Three Months Ended June 30, 2015				
Pretax (favorable) unfavorable net prior year claim and allocated claim adjustment expense reserve development	$ (13)	$ 16	$ (8)	$ (5)
Pretax (favorable) unfavorable premium development	(2)	(11)	(2)	(15)
Total pretax (favorable) unfavorable net prior year development	$ (15)	$ 5	$ (10)	$ (20)

Six Months Ended June 30, 2016	Specialty	Commercial	International	Total
(In millions)				
Pretax (favorable) unfavorable net prior year claim and allocated claim adjustment expense reserve development	**$ (99)**	**$ (32)**	**$ (19)**	**$ (150)**
Pretax (favorable) unfavorable premium development	**(18)**	**(4)**		**(22)**
Total pretax (favorable) unfavorable net prior year development	**$ (117)**	**$ (36)**	**$ (19)**	**$ (172)**

Six Months Ended June 30, 2015				
Pretax (favorable) unfavorable net prior year claim and allocated claim adjustment expense reserve development	$ (11)	$ 11	$ (12)	$ (12)
Pretax (favorable) unfavorable premium development	(8)	(12)	14	(6)
Total pretax (favorable) unfavorable net prior year development	$ (19)	$ (1)	$ 2	$ (18)

Specialty

The following table and discussion present further detail of the net prior year claim and allocated claim adjustment expense reserve development ("development") recorded for the Specialty segment:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	**2016**	2015
(In millions)				
Medical professional liability	**$ (23)**	$ (6)	**$ (30)**	$ 8
Other professional liability and management liability	**(41)**	(1)	**(50)**	(4)
Surety				1
Warranty	**3**	1	**5**	1
Other	**(4)**	(7)	**(24)**	(17)
Total pretax (favorable) unfavorable development	**$ (65)**	$ (13)	**$ (99)**	$ (11)

Three Months

2016

Favorable development in medical professional liability was due to lower than expected severity for individual healthcare professionals and allied facilities for accident years 2014 and prior.

Favorable development in other professional liability and management liability was primarily related to lower than expected frequency of claims in accident years 2010 through 2015, mainly driven by professional services. This was partially offset by unfavorable development in accident year 2015 related to an increase in management liability frequency of larger claims.

2015

Overall, favorable development in medical professional liability was primarily due to lower than expected severity for individual healthcare professionals and allied facilities in accident years 2009 through 2012. Unfavorable development was recorded related to increased claim frequency in the aging services business in accident years 2009 and 2010.

Favorable development of $38 million was recorded in other professional liability and management liability related to lower than expected severity for professional services primarily in accident years 2010 and prior. Unfavorable development of $37 million was recorded primarily related to increased claim frequency on public company management liability in accident years 2012 through 2014.

Favorable development for other coverages was primarily due to better than expected claim frequency in property coverages provided to Specialty customers in accident year 2014.

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Six Months

2016

Favorable development for medical professional liability was primarily due to lower than expected severities for individual healthcare professionals, allied facilities, and hospitals in accident years 2011 and prior. This was partially offset by unfavorable development in accident years 2012 and 2013 related to higher than expected large loss emergence in hospitals and higher than expected severity in accident years 2014 and 2015 in the aging services business.

Favorable development in other professional liability and management liability was primarily related to lower than expected frequency of claims in accident years 2010 through 2015, mainly driven by professional services. Additional favorable development was related to favorable outcomes on larger claims in 2013 and prior in professional services. This was partially offset by unfavorable development in accident years 2014 and 2015 related to an increase in management liability frequency of larger claims.

Favorable development for other coverages was due to better than expected claim frequency in property coverages provided to Specialty customers in accident year 2015.

2015

Overall, unfavorable development for medical professional liability was primarily related to increased claim frequency in the aging services business for accident years 2009 through 2014, partially offset by lower than expected severity in accident years 2010 and prior. Additional favorable development was due to lower than expected severity for individual healthcare professionals and allied facilities in accident years 2009 through 2012.

Favorable development of $41 million was recorded in other professional liability and management liability primarily related to lower than expected severity in accident years 2010 and prior for professional services. Unfavorable development of $37 million was recorded primarily related to increased claim frequency on public company management liability in accident years 2012 through 2014.

Favorable development for other coverages was primarily due to better than expected claim frequency in property coverages provided to Specialty customers in accident year 2014.

Commercial

The following table and discussion present further detail of the development recorded for the Commercial segment:

	Three Months Ended June 30,		**Six Months Ended June 30,**	
	2016	2015	**2016**	2015
(In millions)				
Commercial auto	**$ (20)**	$ 7	**$ (35)**	$ 7
General liability	**(37)**	1	**(52)**	5
Workers' compensation	**50**	24	**54**	23
Property and other	**(11)**	(16)	**1**	(24)
Total pretax (favorable) unfavorable development	**$ (18)**	$ 16	**$ (32)**	$ 11

Three Months

2016

Favorable development for commercial auto was primarily due to favorable settlements on claims in accident years 2010 through 2014.

Favorable development for general liability was primarily due to better than expected claim settlements in accident years 2012 through 2014 and better than expected severity on umbrella claims in accident years 2010 through 2013.

Unfavorable development for workers' compensation was due to a reduction in estimated recoveries on war hazard claims for Defense Base Act contractors, which was partially offset by favorable development related to lower than expected frequencies for the small and middle market businesses in accident years 2009 through 2014.

Favorable development for property and other was primarily due to better than expected loss emergence in accident years 2013 through 2015.

2015

In the aggregate, the unfavorable loss development of $16 million was driven by an extra contractual obligation loss and losses associated with premium development. The reserve development discussed below was largely offsetting.

Unfavorable development for workers' compensation was primarily due to higher than expected severity related to Defense Base Act contractors in accident years 2008 through 2013.

Favorable development for property and other was primarily due to better than expected loss emergence from 2012 catastrophe events and better than expected claim frequency of large claims in accident year 2014.

Six Months

2016

Favorable development for commercial auto was primarily due to favorable settlements on claims in accident years 2010 through 2014.

Favorable development for general liability was primarily due to better than expected claim settlements in accident years 2012 through 2014 and better than expected severity on umbrella claims in accident years 2010 through 2013.

Unfavorable development for workers' compensation was due to a reduction in estimated recoveries on war hazard claims for Defense Base Act contractors, which was partially offset by favorable development related to lower than expected frequencies for the small and middle market businesses in accident years 2009 through 2014.

Unfavorable development for property and other was primarily due to higher than expected severity from a 2015 catastrophe event. Favorable development was primarily due to better than expected loss emergence in accident years 2013 through 2015.

2015

In addition to the favorable property development noted in the three month discussion, there was additional favorable development for property related to better than expected loss emergence from 2014 catastrophe events.

International

The following table and discussion present further detail of the development recorded for the International segment:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	**2016**	2015
(In millions)				
Medical professional liability	**$ (1)**		**$ (1)**	
Other professional liability	**18**	$ (5)	**17**	$ (5)
Liability	**(19)**	(2)	**(19)**	(7)
Property & marine	**(3)**	(8)	**(7)**	(14)
Other	**(10)**	7	**(9)**	14
Total pretax (favorable) unfavorable development	**$ (15)**	$ (8)	**$ (19)**	$ (12)

Three Months

2016

Unfavorable development for other professional liability was primarily due to higher than expected large loss emergence in accident years 2011 through 2015.

Favorable development for liability was primarily due to better than expected severity in accident years 2013 and prior.

Favorable development for other coverages was primarily due to better than expected severity in auto liability in accident years 2011 through 2015.

2015

Favorable development in property and marine was due to better than expected emergence in accident years 2012 through 2014.

Unfavorable development in other is due to large losses in financial institutions and political risk primarily in accident year 2014.

Six Months

2016

Unfavorable development for other professional liability was primarily due to higher than expected large loss emergence in accident years 2011 through 2015.

Favorable development for liability was primarily due to better than expected severity in accident years 2013 and prior.

Favorable development for other coverages was primarily due to better than expected severity in auto liability in accident years 2011 through 2015.

2015

Favorable development in property and marine was due to better than expected emergence in accident years 2012 through 2014.

Unfavorable development in other is due to large losses in financial institutions and political risk primarily in accident year 2014.

Asbestos and Environmental Pollution (“A&EP”) Reserves

In 2010, Continental Casualty Company (“CCC”) together with several of CNA’s insurance subsidiaries completed a transaction with National Indemnity Company (“NICO”), a subsidiary of Berkshire Hathaway Inc., under which substantially all of CNA’s legacy A&EP liabilities were ceded to NICO through a loss portfolio transfer (loss portfolio transfer or “LPT”). At the effective date of the transaction, CNA ceded approximately $1.6 billion of net A&EP claim and allocated claim adjustment expense reserves to NICO under a retroactive reinsurance agreement with an aggregate limit of $4.0 billion. The $1.6 billion of claim and allocated claim adjustment expense reserves ceded to NICO was net of $1.2 billion of ceded claim and allocated claim adjustment expense reserves under existing third party reinsurance contracts. The NICO LPT aggregate reinsurance limit also covers credit risk on the existing third party reinsurance related to these liabilities. CNA paid NICO a reinsurance premium of $2.0 billion and transferred to NICO billed third party reinsurance receivables related to A&EP claims with a net book value of $215 million, resulting in total consideration of $2.2 billion.

Through December 31, 2013, CNA recognized $0.9 billion of additional amounts ceded under the LPT. As a result, the cumulative amounts ceded under the LPT exceeded the $2.2 billion consideration paid, resulting in the NICO LPT moving into a gain position, requiring deferred retroactive reinsurance accounting treatment. This deferred gain is recognized in earnings in proportion to actual paid recoveries under the LPT. Over the life of the contract, there is no economic impact as long as any additional losses incurred are within the limit of the LPT. In a period in which a change in the estimate of ceded incurred losses is recognized, the change to the deferred gain is cumulatively recognized in earnings as if the revised estimate was available at the effective date of the LPT.

The following table presents the impact of the loss portfolio transfer on the Consolidated Condensed Statements of Income.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	**2016**	2015
(In millions)				
Net A&EP adverse development before consideration of LPT	**$ -**	$ 150	**$ 200**	$ 150
Provision for uncollectible third party reinsurance on A&EP				
Additional amounts ceded under LPT	**-**	150	**200**	150
Retroactive reinsurance benefit recognized	**$ (9)**	(66)	**(82)**	(71)
Pretax impact of unrecognized deferred retroactive reinsurance benefit	**$ (9)**	$ 84	**$ 118**	$ 79

CNA completed its reserve review of A&EP reserves in the first quarter of 2016. Based upon CNA's review, net unfavorable development prior to cessions to the LPT of $200 million was recognized. The unfavorable development was driven by an increase in anticipated future expenses associated with determination of coverage, higher anticipated payouts associated with a limited number of historical accounts having significant asbestos exposures and higher than expected severity on pollution claims. This unfavorable development was ceded to NICO under the LPT, however CNA's reported earnings were negatively affected due to the application of retroactive reinsurance accounting, as only a portion of the additional amounts ceded under the LPT were recognized that quarter. All amounts recognized related to the LPT are recorded within Insurance claims and policyholders' benefits in the Consolidated Condensed Statement of Income.

As of June 30, 2016 and December 31, 2015, the cumulative amounts ceded under the LPT were $2.8 billion and $2.6 billion. The unrecognized deferred retroactive reinsurance benefit was $359 million and $241 million as of June 30, 2016 and December 31, 2015.

NICO established a collateral trust account as security for its obligations to CNA. The fair value of the collateral trust account was $2.6 billion and $2.8 billion as of June 30, 2016 and December 31, 2015. In addition, Berkshire Hathaway Inc. guaranteed the payment obligations of NICO up to the full aggregate reinsurance limit as well as certain of NICO's performance obligations under the trust agreement. NICO is responsible for claims handling and billing and collection from third-party reinsurers related to CNA's A&EP claims.

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6. Income Taxes

The components of U.S. and foreign income before income tax and a reconciliation between the federal income tax expense at statutory rates and the actual income tax expense is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	**2016**	2015
(In millions)				
Income (loss) before income tax:				
U.S.	**$ (142)**	$ 129	**$ (103)**	$ 266
Foreign	**(134)**	166	**22**	134
Total	**$ (276)**	$ 295	**$ (81)**	$ 400
Income tax expense (benefit) at statutory rate	**$ (97)**	$ 103	**$ (28)**	$ 140
Increase (decrease) in income tax expense resulting from:				
Exempt investment income	**(33)**	(29)	**(64)**	(58)
Foreign related tax differential	**63**	(32)	**23**	(5)
Valuation allowance	**77**		**77**	
Amortization of deferred charges associated with intercompany rig sales to other tax jurisdictions		4		41
Taxes related to domestic affiliate	**(2)**	4	**1**	(6)
Partnership earnings not subject to taxes	**(11)**	(7)	**(28)**	(20)
Unrecognized tax benefit	**5**	2	**10**	5
Other	**10**	3	**17**	7
Income tax expense	**$ 12**	$ 48	**$ 8**	$ 104

The effective tax rate is impacted by the change in the relative components of earnings or losses generated in foreign tax jurisdictions with lower tax rates.

In the second quarter of 2016, a valuation allowance of $77 million was established for the future tax benefit of foreign tax credits in the U.S. which Diamond Offshore no longer expects to be able to realize prior to their expiration.

7. Debt

CNA Financial

In the first quarter of 2016, CNA completed a public offering of $500 million aggregate principal amount of 4.5% senior notes due March 1, 2026 and used the net proceeds to repay the entire $350 million outstanding principal amount of its 6.5% senior notes due August 15, 2016.

Diamond Offshore

In the first quarter of 2016, Diamond Offshore cancelled its commercial paper program and repaid the $287 million in commercial paper outstanding at December 31, 2015 with proceeds from Eurodollar loans under its revolving credit agreement. As of June 30, 2016, there was $327 million outstanding under the revolving credit agreement.

Boardwalk Pipeline

In May of 2016, Boardwalk Pipeline completed a public offering of $550 million aggregate principal amount of 6.0% senior notes due June 1, 2026 and used the proceeds to reduce borrowings under its revolving credit facility.

Loews

In March of 2016, the Company completed a public offering of $500 million aggregate principal amount of 3.8% senior notes due April 1, 2026 and repaid in full the entire $400 million aggregate principal amount of its 5.3% senior notes at maturity.

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8. Shareholders' Equity

Accumulated other comprehensive income (loss)

The tables below display the changes in Accumulated other comprehensive income ("AOCI") by component for the three and six months ended June 30, 2015 and 2016:

(In millions)	OTTI Gains (Losses)	Unrealized Gains (Losses) on Investments	Cash Flow Hedges	Pension Liability	Foreign Currency Translation	Total Accumulated Other Comprehensive Income (Loss)
Balance, April 1, 2015	$ 31	$ 944	$ (3)	$ (636)	$ (38)	$ 298
Other comprehensive income (loss) before reclassifications, after tax of $2, $186, $0, $(18) and $0	(4)	(370)		37	49	(288)
Reclassification of losses from accumulated other comprehensive income, after tax of $0, $(5), $0, $(4) and $0		7	1	6		14
Other comprehensive income (loss)	(4)	(363)	1	43	49	(274)
Amounts attributable to noncontrolling interests	1	38	(1)	(5)	(4)	29
Balance, June 30, 2015	$ 28	$ 619	$ (3)	$ (598)	$ 7	$ 53
Balance, April 1, 2016	**$ 29**	**$ 554**	**$ (2)**	**$ (643)**	**$ (64)**	**$ (126)**
Other comprehensive income (loss) before reclassifications, after tax of $1, $(164), $0, $0 and $0	**(1)**	**322**			**(48)**	**273**
Reclassification of (gains) losses from accumulated other comprehensive income, after tax of $0, $6, $0, $(4) and $0		**(1)**		**5**		**4**
Other comprehensive income (loss)	**(1)**	**321**	**-**	**5**	**(48)**	**277**
Amounts attributable to noncontrolling interests		**(37)**		**(1)**	**6**	**(32)**
Balance, June 30, 2016	**$ 28**	**$ 838**	**$ (2)**	**$ (639)**	**$ (106)**	**$ 119**

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(In millions)	OTTI Gains (Losses)	Unrealized Gains (Losses) on Investments	Cash Flow Hedges	Pension Liability	Foreign Currency Translation	Total Accumulated Other Comprehensive Income (Loss)
Balance, January 1, 2015	$ 32	$ 846	$ (6)	$ (641)	$ 49	$ 280
Other comprehensive income (loss) before reclassifications, after tax of $2, $124, $1, $(18) and $0	(5)	(251)	(2)	37	(47)	(268)
Reclassification of (gains) losses from accumulated other comprehensive income, after tax of $0, $(5), $(2), $(7) and $0		(2)	6	10		14
Other comprehensive income (loss)	(5)	(253)	4	47	(47)	(254)
Issuance of equity securities by subsidiary				1		1
Amounts attributable to noncontrolling interests	1	26	(1)	(5)	5	26
Balance, June 30, 2015	$ 28	$ 619	$ (3)	$ (598)	$ 7	$ 53
Balance, January 1, 2016	**$ 24**	**$ 347**	**$ (3)**	**$ (649)**	**$ (76)**	**$ (357)**
Other comprehensive income (loss) before reclassifications, after tax of $(1), $(272), $0, $0 and $0	**2**	**539**			**(34)**	**507**
Reclassification of losses from accumulated other comprehensive income, after tax of $(1), $(1), $0, $(7) and $0	**2**	**10**	**1**	**13**		**26**
Other comprehensive income (loss)	**4**	**549**	**1**	**13**	**(34)**	**533**
Amounts attributable to noncontrolling interests		**(58)**		**(3)**	**4**	**(57)**
Balance, June 30, 2016	**$ 28**	**$ 838**	**$ (2)**	**$ (639)**	**$ (106)**	**$ 119**

Amounts reclassified from AOCI shown above are reported in Net income (loss) as follows:

Major Category of AOCI	Affected Line Item
OTTI gains (losses)	Investment gains (losses)
Unrealized gains (losses) on investments	Investment gains (losses)
Cash flow hedges	Other revenues and Contract drilling expenses
Pension liability	Other operating expenses

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Subsidiary Equity Transactions

Loews purchased 0.3 million shares of CNA common stock at an aggregate cost of $8 million during the six months ended June 30, 2016. The Company's percentage ownership interest in CNA remained unchanged as a result of these transactions, at 90%. The Company's purchase price of the shares was lower than the carrying value of its investment in CNA, resulting in an increase to Additional paid-in capital ("APIC") of $3 million.

Treasury Stock

The Company repurchased 2.6 million and 7.6 million shares of Loews common stock at aggregate costs of $98 million and $305 million during the six months ended June 30, 2016 and 2015.

9. Benefit Plans

The Company has several non-contributory defined benefit plans and postretirement benefit plans covering eligible employees and retirees.

The following table provides the components of net periodic benefit cost for the plans:

	Pension Benefits			
	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	**2016**	2015	**2016**	2015
Service cost	**$ 2**	$ 4	**$ 4**	$ 8
Interest cost	**32**	32	**64**	64
Expected return on plan assets	**(44)**	(49)	**(88)**	(97)
Amortization of unrecognized net loss	**12**	12	**23**	23
Settlement charge	**1**		**2**	
Net periodic benefit cost	**$ 3**	$ (1)	**$ 5**	$ (2)

	Other Postretirement Benefits			
	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	**2016**	2015	**2016**	2015
Interest cost			**$ 1**	$ 1
Expected return on plan assets	**$ (1)**	$ (1)	**(2)**	(2)
Amortization of unrecognized prior service benefit	**(1)**	(3)	**(2)**	(5)
Amortization of unrecognized net loss		1		1
Net periodic benefit cost	**$ (2)**	$ (3)	**$ (3)**	$ (5)

10. Business Segments

The Company's segments are CNA Financial's core property and casualty commercial insurance operations which include Specialty, Commercial and International; CNA's Other Non-Core operations; Diamond Offshore; Boardwalk Pipeline; Loews Hotels; and Corporate and other. The Company's reportable segments are primarily based on its individual operating subsidiaries. Each of the principal operating subsidiaries is headed by a chief executive officer who is responsible for the operation of its business and has the duties and authority commensurate with that position. Investment gains (losses) and the related income taxes, excluding those of CNA, are included in the Corporate and other segment. For additional disclosures regarding the composition of the Company's segments see Note 20 of the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2015.

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The following tables set forth the Company’s consolidated revenues and income (loss) by business segment:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	**2016**	2015
(In millions)				
Revenues (a):				
CNA Financial:				
Property and Casualty:				
Specialty	**$ 928**	$ 904	**$ 1,793**	$ 1,821
Commercial	**876**	883	**1,678**	1,778
International	**214**	220	**429**	426
Other Non-Core	**330**	320	**651**	654
Total CNA Financial	**2,348**	2,327	**4,551**	4,679
Diamond Offshore	**390**	632	**861**	1,259
Boardwalk Pipeline	**308**	299	**655**	629
Loews Hotels	**189**	167	**352**	306
Corporate and other	**72**	10	**61**	40
Total	**$ 3,307**	$ 3,435	**$ 6,480**	$ 6,913
Income (loss) before income tax and noncontrolling interests (a):				
CNA Financial:				
Property and Casualty:				
Specialty	**$ 250**	$ 206	**$ 430**	$ 413
Commercial	**146**	122	**241**	308
International	**(27)**	35	**(17)**	48
Other Non-Core	**(79)**	(198)	**(306)**	(290)
Total CNA Financial	**290**	165	**348**	479
Diamond Offshore	**(657)**	106	**(574)**	(181)
Boardwalk Pipeline	**65**	38	**164**	115
Loews Hotels	**4**	14	**13**	24
Corporate and other	**22**	(28)	**(32)**	(37)
Total	**$ (276)**	$ 295	**$ (81)**	$ 400
Net income (loss) (a):				
CNA Financial:				
Property and Casualty:				
Specialty	**$ 150**	$ 124	**$ 257**	$ 247
Commercial	**86**	72	**142**	182
International	**(21)**	19	**(13)**	28
Other Non-Core	**(26)**	(91)	**(137)**	(123)
Total CNA Financial	**189**	124	**249**	334
Diamond Offshore	**(290)**	45	**(247)**	(81)
Boardwalk Pipeline	**17**	12	**48**	37
Loews Hotels	**1**	8	**4**	13
Corporate and other	**18**	(19)	**(17)**	(24)
Total	**$ (65)**	$ 170	**$ 37**	$ 279

(a) Investment gains (losses) included in Revenues, Income (loss) before income tax and noncontrolling interests and Net income (loss) are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	**2016**	2015
Revenues and Income (loss) before income tax and noncontrolling interests:				
CNA Financial:				
Property and Casualty:				
Specialty	**$ 4**		**$ (7)**	$ 4
Commercial	**8**	$ 2	**(10)**	6
International	**4**	1	**8**	2
Other Non-Core	**(3)**	(5)	**(6)**	(4)
Total CNA Financial	**13**	(2)	**(15)**	8
Corporate and other	**(12)**		**(12)**	
Total	**$ 1**	$ (2)	**$ (27)**	$ 8
Net income (loss):				
CNA Financial:				
Property and Casualty:				
Specialty	**$ 3**	$ 1	**$ (4)**	$ 3
Commercial	**4**		**(6)**	3
International	**3**		**6**	1
Other Non-Core	**(4)**	2	**(7)**	4
Total CNA Financial	**6**	3	**(11)**	11
Corporate and other	**(4)**		**(4)**	
Total	**$ 2**	$ 3	**$ (15)**	$ 11

11. Legal Proceedings

The Company and its subsidiaries are parties to litigation arising in the ordinary course of business. The outcome of this litigation will not, in the opinion of management, materially affect the Company’s results of operations or equity.

12. Commitments and Contingencies

CNA Financial

In the course of selling business entities and assets to third parties, CNA agreed to guarantee the performance of certain obligations of a previously owned subsidiary and to indemnify purchasers for losses arising out of breaches of representation and warranties with respect to the business entities or assets sold, including, in certain cases, losses arising from undisclosed liabilities or certain named litigation. Such guarantee and indemnification agreements in effect for sales of business entities, assets and third party loans may include provisions that survive indefinitely. As of June 30, 2016, the aggregate amount related to quantifiable guarantees was $375 million and the aggregate amount related to indemnification agreements was $259 million. Should CNA be required to make payments under the guarantee, it would have the right to seek reimbursement in certain cases from an affiliate of a previously owned subsidiary.

In addition, CNA has agreed to provide indemnification to third party purchasers for certain losses associated with sold business entities or assets that are not limited by a contractual monetary amount. As of June 30, 2016, CNA had outstanding unlimited indemnifications in connection with the sales of certain of its business entities or assets that included tax liabilities arising prior to a purchaser’s ownership of an entity or asset, defects in title at the time of sale, employee claims arising prior to closing and in some cases losses arising from certain litigation and undisclosed liabilities. Certain provisions of the indemnification agreements survive indefinitely while others survive until the applicable statutes of limitation expire, or until the agreed upon contract terms expire.

CNA also provided guarantees, if the primary obligor fails to perform, to holders of structured settlement annuities provided by a previously owned subsidiary. As of June 30, 2016, the potential amount of future payments CNA could be required to pay under these guarantees was approximately $2.0 billion, which will be paid over the lifetime of the annuitants. CNA does not believe any payment is likely under these guarantees, as CNA is the beneficiary of a trust that must be maintained at a level that approximates the discounted reserves for these annuities.

13. Consolidating Financial Information

The following schedules present the Company’s consolidating balance sheet information at June 30, 2016 and December 31, 2015, and consolidating statements of income information for the six months ended June 30, 2016 and 2015. These schedules present the individual subsidiaries of the Company and their contribution to the Consolidated Condensed Financial Statements. Amounts presented will not necessarily be the same as those in the individual financial statements of the Company’s subsidiaries due to adjustments for purchase accounting, income taxes and noncontrolling interests. In addition, many of the Company’s subsidiaries use a classified balance sheet which also leads to differences in amounts reported for certain line items.

The Corporate and other column primarily reflects the parent company’s investment in its subsidiaries, invested cash portfolio and corporate long term debt. The elimination adjustments are for intercompany assets and liabilities, interest and dividends, the parent company’s investment in capital stocks of subsidiaries, and various reclasses of debit or credit balances to the amounts in consolidation. Purchase accounting adjustments have been pushed down to the appropriate subsidiary.

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Loews Corporation
Consolidating Balance Sheet Information

June 30, 2016	CNA Financial	Diamond Offshore	Boardwalk Pipeline	Loews Hotels	Corporate and Other	Eliminations	Total
(In millions)							
Assets:							
Investments	$ 46,549	$ 90	$ 150	$ 93	$ 5,477		$ 52,359
Cash	289	14	13	13	19		348
Receivables	7,799	328	74	37	399	$ (21)	8,616
Property, plant and equipment	269	5,849	7,865	1,099	44		15,126
Deferred income taxes	314			3	58	(375)	-
Goodwill	111		237				348
Investments in capital stocks of subsidiaries					15,232	(15,232)	-
Other assets	930	225	317	272	7	15	1,766
Deferred acquisition costs of insurance subsidiaries	620						620
Total assets	$ 56,881	$ 6,506	$ 8,656	$ 1,517	$ 21,236	$ (15,613)	$ 79,183
Liabilities and Equity:							
Insurance reserves	$ 37,980						$ 37,980
Payable to brokers	448				$ 862		1,310
Short term debt	1	$ 327		$ 2			330
Long term debt	2,711	1,980	$ 3,626	644	1,774		10,735
Deferred income taxes	2	115	799	48		$ (360)	604
Other liabilities	3,878	467	509	67	293	(21)	5,193
Total liabilities	45,020	2,889	4,934	761	2,929	(381)	56,152
Total shareholders' equity	10,638	1,928	1,550	754	18,307	(15,232)	17,945
Noncontrolling interests	1,223	1,689	2,172	2			5,086
Total equity	11,861	3,617	3,722	756	18,307	(15,232)	23,031
Total liabilities and equity	$ 56,881	$ 6,506	$ 8,656	$ 1,517	$ 21,236	$ (15,613)	$ 79,183

Loews Corporation
Consolidating Balance Sheet Information

December 31, 2015	CNA Financial	Diamond Offshore	Boardwalk Pipeline	Loews Hotels	Corporate and Other	Eliminations	Total
(In millions)							
Assets:							
Investments	$ 44,699	$ 117		$ 81	$ 4,503		$ 49,400
Cash	387	13	$ 4	12	24		440
Receivables	7,384	409	93	35	96	$ 24	8,041
Property, plant and equipment	333	6,382	7,712	1,003	47		15,477
Deferred income taxes	662			3	68	(733)	-
Goodwill	114		237				351
Investments in capital stocks of subsidiaries					15,129	(15,129)	-
Other assets	848	233	319	282		17	1,699
Deferred acquisition costs of insurance subsidiaries	598						598
Total assets	$ 55,025	$ 7,154	$ 8,365	$ 1,416	$ 19,867	$ (15,821)	$ 76,006
Liabilities and Equity:							
Insurance reserves	$ 36,486						$ 36,486
Payable to brokers	358				$ 209		567
Short term debt	351	$ 287		$ 2	400		1,040
Long term debt	2,213	1,980	$ 3,458	590	1,279		9,520
Deferred income taxes	5	276	766	47		$ (712)	382
Other liabilities	3,883	496	510	70	222	20	5,201
Total liabilities	43,296	3,039	4,734	709	2,110	(692)	53,196
Total shareholders' equity	10,516	2,195	1,517	705	17,757	(15,129)	17,561
Noncontrolling interests	1,213	1,920	2,114	2			5,249
Total equity	11,729	4,115	3,631	707	17,757	(15,129)	22,810
Total liabilities and equity	$ 55,025	$ 7,154	$ 8,365	$ 1,416	$ 19,867	$ (15,821)	$ 76,006

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Loews Corporation
Consolidating Statement of Income Information

Six Months Ended June 30, 2016	CNA Financial	Diamond Offshore	Boardwalk Pipeline	Loews Hotels	Corporate and Other	Eliminations	Total
(In millions)							
Revenues:							
Insurance premiums	$ 3,429						$ 3,429
Net investment income	937				$ 72		1,009
Intercompany interest and dividends					632	$ (632)	-
Investment losses	(15)	$ (12)					(27)
Contract drilling revenues		801					801
Other revenues	200	60	$ 655	$ 352	1		1,268
Total	4,551	849	655	352	705	(632)	6,480
Expenses:							
Insurance claims and policyholders' benefits	2,747						2,747
Amortization of deferred acquisition costs	612						612
Contract drilling expenses		411					411
Other operating expenses	756	974	403	328	57		2,518
Interest	88	50	88	11	36		273
Total	4,203	1,435	491	339	93	-	6,561
Income (loss) before income tax	348	(586)	164	13	612	(632)	(81)
Income tax (expense) benefit	(71)	100	(35)	(9)	7		(8)
Net income (loss)	277	(486)	129	4	619	(632)	(89)
Amounts attributable to noncontrolling interests	(28)	235	(81)				126
Net income (loss) attributable to Loews Corporation	$ 249	$ (251)	$ 48	$ 4	$ 619	$ (632)	$ 37

Loews Corporation
Consolidating Statement of Income Information

Six Months Ended June 30, 2015	CNA Financial	Diamond Offshore	Boardwalk Pipeline	Loews Hotels	Corporate and Other	Eliminations	Total
(In millions)							
Revenues:							
Insurance premiums	$ 3,422						$ 3,422
Net investment income	1,058	$ 1			$ 39		1,098
Intercompany interest and dividends					650	$ (650)	-
Investment gains	8						8
Contract drilling revenues		1,217					1,217
Other revenues	191	41	$ 629	$ 306	1		1,168
Total	4,679	1,259	629	306	690	(650)	6,913
Expenses:							
Insurance claims and policyholders’ benefits	2,808						2,808
Amortization of deferred acquisition costs	617						617
Contract drilling expenses		695					695
Other operating expenses	697	696	423	272	40		2,128
Interest	78	49	91	10	37		265
Total	4,200	1,440	514	282	77	-	6,513
Income (loss) before income tax	479	(181)	115	24	613	(650)	400
Income tax (expense) benefit	(107)	22	(21)	(11)	13		(104)
Net income (loss)	372	(159)	94	13	626	(650)	296
Amounts attributable to noncontrolling interests	(38)	78	(57)				(17)
Net income (loss) attributable to Loews Corporation	$ 334	$ (81)	$ 37	$ 13	$ 626	$ (650)	$ 279

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Management's discussion and analysis of financial condition and results of operations ("MD&A") should be read in conjunction with our Consolidated Condensed Financial Statements included in Item 1 of this Report, Risk Factors included in Part II, Item 1A of this Report, and the Consolidated Financial Statements, Risk Factors, and MD&A included in our Annual Report on Form 10-K for the year ended December 31, 2015. This MD&A is comprised of the following sections:

OVERVIEW

We are a holding company. Our subsidiaries are engaged in the following lines of business:

- commercial property and casualty insurance (CNA Financial Corporation ("CNA"), a 90% owned subsidiary);
- operation of offshore oil and gas drilling rigs (Diamond Offshore Drilling, Inc. ("Diamond Offshore"), a 53% owned subsidiary);
- transportation and storage of natural gas and natural gas liquids and gathering and processing of natural gas (Boardwalk Pipeline Partners, LP ("Boardwalk Pipeline"), a 51% owned subsidiary); and
- operation of a chain of hotels (Loews Hotels Holding Corporation ("Loews Hotels"), a wholly owned subsidiary).

Unless the context otherwise requires, references in this Report to "Loews Corporation," "the Company," "Parent Company," "we," "our," "us" or like terms refer to the business of Loews Corporation excluding its subsidiaries.

Consolidated Financial Results

Net loss for the three months ended June 30, 2016 was $65 million, or $0.19 per share, compared to net income of $170 million, or $0.46 per share, in the prior year period. Net income for the six months ended June 30, 2016 was $37 million, or $0.11 per share, compared to $279 million, or $0.75 per share, in the prior year period.

Results include asset impairment charges at Diamond Offshore Drilling, Inc. of $267 million (after tax and noncontrolling interests) for the three and six months ended June 30, 2016 and $158 million (after tax and noncontrolling interests) for the six months ended June 30, 2015.

Book value per share excluding accumulated other comprehensive income (AOCI) increased to $52.84 at June 30, 2016 from $52.72 at December 31, 2015.

Three Months Ended June 30, 2016 Compared to 2015

Results for the three months ended June 30, 2016 decreased $235 million as compared to the prior year due to an asset impairment charge at Diamond Offshore partially offset by higher earnings at CNA and improved results from the parent company investment portfolio due to higher income from equity securities.

CNA's earnings increased due to the impact of a $49 million charge (after tax and noncontrolling interests) in 2015 related to the 2010 retroactive reinsurance agreement to cede its legacy asbestos and environmental pollution liabilities (loss portfolio transfer or LPT). CNA's earnings also benefited from increased favorable net prior year development.

Diamond Offshore's earnings decreased due to an asset impairment charge of $680 million ($267 million after tax and noncontrolling interests) related to the carrying value of Diamond Offshore's drilling rigs. Absent this charge, Diamond Offshore's earnings declined due to a substantial reduction in the number of rigs operating as compared to the year ago period partially offset by lower depreciation expense resulting mainly from the asset impairment charges recorded in 2015.

Boardwalk Pipeline's earnings increased partially due to new rates in effect following the Gulf South rate case and proceeds received from a one-time legal settlement. Additionally, the Evangeline pipeline, which was placed into service in mid-2015, and new growth projects contributed to earnings.

Loews Hotels' earnings decreased due to an impairment charge related to a joint venture property.

Six Months Ended June 30, 2016 Compared to 2015

Net income for the six months ended June 30, 2016 decreased primarily due to lower earnings at CNA and Diamond Offshore partially offset by higher earnings at Boardwalk Pipeline and improved results from the parent company investment portfolio due to higher income from equity securities.

CNA's earnings decreased due to lower net investment income driven by limited partnership investment results, realized investment losses in 2016 as compared to gains in 2015 and a higher LPT charge in 2016 as compared to the prior year period. These items were partially offset by increased favorable net prior year development.

Diamond Offshore's earnings decreased due to increased asset impairment charges. Excluding these impairment charges, year-over-year earnings decreased as a result of a substantial reduction in the number of operating rigs partially offset by revenue earned by newbuild drillships and lower depreciation expense as a result of the asset impairment charges recorded in 2015.

The change in Boardwalk Pipeline's and Loews Hotels' results are primarily due to the reasons discussed above in the three month comparison.

Parent Company Structure

We are a holding company and derive substantially all of our cash flow from our subsidiaries. We rely upon our invested cash balances and distributions from our subsidiaries to generate the funds necessary to meet our obligations and to declare and pay any dividends to our shareholders. The ability of our subsidiaries to pay dividends is subject to, among other things, the availability of sufficient earnings and funds in such subsidiaries, applicable state laws, including in the case of the insurance subsidiaries of CNA, laws and rules governing the payment of dividends by regulated insurance companies and compliance with covenants in their respective loan agreements. Claims of creditors of our subsidiaries will generally have priority as to the assets of such subsidiaries over our claims and those of our creditors and shareholders.

CRITICAL ACCOUNTING ESTIMATES

Certain accounting estimates require us to make judgments that affect the amounts reflected in the Consolidated Condensed Financial Statements. Such estimates and judgments necessarily involve varying, and possibly significant, degrees of uncertainty. Accordingly, certain amounts currently recorded in the financial statements will likely be adjusted in the future based on new available information and changes in other facts and circumstances. See the Critical Accounting Estimates section and the Results of Operations by Business Segment – CNA Financial – Reserves – Estimates and Uncertainties section of our MD&A included under Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2015 for further information.

RESULTS OF OPERATIONS BY BUSINESS SEGMENT

Unless the context otherwise requires, references to net operating income (loss), net realized investment results and net income (loss) reflect amounts attributable to Loews Corporation shareholders.

CNA Financial

The following table summarizes the results of operations for CNA for the three and six months ended June 30, 2016 and 2015 as presented in Note 13 of the Notes to Consolidated Condensed Financial Statements included in Item 1 of this Report. For further discussion of Net investment income and Net realized investment results, see the Investments section of this MD&A.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	**2016**	2015
(In millions)				
Revenues:				
Insurance premiums	**$ 1,730**	$ 1,735	**$ 3,429**	$ 3,422
Net investment income	**502**	500	**937**	1,058
Investment gains (losses)	**13**	(2)	**(15)**	8
Other revenues	**103**	94	**200**	191
Total	**2,348**	2,327	**4,551**	4,679
Expenses:				
Insurance claims and policyholders’ benefits	**1,339**	1,469	**2,747**	2,808
Amortization of deferred acquisition costs	**305**	314	**612**	617
Other operating expenses	**376**	340	**756**	697
Interest	**38**	39	**88**	78
Total	**2,058**	2,162	**4,203**	4,200
Income before income tax	**290**	165	**348**	479
Income tax expense	**(80)**	(27)	**(71)**	(107)
Net income	**210**	138	**277**	372
Amounts attributable to noncontrolling interests	**(21)**	(14)	**(28)**	(38)
Net income attributable to Loews Corporation	**$ 189**	$ 124	**$ 249**	$ 334

Three Months Ended June 30, 2016 Compared to 2015

Net income increased $65 million for the three months ended June 30, 2016 as compared with the same period in 2015. Results in 2015 were negatively affected by a $49 million (after tax and noncontrolling interests) charge related to the application of retroactive reinsurance accounting to adverse reserve development ceded under the 2010 asbestos and environmental pollution (“A&EP”) loss portfolio transfer, as further discussed in Note 5 of the Notes to Consolidated Condensed Financial Statements included under Item 1. In addition, the current year benefitted from improved underwriting results largely due to favorable net prior year development of $106 million for the three months ended June 30, 2016 as compared to $20 million in 2015 and improved results from the long term care business, partially offset by foreign currency exchange rate losses.

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Six Months Ended June 30, 2016 Compared to 2015

Net income decreased $85 million for the six months ended June 30, 2016 as compared with the same period in 2015. Net income in 2016 and 2015 was negatively affected by a $74 million (after tax and noncontrolling interests) charge and a $49 million (after tax and noncontrolling interests) charge related to the loss portfolio transfer. Net income also decreased due to lower net investment income, primarily due to lower limited partnership returns, and higher non-catastrophe current accident year losses. These decreases were partially offset by higher favorable net prior year development of $172 million for the six months ended June 30, 2016 as compared to $18 million in 2015 and improved results in the long term care business.

CNA SEGMENT RESULTS

CNA utilizes the net operating income (loss) financial measure to monitor its operations. Net operating income (loss) is calculated by excluding from net income (loss) the after tax and noncontrolling interests effects of (i) net realized investment gains or losses, (ii) income or loss from discontinued operations and (iii) any cumulative effects of changes in accounting guidance.

CNA's three business segments: Specialty, Commercial and International, are aggregated and reported in CNA's core property and casualty insurance operations, CNA's Life & Group, Non-Core and Other operations are reported in Other Non-Core.

CNA Property and Casualty Insurance Operations

In evaluating the results of the property and casualty businesses, CNA utilizes the loss ratio, the expense ratio, the dividend ratio and the combined ratio. These ratios are calculated using GAAP financial results. The loss ratio is the percentage of net incurred claim and claim adjustment expenses to net earned premiums. The expense ratio is the percentage of insurance underwriting and acquisition expenses, including the amortization of deferred acquisition costs, to net earned premiums. The dividend ratio is the ratio of policyholders' dividends incurred to net earned premiums. The combined ratio is the sum of the loss, expense and dividend ratios. In addition, CNA also utilizes rate, retention and new business in evaluating operating trends. Rate represents the average change in price on policies that renew excluding exposure change. Retention represents the percentage of premium dollars renewed in comparison to the expiring premium dollars from policies available to renew. New business represents premiums from policies written with new customers and additional policies written with existing customers.

The following tables summarize the results of CNA's property and casualty operations for the three and six months ended June 30, 2016 and 2015:

Three Months Ended June 30, 2016	Specialty	Commercial	International	Total
(In millions, except %)				
Net written premiums	$ 691	$ 740	$ 194	$ 1,625
Net earned premiums	702	696	197	1,595
Net investment income	133	164	13	310
Net operating income (loss)	147	83	(24)	206
Net realized investment gains	3	3	3	9
Net income (loss)	150	86	(21)	215
Other performance metrics:				
Loss and loss adjustment expense ratio	53.9%	67.4%	79.8%	63.0%
Expense ratio	31.3	35.7	38.8	34.2
Dividend ratio	0.2	0.4		0.2
Combined ratio	85.4%	103.5%	118.6%	97.4%
Rate	1%	0%	(2)%	0%
Retention	86	83	70	82
New business (a)	$ 61	$ 146	$ 62	$ 269

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Three Months Ended June 30, 2015	Specialty	Commercial	International	Total
(In millions, except %)				
Net written premiums	$ 672	$ 717	$ 249	$ 1,638
Net earned premiums	689	703	207	1,599
Net investment income	134	169	13	316
Net operating income	123	72	19	214
Net realized investment gains	1			1
Net income	124	72	19	215
Other performance metrics:				
Loss and loss adjustment expense ratio	60.3%	72.1%	55.0%	64.8%
Expense ratio	30.7	34.9	37.2	33.4
Dividend ratio	0.2	0.2		0.2
Combined ratio	91.2%	107.2%	92.2%	98.4%
Rate	1%	2%	(2)%	1%
Retention	86	79	76	81
New business (a)	$ 63	$ 149	$ 25	$ 237

Six Months Ended June 30, 2016				
Net written premiums	**$ 1,375**	**$ 1,488**	**$ 430**	**$ 3,293**
Net earned premiums	**1,384**	**1,384**	**395**	**3,163**
Net investment income	**240**	**290**	**25**	**555**
Net operating income (loss)	**261**	**149**	**(19)**	**391**
Net realized investment gains (losses)	**(4)**	**(7)**	**6**	**(5)**
Net income (loss)	**257**	**142**	**(13)**	**386**
Other performance metrics:				
Loss and loss adjustment expense ratio	**55.5%**	**65.8%**	**70.5%**	**61.9%**
Expense ratio	**31.7**	**36.5**	**38.3**	**34.7**
Dividend ratio	**0.2**	**0.4**		**0.2**
Combined ratio	**87.4%**	**102.7%**	**108.8%**	**96.8%**
Rate	**1%**	**0%**	**(1)%**	**0%**
Retention	**87**	**83**	**75**	**83**
New business (a)	**$ 126**	**$ 283**	**$ 122**	**$ 531**

Six Months Ended June 30, 2015				
Net written premiums	$ 1,370	$ 1,476	$ 461	$ 3,307
Net earned premiums	1,369	1,381	398	3,148
Net investment income	289	373	27	689
Net operating income	244	179	27	450
Net realized investment gains	3	3	1	7
Net income	247	182	28	457
Other performance metrics:				
Loss and loss adjustment expense ratio	61.7%	69.6%	57.7%	64.7%
Expense ratio	31.0	35.4	37.4	33.7
Dividend ratio	0.2	0.3		0.2
Combined ratio	92.9%	105.3%	95.1%	98.6%
Rate	1%	2%	(1)%	1%
Retention	86	77	77	80
New business (a)	$ 139	$ 287	$ 60	$ 486

(a) International includes Hardy new business of $36 million and $67 million for the three and six months ended June 30, 2016. Prior year amounts are not included for Hardy.

Three Months Ended June 30, 2016 Compared to 2015

Net written premiums decreased slightly for the three months ended June 30, 2016 as compared with the same period in 2015. Excluding the effect of foreign currency exchange rates and the timing of reinsurance purchases, net written premiums decreased 12% in International primarily due to lower retention and rate. These decreases were partially offset by increases in Specialty and Commercial, primarily reflecting steady retention, positive rate and a modest amount of new business in Specialty and higher retention and a steady level of new business in Commercial. The increase in net earned premiums for Specialty and the decrease for International were consistent with the trend in net written premiums. For Commercial, excluding the effect of premium development, the increase in net earned premiums, was consistent with the trend in net written premiums.

Net operating income decreased $8 million for the three months ended June 30, 2016 as compared with the same period in 2015. The decrease in net operating income was primarily due to a higher level of large losses, higher catastrophe losses and the negative effect of fluctuations in foreign currency exchange rates in International, partially offset by higher favorable net prior year reserve development in Specialty and Commercial. Catastrophe losses were $52 million (after tax and noncontrolling interests) for the three months ended June 30, 2016 as compared to catastrophe losses of $35 million (after tax and noncontrolling interests) for the same period in 2015.

Favorable net prior year development of $106 million and $20 million was recorded for the three months ended June 30, 2016 and 2015. For the three months ended June 30, 2016 and 2015, Specialty recorded favorable net prior year development of $72 million and $15 million, Commercial recorded favorable net prior year development of $20 million and unfavorable net prior year development of $5 million and International recorded favorable net prior year development of $14 million and $10 million. Further information on net prior year development is included in Note 5 of the Notes to Consolidated Condensed Financial Statements included under Item 1.

Specialty's combined ratio improved 5.8 points for the three months ended June 30, 2016 as compared with the same period in 2015. The loss ratio improved 6.4 points due to higher favorable net prior year reserve development, partially offset by a higher non-catastrophe current accident year loss ratio. The expense ratio increased 0.6 points for the three months ended June 30, 2016 as compared with the same period in 2015, primarily due to higher net commissions.

Commercial's combined ratio improved 3.7 points for the three months ended June 30, 2016 as compared with the same period in 2015. The loss ratio improved 4.7 points due to favorable net prior year reserve development and an improved non-catastrophe current accident year loss ratio. The expense ratio increased 0.8 points for the three months ended June 30, 2016 as compared with the same period in 2015, due to higher underwriting expenses.

International's combined ratio increased 26.4 points for the three months ended June 30, 2016 as compared with the same period in 2015. The loss ratio increased 24.8 points due to an increase in the current accident year loss ratio driven by large losses related to political risk, property and financial institutions, partially offset by higher favorable net prior year loss development. The expense ratio increased 1.6 points for the three months ended June 30, 2016 as compared with the same period in 2015 due to lower net earned premiums.

Six Months Ended June 30, 2016 Compared to 2015

Net written premiums decreased slightly for the six months ended June 30, 2016 as compared with the same period in 2015. Excluding the effect of foreign currency exchange rates and premium development, net written premiums decreased 6% for International primarily due to lower retention and rate, partially offset by an increase in Specialty and Commercial, reflecting steady retention, positive rate and a modest amount of new business in Specialty and higher retention and a steady level of new business in Commercial. The increase in net earned premiums for Specialty and Commercial and the decrease for International were consistent with the trend in net written premiums.

Net operating income decreased $59 million for the six months ended June 30, 2016 as compared with the same period in 2015. The decrease in net operating income was primarily due to a higher level of large losses, higher catastrophe losses and the negative effect of fluctuations in foreign currency exchange rates for International and lower net investment income for Specialty and Commercial, partially offset by favorable net prior year reserve development in Specialty and Commercial. Catastrophe losses were $73 million (after tax and noncontrolling interests) for the six months ended June 30, 2016 as compared to catastrophe losses of $52 million (after tax and noncontrolling interests) for the same period in 2015.

Favorable net prior year development of $172 million and $18 million was recorded for the six months ended June 30, 2016 and 2015. For the six months ended June 30, 2016 and 2015, Specialty recorded favorable net prior year development of $117 million and $19 million, Commercial recorded favorable net prior year development of $36 million and $1 million and International recorded favorable net prior year development of $19 million and unfavorable net prior year development of $2 million. Further information on net prior year development is included in Note 5 of the Notes to Consolidated Condensed Financial Statements included under Item 1.

Specialty's combined ratio improved 5.5 points for the six months ended June 30, 2016 as compared with the same period in 2015. The loss ratio improved 6.2 points primarily due to higher favorable net prior year reserve development, partially offset by a higher non-catastrophe current accident year loss ratio. The expense ratio increased 0.7 points for the six months ended June 30, 2016 as compared with the same period in 2015 due to higher underwriting expenses and net commissions.

Commercial's combined ratio improved 2.6 points for the six months ended June 30, 2016 as compared with the same period in 2015. The loss ratio improved 3.8 points, due to favorable net prior year reserve development and an improved non-catastrophe current accident year loss ratio. The expense ratio increased 1.1 point for the six months ended June 30, 2016 as compared with the same period in 2015, due to higher underwriting expenses.

International's combined ratio increased 13.7 points for the six months ended June 30, 2016 as compared with the same period in 2015. The loss ratio increased 12.8 points due to an increase in the current accident year loss ratio driven by large losses related to political risk, property and financial institutions, partially offset by favorable net prior year development. The expense ratio increased 0.9 point for the six months ended June 30, 2016 as compared with the same period in 2015, due to higher underwriting expenses and a decrease in net earned premiums.

Referendum on the United Kingdom's Membership in the European Union

On June 23, 2016, the United Kingdom ("U.K.") held a referendum in which voters approved an exit from the European Union ("E.U."), commonly referred to as "Brexit." As a result of the referendum, it is expected that the British government will formally commence the process to leave the E.U. and begin negotiating the terms of treaties that will govern the U.K.'s future relationship with the E.U. Although the terms of any future treaties are unknown, changes in CNA's international operating platform may be required to continue to write business in the E.U. after the completion of Brexit. As a result of these changes, the complexity and cost of regulatory compliance of CNA's European business is likely to increase.

Other Non-Core Operations

Other Non-Core primarily includes the results of CNA's long term care business that is in run-off, which is part of Life & Group Non-Core, and also includes certain corporate expenses, including interest on corporate debt, and the results of property and casualty business in run-off, including CNA Re and A&EP, which is part of Other.

The following tables summarize the results of CNA's Other Non-Core operations for the three and six months ended June 30, 2016 and 2015:

Three Months Ended June 30, 2016	**Life & Group Non-Core**	**Other**	**Other Non-Core**
(In millions)			
Net earned premiums	**$ 136**		**$ 136**
Net investment income	**188**	**$ 4**	**192**
Net operating loss	**(4)**	**(19)**	**(23)**
Net realized investment losses	**(3)**		**(3)**
Net loss	**(7)**	**(19)**	**(26)**
Three Months Ended June 30, 2015			
Net earned premiums	$ 137		$ 137
Net investment income	179	$ 5	184
Net operating loss	(22)	(71)	(93)
Net realized investment gains	2		2
Net loss	(20)	(71)	(91)

Six Months Ended June 30, 2016 **(In millions)**	**Life & Group Non-Core**	**Other**	**Other Non-Core**
Net earned premiums	**$ 267**		**$ 267**
Net investment income	**375**	**$ 7**	**382**
Net operating loss	**(6)**	**(125)**	**(131)**
Net realized investment losses	**(6)**		**(6)**
Net loss	**(12)**	**(125)**	**(137)**
Six Months Ended June 30, 2015			
Net earned premiums	$ 275		$ 275
Net investment income	358	$ 11	369
Net operating loss	(37)	(90)	(127)
Net realized investment gains	4		4
Net loss	(33)	(90)	(123)

Three Months Ended June 30, 2016 Compared to 2015

The net loss decreased $65 million for the three months ended June 30, 2016 as compared with the same period in 2015. Results in 2015 were negatively affected by a $49 million (after tax and noncontrolling interests) charge related to the application of retroactive reinsurance accounting to adverse reserve development ceded under the 2010 A&EP loss portfolio transfer, as CNA completed the reserve review in the second quarter of 2015 and in the first quarter of 2016, as further discussed in Note 5 of the Notes to Consolidated Condensed Financial Statements included under Item 1. In addition, the loss was generally in line with expectations, as the impact of unfavorable persistency in the long term care business was partially offset by favorable mortality experience in the structured settlements and life settlement contracts business.

Due to the recognition of the premium deficiency and resetting of actuarial assumptions in the fourth quarter of 2015, the operating results for CNA’s long term care business in 2016 now reflect the variance between actual experience and the expected results contemplated in CNA’s best estimate reserves.

Six Months Ended June 30, 2016 Compared to 2015

The net loss increased $14 million for the six months ended June 30, 2016 as compared with the same period in 2015. Results in 2016 and 2015 were negatively affected by a $74 million (after tax and noncontrolling interests) charge and a $49 million (after tax and noncontrolling interests) charge related to the loss portfolio transfer. In addition, the 2016 net loss was negatively affected by the elimination of lease revenue and increased lease expense due to the sale of the principal executive office of CNA in the first quarter of 2016.

The results for the long term care business and the structured settlements and life settlement contracts business were generally consistent with the three month comparison above.

Diamond Offshore

Market Overview

Diamond Offshore provides contract drilling services worldwide with a fleet of 28 offshore drilling rigs. Diamond Offshore’s current fleet consists of 19 semisubmersibles, five jack-up rigs, including four jack-up rigs that Diamond Offshore is marketing for sale, and four dynamically positioned drillships. The *Ocean GreatWhite*, was delivered in mid-July 2016 and has mobilized to Singapore for a rig enhancement project. Diamond Offshore expects the *Ocean GreatWhite* to commence its contract offshore Australia in the fourth quarter of this year. Additionally, in July of 2016, Diamond Offshore reached a decision to sell the *Ocean Quest* and *Ocean Star* for scrap value.

Overall fundamentals in the offshore oil and gas industry have continued to deteriorate. Oil prices, which had fallen to a 12-year low below $30 per barrel in January 2016, had rebounded to the upper $40 per barrel range as of June 30, 2016, but continue to exhibit day-to-day volatility due to multiple factors, including fluctuations in the current and expected level of global oil inventories. Despite the increase in oil prices during the second quarter of 2016, industry reports indicate that utilization for floaters continues to fall at a rate of approximately 5% per quarter and cancelation of contracts for deepwater rigs has persisted. Significant operating losses incurred during 2015 and 2016 by many independent and national oil companies and exploration and production companies, as well as an uncertain outlook with respect to future demand for oil and gas and the resulting price instability, have resulted in significantly reduced capital spending plans for 2016 and possibly beyond, as operators struggle to stay cash neutral in the current oil price environment. Customer inquiries for rig availability and new tenders have continued to decline in 2016, as compared to prior years. The majority of Diamond Offshore's recent customer discussions related to new projects are for work that materializes in 2018 and later.

Based on industry reports, since 2014, approximately 55 floater rigs have been retired and others have been cold stacked, slightly abating the current oversupply of drilling rigs. However, the number of available rigs continues to grow as contracted rigs come off contract and newly-built rigs are delivered. Competition for the limited number of drilling jobs continues to be intense. In some cases, dayrates have been negotiated at near break-even levels to provide for the recovery of operating costs for rigs that would otherwise be uncontracted or cold stacked. Market studies indicate that dayrates for sixth-generation rigs have declined on average by double digits during the second quarter of 2016, as compared with fourth quarter of 2015. Industry analysts have predicted that the offshore contract drilling market may remain depressed with further declines in dayrates and utilization likely in 2016 and 2017.

As a result of the continuing and worsening market conditions for the offshore drilling industry and continued pessimistic outlook for the near term, certain of Diamond Offshore's customers, as well as those of its competitors, have attempted to renegotiate or terminate existing drilling contracts. Such renegotiations could include requests to lower the contract dayrate, lowering of a dayrate in exchange for additional contract term, shortening the term on one contracted rig in exchange for additional term on another rig, early termination of a contract in exchange for a lump sum margin payout and many other possibilities. In addition to the potential for renegotiations, some of Diamond Offshore's drilling contracts permit the customer to terminate the contract early after specified notice periods, usually resulting in a contractually specified termination amount, which may not fully compensate Diamond Offshore for the loss of the contract. As a result of these depressed market conditions, certain customers have also utilized such contract clauses to seek to renegotiate or terminate a drilling contract or claim that Diamond Offshore has breached provisions of its drilling contracts in order to avoid their obligations to Diamond Offshore under circumstances where Diamond Offshore believes it is in compliance with the contracts.

On April 28, 2016, Diamond Offshore's agent in Mexico received a letter from PEMEX – Exploración y Producción ("PEMEX"), exercising its contractual right to terminate its drilling contract on the *Ocean Scepter* with 30 days' advance notice, resulting in the early termination of the contract on May 28, 2016. Industrywide, during the first half of 2016, industry reports indicate that customers canceled 21 contracts for floater rigs, compared to 31 contract cancelations for deepwater drilling rigs during the full year 2015. Particularly during depressed market conditions, the early termination of a contract may result in a rig being idle for an extended period of time, which could adversely affect Diamond Offshore's business. When a customer terminates a contract prior to the contract's scheduled expiration, Diamond Offshore's contract backlog is also adversely impacted.

The continuation of these conditions for an extended period could result in more of Diamond Offshore's rigs being without contracts and/or cold stacked or scrapped and could further materially and adversely affect its business. When Diamond Offshore cold stacks or expects to scrap a rig, Diamond Offshore evaluates the rig for impairment. Diamond Offshore currently expects that these adverse market conditions will continue for the foreseeable future. As of August 1, 2016, 17 rigs in Diamond Offshore's fleet were cold stacked, including four jack-up rigs that are currently being marketed for sale.

Globally, the ultra-deepwater and deepwater floater markets continue to worsen. Diminished or nonexistent demand, combined with an oversupply of rigs has caused floater dayrates to decline significantly and industry analysts expect offshore drillers to continue to scrap older, lower specification rigs; however, newer and higher specification rigs have also been impacted by the recycling trend.

In an effort to manage the oversupply of rigs and potentially avoid the cost of cold stacking newly-built rigs, which, in the case of dynamically-positioned rigs, can be significant, several drilling contractors have exercised options to delay the delivery of rigs by the shipyard or have exercised their right to cancel orders due to the late delivery of rigs. As of the date of this report, industry data indicates that there are approximately 37 competitive, or non-owner-operated, newbuild floaters on order, of which only three rigs are reported to be contracted for future work. Of the 37 rigs on order, 13 and 15 rigs are scheduled for delivery in the remainder of 2016 and in 2017. The remaining nine rigs are scheduled for delivery between 2018 and 2020. Industry analysts predict that delivery dates may shift further as newbuild owners negotiate with their respective shipyards.

While conditions in the mid-water market vary slightly by region, mid-water rigs have been adversely impacted by (i) lower demand, (ii) declining dayrates, (iii) increased regulatory requirements, including more stringent design requirements for well control equipment, which could significantly increase the capital needed to comply with design requirements that would permit such rigs to work in the U.S. Gulf of Mexico ("GOM"), (iv) the challenges experienced by lower specification units in this segment as a result of more complex customer specifications and (v) the intensified competition resulting from the migration of some deepwater and ultra-deepwater units to compete against mid-water units. To date, the mid-water market has seen the highest number of cold-stacked and scrapped rigs. Since 2012, Diamond Offshore has sold 12 of its mid-water rigs for scrap. As market conditions remain challenging, Diamond Offshore expects higher-specification rigs to take the place of lower-specification units, where possible, leading to additional lower-specification rigs being cold stacked or ultimately scrapped. Diamond Offshore's current mid-water fleet consists of six drilling rigs, of which only two units are currently operating under contract.

On April 14, 2016, the Bureau of Safety and Environmental Enforcement ("BSEE"), issued its final well control regulations, which have now become effective, although several of the new requirements have extended timeframes for compliance. The final rule addresses the full range of systems and equipment associated with well control operations, focusing on requirements for blowout preventers ("BOPs"), well design, well control casing, cementing, real-time monitoring and subsea containment. The regulations combine prescriptive and performance-based measures to cultivate a greater culture of safety for both oil and gas companies and offshore rig operators that minimizes risk. Key features of the well control regulations include requirements for BOPs, double shear rams, third-party reviews of equipment, real-time monitoring data, safe drilling margins, centralizers, inspections and other reforms related to well design and control, casing, cementing and subsea containment.

The issuance of these rules could result in the future retirement of older, less capable rigs, for which compliance with the new requirements is not physically or economically feasible. Additionally, some analysts predict that the new rules will drive the continued preference for modern floaters when drilling opportunities occur.

Diamond Offshore's results of operations and cash flows for the three and six months ended June 30, 2016 have been negatively impacted by the continuing and worsening market conditions in the offshore drilling industry, as discussed above. For further discussion see Note 4 of the Notes to Consolidated Condensed Financial Statements in Item 1 of this report.

Contract Drilling Backlog

The following table reflects Diamond Offshore's contract drilling backlog as of August 1, 2016 and February 16, 2016 (the date reported in our Annual Report on Form 10-K for the year ended December 31, 2015). Contract drilling backlog as presented below includes only firm commitments (typically represented by signed contracts) and is calculated by multiplying the contracted operating dayrate by the firm contract period. Diamond Offshore's calculation also assumes full utilization of its drilling equipment for the contract period (excluding scheduled shipyard and survey days); however, the amount of actual revenue earned and the actual periods during which revenues are earned will be different than the amounts and periods shown in the tables below due to various factors. Utilization rates, which generally approach 92% - 98% during contracted periods, can be adversely impacted by downtime due to various operating factors including, but not limited to, weather conditions and unscheduled repairs and maintenance. Contract drilling backlog excludes revenues for mobilization, demobilization, contract preparation and customer reimbursables. No revenue is generally earned during periods of downtime for regulatory surveys. Changes in Diamond Offshore's contract drilling backlog between periods are generally a function of the performance of work on term contracts, as well as the extension or modification of existing term contracts and the execution of additional contracts. In addition, under certain circumstances, Diamond Offshore's customers may seek to terminate or renegotiate its contracts.

(In millions)	**August 1, 2016**	February 16, 2016
Floaters:		
Ultra-Deepwater (a)	**$ 3,875**	$ 4,415
Deepwater	**291**	375
Mid-Water	**250**	356
Total Floaters	**4,416**	5,146
Jack-ups		49
Total	**$ 4,416**	$ 5,195

(a) Ultra-deepwater floaters includes $641 million attributable to future work for the semisubmersible *Ocean GreatWhite*, which is expected to begin working under contract in the fourth quarter of 2016.

The following table reflects the amount of Diamond Offshore's contract drilling backlog by year as of August 1, 2016:

Year Ended December 31	Total	2016 (a)	2017	2018	2019 - 2020
(In millions)					
Floaters:					
Ultra-Deepwater (b)	**$ 3,875**	**$ 510**	**$ 1,199**	**$ 1,142**	**$ 1,024**
Deepwater	**291**	**130**	**152**	**9**	
Mid-Water	**250**	**114**	**136**		
Total Floaters	**4,416**	**754**	**1,487**	**1,151**	**1,024**
Jack-ups	**-**				
Total	**$ 4,416**	**$ 754**	**$ 1,487**	**$ 1,151**	**$ 1,024**

(a) Represents a six-month period beginning July 1, 2016.
(b) Ultra-deepwater floaters includes $35 million for the year 2016, $214 million for each of the years 2017 and 2018 and $178 million for the year 2019 attributable to future work for the *Ocean GreatWhite*, which is expected to begin working under contract in the fourth quarter of 2016.

The following table reflects the percentage of rig days committed by year as of August 1, 2016. The percentage of rig days committed is calculated as the ratio of total days committed under contracts, as well as scheduled shipyard, survey and mobilization days for all rigs in Diamond Offshore's fleet, to total available days (number of rigs, including cold-stacked rigs, multiplied by the number of days in a particular year). Total available days have been calculated based on the expected contract start date for the *Ocean GreatWhite*, which is under construction.

Year Ended December 31	2016 (a)	2017	2018	2019–2020
Rig Days Committed (b)				
Floaters:				
Ultra-Deepwater	**56%**	**58%**	**57%**	**26%**
Deepwater	**31%**	**19%**	**2%**	
Mid-Water	**33%**	**17%**		
Total Floaters	**43%**	**38%**	**28%**	**13%**
Jack-ups	**-**			

(a) Represents a six-month period beginning July 1, 2016.
(b) Includes approximately 31 currently known, scheduled shipyard days for contract preparation, surveys and extended maintenance projects, as well as rig mobilization days for the remainder of 2016.

Results of Operations

The following table summarizes the results of operations for Diamond Offshore for the three and six months ended June 30, 2016 and 2015 as presented in Note 13 of the Notes to Consolidated Condensed Financial Statements included in Item 1 of this Report:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	**2016**	2015
(In millions)				
Revenues:				
Contract drilling revenues	**$ 357**	$ 617	**$ 801**	$ 1,217
Net investment income				1
Investment losses	**(12)**		**(12)**	
Other revenues	**33**	15	**60**	41
Total	**378**	632	**849**	1,259
Expenses:				
Contract drilling expenses	**198**	344	**411**	695
Other operating expenses				
Impairment of assets	**680**		**680**	359
Other expenses	**145**	157	**294**	337
Interest	**24**	25	**50**	49
Total	**1,047**	526	**1,435**	1,440
Income (loss) before income tax	**(669)**	106	**(586)**	(181)
Income tax (expense) benefit	**99**	(19)	**100**	22
Amounts attributable to noncontrolling interests	**276**	(42)	**235**	78
Net income (loss) attributable to Loews Corporation	**$ (294)**	$ 45	**$ (251)**	$ (81)

Three Months Ended June 30, 2016 Compared to 2015

Contract drilling revenue decreased $260 million for the three months ended June 30, 2016 as compared with the 2015 period, primarily due to additional rigs being idled, cold stacked or retired since the second quarter of 2015. Revenue earning days for Diamond Offshore's fleet decreased during the second quarter of 2016, as compared with the 2015 period, reflective of continued low demand for contract drilling services.

Revenue generated by ultra-deepwater floaters decreased $102 million for the three months ended June 30, 2016 as compared with the 2015 period, primarily as a result of decreased utilization of $87 million and lower average daily revenue of $15 million. Revenue earning days in the second quarter of 2016 decreased as compared with the second quarter of 2015, primarily due to fewer revenue earning days for cold-stacked rigs, which were under contract during the 2015 period, the *Ocean Clipper*, which was sold in November 2015, and the *Ocean BlackRhino*, which is currently between contracts and downtime associated with four unplanned retrievals of blow out preventers. The decrease in revenue earning days was partially offset by increased revenue earning days for the *Ocean BlackLion*, which was placed in service in the third quarter of 2015 and the *Ocean Monarch*, which was warm stacked during the second quarter of 2015. Average daily revenue decreased during the second quarter of 2016 as compared with the prior year period, primarily due to a lower dayrate earned by the *Ocean Courage*.

Revenue generated by deepwater floaters decreased $114 million for the three months ended June 30, 2016 as compared with the 2015 period, primarily due to decreased utilization of $80 million combined with lower average daily revenue of $34 million. The decrease in revenue earning days resulted primarily from additional downtime associated with cold-stacked rigs that had operated during the second quarter of 2015, partially offset by incremental revenue earning days for the *Ocean Victory* and *Ocean Valiant*, both of which continued operating under contracts that commenced in the middle of the second quarter of 2015 and the *Ocean Apex*, which began operating under contract in May 2016. Average daily revenue decreased during the second quarter of 2016 primarily due to the absence of a $10 million demobilization fee for the *Ocean Apex* recognized in the second quarter of 2015, combined with the effect of a lower dayrate earned by the *Ocean Valiant* during the second quarter of 2016 as compared with the prior year period.

Revenue generated by mid-water floaters decreased $40 million for the three months ended June 30, 2016 as compared with the 2015 period, primarily due to decreased utilization of $47 million, partially offset by higher average daily revenue of $7 million. Revenue earnings days decreased in the second quarter of 2016 as a result of downtime associated with cold-stacked rigs, partially offset by the absence of planned downtime associated with the

Ocean Guardian's survey during the prior year quarter. Diamond Offshore retired ten mid-waters rigs subsequent to the second quarter of 2015.

Revenue generated by jack-up rigs decreased $4 million for the three months ended June 30, 2016 as compared with the 2015 period primarily due to the cold stacking of the jack-up fleet, several of which had operated under contract during the prior year quarter. The *Ocean Scepter* is in the process of being cold stacked after termination of its contract by PEMEX in the second quarter of 2016. Diamond Offshore's four remaining jack-up rigs are currently being marketed for sale.

Contract drilling expense for ultra-deepwater floaters decreased $34 million during the three months ended June 30, 2016 as compared with the 2015 period. Reduced costs attributable to cold-stacked ultra-deepwater rigs and the retired *Ocean Clipper*, as well as the favorable effects of cost reduction initiatives implemented in 2015, were partially offset by incremental contract drilling expense of $24 million for drillships operating in the GOM, including $20 million for the *Ocean BlackLion*, which began operating in 2016. Reductions in contract drilling expense in the second quarter of 2016 included costs associated with labor and personnel of $28 million, repairs and maintenance of $9 million and mobilization of rigs of $10 million and other of $12 million.

Contract drilling expense incurred by deepwater floaters decreased $52 million during the three months ended June 30, 2016 as compared with the 2015 period, primarily due to reduced operating costs for cold stacked rigs of $48 million.

Contract drilling expense for mid-water floaters decreased $41 million during the three months ended June 30, 2016 as compared with the 2015 period, primarily due to reduced operating costs for cold stacked or retired rigs of $31 million, combined with lower repair and inspection costs of $9 million for the *Ocean Guardian* during the three months ended June 30, 2016.

Contract drilling expense for the jack-up fleet decreased $14 million during the three months ended June 30, 2016 as compared with the 2015 period, primarily due to the cold stacking of the jack-up fleet, several of which had operated under contract during 2015. The *Ocean Scepter* is in the process of being cold stacked after termination of its contract by PEMEX in the second quarter of 2016. Diamond Offshore's four remaining jack-up rigs are currently being marketed for sale.

Net results decreased $339 million for the three months ended June 30, 2016 as compared with the 2015 period, primarily due to the impact of a $267 million impairment charge (after tax and noncontrolling interests) related to the carrying value of Diamond Offshore's drilling rigs, as discussed in Note 4 of the Notes to Consolidated Condensed Financial Statements in Item 1 of this report. The results were also impacted by the decreases in revenues and expenses as discussed above, including the negative effect of lower utilization of the fleet. In addition, during the second quarter of 2016, Diamond Offshore sold its investment in privately-held corporate bonds for a total recognized loss of $12 million ($4 million after tax and noncontrolling interests). These decreases were partially offset by lower depreciation expense and net reimbursable revenue of $15 million in the second quarter of 2016 as a result of the completion of the *Ocean Endeavor*'s demobilization from the Black Sea.

Six Months Ended June 30, 2016 Compared to 2015

Contract drilling revenue decreased $416 million for the six months ended June 30, 2016 as compared with the 2015 period, primarily as a result of fewer revenue earning days across the entire fleet, reflecting continued low demand for offshore drilling services, combined with the negative effect of lower average daily revenue earned by deepwater floaters.

Revenue generated by ultra-deepwater floaters decreased $27 million for the six months ended June 30, 2016 as compared with the 2015 period, primarily as a result of decreased utilization of $37 million, partially offset by higher average daily revenue of $10 million. Revenue earning days decreased primarily due to fewer revenue earning days for rigs cold stacked after the first half of 2015 and the previously-owned *Ocean Clipper*. The aggregate decrease in revenue earning days was partially offset by incremental revenue earning days for newbuild drillships, including the *Ocean BlackLion, w*hich began operating under contract in the second half of 2015, and the *Ocean Monarch*, which was warm stacked during the first half of 2015. Average daily revenue increased, primarily due to the inclusion of $40 million in demobilization revenue for the *Ocean Endeavor*, which completed its contract in the Black Sea in January of 2016, partially offset by a lower dayrate earned by the *Ocean Courage*.

Revenue generated by deepwater floaters decreased $194 million for the six months ended June 30, 2016 as compared with the 2015 period, primarily due to decreased utilization of $134 million and lower average daily revenue of $60 million. The decrease in revenue earning days resulted primarily from additional downtime associated with the cold stacking of rigs that had operated during the first half of 2015, partially offset by incremental revenue earning days for the *Ocean Victory* and *Ocean Valiant*, both of which operated under contracts that commenced in the middle of the second quarter of 2015. Average daily revenue decreased as a result of lower amortized mobilization and contract preparation fees combined with a lower dayrate earned by the *Ocean Valiant*.

Revenue generated by mid-water floaters decreased $169 million for the six months ended June 30, 2016 as compared with the 2015 period, primarily due to decreased utilization of $176 million, reflecting a significant reduction in demand in the mid-water drilling market. Comparing the periods, only two of the mid-water floaters operated during both periods. Since the first quarter of 2015, Diamond Offshore has sold ten mid-water floaters, reducing the mid-water fleet to six drilling rigs, four of which are currently cold stacked.

Revenue generated by jack-up rigs decreased $26 million for the six months ended June 30, 2016 as compared with the 2015 period, primarily due to the cold stacking of four rigs, which had operated under contract during the first half of 2015.

Contract drilling expense for ultra-deepwater floaters, excluding the newbuild drillships, decreased $123 million, during the six months ended June 30, 2016 as compared with the 2015 period, reflecting lower expenses for labor and personnel of $57 million, maintenance and inspections of $29 million, mobilization of $13 million, freight of $6 million and other rig operating and overhead costs of $19 million. These reductions in contract drilling expense were primarily due to lower costs for cold-stacked rigs and the retired *Ocean Clipper*, as well as cost reduction initiatives implemented in 2015. Incremental contract drilling expense for four drillships operating in the GOM was $58 million.

Contract drilling expense incurred by deepwater floaters decreased $68 million during the six months ended June 30, 2016 as compared with the 2015 period, primarily due to a net reduction in costs associated with labor and personnel of $25 million, mobilization of rigs of $15 million, repairs and maintenance of $11 million, shorebase support and overhead of $8 million and other operating costs of $10 million, primarily as a result of the cold stacking of rigs, partially offset by incremental operating costs for the *Ocean Victory* and *Ocean Valiant*.

Contract drilling expense for mid-water floaters decreased $116 million in the six months ended June 30, 2016 as compared with the 2015 period, reflecting lower costs for labor and personnel of $52 million, maintenance and repairs of $14 million, shorebase support and overhead of $13 million, mobilization of $8 million, inspections of $6 million and other of $24 million.

Contract drilling expense for the jack-up fleet decreased $30 million for the six months ended June 30, 2016 as compared with the 2015 period, primarily due to the cold stacking of four rigs that operated under contract during the first half of 2015.

Net results decreased $170 million for the six months ended June 30, 2016 as compared with the 2015 period, primarily reflecting the impact of a $267 million asset impairment charge (after tax and noncontrolling interests) for the six months ended June 30, 2016, as compared with the 2015 period when Diamond Offshore recorded a $158 million asset impairment charge (after tax and noncontrolling interests). Results were also impacted by the decrease in revenues and expenses as discussed above. In addition, during 2016 Diamond Offshore sold its investment in privately-held corporate bonds for a total recognized loss of $12 million ($4 million after tax and noncontrolling interests). Results were partially offset by a decrease in depreciation expense and the recognition of $40 million in demobilization revenue and $15 million in net reimbursable revenue related to the *Ocean Endeavor*'s demobilization from the Black Sea.

Boardwalk Pipeline

Market Overview

The transportation rates that Boardwalk Pipeline is able to charge customers are heavily influenced by longer-term market trends, affecting the amount and geographical location of natural gas production and demand for gas by end users such as power plants, petrochemical facilities and liquefied natural gas ("LNG") export facilities. Changes in certain longer term trends such as the development of gas production from the Marcellus and Utica production areas located in the northeastern U.S. and changes to related pipeline infrastructure have resulted in a sustained narrowing of basis differentials corresponding to traditional flow patterns on Boardwalk Pipeline's natural gas pipeline systems (generally south to north and west to east), reducing the transportation rates and adversely impacting other contract terms that Boardwalk Pipeline can negotiate with its customers for available transportation capacity and for contracts due for renewal for Boardwalk Pipeline's transportation services.

Each year, a portion of Boardwalk Pipeline's firm natural gas transportation and storage contracts expire and need to be renewed or replaced. Over the past several years, Boardwalk Pipeline has renewed many expiring contracts at lower rates and for shorter terms than in the past, or not at all. Boardwalk Pipeline expects this trend to continue, and therefore, Boardwalk Pipeline may not be able to sell all of its available capacity, extend expiring contracts with existing customers or obtain replacement contracts at attractive rates or for a similar term as the expiring contracts. These sustained conditions have had, and Boardwalk Pipeline expects will continue to have, a materially adverse effect on Boardwalk Pipeline's revenues, earnings and distributable cash flows.

Natural gas producers account for a significant portion of Boardwalk Pipeline's revenues, with approximately 50% of its 2015 revenues generated from contracts with natural gas producers. During 2015, the price of oil and natural gas continued to decline as a result of increasing gas supplies, mainly from shale production areas in the U.S., which has adversely impacted the businesses of certain of Boardwalk Pipeline's producer customers, including those that have contracted with Boardwalk Pipeline for capacity on some of its growth projects. Although oil and natural gas prices have recovered slightly from the lows seen earlier in 2016, they remain significantly lower than before the decline began. If natural gas prices remain low, or decline further, for a sustained period of time, the businesses of Boardwalk Pipeline's producer customers will be further adversely affected, which could reduce the demand for Boardwalk Pipeline's services, result in the non-renewal of contracted capacity, or renewal at lower rates or on less attractive terms, or lead some customers, particularly customers that are experiencing financial difficulties, to default on their obligations to Boardwalk Pipeline or seek to terminate or renegotiate existing contracts. Should any such customers file for bankruptcy protection, they may also seek to have their contracts with Boardwalk Pipeline rejected in the bankruptcy proceeding.

A majority of Boardwalk Pipeline's customers are rated investment-grade by at least one of the major credit rating agencies, however, the ratings of several of Boardwalk Pipeline's oil and gas producer customers, including some of those supporting its growth projects, have recently been downgraded. The downgrades further restrict liquidity for those customers and may result in nonperformance of their contractual obligations, including failure to make future payments or, for customers supporting Boardwalk Pipeline's growth projects, failure to post required letters of credit or other collateral as construction progresses.

Boardwalk Pipeline is currently engaged in a number of growth projects having an aggregate estimated cost of approximately $1.6 billion. The growth projects have received all regulatory approvals and are subject to the risk that they may not be completed, may be impacted by significant cost overruns or may be materially changed prior to completion as a result of future developments or circumstances that Boardwalk Pipeline cannot predict at this time.

In early 2016, a customer on Boardwalk Pipeline's Northern Supply Access project, which had contracted for 100,000 million British thermal units per day ("MMBtu/d") of capacity, filed for bankruptcy protection and rejected Boardwalk Pipeline's transportation contract. Boardwalk Pipeline has an unsecured claim in the bankruptcy proceedings for an amount that was determined by agreement between Boardwalk Pipeline and that customer. As a result of the 100,000 MMBtu/d reduction in customer volume commitments resulting from the bankruptcy, Boardwalk Pipeline has reduced the scope of this project by 100,000 MMBtu/d, reducing capacity to 284,000 MMBtu/d and reducing the estimated capital cost from $310 million to $230 million. In April 2016, another customer that contracted for 30,000 MMBtu/d of capacity on this project failed to increase its letter of credit in default of its obligations under a credit support agreement. The transportation agreement with this customer remains in place.

In October of 2014, Boardwalk Pipeline's Gulf South subsidiary filed a rate case with the Federal Energy Regulatory Commission ("FERC") pursuant to Section 4 of the Natural Gas Act (Docket No. RP15-65), requesting, among other things, a reconfiguration of the transportation rate zones on the Gulf South system and, in general, an increase in its tariff rates for those customers whose agreements are at maximum tariff rates. An uncontested settlement was reached with Gulf South's customers and the FERC, which became final effective March 1, 2016. In April 2016, Gulf South settled a $17 million rate refund liability through a combination of cash payments and invoice credits. Also, as a result of the rate case, Gulf South implemented a fuel tracker which went into effect April 1, 2016.

Results of Operations

The following table summarizes the results of operations for Boardwalk Pipeline for the three and six months ended June 30, 2016 and 2015 as presented in Note 13 of the Notes to Consolidated Condensed Financial Statements included under Item 1 of this Report:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	**2016**	2015
(In millions)				
Revenues:				
Other revenue, primarily operating	**$ 308**	$ 299	**$ 655**	$ 629
Total	**308**	299	**655**	629
Expenses:				
Operating	**198**	215	**403**	423
Interest	**45**	46	**88**	91
Total	**243**	261	**491**	514
Income before income tax	**65**	38	**164**	115
Income tax expense	**(16)**	(5)	**(35)**	(21)
Amounts attributable to noncontrolling interests	**(32)**	(21)	**(81)**	(57)
Net income attributable to Loews Corporation	**$ 17**	$ 12	**$ 48**	$ 37

Three Months Ended June 30, 2016 Compared to 2015

Total revenues increased $9 million for the three months ended June 30, 2016 as compared with the 2015 period, primarily due to $13 million of proceeds received from the settlement of a legal claim in 2016, partially offset by the receipt of $6 million of business interruption proceeds in 2015. Excluding the net effect of these proceeds and items offset in fuel and transportation expense, primarily retained fuel, operating revenues increased $15 million. The increase was primarily due to higher transportation revenues from the return to service of Boardwalk Pipeline's Evangeline pipeline in mid-2015 and growth projects recently placed into service, partially offset by a reduction of revenues from the effects of market conditions discussed above. In addition, storage and parking and lending ("PAL") revenues were higher by $4 million primarily from the effects of favorable market conditions on time period price spreads.

Operating expenses decreased $17 million for the three months ended June 30, 2016 as compared with the 2015 period. Excluding items offset in operating revenues, operating costs and expenses decreased $3 million primarily due to lower maintenance activities, partially offset by an increase in employee-related costs.

Net income for the three months ended June 30, 2016 increased $5 million as compared with the 2015 period, primarily reflecting the impact of higher revenues and lower expenses as discussed above.

Six Months Ended June 30, 2016 Compared to 2015

Total revenues increased $26 million for the six months ended June 30, 2016 as compared with the 2015 period primarily due to the proceeds from the 2016 legal settlement, partially offset by the 2015 business interruption proceeds. Excluding the net effect of these proceeds and items offset in fuel and transportation expense, primarily retained fuel, operating revenues increased $38 million. The increase was driven by an increase in transportation revenues of $36 million, which resulted from incremental revenues from the Gulf South rate case, the return to service of the Evangeline pipeline in mid-2015 and growth projects recently placed into service, partially offset by the effects of market conditions discussed above. Storage and PAL revenues were higher by $7 million primarily from the effects of favorable market conditions on time period price spreads.

Operating expenses decreased $20 million for the six months ended June 30, 2016 as compared with the 2015 period. Excluding items offset in operating revenues, operating expenses increased $2 million primarily due to higher employee-related costs and increased maintenance activities. Interest expense decreased $3 million primarily due to higher allowance for funds used during construction and capitalized interest related to capital projects.

Net income for the six months ended June 30, 2016 increased $11 million as compared with the 2015 period, primarily reflecting the higher revenues and lower depreciation and interest expense as discussed above.

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Loews Hotels

The following table summarizes the results of operations for Loews Hotels for the three and six months ended June 30, 2016 and 2015 as presented in Note 13 of the Notes to Consolidated Condensed Financial Statements included in Item 1 of this Report:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	**2016**	2015
(In millions)				
Revenues:				
Operating revenue	**$ 156**	$ 147	**$ 294**	$ 267
Revenues related to reimbursable expenses	**33**	20	**58**	39
Total	**189**	167	**352**	306
Expenses:				
Operating	**129**	123	**252**	235
Reimbursable expenses	**33**	20	**58**	39
Depreciation	**15**	14	**30**	25
Equity (income) loss from joint ventures	**3**	(9)	**(12)**	(27)
Interest	**5**	5	**11**	10
Total	**185**	153	**339**	282
Income before income tax	**4**	14	**13**	24
Income tax expense	**(3)**	(6)	**(9)**	(11)
Net income attributable to Loews Corporation	**$ 1**	$ 8	**$ 4**	$ 13

Income before income tax decreased $10 million and $11 million for the three and six months ended June 30, 2016 as compared with the 2015 periods, due primarily to a $13 million impairment of an equity interest in a joint venture hotel property. Operating revenues and expenses were impacted by the acquisition of one hotel during the first six months of 2016 and two hotels during 2015.

Net income decreased $7 million and $9 million for the three and six months ended June 30, 2016 as compared with the 2015 periods, due to the changes discussed above and an increase in the effective tax rate due to a higher state tax provision for the increased ratio of Florida based income.

Corporate and Other

Corporate and Other operations consist primarily of investment income at the Parent Company, corporate interest expenses and other corporate administrative costs. Investment income includes earnings on cash and short term investments held at the Parent Company to meet current and future liquidity needs, as well as results of limited partnership investments and the trading portfolio.

The following table summarizes the results of operations for Corporate and Other for the three and six months ended June 30, 2016 and 2015 as presented in Note 13 of the Notes to Consolidated Condensed Financial Statements included in Item 1 of this Report:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	**2016**	2015
(In millions)				
Revenues:				
Net investment income	**$ 85**	$ 10	**$ 72**	$ 39
Other revenues	**(1)**		**1**	1
Total	**84**	10	**73**	40
Expenses:				
Operating	**32**	19	**57**	40
Interest	**18**	19	**36**	37
Total	**50**	38	**93**	77
Income (loss) before income tax	**34**	(28)	**(20)**	(37)
Income tax (expense) benefit	**(12)**	9	**7**	13
Net income (loss) attributable to Loews Corporation	**$ 22**	$ (19)	**$ (13)**	$ (24)

Net investment income increased by $75 million for the three months ended June 30, 2016 as compared with the 2015 period, primarily due to improved performance of equity based investments in the trading portfolio. Net investment income increased by $33 million for the six months ended June 30, 2016 as compared with the 2015 period, primarily due to improved performance of equity based investments and fixed income investments in the trading portfolio, partially offset by lower results from limited partnership investments.

Operating expenses increased $13 million and $17 million for the three and six months ended June 30, 2016 as compared with the 2015 periods primarily due to expenses related to the 2016 Incentive Compensation Plan, which was approved by shareholders on May 10, 2016 and increased corporate overhead expenses.

Net results improved $41 million and $11 million for the three and six months ended June 30, 2016 as compared with the 2015 periods primarily due to the changes discussed above.

LIQUIDITY AND CAPITAL RESOURCES

Parent Company

Parent Company cash and investments, net of receivables and payables, at June 30, 2016 totaled $4.9 billion, as compared to $4.3 billion at December 31, 2015. During the six months ended June 30, 2016, we received $632 million in dividends from our subsidiaries, including a special dividend from CNA of $485 million. Cash outflows included the payment of $86 million to fund treasury stock purchases, $8 million to purchase shares of CNA, $42 million of cash dividends to our shareholders and net cash contributions of approximately $40 million to Loews Hotels. As a holding company we depend on dividends from our subsidiaries and returns on our investment portfolio to fund our obligations. We are not responsible for the liabilities and obligations of our subsidiaries and there are no Parent Company guarantees.

In March of 2016, we completed a public offering of $500 million aggregate principal amount of 3.8% senior notes due April 1, 2026 and repaid in full the entire $400 million aggregate principal amount of our 5.3% senior notes at maturity. The net remaining proceeds are being used for general corporate purposes.

As of June 30, 2016, there were 337,388,941 shares of Loews common stock outstanding. Depending on market and other conditions, we may purchase our shares and shares of our subsidiaries outstanding common stock in the open market or otherwise. During the six months ended June 30, 2016, we purchased 2.6 million shares of Loews common stock and 0.3 million shares of CNA common stock.

In March of 2016, Moody's Investment Services, Inc. ("Moody's") downgraded our unsecured debt rating from A2 to A3 and the outlook remains stable. Our current unsecured debt ratings are A+ for S&P Global Ratings ("S&P") and A for Fitch Ratings, Inc., with a stable outlook for both. We have an effective Registration Statement on Form S-3 registering the future sale of an unlimited amount of our debt and equity securities.

We continue to pursue conservative financial strategies while seeking opportunities for responsible growth. These include the expansion of existing businesses, full or partial acquisitions and dispositions, and opportunities for efficiencies and economies of scale.

Subsidiaries

CNA's cash provided by operating activities was $613 million for the six months ended June 30, 2016 as compared with $540 million for the same period in 2015. Cash provided by operating activities reflected increased receipts relating to the returns on invested capital for limited partnerships.

CNA declared and paid dividends of $2.50 per share of its common stock, including a special dividend of $2.00 per share during the six months ended June 30, 2016. On July 29, 2016, CNA's Board of Directors declared a quarterly dividend of $0.25 per share, payable August 31, 2016 to shareholders of record on August 15, 2016. CNA's declaration and payment of future dividends is at the discretion of its Board of Directors and will depend on many factors, including CNA's earnings, financial condition, business needs and regulatory constraints. The payment of dividends by CNA's insurance subsidiaries without prior approval of the insurance department of each subsidiary's domiciliary jurisdiction is generally limited by formula. Dividends in excess of these amounts are subject to prior approval by the respective insurance regulator.

Dividends from the Continental Casualty Company ("CCC"), a subsidiary of CNA, are subject to the insurance holding company laws of the State of Illinois, the domiciliary state of CCC. Under these laws, ordinary dividends, or dividends that do not require prior approval by the Illinois Department of Insurance ("Department"), are determined based on the greater of the prior year's statutory net income or 10% of statutory surplus as of the end of the prior year, as well as the timing and amount of dividends paid in the preceding twelve months. Additionally, ordinary dividends may only be paid from earned surplus, which is calculated by removing unrealized gains from unassigned surplus. As of June 30, 2016, CCC was in a positive earned surplus position. The maximum allowable dividend CCC could pay during 2016 that would not be subject to the Department's prior approval is $1.1 billion, less dividends paid during the preceding twelve months measured at that point in time. CCC paid dividends of $200 million during the six months ended December 31, 2015 and $565 million during the six months ended June 30, 2016. As of June 30, 2016, CCC is able to pay approximately $314 million of dividends that would not be subject to prior approval of the Department. The actual level of dividends paid in any year is determined after an assessment of available dividend capacity, holding company liquidity and cash needs as well as the impact the dividends will have on the statutory surplus of the applicable insurance company.

Diamond Offshore's cash provided by operating activities for the six months ended June 30, 2016 increased $105 million compared to the 2015 period, primarily due to a net decrease in cash payments for contract drilling and general and administrative expenses, including personnel-related, repairs and maintenance, and other rig operating costs of $361 million, partially offset by lower cash receipts from contract drilling services of $266 million. The decline in both cash receipts and cash payments related to the performance of contract drilling services reflects a reduction in contract drilling activity during the six months ended June 30, 2016 as well as Diamond Offshore's continuing efforts to control costs.

For 2016, Diamond Offshore has budgeted approximately $650 million for capital expenditures, including construction costs for the *Ocean GreatWhite* and ongoing capital maintenance and replacement programs. Shipyard construction of the *Ocean GreatWhite*, a 10,000 foot dynamically positioned, harsh environment semisubmersible drilling rig has been completed and in June of 2016 Diamond Offshore made the final payment of $403 million. The *Ocean GreatWhite* was delivered in mid-July of 2016 and will be mobilized to Singapore for a rig enhancement project before placing the rig in service, which is expected to be completed in the third quarter of 2016.

During the six months ended June 30, 2016, Diamond Offshore executed three sale and leaseback transactions and received $158 million in proceeds, which was less than the carrying value of the equipment. The resulting difference was recorded as prepaid rent with no gain or loss recognized on the transactions. For further information about these transactions, see Note 4 of the Notes to Consolidated Condensed Financial Statements in Item 1 of this report.

As of June 30, 2016, Diamond Offshore had $327 million in short term borrowings outstanding under its credit agreement and is in compliance with all covenant requirements thereunder. As of July 27, 2016, Diamond Offshore had $270 million in short term borrowings outstanding and an additional $1.2 billion available under its credit agreement to provide short term liquidity for payment obligations.

In February of 2016, Moody's downgraded Diamond Offshore's senior unsecured credit rating to Ba2 from Baa2, with a stable outlook, and also downgraded its short-term credit rating to sub-prime. In July of 2016, the S&P downgraded Diamond Offshore's senior unsecured credit rating to BBB from BBB+; the outlook remains negative. Market conditions and other factors, many of which are outside of Diamond Offshore's control, could cause its credit ratings to be further lowered. A downgrade in Diamond Offshore's credit ratings could adversely impact its cost of issuing additional debt and the amount of additional debt that it could issue, and could further restrict access to capital markets and Diamond Offshore's ability to raise additional debt. As a consequence, Diamond Offshore may not be able to issue additional debt in amounts and/or with terms that it considers to be reasonable. One or more of these occurrences could limit Diamond Offshore's ability to pursue other business opportunities.

Diamond Offshore will make periodic assessments of its capital spending programs based on industry conditions and will make adjustments if it determines they are required. Diamond Offshore, may, from time to time, issue debt or equity securities, or a combination thereof, to finance capital expenditures, the acquisition of assets and businesses or for general corporate purposes. Diamond Offshore's ability to access the capital markets by issuing debt or equity securities will be dependent on its results of operations, current financial condition, current credit ratings, current market conditions and other factors beyond its control.

Boardwalk Pipeline's cash provided by operating activities increased $19 million for the six months ended June 30, 2016 compared to the 2015 period, primarily due to increased net income, excluding the effects of non-cash items such as depreciation and amortization, partially offset by timing of accruals and the Gulf South rate refund.

For the six months ended June 30, 2016 and 2015, Boardwalk Pipeline declared and paid distributions to its common unitholders of record of $0.20 per common unit and an amount to the general partner on behalf of its 2% general partner interest. In July of 2016, the Partnership declared a quarterly cash distribution to unitholders of record of $0.10 per common unit.

For the six months ended June 30, 2016 and 2015, Boardwalk Pipeline's capital expenditures were $259 million and $136 million, consisting of a combination of growth and maintenance capital. Boardwalk Pipeline expects total capital expenditures to be approximately $760 million in 2016, primarily related to growth projects and pipeline system maintenance expenditures. Boardwalk Pipeline expects to finance 2016 growth capital expenditures through existing capital resources, including Boardwalk Pipeline's cash on hand, revolving credit facility, the Subordinated Loan facility and cash flows from operating activities.

As of July 29, 2016, Boardwalk Pipeline had no outstanding borrowings under its revolving credit facility and had available the full borrowing capacity of $1.5 billion. Since June 30, 2016, Boardwalk Pipeline extended the maturity date of the revolving credit facility by one year to May 26, 2021. Boardwalk Pipeline has in place a subordinated loan agreement with a subsidiary of the Company under which it could borrow up to $300 million. The borrowing period of the subordinated loan agreement was recently extended by two years to December 31, 2018. As of June 30, 2016 and July 29, 2016 Boardwalk Pipeline had no outstanding borrowings under the subordinated loan agreement. In addition, Boardwalk Pipeline has entered a new equity distribution agreement under its shelf registration statement filed in December 2015, which will allow it to issue equity from time to time under an at-the-market program. Based on the current forecast and planned projects, Boardwalk Pipeline does not anticipate the need to issue equity for the remainder of 2016.

INVESTMENTS

Investment activities of non-insurance subsidiaries primarily include investments in fixed income securities, including short term investments. The Parent Company portfolio also includes equity securities, including short sales and derivative instruments, and investments in limited partnerships. These types of investments generally present greater volatility, less liquidity and greater risk than fixed income investments and are included within the Corporate and Other segment.

We enter into short sales and invest in certain derivative instruments that are used for asset and liability management activities, income enhancements to our portfolio management strategy and to benefit from anticipated future movements in the underlying markets. If such movements do not occur as anticipated, then significant losses may occur. Monitoring procedures include senior management review of daily detailed reports of existing positions and valuation fluctuations to ensure that open positions are consistent with our portfolio strategy.

Credit exposure associated with non-performance by the counterparties to derivative instruments is generally limited to the uncollateralized change in fair value of the derivative instruments recognized in the Consolidated Condensed Balance Sheets. We mitigate the risk of non-performance by monitoring the creditworthiness of counterparties and diversifying derivatives to multiple counterparties. We occasionally require collateral from our derivative investment counterparties depending on the amount of the exposure and the credit rating of the counterparty.

Insurance

CNA maintains a large portfolio of fixed maturity and equity securities, including large amounts of corporate and government issued debt securities, residential and commercial mortgage-backed securities, and other asset-backed securities and investments in limited partnerships which pursue a variety of long and short investment strategies across a broad array of asset classes. CNA's investment portfolio supports its obligation to pay future insurance claims and provides investment returns which are an important part of CNA's overall profitability.

Net Investment Income

The significant components of CNA's Net investment income are presented in the following table:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	**2016**	2015
(In millions)				
Fixed maturity securities:				
Taxable	**$ 349**	$ 352	**$ 694**	$ 694
Tax-exempt	**100**	100	**201**	201
Total fixed maturity securities	**449**	452	**895**	895
Limited partnership investments	**46**	48	**32**	162
Other, net of investment expense	**7**		**10**	1
Net investment income before tax	**$ 502**	$ 500	**$ 937**	$ 1,058
Net investment income after tax and noncontrolling interests	**$ 325**	$ 319	**$ 608**	$ 673
Effective income yield for the fixed maturity securities portfolio, before tax	**4.8%**	4.9%	**4.8%**	4.8%
Effective income yield for the fixed maturity securities portfolio, after tax	**3.5%**	3.5%	**3.4%**	3.5%

Net investment income after tax and noncontrolling interests for the three months ended June 30, 2016 was in line with the same period in 2015. Income from fixed maturity securities reflects an increase in the invested asset base. Limited partnerships returned 1.8% for the three months ended June 30, 2016 as compared with 1.6% for the same period in 2015.

Net investment income after tax and noncontrolling interests for the six months ended June 30, 2016 decreased $65 million as compared with the same period in 2015. The decrease was driven by limited partnership investments, which returned 1.2% as compared with 5.5% in the prior year period.

Net Realized Investment Gains (Losses)

The components of CNA's Net realized investment gains (losses) are presented in the following table:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	**2016**	2015	**2016**	2015
Realized investment gains (losses):				
Fixed maturity securities:				
Corporate and other bonds	**$ 7**	$ 3	**$ (8)**	$ 16
States, municipalities and political subdivisions		(16)	**3**	(20)
Asset-backed	**6**			3
U.S. Treasury and obligations of government-sponsored enterprises	**1**		**2**	
Foreign government	**2**	1	**2**	1
Total fixed maturity securities	**16**	(12)	**(1)**	-
Equity securities	**3**	(1)	**(2)**	(1)
Derivative securities	**(6)**	11	**(13)**	10
Short term investments and other			**1**	(1)
Total realized investment gains (losses)	**13**	(2)	**(15)**	8
Income tax (expense) benefit	**(6)**	5	**3**	4
Amounts attributable to noncontrolling interests	**(1)**		**1**	(1)
Net realized investment gains (losses) attributable to Loews Corporation	**$ 6**	$ 3	**$ (11)**	$ 11

Net realized investment gains increased $3 million for the three months ended June 30, 2016 as compared with the same period in 2015, driven by higher net realized investment gains on sales of securities and lower OTTI losses recognized in earnings, partially offset by derivative results.

Net realized investment results decreased $22 million for the six months ended June 30, 2016 as compared with the same period in 2015, driven by derivative results.

Further information on CNA's realized gains and losses, including OTTI losses, is set forth in Note 2 of the Notes to Consolidated Condensed Financial Statements included under Item 1.

Portfolio Quality

The following table presents the estimated fair value and net unrealized gains (losses) of CNA's fixed maturity securities by rating distribution:

	June 30, 2016		December 31, 2015	
(In millions)	**Estimated Fair Value**	**Net Unrealized Gains (Losses)**	Estimated Fair Value	Net Unrealized Gains (Losses)
U.S. Government, Government agencies and Government-sponsored enterprises	**$ 4,208**	**$ 180**	$ 3,910	$ 101
AAA	**1,936**	**169**	1,938	123
AA	**9,153**	**1,295**	8,919	900
A	**10,567**	**1,343**	10,044	904
BBB	**12,790**	**953**	11,595	307
Non-investment grade	**3,203**	**79**	3,166	(16)
Total	**$ 41,857**	**$ 4,019**	$ 39,572	$ 2,319

As of June 30, 2016 and December 31, 2015, only 1% of CNA's fixed maturity portfolio was rated internally.

The following table presents available-for-sale fixed maturity securities in a gross unrealized loss position by ratings distribution:

June 30, 2016 (In millions)	Estimated Fair Value	Gross Unrealized Losses
U.S. Government, Government agencies and Government-sponsored enterprises	$ 27	$ 1
AAA	139	2
AA	89	2
A	432	11
BBB	1,204	40
Non-investment grade	1,136	72
Total	$ 3,027	$ 128

The following table presents the maturity profile for these available-for-sale fixed maturity securities. Securities not due to mature on a single date are allocated based on weighted average life:

June 30, 2016 (In millions)	Estimated Fair Value	Gross Unrealized Losses
Due in one year or less	$ 239	$ 2
Due after one year through five years	724	25
Due after five years through ten years	1,520	56
Due after ten years	544	45
Total	$ 3,027	$ 128

Duration

A primary objective in the management of the investment portfolio is to optimize return relative to corresponding liabilities and respective liquidity needs. CNA's views on the current interest rate environment, tax regulations, asset class valuations, specific security issuer and broader industry segment conditions and the domestic and global economic conditions, are some of the factors that enter into an investment decision. CNA also continually monitors exposure to issuers of securities held and broader industry sector exposures and may from time to time adjust such exposures based on its views of a specific issuer or industry sector.

A further consideration in the management of the investment portfolio is the characteristics of the corresponding liabilities and the ability to align the duration of the portfolio to those liabilities and to meet future liquidity needs, minimize interest rate risk and maintain a level of income sufficient to support the underlying insurance liabilities. For portfolios where future liability cash flows are determinable and typically long term in nature, CNA segregates investments for asset/liability management purposes. The segregated investments support the long term care and structured settlement liabilities in the Life & Group Non-Core business.

The effective durations of fixed maturity securities and short term investments are presented in the following table. Amounts presented are net of accounts payable and receivable amounts for securities purchased and sold, but not yet settled.

	June 30, 2016		December 31, 2015	
(In millions of dollars)	Estimated Fair Value	Effective Duration (Years)	Estimated Fair Value	Effective Duration (Years)
Investments supporting Life & Group Non-Core	$ 16,288	8.7	$ 14,879	9.6
Other interest sensitive investments	26,839	4.1	26,435	4.3
Total	$ 43,127	5.9	$ 41,314	6.2

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The investment portfolio is periodically analyzed for changes in duration and related price change risk. Additionally, CNA periodically reviews the sensitivity of the portfolio to the level of foreign exchange rates and other factors that contribute to market price changes. A summary of these risks and specific analysis on changes is included in the Quantitative and Qualitative Disclosures about Market Risk in Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2015.

Short Term Investments

The carrying values of the components of CNA's Short term investments are presented in the following table:

(In millions)	**June 30, 2016**	December 31, 2015
Short term investments:		
Commercial paper	**$ 862**	$ 998
U.S. Treasury securities	**277**	411
Money market funds	**79**	60
Other	**166**	191
Total short term investments	**$ 1,384**	$ 1,660

ACCOUNTING STANDARDS UPDATE

For a discussion of accounting standards updates that have been adopted or will be adopted in the future, please read Note 1 of the Notes to Consolidated Condensed Financial Statements included under Item 1.

FORWARD-LOOKING STATEMENTS

Investors are cautioned that certain statements contained in this Report as well as some statements in periodic press releases and some oral statements made by our officials and our subsidiaries during presentations about us, are "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Act"). Forward-looking statements include, without limitation, any statement that may project, indicate or imply future results, events, performance or achievements, and may contain the words "expect," "intend," "plan," "anticipate," "estimate," "believe," "will be," "will continue," "will likely result," and similar expressions. In addition, any statement concerning future financial performance (including future revenues, earnings or growth rates), ongoing business strategies or prospects, and possible actions taken by us or our subsidiaries are also forward-looking statements as defined by the Act.

Forward-looking statements are based on current expectations and projections about future events and are inherently subject to a variety of risks and uncertainties, many of which are beyond our control, that could cause actual results to differ materially from those anticipated or projected. See Forward-Looking Statements and Part I, Item 1A Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2015 for further discussion of factors that may affect the forward-looking statements. The following information describes an addition to the Forward-Looking Statements and should be read in conjunction with the Forward-Looking Statements disclosed in our Annual Report on Form 10-K for the year ended December 31, 2015.

On June 23, 2016, the U.K. held a referendum in which voters approved an exit from the E.U., commonly referred to as "Brexit." As a result of the referendum, it is expected that the British government will formally commence the process to leave the E.U. and begin negotiating the terms of treaties that will govern the U.K.'s future relationship with the E.U. Although it is unknown what those terms will be, it is possible that a U.K. insurance entity's ability to transact insurance business in E.U. countries will be subject to increased regulatory complexities or may not be possible at all. Brexit related changes may adversely affect CNA's operations and financial results.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

There were no material changes in our market risk components for the six months ended June 30, 2016. See the Quantitative and Qualitative Disclosures about Market Risk included in Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2015 for further information. Additional information related to portfolio duration and market conditions is discussed in the Investments section of Management's Discussion and Analysis of Financial Condition and Results of Operations included in Part I, Item 2.

Item 4. Controls and Procedures.

The Company maintains a system of disclosure controls and procedures which are designed to ensure that information required to be disclosed by the Company in reports that it files or submits to the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), including this report, is recorded, processed, summarized and reported on a timely basis. These disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed under the Exchange Act is accumulated and communicated to the Company’s management on a timely basis to allow decisions regarding required disclosure.

The Company’s principal executive officer (“CEO”) and principal financial officer (“CFO”) undertook an evaluation of the Company’s disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this report. The CEO and CFO have concluded that the Company’s disclosure controls and procedures were effective as of June 30, 2016.

There were no changes in the Company’s internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) identified in connection with the foregoing evaluation that occurred during the quarter ended June 30, 2016 that have materially affected or that are reasonably likely to materially affect the Company’s internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

None.

Item 1A. Risk Factors.

Our Annual Report on Form 10-K for the year ended December 31, 2015 includes a detailed discussion of certain risk factors facing our company. No updates or additions have been made to such risk factors as of June 30, 2016.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Items 2 (a) and (b) are inapplicable.

(c) STOCK REPURCHASES

Period	(a) Total number of shares purchased	(b) Average price paid per share	(c) Total number of shares purchased as part of publicly announced plans or programs	(d) Maximum number of shares (or approximate dollar value) of shares that may yet be purchased under the plans or programs (in millions)
April 1, 2016 - April 30, 2016	N/A	N/A	N/A	N/A
May 1, 2016 - May 31, 2016	300,700	$39.84	N/A	N/A
June 1, 2016 - June 30, 2016	1,333,126	$39.43	N/A	N/A

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Item 6. Exhibits.

Description of Exhibit	Exhibit Number
Loews Corporation 2016 Incentive Compensation Plan effective as of February 9, 2016	10.1*+
Form of Performance-Based Restricted Stock Unit Award Notice under the Loews Corporation 2016 Incentive Compensation Plan	10.2*+
Form of Time-Vesting Restricted Stock Unit Award Notice under the Loews Corporation 2016 Incentive Compensation Plan	10.3*+
Form of Directors Restricted Stock Unit Award Notice under the Loews Corporation 2016 Incentive Compensation Plan	10.4*+
Form of Election Form for Restricted Stock Units under the Loews Corporation 2016 Incentive Compensation Plan	10.5*+
Certification by the Chief Executive Officer of the Company pursuant to Rule 13a-14(a) and Rule 15d-14(a)	31.1*
Certification by the Chief Financial Officer of the Company pursuant to Rule 13a-14(a) and Rule 15d-14(a)	31.2*
Certification by the Chief Executive Officer of the Company pursuant to 18 U.S.C. Section 1350 (as adopted by Section 906 of the Sarbanes-Oxley Act of 2002)	32.1*
Certification by the Chief Financial Officer of the Company pursuant to 18 U.S.C. Section 1350 (as adopted by Section 906 of the Sarbanes-Oxley Act of 2002)	32.2*
XBRL Instance Document	101.INS *
XBRL Taxonomy Extension Schema	101.SCH *
XBRL Taxonomy Extension Calculation Linkbase	101.CAL *
XBRL Taxonomy Extension Definition Linkbase	101.DEF *
XBRL Taxonomy Label Linkbase	101.LAB *
XBRL Taxonomy Extension Presentation Linkbase	101.PRE *

*Filed herewith.
+Management contract or compensatory plan or arrangement.

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, hereunto duly authorized.

LOEWS CORPORATION
(Registrant)

Dated: August 1, 2016

By: /s/ David B. Edelson
DAVID B. EDELSON
Senior Vice President and
Chief Financial Officer
(Duly authorized officer
and principal financial
officer)

Exhibit 10.1

As approved by the
Board of Directors on
February 9, 2016

Loews Corporation

2016 Incentive Compensation Plan

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Loews Corporation

2016 Incentive Compensation Plan

1. PURPOSE; TYPES OF AWARDS; CONSTRUCTION.

The purposes of the 2016 Incentive Compensation Plan, which, from and after the Effective Date, replaces the Loews Corporation Stock Option Plan (the "Prior Plan"), are to attract, motivate and retain (a) employees of the Company and any Subsidiary and Affiliate, (b) independent contractors who provide significant services to the Company, any Subsidiary or Affiliate and (c) non-employee directors of the Company, any Subsidiary or any Affiliate. The Plan is also designed to encourage stock ownership by such persons, thereby aligning their interests with those of the Company's shareholders and to permit the payment of compensation that qualifies as performance-based compensation under Section 162(m) of the Code. The outstanding awards pursuant to the Prior Plan shall remain in full force and effect in accordance with their terms following the Effective Date.

2. DEFINITIONS.

For purposes of the Plan, the following terms shall be defined as set forth below:

(a) "Affiliate" means a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Person specified.

(b) "Award" means individually or collectively, a grant under the Plan of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Other Stock-Based Awards or Cash-Based Awards.

(c) "Award Terms" means any written agreement, contract or other instrument or document evidencing an Award. Capitalized terms used in the Award Terms but not defined therein shall have the meanings defined in the Plan.

(d) "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Exchange Act.

(e) "Board" means the Board of Directors of the Company.

(f) "Cause" shall have the meaning set forth in the employment or engagement agreement between a Grantee and the Company, any Subsidiary or any Affiliate, if such an agreement exists and contains a definition of Cause; otherwise Cause shall mean (1) conviction of the Grantee for committing a felony under Federal law or the law of the state in which such action occurred, (2) dishonesty in the course of fulfilling a Grantee's employment, engagement or directorial duties, (3) willful and deliberate failure on the part of a Grantee to perform the Grantee's employment, engagement or directorial duties in any material respect or (4) such other events as shall be determined in good faith by the Committee. The Committee shall, unless otherwise provided in an Award Terms or employment or engagement agreement with the Grantee, have the sole discretion to determine whether Cause exists, and its determination shall be final.

(g) "Cash-Based Award" means an Award granted to a Grantee pursuant to Section 6(b)(iv) hereof, payable in cash and other than an Other Stock-Based Award, which may be subject to the attainment of Performance Goals or a period of continued employment or other terms and conditions as determined by the Committee and consistent with the Plan.

(h) "Change in Control" shall be deemed to have occurred if the event set forth in any one of the following paragraphs shall have occurred:

(i) any Person becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates) representing more than 50% of the combined voting power of the Company's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (A) of paragraph (iii) below; or

(ii) the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended; or;

(iii) there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than (A) a merger or consolidation immediately following which the individuals who comprise the Board immediately prior thereto constitute at least a majority of the board of directors of the Company, the entity surviving such merger or consolidation or, if the Company or the entity surviving such merger is then a subsidiary, the ultimate parent thereof, or (B) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its Affiliates) representing more than 50% of the combined voting power of the Company's then outstanding securities; or

(iv) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets immediately following which the individuals who comprise the Board immediately prior thereto constitute at least a majority of the board of directors of the entity to which such assets are sold or disposed or any parent thereof.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions.

(i) "Code" means the Internal Revenue Code of 1986, as amended, the Treasury Regulations thereunder and other relevant interpretive guidance issued by the Internal Revenue Service or the Treasury Department. Reference to any specific section of the Code shall be deemed to include such regulations and guidance, as well as any successor provision of the Code.

(j) "Committee" shall have the meaning set forth in Section 3(a); provided, however, that with respect to any Grantee who is a Covered Employee, any reference in the Plan to the "Committee" shall be deemed to refer to the Compensation Committee, in accordance with Section 3(a).

(k) "Compensation Committee" means the Compensation Committee of the Board. Unless otherwise determined by the Board, the Compensation Committee shall be comprised solely of directors who are (a) "non-employee directors" under Rule 16b-3 of the Exchange Act, (b) "outside directors" under Section 162(m) of the Code and (c) "independent directors" pursuant to New York Stock Exchange requirements.

(l) "Company" means Loews Corporation, a corporation organized under the laws of the State of Delaware, or any successor corporation.

(m) "Covered Employee" shall have the meaning set forth in Section 162(m)(3) of the Code.

(n) "Designated Beneficiary" shall have the meaning set forth in Section 7(b).

(o) "Disability" means unless otherwise provided by the Committee, (1) "Disability" as defined in any individual Award Terms to which the Grantee is a party, or (2) if there is no such Award Terms or it does not define “Disability,” “Disability” as defined under Section 409A of the Code.

(p) “Effective Date” means the date that the Plan was adopted by the Board; provided, however, that the Plan shall be subject to the approval by the shareholders of the Company at the annual meeting for such shareholders held in 2016.

(q) “Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time, and as now or hereafter construed, interpreted and applied by regulations, rulings and cases.

(r) “Fair Market Value” means a price that is based on the opening, closing, actual, high, low, or average selling prices of a share of Stock reported on the New York Stock Exchange or other established stock exchange (or exchanges) on the applicable date, the preceding trading day, the next succeeding trading day, or an average of trading days, as determined by the Committee in its discretion. Unless the Committee determines otherwise, Fair Market Value shall be equal to the reported closing price of a share of Stock on the applicable date on the principal stock exchange on which the shares of Stock are then traded or, if no shares of Stock have traded on such exchange on such date, then on the most recent date on which shares of Stock traded on such stock exchange. In the event shares of Stock are not publicly traded at the time a determination of their value is required to be made hereunder, the determination of Fair Market Value shall be made by the Committee in such manner as it deems appropriate.

(s) “Good Reason” means, with respect to a Grantee, “Good Reason” as defined in such Grantee’s employment or similar agreement with the Company or any of its Subsidiaries if such an agreement exists and contains a definition of Good Reason (or a term of like import, such as “constructive discharge”) or, if no such agreement exists or such agreement does not contain a definition of Good Reason (or a term of like import), then Good Reason shall mean (a) a reduction of 10% or more of the Grantee’s annual base salary (but not including any diminution related to a broader compensation reduction that is not limited to any particular employee or executive), (b) a required relocation of the Grantee’s primary work location to a location more than fifty (50) miles from the Grantee’s current primary work location or (c) a material diminution in the Grantee’s authority, duties or responsibilities; provided, however, that such reduction, relocation or diminution in clauses (a) through (c) above shall not constitute Good Reason unless the Grantee shall have notified the Company in writing describing such reduction, required relocation or diminution within thirty (30) business days of its initial occurrence and the Company shall have failed to cure such reduction or required relocation within thirty (30) business days after the Company’s receipt of such written notice.

(t) “Grantee” means a person who, as an employee of or independent contractor or non-employee director with respect to the Company, a Subsidiary or an Affiliate, has been granted an Award under the Plan.

(u) “ISO” means any Option intended to be and designated as an incentive stock option within the meaning of Section 422 of the Code.

(v) “NQSO” means any Option that is not an ISO.

(w) “Option” means a right, granted to a Grantee under Section 6(b)(i), to purchase shares of Stock. An Option may be either an ISO or an NQSO.

(x) “Other Stock-Based Award” means an Award granted to a Grantee pursuant to Section 6(b)(iv) (and to the extent applicable Section 6(b)(i)) hereof, that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Stock including but not limited to performance units, or dividend equivalents, each of which may be subject to the attainment of Performance Goals or a period of continued employment or other terms and conditions as determined by the Committee and consistent with the Plan.

(y) “Performance Based Income” means, for each Performance Period, the consolidated net income of the Company and its subsidiaries, as reported in the Company’s Consolidated Statement of Operations for such Performance Period, as adjusted by the Committee in its sole discretion to take into account such specified objective factors that may impact the Company’s business generally, or the business of any of the Company’s consolidated subsidiaries, as the Committee in the exercise of its judgment deems reasonable and appropriate to exclude or include in the computation of consolidated net income, including, without limitation, realized and unrealized gains and losses, the impact of accounting changes, the impact of acquisitions and dispositions of a business or asset, charges relating to the disposition by judgment or settlement of material litigation, charges relating to reserve strengthening and adverse dividend or premium development associated with prior accident years, the impact of catastrophes and other extraordinary items and events, and the impact of changes in legislation or regulation.

(z) “Performance Goals” means performance goals based on one or more of the following criteria, subject to such adjustments as the Committee, in its sole discretion, may determine prior to the granting of an Award to be reasonable and appropriate in establishing a Performance Goal for such Award: (i) earnings including operating income, earnings before or after taxes, earnings before or after interest, depreciation, amortization, or extraordinary or special items or book value per share (which may exclude nonrecurring items); (ii) pre-tax income or after-tax income; (iii) earnings per common share (basic or diluted) including operating earnings per share; (iv) operating profit; (v) Performance Based Income; (vi) revenue, revenue growth or rate of revenue growth; (vii) assets, return on assets (gross or net), return on investment, capital, return on capital, or return on equity; (viii) returns on sales or revenues; (ix) expenses, operating expenses or expense ratios; (x) stock price appreciation or shareholder equity; (xi) cash flow, free cash flow, cash flow return on investment (discounted or otherwise), net cash provided by operations, or cash flow in excess of cost of capital; (xii) implementation or completion of critical projects or processes; (xiii) economic value created; (xiv) cumulative earnings per share growth; (xv) operating margin or profit margin; (xvi) book value, common stock price or total shareholder return; (xvii) cost targets, reductions and savings, productivity and efficiencies; (xviii) debt to capital ratio or market share; (xix) strategic business criteria, consisting of one or more objectives based on meeting specified market penetration, geographic business expansion, customer satisfaction, employee satisfaction, human resources management, supervision of litigation, information technology, and goals relating to acquisitions, divestitures, joint ventures and similar transactions, and budget comparisons; (xx) personal professional objectives, including any of the foregoing performance goals, the implementation of policies and plans, the negotiation of transactions, the development of long-term business goals, formation of joint ventures, research or development collaborations, and the completion of other corporate transactions; and (xxi) any combination of, or a specified increase in, any of the foregoing. Where applicable, the Performance Goals may be expressed in terms of attaining a specified level of the particular criteria or the attainment of a percentage increase or decrease in the particular criteria, and may be applied to one or more of the Company, a Subsidiary or Affiliate, or a division or strategic business unit of the Company, or may be applied to performance relative to a market index, a group of other companies or a combination thereof, all as determined by the Committee. The Performance Goals may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be made (or specified vesting will occur), and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur). Each of the foregoing Performance Goals shall be determined in accordance with generally accepted accounting principles, if applicable, shall be subject to adjustment by the Committee, and shall be subject to certification by the Committee; provided that, to the extent an Award is intended to satisfy the performance-based compensation exception to the limits of Section 162(m) of the Code and then to the extent consistent with such exception, the Committee shall have the authority to make equitable adjustments to the Performance Goals in recognition of unusual or infrequently occurring events affecting the Company or any Subsidiary or Affiliate or the financial statements of the Company or any Subsidiary or Affiliate, in response to changes in applicable laws or regulations, or to account for items of gain, loss or expense determined to be extraordinary or unusual in nature or infrequent in occurrence or related to the disposal of a segment of a business or related to a change in accounting principles.

(aa) “Performance Period” means a period established by the Committee during which performance will be measured under an Award. Generally, a Performance Period shall be the twelve-month period commencing January 1 of a calendar year and ending on December 31 of such calendar year. In addition, the Committee may establish Performance Periods beginning and/or ending on other dates (including without limitation Performance Periods of less or more than one calendar year).

(bb) "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

(cc) "Plan" means this 2016 Incentive Compensation Plan, as amended from time to time.

(dd) "Plan Year" means a calendar year.

(ee) "Prior Plan" shall have the meaning set forth in the preamble.

(ff) "Restricted Stock" means an Award of shares of Stock to a Grantee under Section 6(b)(ii) that may be subject to certain transfer restrictions and to a risk of forfeiture.

(gg) "Restricted Stock Unit" means a right granted to a Grantee under Section 6(b)(iii) of the Plan to receive Stock or cash in an amount measured by reference to the value of Stock, which right may be subject to the attainment of Performance Goals in a period of continued employment or other terms and conditions as permitted under the Plan.

(hh) "Retirement" means (unless otherwise provided in the applicable Award Terms) a Termination by the Grantee occurring on or after the Grantee attains either age fifty-five (55) with ten (10) years of service or age sixty (60) with five (5) years of service; provided, however, Retirement shall not include a Termination by the Company for Cause. For purposes of this definition, service of the Grantee with any corporation or other entity that is the successor of the Company shall be deemed service with the Company. A Termination by a consultant or non-employee director shall in no event be considered a Retirement.

(ii) "Rule 16b-3" means Rule 16b-3, as from time to time in effect promulgated by the Securities and Exchange Commission under Section 16 of the Exchange Act, including any successor to such Rule.

(jj) "Stock" means shares of common stock of the Company.

(kk) "Stock Appreciation Right" or "SAR" means an Award, payable in cash or Stock, that entitles a Grantee upon exercise to the excess of the Fair Market Value of the

Stock underlying the Award over the base price established in respect of such Stock.

(ll) "Subsidiary" means any company in an unbroken chain of companies beginning with the Company, each of which (other than the last such company in the unbroken chain) holds 50% or more of the total combined voting power of all classes of stock or other ownership interests in one of the other companies in the chain.

(mm) "Term" means the period beginning on the date of grant of an Award and ending on the date the Award expires pursuant to the Plan and the relevant Award Terms, as determined in accordance with Section 6(a).

(nn) "Termination" of a Grantee shall be considered to have occurred at the point in time that the Grantee ceases, for any reason, to be an employee, independent contractor or non-employee director of the Company, a Subsidiary or an Affiliate, including, without limitation, as a result of the fact that the entity by which such Grantee is employed or engaged or of which such Grantee is a director has ceased to be affiliated with the Company.

3. ADMINISTRATION.

(a) The Plan shall be administered by the Board or such committee or committees of the Board as the Board may designate from time to time (as applicable, the "Committee"). In respect of administration of the Plan for Covered Employees, references herein to the Committee shall be deemed to refer to the Compensation Committee. In the event the Board is the administrator of the Plan, references herein to the Committee shall be deemed to refer to the Board. The Board or the Committee may also delegate the ability to grant Awards to employees who are not subject to potential liability under Section 16(b) of the 1934 Act with respect to transactions involving equity securities of the Company at the time any such delegated authority is exercised.

(b) The decision of the Committee as to all questions of interpretation and application of the Plan shall be final, binding and conclusive on all persons. The Committee shall have the authority in its discretion, subject to and not inconsistent with the express provisions of the Plan, to administer the Plan and to exercise all the power and authority either specifically granted to it under the Plan or necessary or advisable in the administration of the Plan, including without limitation, the authority to grant Awards, to determine the persons to whom and the time or times at which Awards shall be granted, to determine the type and number of Awards to be granted, the number of shares of Stock to which an Award may relate and the terms, conditions, restrictions and Performance Goals relating to any Award; to determine Performance Goals no later than such time as is required to ensure that an underlying Award which is intended to comply with the requirements of Section 162(m) of the Code so complies; to determine whether, to what extent, and under what circumstances an Award may be settled, canceled, forfeited, accelerated, exchanged, or surrendered; to make adjustments in the terms and conditions (including Performance Goals) applicable to Awards; to construe and interpret the Plan and any Award; to prescribe, amend and rescind rules and regulations relating to the Plan; to determine the terms and provisions of the Award Terms (which need not be identical for each Grantee); and to make all other determinations deemed necessary or advisable for the administration of the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan or in any Award Terms granted hereunder in the manner and to the extent it shall deem expedient to carry the Plan into effect and shall be the sole and final judge of such expediency. No Committee member shall be liable for any action or determination made with respect to the Plan or any Award.

4. ELIGIBILITY.

(a) Awards may be granted to officers, independent contractors, employees and non-employee directors of the Company or of any of its Subsidiaries and Affiliates; provided, that ISOs shall be granted only to employees (including officers and directors who are also employees) of the Company or any of its Subsidiaries.

(b) No ISO shall be granted to any employee of the Company or any of its Subsidiaries if such employee owns, immediately prior to the grant of the ISO, stock representing more than 10% of the voting power or more than 10% of the value of all classes of stock of the Company or a parent or a Subsidiary, unless the purchase price for the stock under such ISO shall be at least 110% of its Fair Market Value at the time such ISO is granted and the ISO, by its terms, shall not be exercisable more than five years from the date it is granted. In determining the stock ownership under this paragraph, the provisions of Section 424(d) of the Code shall be controlling.

5. STOCK SUBJECT TO THE PLAN.

(a) Share Limit. Subject to adjustment as provided herein, the maximum number of shares of Stock available for issuance under the Plan (the "Share Limit") shall be the sum of (i) six million (6,000,000) shares plus (ii) the number of shares that are forfeited under the Prior Plan following the Effective Date (including as a result of the termination or expiration prior to exercise of any awards thereunder). Such shares may, in whole or in part, be authorized but unissued shares or shares that shall have been or may be reacquired by the Company in the open market, in private transactions or otherwise. Any shares of Stock issued in respect of Awards hereunder shall be counted against this limit as one share for every one share subject to such Award. If any shares subject to an Award are forfeited, canceled, exchanged, withheld or surrendered or if an Award otherwise terminates or expires without a distribution of shares to the Grantee, the shares of stock with respect to such Award shall, to the extent of any such forfeiture, cancellation, exchange, withholding, surrender, termination or expiration, again be available for Awards under the Plan. Upon the exercise of any Award granted in tandem with any other Awards, such related Awards shall be canceled to the extent of the number of shares of Stock as to which the Award is exercised and, notwithstanding the foregoing, such number of shares shall no longer be available for Awards under the Plan.

(b) Individual Limits. No Grantee may receive any combination of Awards relating to more than five hundred thousand (500,000) shares of Stock in the aggregate, or a Cash-Based Award with a value that exceeds ten million dollars ($10,000,000) in the aggregate, in any fiscal year of the Company under this Plan (subject to adjustment under Section 5(d) hereof). Determinations made in respect of the limitation set forth in the preceding sentence shall be made in a manner consistent with Section 162(m) of the Code.

(c) Director Limit. Notwithstanding Section 5(b) above, no non-employee director of the Board may receive, in any fiscal year of the Company under this Plan (subject to adjustment herein), any combination of Awards having an aggregate value, determined as of the dates of such Awards, of more than five hundred thousand dollars ($500,000).

(d) Adjustments. In the event of any stock dividend, stock split, extraordinary cash dividend or other distribution (whether in the form of cash, Stock, or other property), recapitalization, stock split, reverse split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or share exchange, or other similar corporate transaction or event, then the Committee shall make adjustments to preserve the benefits or potential benefits of the Plan and outstanding Awards including, without limitation, such equitable changes or adjustments as it deems necessary or appropriate to any or all of (i) the number and kind of shares of Stock or other property (including cash) that may thereafter be issued in connection with Awards or the total number of Awards issuable under the Plan, (ii) the number and kind of shares of Stock or other property issued or issuable in respect of outstanding Awards, (iii) the exercise price, grant price or purchase price relating to any Award, (iv) the Performance Goals and (v) the individual limitations applicable to Awards; provided that, with respect to ISOs, any adjustment shall be made in accordance with the provisions of Section 424(h) of the Code and any regulations or guidance promulgated thereunder, and provided further that no such adjustment shall cause any Award hereunder which is or becomes subject to Section 409A of the Code to fail to comply with the requirements of such section.

(e) Substitution Awards. Awards may be granted under the Plan from time to time in substitution for stock options and other awards held by employees or directors of other entities who are about to become employees of the Company or its Subsidiaries, whose employer is about to become an Affiliate as the result of a merger or consolidation of the Company with another corporation, or the acquisition by the Company of substantially all the assets of another corporation, or the acquisition by the Company of at least fifty percent (50%) of the issued and outstanding stock of another corporation as the result of which such other corporation will become a Subsidiary. The terms and conditions of the substitute Awards so granted may vary from the terms and conditions set forth in the Plan to such extent as the Board at the time of grant may deem appropriate to conform, in whole or in part, to the provisions of the award in substitution for which they are granted. If shares of Stock are issued under the Plan with respect to an Award granted under this Section such shares of Stock will not count against the Share Limit.

6. SPECIFIC TERMS OF AWARDS.

(a) General. The Term of each Award shall be for such period as may be determined by the Committee, but not more than ten years. Subject to the terms of the Plan and any applicable Award Terms, payments to be made by the Company or a Subsidiary or Affiliate upon the grant, maturation, or exercise of an Award may be made in such forms as the Committee shall determine at the date of grant or thereafter, including, without limitation, cash, Stock, or other property, and may be made in a single payment or transfer, in installments, or, subject to the requirements of Section 409A of the Code, on a deferred basis.

(b) Awards. The Committee is authorized to grant to eligible participants in the Plan the following Awards, as deemed by the Committee to be consistent with the purposes of the Plan; provided, that Options may be granted to a Grantee only to the extent that the Stock constitutes "service recipient stock" within the meaning of Section 409A of the Code with respect to such Grantee. The Committee shall determine the terms and conditions of such Awards, consistent with the terms of the Plan.

(i) Options and SARs. The Committee is authorized to grant Options and SARs to eligible participants in the Plan on the following terms and conditions:

(A) The Award Terms evidencing the grant of an Option under the Plan shall designate the Option as an ISO or an NQSO, but any Option not so designated shall be an NQSO.

(B) The exercise or base price per share of Stock underlying an Option or SAR shall be determined by the Committee, but in no event shall the exercise or base price of an Option or SAR per share of Stock be less than the Fair Market Value of a share of Stock as of the date of grant of such Option or SAR. The purchase price of Stock as to which an Option is exercised shall be paid in full at the time of exercise; payment may be made in cash, which may be paid by check, or other instrument acceptable to the Company, or, with the consent of the Committee, in shares of Stock, valued at the Fair Market Value on the date of exercise (including shares of Stock that otherwise would be distributed to the Grantee upon exercise of the Option), or if there were no sales on such date, on the next preceding day on which there were sales or the Committee may permit such payment of exercise price by any other method it deems satisfactory in its discretion. In addition, subject to applicable law and if approved by the Committee in its sole discretion, payment of the exercise price may be made by the employee irrevocably authorizing a third party to sell shares of Stock (or a sufficient portion of the shares) acquired upon exercise of the Option and remit to the Company a sufficient portion of the sale proceeds to pay the entire Exercise Price and any tax withholding resulting from such exercise. In the case of any ISO such permission must be provided for at the time of grant and set forth in the Award Terms. Any amount necessary to satisfy applicable federal, state or local tax withholding requirements shall be paid promptly upon notification of the amount due. The Committee may permit such amount of tax withholding to be paid in shares of Stock previously owned by the employee, or a portion of the shares of Stock or cash, as applicable that otherwise would be distributed to such employee upon exercise of an Option or SAR, or a combination of cash and shares of such Stock in such amount that will not cause adverse accounting consequences for the Company and is permitted under applicable withholding rules promulgated by the Internal Revenue Service or another governmental entity in satisfaction of a Grantee's tax obligations.

(C) Options and SARs shall be exercisable over the Term (which shall not exceed ten years from the date of grant), at such times and upon such conditions as the Committee may determine, as reflected in the Award Terms. An Option or SAR may be exercised to the extent of any or all full shares of Stock as to which the Option has become exercisable, by giving written notice of such exercise to the Committee or its designated agent.

(D) Upon the Termination of a Grantee, the Options or SARs granted to such Grantee, to the extent that they are exercisable at the time of such Termination, shall remain exercisable for such period as may be provided in the applicable Award Terms, but in no event following the expiration of their respective Terms. The treatment of any Option or SAR that is unexercisable as of the date of such Termination shall be as set forth in the applicable Award Terms, but if no such treatment is specified, all such Options or SARs shall be forfeited upon such Termination.

(E) Options or SARs may be subject to such other conditions including, but not limited to, restrictions or conditions to the vesting of such Awards, restrictions on transferability of, or provisions for recovery of, the shares acquired upon exercise of such Options or SARs (or proceeds of sale thereof), as the

Committee may prescribe in its discretion or as may be required by applicable law or regulation.

(F) No dividends or dividend equivalents shall be granted in connection with a grant of Options or SARs.

(G) Notwithstanding any other provision of this Plan or any Award Terms (other than this Section), on the last trading day on which all or a portion of an outstanding Option and/or SAR may be exercised, if as of the close of trading on such day the then Fair Market Value of a share of Stock exceeds the per share exercise price of the Option and/or SAR by at least $0.50 (such expiring portion of an Option and/or SAR that is so in-the-money, an "Auto-Exercise Eligible Option/SAR"), the Grantee shall be deemed to have automatically exercised such Auto-Exercise Eligible Option/SAR (to the extent it has not previously been exercised or forfeited) as of the close of trading in accordance with the provisions of this Section. In the event of an automatic exercise pursuant to this Section, the Company shall reduce the number of shares of Stock issued to the Grantee upon such Grantee's automatic exercise of the Auto-Exercise Eligible Option/SAR in an amount necessary to satisfy (1) the Grantee's exercise price obligation for the Auto-Exercise Eligible Option/SAR, and (2) the minimum applicable Federal, state, local and, if applicable, foreign income and employment tax and social insurance withholding requirements arising upon the automatic exercise (unless the Committee deems that a different method of satisfying such withholding obligations is practicable and advisable), in each case based on the Fair Market Value of the Stock as of the close of trading on the date of exercise. In accordance with procedures established by the Committee, a Grantee may notify the Company's record-keeper in writing in advance that he or she does not wish for the Auto-Exercise Eligible Option/SAR to be exercised. This Section shall not apply to any Option and/or SAR to the extent that the Committee determines that this Section causes the Option and/or SAR to fail to qualify for favorable tax treatment under applicable law. In its discretion, the Company may determine to cease automatically exercising Options and/or SARs at any time.

(ii) Restricted Stock.

(A) The Committee may grant Awards of Restricted Stock to eligible participants in the Plan, alone or in tandem with other Awards under the Plan, subject to such restrictions, terms and conditions, as the Committee shall determine in its sole discretion and as shall be evidenced by the applicable Award Terms. At the time of grant of an Award of Restricted Stock, the Committee may impose such restrictions or conditions on such Awards as it, in its discretion, deems appropriate, including, but not limited to, restrictions or conditions to the vesting of such Awards, including the achievement of Performance Goals, restrictions on transferability of, or provisions for recovery of, the shares of Restricted Stock (or proceeds of sale thereof).

(B) The Committee shall determine the price, which, to the extent required by law, shall not be less than par value of the Stock, if any, to be paid by the Grantee for each share of Restricted Stock or unrestricted stock or stock units subject to the Award.

(C) Except as provided in the applicable Award Terms, no shares of Stock underlying a Restricted Stock Award may be assigned, transferred, or otherwise encumbered or disposed of by the Grantee until such shares of Stock have vested in accordance with the terms of such Award.

(D) Unless otherwise provided in the applicable Award Terms, a Grantee shall have the right to vote and receive dividends on Restricted Stock granted under the Plan. Unless otherwise provided in the applicable Award Terms, any dividend on a Restricted Stock Award shall be retained and paid to the Grantee only upon the vesting of the Restricted Stock Award to which the dividend is attributable.

(E) Upon the Termination of a Grantee, the Restricted Stock granted to such Grantee, including all dividends retained by the Company with respect thereto, shall be forfeited, unless otherwise provided in the terms and conditions specified in the applicable Award Terms.

(iii) <u>Restricted Stock Units</u>. The Committee is authorized to grant Restricted Stock Units to eligible participants in the Plan, subject to the following terms and conditions:

(A) At the time of grant of an Award of Restricted Stock Units, the Committee may impose such restrictions or conditions on such Awards as it, in its discretion, deems appropriate, including, but not limited to, restrictions or conditions to the vesting of such Awards, including the achievement of Performance Goals, restrictions on transferability of, or provisions for recovery of, the shares acquired upon vesting of such Restricted Stock Units (or proceeds of sale thereof). Unless otherwise provided in Award Terms or except as otherwise provided in the Plan, upon the vesting of a Restricted Stock Unit there shall be delivered to the

Grantee, as soon as practicable following the date on which such Award (or any portion thereof) vests (but in any event within such period as is required to avoid the imposition of a tax under Section 409A of the Code), that number of shares of Stock equal to the number of Restricted Stock Units becoming so vested.

(B) Subject to the requirements of Section 409A of the Code, an Award of Restricted Stock Units may provide the Grantee with the right to receive dividend equivalent payments with respect to Stock subject to the Award (both before and after the Award is earned or vested), which payments may be either made currently or credited to an account for the Grantee, and may be settled in cash or Stock, as determined by the Committee. Any such settlements and any such crediting of dividend equivalents may be subject to such conditions, restrictions and contingencies as the Committee shall establish, including the notional reinvestment of such credited amounts in Stock equivalents.

(C) Upon the Termination of a Grantee, the Restricted Stock Units granted to such Grantee shall be forfeited, unless otherwise provided in the applicable Award Terms.

(iv) <u>Other Stock-Based Awards and Cash-Based Awards</u>.

(A) The Committee is authorized to grant Awards to eligible participants in the Plan in the form of Other Stock-Based Awards or Cash-Based Awards, as deemed by the Committee to be consistent with the purposes of the Plan. At the time of grant of an Other Stock-Based Award or Cash-Based Award, the Committee may impose such restrictions or conditions on such Awards as it, in its discretion, deems appropriate, including, but not limited to, restrictions or conditions to the vesting of such Awards, including the achievement of Performance Goals, restrictions on transferability of, or provisions for recovery of, any shares (or proceeds of sale thereof) or cash acquired upon vesting of such Other Stock-Based Award or Cash-Based Award.

(B) The Committee may establish such other rules applicable to Other Stock-Based Awards or Cash-Based Awards intended to constitute performance-based compensation under Section 162(m) of the Code to the extent not inconsistent with Section 162(m) of the Code. With respect to any such Award, no payment shall be made to a Covered Employee prior to the certification by the Committee that the Performance Goals have been attained.

(C) Payments earned in respect of any Other Stock-Based Award or Cash-Based Award may be decreased in the sole discretion of the

Committee based on such factors as it deems appropriate. Notwithstanding the foregoing, any Awards may be adjusted in accordance with Section 5(d) hereof.

(c) Change in Control. Unless otherwise evidenced in the Award Terms:

(i) Performance Awards. In the event that a Change in Control of the Company occurs during a Performance Period, then immediately prior to the Change in Control, (1) the Performance Goals subject to each outstanding Award shall be deemed to be achieved at the actual level of performance based on an assumed Performance Period ending as of the date immediately prior to the Change in Control, (2) such Award shall cease to be subject to the achievement of the Performance Goals and (3) such Award shall vest in full at the end of the Performance Period provided the Grantee is employed by or is providing services to the Company, its successor or affiliate on such date, subject to the terms of this Section 6(c).

(ii) Continuation/Assumption/Substitution of Awards. With respect to each outstanding Award that is continued, assumed or substituted in connection with a Change in Control of the Company, in the event of the Termination of a Grantee by the Company, its successor or affiliate thereof without Cause or the resignation of the Grantee with Good Reason, in either case, within eighteen (18) months following such Change in Control, then:

(A) Any and all Options and Stock Appreciation Rights granted hereunder shall become exercisable, and shall remain exercisable throughout their term;

(B) Any restriction periods and restrictions imposed on all outstanding Awards of Restricted Stock, Restricted Stock Units, Other Stock-Based Awards or Cash-Based Awards shall lapse and such Awards shall be settled as soon a reasonably practicable, but in no event later than ten (10) days following such Termination of the Grantee; and

(C) Notwithstanding anything to the contrary, if the Change in Control event does not constitute a change in ownership or effective control of the Company or a change in ownership of a substantial portion of the assets of the Company under Section 409A of the Code, and if the Company determines any Award constitutes deferred compensation subject to Section 409A of the Code, then the vesting of such Award shall be accelerated as of the date of Termination of the Grantee, but the Company shall pay such Award on its scheduled payment date (which may be a “separation from service” within the meaning of Section 409A of the Code), but in no event more than 90 days following the scheduled payment date.

(iii) No Continuation/Assumption/Substitution of Awards. With respect to each outstanding Award that is not continued, assumed or substituted in connection with a Change in Control of the Company, immediately prior to the occurrence of the Change in Control,

(A) Any and all Options and Stock Appreciation Rights granted hereunder shall become exercisable upon the occurrence of such Change in Control;

(B) Any restriction periods and restrictions imposed on all outstanding Awards of Restricted Stock, Restricted Stock Units, Other Stock-Based Awards or Cash-Based Awards shall lapse and such Awards shall be settled as soon a reasonably practicable, but in no event later than ten (10) days following the Change in Control; and

(C) Notwithstanding anything to the contrary, if the Change in Control event does not constitute a change in ownership or effective control of the Company or a change in ownership of a substantial portion of the assets of the Company under Section 409A of the Code, and if the Company determines any Award constitutes deferred compensation subject to Section 409A of the Code, then the vesting of such Award shall be accelerated as of the date of the Change in Control, but the Company shall pay such Award on its scheduled payment date (which may be a “separation from service” within the meaning of Section 409A of the Code), but in no event more than 90 days following the scheduled payment date.

(iv) Continued/Assumed/Substituted. For purposes of this Section 6(c), an Award shall be considered continued, assumed or substituted for if, following the Change in Control, the Award (1) is based on shares of common stock that are traded on an established U.S. securities market; (2) provides the Grantee (or each Grantee in a class of Grantees) with rights and entitlements substantially equivalent to or better than the rights, terms and conditions applicable under such Award, including, but not limited to, an identical or better exercise or vesting schedule and identical or better timing and methods of payment; and (3) have substantially equivalent economic value (intrinsic value in the case of an Option or SAR) to such Award (determined at the time of the Change in Control).

(v) Cashout of Awards. Notwithstanding any other provision of the Plan, with respect to each outstanding Award that is not continued, assumed or substituted in connection with a Change in Control of the Company as determined in the sole discretion of the Committee and except as would otherwise result in adverse tax consequences under Section 409A of the

Code, the Committee may, in its discretion, provide that each Award shall, immediately upon the occurrence of a Change in Control, be cancelled in exchange for a payment in cash or securities in an amount equal to (x) the excess (if any) of the consideration paid per share in the Change in Control over the exercise or purchase price per share subject to the Award multiplied by (y) the number of shares granted under the Award. Without limiting the generality of the foregoing, in the event that the consideration paid per share in the Change in Control is greater than or equal to the exercise or purchase price per share subject to the Award, then the Committee may, in its discretion, cancel such Award without any consideration upon the occurrence of a Change in Control.

7. GENERAL PROVISIONS.

(a) Heirs and Successors. The terms of the Plan shall be binding upon, and inure to the benefit of, the Company and its successors and assigns, and upon any Person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Company's assets and business.

(b) Transferability. Awards granted under the Plan are not transferable except (i) as designated by the Grantee by will or by the laws of descent and distribution or (ii) as otherwise expressly permitted by the Committee including, if so permitted, pursuant to a transfer to such Grantee's immediate family, whether directly or indirectly or by means of a trust or partnership or otherwise. If any rights exercisable by a Grantee or benefits deliverable to a Grantee under any Award Terms under the Plan have not been exercised or delivered, respectively, at the time of the Grantee's death, such rights shall be exercisable by the Designated Beneficiary (as defined below), and such benefits shall be delivered to the Designated Beneficiary, in accordance with the provisions of the applicable terms of the Award Terms and the Plan. The "Designated Beneficiary" shall be the beneficiary or beneficiaries designated by the Grantee to receive benefits under the Company's group term life insurance plan or such other person or persons as the Grantee may designate by notice to the Company. If a deceased Grantee fails to have designated a beneficiary, or if the Designated Beneficiary does not survive the Grantee, any rights that would have been exercisable by the Grantee and any benefits distributable to the Grantee shall be exercised by or distributed to the legal representative of the estate of the Grantee. If a deceased Grantee designates a beneficiary and the Designated Beneficiary survives the Grantee but dies before the Designated Beneficiary's exercise of all rights under the Award Terms or before the complete distribution of benefits to the Designated Beneficiary under the Award Terms, then any rights that would have been exercisable by the Designated Beneficiary shall be exercised by the legal representative of the estate of the Designated Beneficiary, and any benefits distributable to the Designated Beneficiary shall be distributed to the legal representative of the estate of the Designated Beneficiary. All Options and SARs shall be exercisable, subject to the terms of this Plan, only by the Grantee or any person to whom such Option or SAR is transferred pursuant to this Section 7(b), it being understood that the term Grantee shall include such transferee for purposes of the exercise provisions contained herein.

(c) No Right to Continued Employment, etc. Nothing in the Plan or in any Award granted or any Award Terms, or other agreement entered into pursuant hereto shall confer upon any Grantee the right to continue in the employ or service of the Company, any Subsidiary or any Affiliate or to be entitled to any remuneration or benefits not set forth in the Plan or such Award Terms, or other agreement or to interfere with or limit in any way the right of the Company or any such Subsidiary or Affiliate to terminate such Grantee's employment or service.

(d) No Implied Rights. Neither a Grantee nor any other Person shall, by reason of participation in the Plan or otherwise, acquire any right in or title to any assets, funds or property of the Company whatsoever, including, without limitation, any specific funds, assets, or other property which the Company, in its sole discretion, may set aside in anticipation of a liability under the Plan. A Grantee shall have only a contractual right to the amounts, if any, payable under the Plan, unsecured by any assets of the Company, and nothing contained in the Plan shall constitute a guarantee that the assets of the Company shall be sufficient to pay any benefits to any Person.

(e) Taxes. The Company or any Subsidiary or Affiliate is authorized to withhold from any Award granted, any payment relating to an Award under the Plan, including from a distribution of Stock, or any other payment to a Grantee, amounts of withholding and other taxes due in connection with any transaction involving an Award, and to take such other action as the Committee may deem advisable to enable the Company and Grantees to satisfy obligations for the payment of withholding taxes and other tax obligations relating to any Award. This authority shall include authority to withhold or receive Stock or other property in such amount that will not cause adverse accounting consequences for the Company and is permitted under applicable withholding rules promulgated by the Internal Revenue Service or another governmental entity in satisfaction of a Grantee's tax obligations.

(f) Shareholder Approval; Amendment and Termination. The Plan shall take effect on the Effective Date but the Plan (and any grants of Awards made prior to the shareholder approval mentioned herein) shall be subject to the requisite approval of the shareholders of the Company, which approval must occur within twelve (12) months of the Effective Date. In the event that the shareholders of the Company do not approve the Plan, then upon such event the Plan and all rights hereunder shall immediately terminate and no Grantee (or any permitted transferee thereof) shall have any remaining rights under the Plan or any Award Terms entered into in connection herewith. The Board may amend, alter or discontinue the Plan or Awards thereunder, but no amendment, alteration, or discontinuation shall be made that would impair the rights of a Grantee under any Award theretofore granted without such Grantee's consent, or with respect to which shareholder approval is required by law or under the rules of any stock exchange on which Stock is then listed unless such shareholder approval is obtained. Unless earlier terminated by the Board pursuant to the provisions of the Plan, the Plan shall terminate on the tenth anniversary of its Effective Date. No Awards shall be granted under the Plan after such termination date; provided that Awards granted prior to such termination date shall continue in effect following such termination date in accordance with their terms (including those set forth in the Plan) notwithstanding the occurrence of the termination date.

(g) No Rights to Awards; No Shareholder Rights. No individual shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Grantees. No individual shall have any right to an Award or to payment or settlement under any Award unless and until the Committee or its designee shall have determined that an Award or payment or settlement is to be made. Except as provided specifically herein, a Grantee or a transferee of an Award shall have no rights as a shareholder with respect to any shares covered by the Award until the date of the issuance of such shares.

(h) Unfunded Status of Awards. The Plan is intended to constitute an “unfunded” plan for incentive and deferred compensation. With respect to any payments not yet made to a Grantee pursuant to an Award, nothing contained in the Plan or any Award shall give any such Grantee any rights that are greater than those of a general creditor of the Company.

(i) No Fractional Shares. No fractional shares of Stock shall be issued or delivered pursuant to the Plan or any Award. The Committee shall determine whether cash, other Awards, or other property shall be issued or paid in lieu of such fractional shares or whether such fractional shares or any rights thereto shall be forfeited or otherwise eliminated.

(j) Regulations and Other Approvals.

(i) The obligation of the Company to sell or deliver Stock with respect to any Award granted under the Plan shall be subject to all applicable laws, rules and regulations, including all applicable federal and state securities laws, and the obtaining of all such approvals by governmental agencies as may be deemed necessary or appropriate by the Committee.

(ii) Each Award is subject to the requirement that, if at any time the Committee determines, in its absolute discretion, that the listing, registration or qualification of Stock issuable pursuant to the Plan is required by any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body is necessary or desirable as a condition of, or in connection with, the grant of an Award or the issuance of Stock, no such Award shall be granted or payment made or Stock issued, in whole or in part, unless listing, registration, qualification, consent or approval has been effected or obtained free of any conditions not acceptable to the Committee.

(iii) In the event that the disposition of Stock acquired pursuant to the Plan is not covered by a then current registration statement under the Securities Act of 1933, as amended (the "Securities Act"), and is not otherwise exempt from such registration, such Stock shall be restricted against transfer to the extent required by the Securities Act or regulations thereunder, and the Committee may cause appropriate legends to be inscribed on the applicable stock certificates and/or to require a Grantee receiving Stock pursuant to the Plan, as a condition precedent to receipt of such Stock, to represent to the Company in writing that the Stock acquired by such Grantee is acquired for investment only and not with a view to distribution.

(k) Section 409A. The Plan as well as payments and benefits under the Plan are intended to be exempt from, or to the extent subject thereto, to comply with Section 409A of the Code, and, accordingly, to the maximum extent permitted, the Plan shall be interpreted in accordance therewith. Notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, the Grantee shall not be considered to have terminated employment or service with the Company for purposes of the Plan and no payment shall be due to the Grantee under the Plan or any Award until the Grantee would be considered to have incurred a "separation from service" from the Company and its Affiliates within the meaning of Section 409A of the Code. Any payments described in the Plan that are due within the "short term deferral period" as defined in Section 409A of the Code shall not be treated as deferred compensation unless applicable law requires otherwise. Notwithstanding anything to the contrary in the Plan, to the extent that any Awards (or any other amounts payable under any plan, program or arrangement of the Company or any of its Affiliates) are payable upon a separation from service, the settlement and payment of such awards (or other amounts) shall be delayed until the first business day after the date that is six (6) months following such separation from service (or death, if earlier) to the extent necessary to avoid the imposition of any individual tax and penalty interest charges imposed under Section 409A of the Code. Each amount to be paid or benefit to be provided under this Plan shall be construed as a separate identified payment for purposes of Section 409A of the Code. The Company makes no representation that any or all of the payments or benefits described in this Plan will be exempt from or comply with Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to any such payment. The Grantee shall be solely responsible for the payment of any taxes and penalties incurred under Section 409A.

(l) Recoupment. Notwithstanding anything to the contrary in the Plan or any Award Terms, each Grantee who receives an Award under the Plan shall be conclusively deemed to have consented to the applicability to such Award of the Company's "clawback" policy (as may be in effect from time to time) with respect to recoupment of incentive compensation in the event of misconduct by the Grantee or a restatement of the Company's financial statement, or as otherwise required by law or as determined by the Board or the Committee.

(m) Prohibition on Repricing. In no event shall the exercise price with respect to an Award be reduced following the grant of an Award, nor shall an Award be cancelled in exchange for a replacement Award with a lower exercise price or in exchange for another type of Award or cash payment without shareholder approval.

(n) Governing Law. The Plan and all determinations made and actions taken pursuant hereto shall be governed by the laws of the State of Delaware without giving effect to the conflict of laws principles thereof.

LOEWS CORPORATION

[FORM OF PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD NOTICE]

THIS PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD NOTICE (this “Notice”) is made and entered into as of the grant date set forth below (the “Grant Date”) and evidences the grant of the Award set forth below by Loews Corporation, a Delaware corporation (the “Company”), to the individual named below (the “Grantee”). Capitalized terms not defined herein shall have the meanings ascribed to them in the Loews Corporation 2016 Incentive Compensation Plan (the “Plan”).

Name of Grantee:	[ ]
Grant Date:	[ ]
Target Number of PRSUs:	[ ]
Performance Period:	[ ]
Performance Goals:	See Schedule 1 attached hereto
Vesting Date:	· Second Anniversary of the Grant Date, as to 50% of the Earned PRSUs (“Tranche 1”) · Third Anniversary of the Grant Date, as to 50% of the Earned PRSUs (“Tranche 2”)

1. Grant of Awards. The Company hereby grants to the Grantee Performance-Based Restricted Stock Units (“PRSUs”) as set forth herein, subject to the terms and conditions of this Notice and the Plan. This Notice shall constitute the Award Terms for purposes of the Plan.

2. Performance Period, Vesting and Payment.

(a) *Performance Period*. Subject to the remaining terms of this Notice, after completion of the Performance Period, the number of PRSUs earned under this Notice (the “Earned PRSUs”) will be based on the achievement of the Performance Goals as set forth on Schedule 1. The PRSU Award that could have been earned in accordance with the provisions of Schedule 1 that is not earned as of the end of the Performance Period shall be immediately forfeited at the end of the Performance Period.

(b) *Payment*. Each Earned PRSU shall, subject to the vesting schedule set forth above and the other terms herein, represent the right to receive one share of Stock. Any Earned PRSUs that become vested shall thereafter be payable in accordance with Section 2(c).

(c) *Timing and Manner of Payment after Vesting of PRSUs*.

(i) The “Vesting Date” for the Earned PRSUs shall be the applicable date set forth above.

(ii) Except as provided in Sections 3(d) and (e), within thirty (30) days following the vesting of any portion of this Award, the Company shall deliver to the account of the Grantee a number of shares of Stock equal to the number of Earned PRSUs subject to this Award (including PRSUs under Section 4(b) of this Notice) that vests (rounded down to the nearest whole Share in the aggregate), unless such Earned PRSUs are terminated or are forfeited pursuant to this Notice or the Plan.

(iii) In accordance with Section 3(a) of this Notice, the vesting schedule in this Notice requires continued employment or service with the Company or one of its Subsidiaries through the applicable Vesting Date as a condition to the vesting of the applicable portion of this Award and the rights and benefits under this Notice. Except as provided in Sections 3(b) through (e), employment or service for only a portion of the vesting period, even if a substantial portion, will not entitle the Grantee to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of employment or service as provided in this Notice or under the Plan.

(iv) The Grantee may be permitted to elect to defer receipt of payment related to the PRSUs (including PRSUs under Section 4(b) of this Notice), to the extent permitted by and in accordance with a separate deferral program and the deferral election form attached as Exhibit A hereto.

(v) Notwithstanding anything to the contrary in this Notice, the Company reserves the right, at its sole discretion, to settle any vested PRSU by cash payment in lieu of Stock. If the Company elects to settle any PRSU in cash, the amount of cash to be paid by the Company in settlement shall be determined by multiplying (a) the number of vested PRSUs to be settled in cash, by (b) the Fair Market Value of a share of Stock as of the applicable vesting date.

3. Forfeitures.

(a) *Termination of Employment*. Except as provided in Sections 3(b) through (e) below, if the Grantee's employment or service with the Company and/or its Subsidiaries terminates prior to a Vesting Date for any reason, the PRSUs, including any Earned PRSUs to the extent not vested, shall be forfeited as of the date of such termination of employment or service.

(b) *Death or Disability*. If the Grantee's employment or service with the Company and/or its Subsidiaries terminates on account of death or Disability during the Performance Period, the PRSUs shall continue to be subject to Section 2(a) of this Notice as if the Grantee had remained employed with the Company through the end of the Performance Period and any Earned PRSUs as of the end of the Performance Period shall become fully vested at such time and shall be paid in accordance with Section 2(c) above. If the Grantee's employment or service with the Company and/or its Subsidiaries terminates on account of death or Disability following the Performance Period, the Earned PRSUs shall become fully vested as of the date of such termination of employment or service and shall be paid in accordance with Section 2(c) above.

(c) *Without Cause*. If the Grantee's employment or service is terminated by the Company and/or its Subsidiaries without Cause during the Performance Period, the PRSUs shall continue to be subject to Section 2(a) of this Notice as if the Grantee had remained employed with the Company through the end of the Performance Period and then each Tranche of Earned PRSUs, if any, shall vest Pro-Rata (as defined below), and shall be paid in accordance with Section 2(c) above. If the Grantee's employment or service is terminated by the Company and/or its Subsidiaries without Cause following the Performance Period, each Tranche of Earned PRSUs shall vest Pro-Rata (as defined below), and shall be paid in accordance with Section 2(c) above. Any unvested Earned PRSUs shall be forfeited as of the date of such termination of employment or service.

(i) *Pro-Rata Definition*. For purposes of this Section 3(c) of this Notice, the term "Pro-Rata" means: (1) with respect to Tranche 1, a fraction, the numerator of which is the number of months completed from the date of grant through the date of such termination of employment or service, and the denominator of which is 24, and (2) with respect to Tranche 2, a fraction, the numerator of which is the number of months completed from the date of grant through the date of such termination of employment or service, and the denominator of which is 36.

(d) *Retirement in Year of Grant*. Subject to Section 6 below, if the Grantee's employment or service with the Company and/or its Subsidiaries terminates on account of Retirement during the Performance Period and the Grantee has provided at least six (6) months prior written notice of such Retirement to the Company, the PRSUs shall continue to be subject to Section 2(a) of this Notice as if the Grantee had remained employed with the Company through the end of the Performance Period and any Earned PRSUs as of the end of the Performance Period shall vest based on a fraction, the numerator of which is the number of days completed from January 1 in the calendar year of the date of grant through the date of such termination of employment or service, and the denominator of which is 365 and shall be paid within thirty (30) days following the end of the Performance Period. Any unvested Earned PRSUs shall be forfeited as of the end of the Performance Period.

(e) *Other Retirement*. Subject to Section 6 below, if the Grantee's employment or service with the Company and/or its Subsidiaries terminates on account of Retirement following the Performance Period and the Grantee has provided at least six (6) months prior written notice of such Retirement to the Company, any unvested Earned PRSUs shall become fully vested as of the date of such termination of employment or service, and shall be paid within thirty (30) days of the Grantee's date of termination of employment or service.

4. Dividend and Voting Rights.

(a) *Limitation on Rights*. The PRSUs are bookkeeping entries only. Notwithstanding Section 5(d) of the Plan, the Grantee shall have no rights as a stockholder of the Company, no dividend rights (except as expressly provided in Section 4(b) below) and no voting rights with respect to the PRSUs or any shares of Stock underlying or issuable in respect of the PRSUs until such shares of Stock are actually issued to and held of record by the Grantee pursuant to the terms of this Notice. Notwithstanding Section 5(d) of the Plan, no adjustments will be made for dividends or other rights of a holder for which the record date is prior to the date of issuance of the stock certificate or book entry evidencing such shares of Stock (except as expressly provided in Section 4(b) below).

(b) *Dividend Equivalent Rights*. Any PRSUs credited pursuant to the following Sections 4(b)(i) and (ii) shall be subject to the same vesting, payment and other terms, conditions and restrictions (including the Performance Goals) as the original PRSUs to which they relate. No crediting of PRSUs shall be made pursuant to this Section 4(b) with respect to any PRSUs that, as of the record date for that dividend, have either been paid or have terminated or been forfeited pursuant to this Notice.

(i) *Cash Dividend Equivalents*. As of any date that the Company pays a cash dividend on its Stock, the Company shall credit the Grantee with additional PRSUs determined by dividing (1) the amount of the cash dividend on the number of shares remaining subject to the PRSUs on the record date for such dividend, by (2) the closing price per share of the Stock on the payment date for such dividend.

(ii) *Stock Dividend Equivalents*. As of any date that the Company pays a Stock dividend on its Stock, the Company shall credit the Grantee with an additional number of PRSUs equal to the number of shares of Stock that would have been issued with respect to a number of shares of Stock equal to the number of PRSUs outstanding on the record date for such dividend.

5. PRSU Award Subject to Plan. This Award is granted under and subject to and governed by the terms and conditions of this Notice and the terms and conditions of the Plan, which are incorporated herein by reference. In the event of any conflict between this Notice and the Plan, the Plan shall control unless specifically stated otherwise in this Notice. In the event of any ambiguity in this Notice, any term that is not defined in this Notice, or any matters as to which this Notice is silent, the Plan shall govern.

6. Recoupment. If the Grantee's employment or service with the Company and/or its Subsidiaries terminates on account of Retirement, but within 12 months of such Retirement, the Grantee accepts a full-time position in a capacity (i) that is substantially similar to his/her prior position at the Company and/or its Subsidiaries as of the date of Retirement or (ii) in which he/she performs services that are substantially similar to those services he/she performed for the Company and/or its Subsidiaries as of the date of Retirement, then such Grantee shall be required to pay to the Company an amount equal to the value, based on the closing price of the Company's Stock at the date of Retirement, of any PRSUs that were earned or vested as a result of such Retirement. The Grantee must pay such amount no later than five (5) business days of his/her commencing to perform such services.

7. Tax Withholding. The Company shall withhold from the Grantee's Award or other compensation any required taxes, including social security and Medicare taxes, and federal, state and local income tax, with respect to the income arising from the vesting or payment in respect of any PRSUs under this Notice. The Company shall have the right to require the payment of any such taxes before delivering any shares of Stock upon the vesting of any PRSU. The

Grantee may elect at least six (6) months prior to any vesting event to have any such withholding obligations satisfied by: (i) delivering cash; (ii) delivering part or all of the withholding payment in previously owned shares of Stock; and/or (iii) irrevocably directing the Company to reduce the number of shares that would otherwise be issued to the Grantee upon the vesting of the Award by that number of whole shares of Stock having a Fair Market Value, determined by the Company, in its sole discretion, equal to the amount of tax to be withheld in such amount that will not cause adverse accounting consequences for the Company and is permitted under applicable withholding rules promulgated by the Internal Revenue Service or another governmental entity in satisfaction of a Grantee's tax obligations. Absent a specific election to the contrary by the Grantee, such withholding obligations shall be satisfied pursuant to the method described in clause (iii) of the preceding sentence or, at any time a withholding payment is required but no shares of Stock are being issued to the Grantee at such time, through withholding from any other cash payment to the Grantee, as determined by the Company in its sole discretion.

8. Section 409A Compliance. It is the intention of the Company and the Grantee that all payments, benefits and entitlements received by the Grantee under this Notice be provided in a manner that does not impose any additional taxes, interest or penalties on the Grantee with respect to such payments, benefits and entitlements under Section 409A of the Code, and its implementing regulations ("Section 409A"), and the provisions of this Notice shall be construed and administered in accordance with such intent. Each of the Company and the Grantee has used, and will continue to use, their best reasonable efforts to avoid the imposition of such additional taxes, interest or penalties, and the Company and the Grantee agree to work together in good faith to amend this Notice, and to structure any payment, benefit or other entitlement received by the Grantee hereunder, in a manner that avoids imposition of such additional taxes, interest or penalties while preserving the affected payment, benefit or entitlement to the maximum extent practicable and maintaining the basic financial provisions of this Notice without violating any applicable requirement of Section 409A.

9. Governing Law. This Notice shall be governed by, interpreted under, and construed and enforced in accordance with the internal laws, and not the laws pertaining to conflicts or choice of laws, of the State of Delaware applicable to agreements made and to be performed wholly within the State of Delaware.

10. Binding on Successors. The terms of this Notice shall be binding upon the Grantee and upon the Grantee's heirs, executors, administrators, personal representatives, transferees, assignees and successors in interest, and upon the Company and its successors and assignees, subject to the terms of the Plan.

11. Transferability. The PRSUs shall not be treated as property or as a trust fund of any kind. This Award, including the PRSUs subject to this Award, is not transferable except as permitted by the Plan.

12. Entire Agreement. This Notice and the Plan contain the entire agreement and understanding between the parties as to the subject matter hereof.

13. Notices. All notices and other communications under this Notice shall be in writing and shall be given by hand delivery to the other party or confirmed fax or overnight courier, or by postage paid first class mail, addressed as follows:

If to the Grantee:

The address of his or her principal residence as it appears in the Company's records.

If to the Company:

Loews Corporation
667 Madison Avenue
New York, NY 10065
Attention: Corporate Secretary
Facsimile: (212) 521-2997

or to such other address as any party shall have furnished to the other in writing in accordance with this Section 13. Notice and communications shall be effective when actually received by the addressee if given by hand delivery or confirmed fax, when deposited with a courier service if given by overnight courier, or two (2) business days following mailing if delivered by first class mail.

14. Amendment. This Notice may not be modified, amended or waived except by an instrument in writing signed by the Company and the Grantee. The waiver by either party of compliance with any provision of this Notice shall not operate or be construed as a waiver of any other provision of this Notice, or of any subsequent breach by the other party of a provision of this Notice.

15. Authority of the Administrator. The Plan is administered by the Committee, which shall have full authority to interpret and construe the terms of the Plan and this Notice. The determination of the Committee administrator as to any such matter of interpretation or construction shall be final, binding and conclusive.

16. No Rights to Continuation of Employment. Nothing in the Plan or this Notice shall confer upon the Grantee any right to continue in the employ of the Company or any Subsidiary thereof or shall interfere with or restrict the right of the Company to terminate the Grantee's employment at any time for any reason.

17. Headings. Headings are used solely for the convenience of the parties and shall not be deemed to be a limitation upon or descriptive of the contents of any Section.

Effective as of the Grant Date, the Company has caused this Notice to be executed on its behalf by a duly authorized officer.

LOEWS CORPORATION

By: ___________________________
Name:
Title:

Schedule 1
Performance Goals

Exhibit 10.3

LOEWS CORPORATION

[FORM OF TIME-VESTING RESTRICTED STOCK UNIT AWARD NOTICE]

THIS TIME-VESTING RESTRICTED STOCK UNIT AWARD NOTICE (this “Notice”) is made as of the grant date set forth below (the “Grant Date”) and evidences the grant of the Award set forth below by Loews Corporation, a Delaware corporation (the “Company”), to the individual named below (the “Grantee”). Capitalized terms not defined herein shall have the meanings ascribed to them in the Loews Corporation 2016 Incentive Compensation Plan (the “Plan”).

Name of Grantee:	[ ]
Grant Date:	[ ]
Number of RSUs:	[ ]
Vesting Date:	· Second Anniversary of the Grant Date, as to 50% of the RSUs (“Tranche 1”) · Third Anniversary of the Grant Date, as to 50% of the RSUs (“Tranche 2”)

1. Grant of Awards. The Company hereby grants to the Grantee Restricted Stock Units (“RSUs”) as set forth herein, subject to the terms and conditions of this Notice and the Plan. This Notice shall constitute the Award Terms for purposes of the Plan.

2. Form of Payment and Vesting.

(a) *Payment*. Each RSU granted under this Notice shall, subject to the vesting schedule set forth above and the other terms herein, represent the right to receive one share of Stock. Any RSUs that become vested shall thereafter be payable in accordance with Section 2(b).

(b) *Timing and Manner of Payment after Vesting of RSUs*.

(i) The “Vesting Date” for the RSUs shall be the applicable date set forth above.

(ii) Except as provided in Sections 3(d) and (e), within thirty (30) days following the vesting of any portion of this Award, the Company shall deliver to the account of the Grantee a number of shares of Stock equal to the number of RSUs subject to this Award (including RSUs under Section 4(b) of this Notice) that vests (rounded down to the nearest whole share in the aggregate), unless such RSUs are terminated or are forfeited pursuant to this Notice or the Plan or unless the Company has elected in its discretion to settle such vested RSUs in cash in lieu of Stock.

(iii) In accordance with Section 3(a) of this Notice, the vesting schedule in this Notice requires continued employment or service with the Company or one of its Subsidiaries through the applicable Vesting Date as a condition to the vesting of the applicable portion of this Award and the rights and benefits under this Notice. Except as provided in Sections 3(b) through (e), employment or service for only a portion of the vesting period, even if a substantial portion, will not entitle the Grantee to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of employment or service as provided in this Notice or under the Plan.

(iv) The Grantee may be permitted to elect to defer receipt of payment related to the RSUs (including RSUs under Section 4(b) of this Notice), to the extent permitted by and in accordance with a separate deferral program.

(v) Notwithstanding anything to the contrary in this Notice, the Company reserves the right, at its sole discretion, to settle any vested RSU by cash payment in lieu of Stock. If the Company elects to settle any RSU in cash, the amount of cash to be paid by the Company in settlement shall be determined by multiplying (a) the number of vested RSUs to be settled in cash, by (b) the Fair Market Value of a share of Stock as of the applicable vesting date.

3. Forfeitures.

(a) *Termination of Employment*. Except as provided in Sections 3(b) through (e) below, if the Grantee's employment or service with the Company and/or its Subsidiaries terminates prior to a Vesting Date for any reason, the unvested portion of this Award shall be forfeited as of the date of such termination of employment or service.

(b) *Death or Disability*. If the Grantee's employment or service with the Company and/or its Subsidiaries terminates on account of death or Disability, the unvested portion of this Award shall become fully vested as of the date of such termination of employment or service and shall be paid in accordance with Section 2(b) above.

(c) *Without Cause*. If the Grantee's employment or service is terminated by the Company and/or its Subsidiaries without Cause, each Tranche of the Award shall vest Pro-Rata (as defined below), and shall be paid in accordance with Section 2(b) above. The unvested portion of the Award shall be forfeited as of the date of such termination of employment or service.

(i) *Pro-Rata Definition*. For purposes of this Section 3(c) of this Notice, the term "Pro-Rata" means: (1) with respect to Tranche 1, a fraction, the numerator of which is the number of months completed from the date of grant through the date of such termination of employment or service, and the denominator of which is 24, and (2) with respect to Tranche 2, a fraction, the numerator of which is the number of months completed from the date of grant through the date of such termination of employment or service, and the denominator of which is 36.

(d) *Retirement in Year of Grant*. Subject to Section 6 below, if the Grantee's employment or service with the Company and/or its Subsidiaries terminates on account of Retirement during the calendar year that includes the date of grant and the Grantee has provided at least six (6) months prior written notice of such Retirement to the Company, each Tranche of the Award shall vest based on a fraction, the numerator of which is the number of days completed from January 1 in the calendar year of the date of grant through the date of such termination of employment or service, and the denominator of which is 365, and shall be paid within thirty (30) days of the Grantee's date of termination of employment or service. The unvested portion of the Award shall be forfeited as of the date of such termination of employment or service.

(e) *Other Retirement*. Subject to Section 6 below, if the Grantee's employment or service with the Company and/or its Subsidiaries terminates on account of Retirement following the calendar year that includes the date of grant and the Grantee has provided at least six (6) months prior written notice of such Retirement to the Company, the unvested portion of this Award shall become fully vested as of the date of such termination of employment or service, and shall be paid within thirty (30) days of the Grantee's date of termination of employment or service.

4. Dividend and Voting Rights.

(a) *Limitation on Rights*. The RSUs are bookkeeping entries only. Notwithstanding Section 5(d) of the Plan, the Grantee shall have no rights as a stockholder of the Company, no dividend rights (except as expressly provided in Section 4(b)) and no voting rights with respect to the RSUs or any shares of Stock underlying or issuable in respect of the RSUs until such shares of Stock are actually issued to and held of record by the Grantee pursuant to the terms of this Notice. Notwithstanding Section 5(d) of the Plan, no adjustments will be made for dividends or other rights of a holder for which the record date is prior to the date of issuance of the stock certificate or book entry evidencing such shares of Stock (except as expressly provided in Section 4(b) below).

(b) *Dividend Equivalent Rights*. Any RSUs credited pursuant to the following Sections 4(b)(i) and (ii) shall be subject to the same vesting, payment and other terms, conditions and restrictions as the original RSUs to which they relate. No crediting of RSUs shall be made pursuant to this Section 4(b) with respect to any RSUs that, as of the record date for that dividend, have either been paid or have terminated or been forfeited pursuant to this Notice.

(i) *Cash Dividend Equivalents*. As of any date that the Company pays a cash dividend on its Stock, the Company shall credit the Grantee with additional RSUs determined by dividing (1) the amount of the cash dividend on the number of shares remaining subject to the RSUs on the record date for such dividend, by (2) the closing price per share of the Stock on the payment date for such dividend.

(ii) *Stock Dividend Equivalents*. As of any date that the Company pays a Stock dividend on its Stock, the Company shall credit the Grantee with an additional number of RSUs equal to the number of shares of Stock that would have been issued with respect to a number of shares of Stock equal to the number of RSUs outstanding on the record date for such dividend.

5. RSU Award Subject to Plan. This Award is granted under and subject to and governed by the terms and conditions of this Notice and the terms and conditions of the Plan, which are incorporated herein by reference. In the event of any conflict between this Notice and the Plan, the Plan shall control unless specifically stated otherwise in this Notice. In the event of any ambiguity in this Notice, any term that is not defined in this Notice, or any matters as to which this Notice is silent, the Plan shall govern.

6. Recoupment. If the Grantee's employment or service with the Company and/or its Subsidiaries terminates on account of Retirement, but within 12 months of such Retirement, the Grantee accepts a full-time position in a capacity (i) that is substantially similar to his/her prior position at the Company and/or its Subsidiaries as of the date of Retirement or (ii) in which he/she performs services that are substantially similar to those services he/she performed for the Company and/or its Subsidiaries as of the date of Retirement, then such Grantee shall be required to pay to the Company an amount equal to the value, based on the closing price of the Company's Stock at the date of Retirement, of any RSUs that vested as a result of such Retirement. The Grantee must pay such amount no later than five (5) business days of his/her commencing to perform such services.

7. Tax Withholding. The Company shall withhold from the Grantee's Award or other compensation any required taxes, including social security and Medicare taxes, and federal, state and local income tax, with respect to the income arising from the vesting or payment in respect of any RSUs under this Notice. The Company shall have the right to require the payment of any such taxes before delivering any shares of Stock upon the vesting of any RSU. The Grantee may elect at least six (6) months prior to any vesting event to have any such withholding obligations satisfied by: (i) delivering cash; (ii) delivering part or all of the withholding payment in previously owned shares of Stock; and/or (iii) irrevocably directing the Company to reduce the number of shares that would otherwise be issued to the Grantee upon the vesting of the Award by that number of whole shares of Stock having a Fair Market Value, determined by the Company, in its sole discretion, equal to the amount of tax to be withheld in such amount that will not cause adverse accounting consequences for the Company and is permitted under applicable withholding rules promulgated by the Internal Revenue Service or another governmental entity in satisfaction of a Grantee's tax obligations. Absent a specific election to the contrary by the Grantee, such withholding obligations shall be satisfied pursuant to the method described in clause (iii) of the preceding sentence or, at any time a withholding payment is required but no shares of Stock are being issued to the Grantee at such time, through withholding from any other cash payment to the Grantee, as determined by the Company in its sole discretion.

8. Section 409A Compliance. It is the intention of the Company and the Grantee that all payments, benefits and entitlements received by the Grantee under this Notice be provided in a manner that does not impose any additional taxes, interest or penalties on the Grantee with respect to such payments, benefits and entitlements under Section 409A of the Code, and its implementing regulations ("Section 409A"), and the provisions of this Notice shall be construed and administered in accordance with such intent. Each of the Company and the Grantee has used, and will continue to use, their best reasonable efforts to avoid the imposition of such additional taxes, interest or penalties, and the Company and the Grantee agree to work together in good faith to amend this Notice, and to structure any payment, benefit or other entitlement

received by the Grantee hereunder, in a manner that avoids imposition of such additional taxes, interest or penalties while preserving the affected payment, benefit or entitlement to the maximum extent practicable and maintaining the basic financial provisions of this Notice without violating any applicable requirement of Section 409A.

9. Governing Law. This Notice shall be governed by, interpreted under, and construed and enforced in accordance with the internal laws, and not the laws pertaining to conflicts or choice of laws, of the State of Delaware applicable to agreements made and to be performed wholly within the State of Delaware.

10. Binding on Successors. The terms of this Notice shall be binding upon the Grantee and upon the Grantee's heirs, executors, administrators, personal representatives, transferees, assignees and successors in interest, and upon the Company and its successors and assignees, subject to the terms of the Plan.

11. Transferability. The RSUs shall not be treated as property or as a trust fund of any kind. This Award, including the RSUs subject to this Award, is not transferable except as permitted by the Plan.

12. Entire Agreement. This Notice and the Plan contain the entire agreement and understanding between the parties as to the subject matter hereof.

13. Notices. All notices and other communications under this Notice shall be in writing and shall be given by hand delivery to the other party or confirmed fax or overnight courier, or by postage paid first class mail, addressed as follows:

If to the Grantee:

The address of his or her principal residence as it appears in the Company's records.

If to the Company:

Loews Corporation
667 Madison Avenue
New York, NY 10065
Attention: Corporate Secretary
Facsimile: (212) 521-2997

or to such other address as any party shall have furnished to the other in writing in accordance with this Section 13. Notice and communications shall be effective when actually received by the addressee if given by hand delivery or confirmed fax, when deposited with a courier service if given by overnight courier, or two (2) business days following mailing if delivered by first class mail.

14. Amendment. This Notice may not be modified, amended or waived except by an instrument in writing signed by the Company and the Grantee. The waiver by either party of compliance with any provision of this Notice shall not operate or be construed as a waiver of any other provision of this Notice, or of any subsequent breach by the other party of a provision of this Notice.

15. Authority of the Administrator. The Plan is administered by the Committee, which shall have full authority to interpret and construe the terms of the Plan and this Notice. The determination of the Committee administrator as to any such matter of interpretation or construction shall be final, binding and conclusive.

16. No Rights to Continuation of Employment. Nothing in the Plan or this Notice shall confer upon the Grantee any right to continue in the employ of the Company or any Subsidiary thereof or shall interfere with or restrict the right of the Company to terminate the Grantee's employment at any time for any reason.

17. Headings. Headings are used solely for the convenience of the parties and shall not be deemed to be a limitation upon or descriptive of the contents of any Section.

Effective as of the Grant Date, the Company has caused this Notice to be executed on its behalf by a duly authorized officer.

LOEWS CORPORATION

By:_______________________
Name:
Title:

Exhibit 10.4

LOEWS CORPORATION

[FORM OF DIRECTOR RESTRICTED STOCK UNIT AWARD NOTICE]

THIS DIRECTOR RESTRICTED STOCK UNIT AWARD NOTICE (this “Notice”) is made and entered into as of the grant date set forth below (the “Grant Date”) and evidences the grant of the Award set forth below by Loews Corporation, a Delaware corporation (the “Company”), to the individual named below (the “Grantee”). Capitalized terms not defined herein shall have the meanings ascribed to them in the Loews Corporation 2016 Incentive Compensation Plan (the “Plan”).

Name of Grantee:	[ ]
Grant Date:	[ ]
Number of RSUs:	[ ]
Vesting Date:	First Anniversary of the Grant Date

1. Grant of Awards. The Company hereby grants to the Grantee Restricted Stock Units (“RSUs”) as set forth herein, subject to the terms and conditions of this Notice and the Plan. This Notice shall constitute the Award Terms for purposes of the Plan.

2. Form of Payment and Vesting.

(a) *Payment*. Each RSU granted under this Notice shall, subject to the vesting schedule set forth above and the other terms herein, represent the right to receive one share of Stock. Any RSUs that become vested shall thereafter be payable in accordance with Section 2(b).

(b) *Timing and Manner of Payment after Vesting of RSUs*.

(i) The “Vesting Date” for the RSUs shall be the applicable date set forth above.

(ii) Except as provided in Section 3(c), within thirty (30) days following the vesting of this Award, the Company shall deliver to the account of the Grantee a number of shares of Stock equal to the number of RSUs subject to this Award (including RSUs under Section 4(b) of this Notice) that vests (rounded down to the nearest whole share in the aggregate), unless such RSUs are terminated or are forfeited pursuant to this Notice or the Plan or unless the Company has elected in its discretion to settle such vested RSUs in cash in lieu of Stock.

(iii) In accordance with Section 3(a) of this Notice, the vesting schedule in this Notice requires continued employment or service with the Company or one of its Subsidiaries through the Vesting Date as a condition to the vesting of the applicable portion of this Award and the rights and benefits under this Notice. Except as provided in Sections 3(b) and (c), employment or service for only a portion of the vesting period, even if a substantial portion, will not entitle the Grantee to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of employment or services as provided in this Notice or under the Plan.

(iv) The Grantee may be permitted to elect to defer receipt of payment related to the RSUs (including RSUs under Section 4(b) of this Notice), to the extent permitted by and in accordance with a separate deferral program.

(v) Notwithstanding anything to the contrary in this Notice, the Company reserves the right, at its sole discretion, to settle any vested RSU by cash payment in lieu of Stock. If the Company elects to settle any RSU in cash, the amount of cash to be paid by the Company in settlement shall be determined by multiplying (a) the number of vested RSUs to be settled in cash, by (b) the Fair Market Value of a share of Stock as of the applicable vesting date.

3. Forfeitures.

(a) *Termination of Service*. Except as provided in Sections 3(b) and (c) below, if the Grantee's employment or service with the Company and/or its Subsidiaries terminates prior to a Vesting Date for any reason, the Award shall be forfeited as of the date of such termination of employment or service.

(b) *Death or Disability*. If the Grantee's employment or service with the Company and/or its Subsidiaries terminates on account of death or Disability, the Award shall become fully vested as of the date of such termination of employment or service and shall be paid in accordance with Section 2(b) above.

(c) *Retirement*. If the Grantee's service with the Company and/or its Subsidiaries terminates on account of Retirement (as defined below) and the Grantee has provided at least six (6) months prior written notice of such Retirement to the Company, the Award shall become fully vested as of the date of such termination of service, and shall be paid within thirty (30) days of the Grantee's date of termination of service. The term "Retirement" means the Grantee has served as a non-employee director of the Board for a period of five (5) years or more.

4. Dividend and Voting Rights.

(a) *Limitation on Rights*. The RSUs are bookkeeping entries only. Notwithstanding Section 5(d) of the Plan, the Grantee shall have no rights as a stockholder of the Company, no dividend rights (except as expressly provided in Section 4(b)) and no voting rights with respect to the RSUs or any shares of Stock underlying or issuable in respect of the RSUs until such shares of Stock are actually issued to and held of record by the Grantee pursuant to the terms of this Notice. Notwithstanding Section 5(d) of the Plan, no adjustments will be made for dividends or other rights of a holder for which the record date is prior to the date of issuance of the stock certificate or book entry evidencing such shares of Stock (except as expressly provided in Section 4(b) below).

(b) *Dividend Equivalent Rights*. Any RSUs credited pursuant to the following Sections 4(b)(i) and (ii) shall be subject to the same vesting, payment and other terms, conditions and restrictions as the original RSUs to which they relate. No crediting of RSUs shall be made pursuant to this Section 4(b) with respect to any RSUs that, as of the record date for that dividend, have either been paid or have terminated or been forfeited pursuant to this Notice.

(i) *Cash Dividend Equivalents*. As of any date that the Company pays a cash dividend on its Stock, the Company shall credit the Grantee with additional RSUs determined by dividing (1) the amount of the cash dividend on the number of shares remaining subject to the RSUs on the record date for such dividend, by (2) the closing price per share of the Stock on the payment date for such dividend.

(ii) *Stock Dividend Equivalents*. As of any date that the Company pays a Stock dividend on its Stock, the Company shall credit the Grantee with an additional number of RSUs equal to the number of shares of Stock that would have been issued with respect to a number of shares of Stock equal to the number of RSUs outstanding on the record date for such dividend.

5. RSU Award Subject to Plan. This Award is granted under and subject to and governed by the terms and conditions of this Notice and the terms and conditions of the Plan, which are incorporated herein by reference. In the event of any conflict between this Notice and the Plan, the Plan shall control unless specifically stated otherwise in this Notice. In the event of any ambiguity in this Notice, any term that is not defined in this Notice, or any matters as to which this Notice is silent, the Plan shall govern.

6. Tax Withholding. To the extent applicable, the Company shall withhold from the Grantee’s Award or other compensation any required taxes, including social security and Medicare taxes, and federal, state and local income tax, with respect to the income arising from the vesting or payment in respect of any RSUs under this Notice. The Company shall have the right to require the payment of any such taxes before delivering any shares of Stock upon the vesting of any RSU. The Grantee may elect at least six (6) months prior to any vesting event to have any such withholding obligations satisfied by: (i) delivering cash; (ii) delivering part or all of the withholding payment in previously owned shares of Stock; and/or (iii) irrevocably directing the Company to reduce the number of shares that would otherwise be issued to the Grantee upon the vesting of the Award by that number of whole shares of Stock having a Fair Market Value, determined by the Company, in its sole discretion, equal to the amount of tax to be withheld in such amount that will not cause adverse accounting consequences for the Company and is permitted under applicable withholding rules promulgated by the Internal Revenue Service or another governmental entity in satisfaction of a Grantee’s tax obligations. Absent a specific election to the contrary by the Grantee, such withholding obligations shall be satisfied pursuant to the method described in clause (iii) of the preceding sentence or, at any time a withholding payment is required but no shares of Stock are being issued to the Grantee at such time, through withholding from any other cash payment to the Grantee, as determined by the Company in its sole discretion.

7. Section 409A Compliance. It is the intention of the Company and the Grantee that all payments, benefits and entitlements received by the Grantee under this Notice be provided in a

manner that does not impose any additional taxes, interest or penalties on the Grantee with respect to such payments, benefits and entitlements under Section 409A of the Code, and its implementing regulations ("Section 409A"), and the provisions of this Notice shall be construed and administered in accordance with such intent. Each of the Company and the Grantee has used, and will continue to use, their best reasonable efforts to avoid the imposition of such additional taxes, interest or penalties, and the Company and the Grantee agree to work together in good faith to amend this Notice, and to structure any payment, benefit or other entitlement received by the Grantee hereunder, in a manner that avoids imposition of such additional taxes, interest or penalties while preserving the affected payment, benefit or entitlement to the maximum extent practicable and maintaining the basic financial provisions of this Notice without violating any applicable requirement of Section 409A.

8. Governing Law. This Notice shall be governed by, interpreted under, and construed and enforced in accordance with the internal laws, and not the laws pertaining to conflicts or choice of laws, of the State of Delaware applicable to agreements made and to be performed wholly within the State of Delaware.

9. Binding on Successors. The terms of this Notice shall be binding upon the Grantee and upon the Grantee's heirs, executors, administrators, personal representatives, transferees, assignees and successors in interest, and upon the Company and its successors and assignees, subject to the terms of the Plan.

10. Transferability. The RSUs shall not be treated as property or as a trust fund of any kind. This Award, including the RSUs subject to this Award, is not transferable except as permitted by the Plan.

11. Entire Agreement. This Notice and the Plan contain the entire agreement and understanding between the parties as to the subject matter hereof.

12. Notices. All notices and other communications under this Notice shall be in writing and shall be given by hand delivery to the other party or confirmed fax or overnight courier, or by postage paid first class mail, addressed as follows:

If to the Grantee:

The address of his or her principal residence as it appears in the Company's records.

If to the Company:

Loews Corporation
667 Madison Avenue
New York, NY 10065
Attention: Corporate Secretary
Facsimile: (212) 521-2997

or to such other address as any party shall have furnished to the other in writing in accordance with this Section 12. Notice and communications shall be effective when actually received by the addressee if given by hand delivery or confirmed fax, when deposited with a courier service if given by overnight courier, or two (2) business days following mailing if delivered by first class mail.

13. Amendment. This Notice may not be modified, amended or waived except by an instrument in writing signed by the Company and the Grantee. The waiver by either party of compliance with any provision of this Notice shall not operate or be construed as a waiver of any other provision of this Notice, or of any subsequent breach by the other party of a provision of this Notice.

14. Authority of the Administrator. The Plan is administered by the Committee, which shall have full authority to interpret and construe the terms of the Plan and this Notice. The determination of the Committee administrator as to any such matter of interpretation or construction shall be final, binding and conclusive.

15. No Rights to Continuation of Service. Nothing in the Plan or this Notice shall confer upon the Grantee any right to continue providing service to the Company or any Subsidiary thereof or shall interfere with or restrict the right of the Company to terminate the Grantee's service at any time for any reason.

16. Headings. Headings are used solely for the convenience of the parties and shall not be deemed to be a limitation upon or descriptive of the contents of any Section.

Effective as of the Grant Date, the Company has caused this Notice to be executed on its behalf by a duly authorized officer.

LOEWS CORPORATION

By:_______________________
Name:
Title:

[FORM OF ELECTION FORM
FOR RESTRICTED STOCK UNITS]

Print Name:

Address:

Telephone Number: **Email:**

You are eligible to defer the distribution of your Restricted Stock Units that may be granted to you in 20___ under the Loews Corporation 2016 Incentive Compensation Plan (the "Plan"). Capitalized terms not defined herein will have the meanings ascribed to such terms in the Plan.

You must complete this form on or before December 31, 20___. Your election to defer will be effective as of January 1, 20___. Please note that your election to defer is irrevocable.

1. Election to Defer Restricted Stock Units:

☐ I elect to defer ____% of my Restricted Stock Units granted to me in 20___ (including any dividend equivalent rights) that would otherwise be payable in the future to the extent earned.

2. Time of Distribution:

The portion of your Restricted Stock Units that you elect to defer, to the extent earned (including any dividend equivalent rights), will be distributed to you on the earlier of (i) the fixed date selected by you below, (ii) your termination of employment or service (but only if such termination constitutes a Separation from Service (as defined in Code Section 409A)), and (iii) a Change in Control (but only if such Change in Control constitutes a Change in Ownership or Effective Control of the Company or a Change in the Ownership of a Substantial Portion of the Assets of the Company (as defined in Code Section 409A)).

(a) I elect the following date to receive my distributions (unless previously settled or forfeited):

r _________ __, ____

3. Form of Payment:

The form in which payment will be made will be a single lump sum distribution of shares of Stock or in the Company's discretion, of cash.

Notwithstanding the deferral hereunder, the Restricted Stock Unit (including any dividend equivalent rights) shall continue to be governed by and subject to the terms of the Plan and shall also be subject to the rules analogous to those set forth in Section 16 of the Loews Corporation Executive Deferred Compensation Plan (the “EDCP”), which section is hereby incorporated by reference.

The election made herein is subject to the provisions of the Plan, the Time-Vesting Restricted Stock Unit Award Notice, including without limitation, provisions relating to the forfeiture of benefits in the event of my termination of employment or service, and Section 16 of the EDCP. This election is irrevocable.

Date: ______________________

____
Signature

____
Name

Exhibit 31.1

I, James S. Tisch, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Loews Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal controls over financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 1, 2016

By: /s/ James S. Tisch
JAMES S. TISCH
Chief Executive Officer

Exhibit 31.2

I, David B. Edelson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Loews Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal controls over financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 1, 2016

By: /s/ David B. Edelson
DAVID B. EDELSON
Chief Financial Officer

Exhibit 32.1

Certification by the Chief Executive Officer
of Loews Corporation pursuant to 18 U.S.C. Section 1350
(as adopted by Section 906 of the
Sarbanes-Oxley Act of 2002)

Pursuant to 18 U.S.C. Section 1350, the undersigned chief executive officer of Loews Corporation (the “Company”) hereby certifies, to such officer’s knowledge, that the Company’s quarterly report on Form 10-Q for the quarter ended June 30, 2016 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 1, 2016

By: /s/ James S. Tisch
JAMES S. TISCH
Chief Executive Officer

Exhibit 32.2

Certification by the Chief Financial Officer
of Loews Corporation pursuant to 18 U.S.C. Section 1350
(as adopted by Section 906 of the
Sarbanes-Oxley Act of 2002)

Pursuant to 18 U.S.C. Section 1350, the undersigned chief financial officer of Loews Corporation (the “Company”) hereby certifies, to such officer’s knowledge, that the Company’s quarterly report on Form 10-Q for the quarter ended June 30, 2016 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 1, 2016

By: /s/ David B. Edelson
DAVID B. EDELSON
Chief Financial Officer