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

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2021

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, NY 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)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value $0.01 per share	L	New York Stock Exchange

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 ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files).

Yes ☒ No ☐

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

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

Yes ☐ No ☒

As of October 29, 2021, there were 253,684,412 shares of the registrant's common stock outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

Loews Corporation and Subsidiaries
CONSOLIDATED CONDENSED BALANCE SHEETS
(Unaudited)

	September 30, 2021	December 31, 2020
(Dollar amounts in millions, except per share data)		
Assets:		
Investments:		
Fixed maturities, amortized cost of $40,342 and $38,963, less allowance for credit loss of $31 and $40	**$ 45,069**	$ 44,646
Equity securities, cost of $1,552 and $1,456	**1,660**	1,561
Limited partnership investments	**1,996**	1,798
Other invested assets, primarily mortgage loans, less allowance for credit loss of $26 and $26	**1,140**	1,165
Short term investments	**4,178**	4,674
Total investments	**54,043**	53,844
Cash	**811**	478
Receivables	**9,187**	7,833
Property, plant and equipment	**9,878**	10,451
Goodwill	**349**	785
Deferred non-insurance warranty acquisition expenses	**3,418**	3,068
Deferred acquisition costs of insurance subsidiaries	**721**	708
Other assets	**3,319**	3,069
Total assets	**$ 81,726**	$ 80,236
Liabilities and Equity:		
Insurance reserves:		
Claim and claim adjustment expense	**$ 23,832**	$ 22,706
Future policy benefits	**13,198**	13,318
Unearned premiums	**5,577**	5,119
Total insurance reserves	**42,607**	41,143
Payable to brokers	**665**	92
Short term debt	**187**	37
Long term debt	**8,925**	10,072
Deferred income taxes	**1,089**	1,065
Deferred non-insurance warranty revenue	**4,443**	4,023
Other liabilities	**4,680**	4,623
Total liabilities	**62,596**	61,055
Commitments and contingent liabilities		
Preferred stock, $0.10 par value:		
Authorized – 100,000,000 shares		
Common stock, $0.01 par value:		
Authorized – 1,800,000,000 shares		
Issued – 269,574,153 and 269,360,973 shares	**3**	3
Additional paid-in capital	**3,120**	3,133
Retained earnings	**15,336**	14,150
Accumulated other comprehensive income	**191**	581
	18,650	17,867
Less treasury stock, at cost (15,807,106 and 150,000 shares)	**(833)**	(7)
Total shareholders' equity	**17,817**	17,860
Noncontrolling interests	**1,313**	1,321
Total equity	**19,130**	19,181
Total liabilities and equity	**$ 81,726**	$ 80,236

See accompanying Notes to Consolidated Condensed Financial Statements.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	**2021**	2020
(In millions, except per share data)				
Revenues:				
Insurance premiums	**$ 2,059**	$ 1,953	**$ 6,056**	$ 5,672
Net investment income	**483**	540	**1,649**	1,347
Investment gains (losses) (Note 2)	**22**	46	**657**	(1,312)
Non-insurance warranty revenue	**357**	317	**1,054**	926
Operating revenues and other	**450**	609	**1,580**	2,241
Total	**3,371**	3,465	**10,996**	8,874
Expenses:				
Insurance claims and policyholders' benefits	**1,632**	1,616	**4,684**	4,683
Amortization of deferred acquisition costs	**368**	360	**1,084**	1,046
Non-insurance warranty expense	**330**	293	**973**	859
Operating expenses and other	**638**	876	**2,208**	3,894
Interest	**99**	137	**324**	404
Total	**3,067**	3,282	**9,273**	10,886
Income (loss) before income tax	**304**	183	**1,723**	(2,012)
Income tax (expense) benefit	**(58)**	(21)	**(391)**	284
Net income (loss)	**246**	162	**1,332**	(1,728)
Amounts attributable to noncontrolling interests	**(26)**	(23)	**(97)**	400
Net income (loss) attributable to Loews Corporation	**$ 220**	$ 139	**$ 1,235**	$ (1,328)
Basic net income (loss) per share	**$ 0.86**	$ 0.50	**$ 4.71**	$ (4.70)
Diluted net income (loss) per share	**$ 0.85**	$ 0.50	**$ 4.70**	$ (4.70)
Weighted average shares outstanding:				
Shares of common stock	**256.76**	279.40	**262.27**	282.63
Dilutive potential shares of common stock	**0.54**	0.09	**0.50**	
Total weighted average shares outstanding assuming dilution	**257.30**	279.49	**262.77**	282.63

See accompanying Notes to Consolidated Condensed Financial Statements.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	**2021**	2020
(In millions)				
Net income (loss)	**$ 246**	$ 162	**$ 1,332**	$ (1,728)
Other comprehensive income (loss), after tax				
Changes in:				
Net unrealized gains (losses) on investments with an allowance for credit losses		6		(3)
Net unrealized gains (losses) on other investments	**(138)**	207	**(465)**	354
Total unrealized gains (losses) on investments	**(138)**	213	**(465)**	351
Unrealized gains (losses) on cash flow hedges	**2**	1	**14**	(18)
Pension and postretirement benefits	**16**	7	**32**	27
Foreign currency translation	**(33)**	38	**(19)**	(17)
Other comprehensive income (loss)	**(153)**	259	**(438)**	343
Comprehensive income (loss)	**93**	421	**894**	(1,385)
Amounts attributable to noncontrolling interests	**(9)**	(49)	**(49)**	363
Total comprehensive income (loss) attributable to Loews Corporation	**$ 84**	$ 372	**$ 845**	$ (1,022)

See accompanying Notes to Consolidated Condensed Financial Statements.

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, July 1, 2020	$ 18,413	$ 3	$ 3,371	$ 14,316	$ 5	$ (491)	$ 1,209
Net income	162			139			23
Other comprehensive income	259				233		26
Dividends paid ($0.0625 per share)	(27)			(17)			(10)
Purchases of Loews Corporation treasury stock	(195)					(195)	
Stock-based compensation	8		8				
Other	-			(1)		1	
Balance, September 30, 2020	$ 18,620	$ 3	$ 3,379	$ 14,437	$ 238	$ (685)	$ 1,248
Balance, July 1, 2021	**$ 19,398**	**$ 3**	**$ 3,121**	**$ 15,132**	**$ 327**	**$ (500)**	**$ 1,315**
Net income	**246**			**220**			**26**
Other comprehensive loss	**(153)**				**(136)**		**(17)**
Dividends paid ($0.0625 per share)	**(27)**			**(16)**			**(11)**
Purchases of Loews Corporation treasury stock	**(333)**					**(333)**	
Stock-based compensation	**(2)**		**(2)**				
Other	**1**		**1**				
Balance, September 30, 2021	**$ 19,130**	**$ 3**	**$ 3,120**	**$ 15,336**	**$ 191**	**$ (833)**	**$ 1,313**

See accompanying Notes to Consolidated Condensed Financial Statements.

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, 2020, as reported	$ 21,930	$ 3	$ 3,374	$ 15,823	$ (68)	$ (13)	$ 2,811
Cumulative effect adjustment from change in accounting standards	(5)			(5)			
Balance, January 1, 2020, as adjusted	21,925	3	3,374	15,818	(68)	(13)	2,811
Net loss	(1,728)			(1,328)			(400)
Other comprehensive income	343				306		37
Dividends paid ($0.1875 per share)	(141)			(53)			(88)
Deconsolidation of Diamond Offshore	(1,087)						(1,087)
Purchases of Loews Corporation treasury stock	(673)					(673)	
Purchases of subsidiary stock from noncontrolling interests	(37)		5				(42)
Stock-based compensation	17		(1)				18
Other	1		1			1	(1)
Balance, September 30, 2020	$ 18,620	$ 3	$ 3,379	$ 14,437	$ 238	$ (685)	$ 1,248
Balance, January 1, 2021	**$ 19,181**	**$ 3**	**$ 3,133**	**$ 14,150**	**$ 581**	**$ (7)**	**$ 1,321**
Net income	**1,332**			**1,235**			**97**
Other comprehensive loss	**(438)**				**(390)**		**(48)**
Dividends paid ($0.1875 per share)	**(103)**			**(49)**			**(54)**
Purchases of Loews Corporation treasury stock	**(826)**					**(826)**	
Purchases of subsidiary stock from noncontrolling interests	**(18)**						**(18)**
Stock-based compensation	**5**		**(11)**				**16**
Other	**(3)**		**(2)**				**(1)**
Balance, September 30, 2021	**$ 19,130**	**$ 3**	**$ 3,120**	**$ 15,336**	**$ 191**	**$ (833)**	**$ 1,313**

See accompanying Notes to Consolidated Condensed Financial Statements.

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

Nine Months Ended September 30	2021	2020
(In millions)		
Operating Activities:		
Net income (loss)	$ 1,332	$ (1,728)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities, net	(85)	2,503
Changes in operating assets and liabilities, net:		
Receivables	(1,115)	(273)
Deferred acquisition costs	(15)	(36)
Insurance reserves	1,891	1,479
Other assets	(853)	(411)
Other liabilities	701	238
Trading securities	(180)	(481)
Net cash flow provided by operating activities	1,676	1,291
Investing Activities:		
Purchases of fixed maturities	(7,127)	(8,466)
Proceeds from sales of fixed maturities	2,510	5,023
Proceeds from maturities of fixed maturities	3,360	2,706
Purchases of equity securities	(242)	(373)
Proceeds from sales of equity securities	237	275
Purchases of limited partnership investments	(281)	(144)
Proceeds from sales of limited partnership investments	239	305
Purchases of property, plant and equipment	(327)	(584)
Dispositions	52	47
Sale of interest in Altium Packaging	417	
Deconsolidation of Diamond Offshore		(483)
Change in short term investments	725	706
Other, net	13	(120)
Net cash flow used by investing activities	(424)	(1,108)
Financing Activities:		
Dividends paid	(49)	(53)
Dividends paid to noncontrolling interests	(54)	(88)
Purchases of Loews Corporation treasury stock	(825)	(678)
Purchases of subsidiary stock from noncontrolling interests	(18)	(37)
Principal payments on debt	(1,154)	(1,157)
Issuance of debt	1,199	2,393
Other, net	(12)	(13)
Net cash flow (used) provided by financing activities	(913)	367
Effect of foreign exchange rate on cash	(6)	
Net change in cash	333	550
Cash, beginning of period	478	336
Cash, end of period	$ 811	$ 886

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 consolidated subsidiaries are engaged in the following lines of business: commercial property and casualty insurance (CNA Financial Corporation ("CNA"), an 89.6% owned subsidiary); transportation and storage of natural gas and natural gas liquids (Boardwalk Pipeline Partners, LP ("Boardwalk Pipelines"), a wholly owned subsidiary); and the operation of a chain of hotels (Loews Hotels Holding Corporation ("Loews Hotels & Co"), a wholly owned subsidiary). Unless the context otherwise requires, the term "Company" as used herein means Loews Corporation including its consolidated subsidiaries, the term "Net income (loss) attributable to Loews Corporation" as used herein means Net income (loss) attributable to Loews Corporation shareholders and the term "subsidiaries" means Loews Corporation's consolidated subsidiaries.

On April 1, 2021, Loews Corporation sold 47% of its interest in Altium Packaging, previously a 99% owned subsidiary. See Note 2 for further discussion.

In the opinion of management, the accompanying unaudited Consolidated Condensed Financial Statements reflect all adjustments (consisting of normal recurring accruals) necessary to present fairly the Company's financial position as of September 30, 2021 and December 31, 2020, results of operations, comprehensive income (loss) and changes in shareholders' equity for the three and nine months ended September 30, 2021 and 2020 and cash flows for the nine months ended September 30, 2021 and 2020. Net income (loss) for the third quarter and first nine months 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, 2020.

The Company presents basic and diluted net income (loss) per share on the Consolidated Condensed Statements of Operations. 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. For the three and nine months ended September 30, 2021, there were no shares attributable to employee stock-based compensation awards excluded from the diluted weighted average shares outstanding amounts because the effect would have been antidilutive.

Recently issued ASUs – In August of 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2018-12, "Financial Services – Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts." The updated accounting guidance requires changes to the measurement and disclosure of long-duration contracts. The guidance requires entities to update annually cash flow assumptions, including morbidity and persistency, and update quarterly discount rate assumptions using an upper-medium grade fixed-income instrument yield. The effect of changes in cash flow assumptions will be recorded in Net income and the effect of changes in discount rate assumptions will be recorded in Other comprehensive income ("OCI"). This guidance is effective for interim and annual periods beginning after December 15, 2022, with early adoption permitted. The guidance may be applied using either a modified retrospective transition method or a full retrospective transition method. The guidance requires restatement of prior periods presented. The Company plans to adopt on the effective date, using the modified retrospective transition method and is currently evaluating the effect the updated guidance will have on its consolidated financial statements, including the increased disclosure requirements. The annual updating of cash flow assumptions is expected to increase income statement volatility. While the requirements of the new guidance represent a material change from existing accounting guidance, the underlying economics of the business and related cash flows will be unchanged.

2. Significant Transactions

Altium Packaging

On April 1, 2021, Loews Corporation sold 47% of its interest in Altium Packaging to GIC, Singapore's sovereign wealth fund, for $420 million in cash consideration. Loews Corporation shares certain participating rights with GIC related to capital allocation and other decisions by Altium Packaging. Therefore, in accordance with Accounting Standards Codification ("ASC") 810, "Consolidation," Altium Packaging was deconsolidated from Loews Corporation's consolidated financial statements effective as of April 1, 2021. Effective April 1, 2021, Loews Corporation's investment in Altium Packaging is accounted for under the equity method of accounting, with the investment reported in Other assets on the Consolidated Condensed Balance Sheets and equity income (loss) reported in Operating expenses and other on the Consolidated Condensed Statements of Operations.

The transaction resulted in a gain of $555 million ($438 million after tax) for the nine months ended September 30, 2021, which is recorded in Investment gains (losses) on the Consolidated Condensed Statement of Operations. Loews Corporation's retained investment in Altium Packaging was recorded at an estimated fair value of $473 million. The difference between the fair value of Loews Corporation's investment in Altium Packaging and Loews Corporation's 53% share of the carrying value of Altium Packaging's net assets was attributed to definite lived intangible assets and goodwill. The amortization of the amounts attributed to definite lived intangible assets will be recognized as a component of equity income (loss) reported in Operating expenses and other on the Consolidated Condensed Statements of Operations. The assets and liabilities deconsolidated from the Consolidated Condensed Balance Sheets were property, plant and equipment of $490 million, goodwill of $436 million, intangible assets of $488 million, other assets of approximately $370 million, long term debt of $1.1 billion and other liabilities of approximately $380 million.

Diamond Offshore

As a result of the April 26, 2020 ("the Filing Date") bankruptcy filing of Diamond Offshore Drilling, Inc. ("Diamond Offshore") and certain of its subsidiaries and applicable accounting principles generally accepted in the United States of America ("GAAP"), Diamond Offshore was deconsolidated from Loews Corporation's consolidated financial statements in the second quarter of 2020. Through the Filing Date, Diamond Offshore's results were included in Loews Corporation's consolidated financial statements and Loews Corporation recognized in its earnings its proportionate share of Diamond Offshore's losses through such date. The deconsolidation resulted in the recognition of a loss of $1.2 billion ($957 million after tax) during the nine months ended September 30, 2020, which is reported within Investment gains (losses) on the Consolidated Condensed Statements of Operations. During the nine months ended September 30, 2020, Diamond Offshore also recorded an aggregate asset impairment charge of $774 million ($408 million after tax and noncontrolling interests), which is reported within Operating expenses and other on the Consolidated Condensed Statements of Operations. For additional information regarding the deconsolidation of Diamond Offshore and the Diamond Offshore asset impairments, see Notes 2 and 6 of the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2020.

3. Investments

Net investment income is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	**2021**	2020
(In millions)				
Fixed maturity securities	**$ 425**	$ 432	**$ 1,278**	$ 1,300
Limited partnership investments	**89**	71	**285**	26
Short term investments	**1**	2	**1**	11
Equity securities	**4**	18	**53**	24
Income (loss) from trading portfolio (a)	**(30)**	22	**46**	
Other	**12**	14	**42**	44
Total investment income	**501**	559	**1,705**	1,405
Investment expenses	**(18)**	(19)	**(56)**	(58)
Net investment income	**$ 483**	$ 540	**$ 1,649**	$ 1,347

(a) Net investment income recognized due to the change in fair value on securities still held as of September 30, 2021 and 2020 was $(55) and $11 for the three months ended September 30, 2021 and 2020 and $(9) and $13 for the nine months ended September 30, 2021 and 2020.

Investment gains (losses) are as follows:

(In millions)	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Fixed maturity securities:				
Gross gains	**$ 50**	$ 44	**$ 159**	$ 175
Gross losses	**(28)**	(18)	**(68)**	(207)
Investment gains (losses) on fixed maturity securities	**22**	26	**91**	(32)
Equity securities	**(2)**	25	**17**	(45)
Derivative instruments	**2**	(2)	**7**	(7)
Short term investments and other		(3)	**2**	(17)
Altium Packaging (see Note 2)			**555**	
Diamond Offshore (see Note 2)			**(15)**	(1,211)
Investment gains (losses) (a)	**$ 22**	$ 46	**$ 657**	$ (1,312)

(a) During the three and nine months ended September 30, 2021, $2 of investment losses and $15 of investment gains were recognized due to the change in fair value of non-redeemable preferred stock still held as of September 30, 2021. During the three and nine months ended September 30, 2020, $25 of investment gains and $44 of investment losses were recognized due to the change in fair value of non-redeemable preferred stock still held as of September 30, 2020.

The following tables present the activity related to the allowance on available-for-sale securities with credit impairments and purchased credit-deteriorated ("PCD") assets. Accrued interest receivables on available-for-sale fixed maturity securities totaled $387 million, $371 million and $390 million as of September 30, 2021, December 31, 2020 and September 30, 2020 and are excluded from the estimate of expected credit losses and the amortized cost basis in the tables within this Note.

Three months ended September 30, 2021 (In millions)	**Corporate and Other Bonds**	**Asset-backed**	**Total**
Allowance for credit losses:			
Balance as of July 1, 2021	**$ 24**	**$ 21**	**$ 45**
Additions to the allowance for credit losses:			
Securities for which credit losses were not previously recorded			
Available-for-sale securities accounted for as PCD assets	**2**		**2**
Reductions to the allowance for credit losses:			
Securities sold during the period (realized)			
Write-offs charged against the allowance	**16**		**16**
Additional increases or (decreases) to the allowance for credit losses on securities that had an allowance recorded in a previous period			
Total allowance for credit losses	**$ 10**	**$ 21**	**$ 31**

Three months ended September 30, 2020	Corporate and Other Bonds	Asset-backed	Total
Allowance for credit losses:			
Balance as of July 1, 2020	$ 39	$ 12	$ 51
Additions to the allowance for credit losses:			
Securities for which credit losses were not previously recorded	4		4
Available-for-sale securities accounted for as PCD assets	1		1
Reductions to the allowance for credit losses:			
Securities sold during the period (realized)	9		9
Write-offs charged against the allowance			
Additional increases or (decreases) to the allowance for credit losses on securities that had an allowance recorded in a previous period	(1)	1	
Total allowance for credit losses	$ 34	$ 13	$ 47

Nine months ended September 30, 2021	**Corporate and Other Bonds**	**Asset-backed**	**Total**
(In millions)			
Allowance for credit losses:			
Balance as of January 1, 2021	**$ 23**	**$ 17**	**$ 40**
Additions to the allowance for credit losses:			
Securities for which credit losses were not previously recorded	**14**		**14**
Available-for-sale securities accounted for as PCD assets	**4**	**4**	**8**
Reductions to the allowance for credit losses:			
Securities sold during the period (realized)	**6**		**6**
Intent to sell or more likely than not will be required to sell the security before recovery of its amortized cost basis			
Write-offs charged against the allowance	**16**		**16**
Additional increases or (decrease) to the allowance for credit losses on securities that had an allowance recorded in a previous period	**(9)**		**(9)**
Total allowance for credit losses	**$ 10**	**$ 21**	**$ 31**

Nine months ended September 30, 2020			
Allowance for credit losses:			
Balance as of January 1, 2020	$ -	$ -	$ -
Additions to the allowance for credit losses:			
Impact of adopting ASC 326	6		6
Securities for which credit losses were not previously recorded	62	12	74
Available-for-sale securities accounted for as PCD assets	3		3
Reductions to the allowance for credit losses:			
Securities sold during the period (realized)	15		15
Intent to sell or more likely than not will be required to sell the security before recovery of its amortized cost basis	1		1
Write-offs charged against the allowance			
Additional increases or (decrease) to the allowance for credit losses on securities that had an allowance recorded in a previous period	(21)	1	(20)
Total allowance for credit losses	$ 34	$ 13	$ 47

The components of available-for-sale impairment losses recognized in earnings by asset type are presented in the following table. The table includes losses on securities with an intention to sell and changes in the allowance for credit losses on securities since acquisition date:

	Three Months Ended September 30,		**Nine Months Ended September 30,**	
	2021	2020	**2021**	2020
(In millions)				
Fixed maturity securities available-for-sale:				
Corporate and other bonds		$ 4	**$ 5**	$ 94
Asset-backed	**$ 11**	1	**11**	14
Impairment losses recognized in earnings	**$ 11**	$ 5	**$ 16**	$ 108

There were $3 million and $16 million of losses on mortgage loans recognized during the three and nine months ended September 30, 2020 primarily due to changes in expected credit losses. There were no losses recognized on mortgage loans during the three and nine months ended September 30, 2021.

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

September 30, 2021		**Cost or Amortized Cost**		**Gross Unrealized Gains**		**Gross Unrealized Losses**		**Allowance for Credit Losses**		**Estimated Fair Value**
(In millions)										
Fixed maturity securities:										
Corporate and other bonds	**$**	**21,608**	**$**	**2,967**	**$**	**42**	**$**	**10**	**$**	**24,523**
States, municipalities and political subdivisions		**10,384**		**1,610**		**15**				**11,979**
Asset-backed:										
Residential mortgage-backed		**3,176**		**89**		**6**				**3,259**
Commercial mortgage-backed		**2,064**		**85**		**16**		**17**		**2,116**
Other asset-backed		**2,429**		**76**		**4**		**4**		**2,497**
Total asset-backed		**7,669**		**250**		**26**		**21**		**7,872**
U.S. Treasury and obligations of government-sponsored enterprises		**139**		**1**		**4**				**136**
Foreign government		**521**		**19**		**2**				**538**
Redeemable preferred stock		**12**								**12**
Fixed maturities available-for-sale		**40,333**		**4,847**		**89**		**31**		**45,060**
Fixed maturities trading		**9**								**9**
Total fixed maturity securities	**$**	**40,342**	**$**	**4,847**	**$**	**89**	**$**	**31**	**$**	**45,069**
December 31, 2020										
Fixed maturity securities:										
Corporate and other bonds	$	20,792	$	3,578	$	22	$	23	$	24,325
States, municipalities and political subdivisions		9,729		1,863						11,592
Asset-backed:										
Residential mortgage-backed		3,442		146		1				3,587
Commercial mortgage-backed		1,933		93		42		17		1,967
Other asset-backed		2,179		81		9				2,251
Total asset-backed		7,554		320		52		17		7,805
U.S. Treasury and obligations of government-sponsored enterprises		339		2		3				338
Foreign government		512		32						544
Fixed maturities available-for-sale		38,926		5,795		77		40		44,604
Fixed maturities trading		37		5						42
Total fixed maturity securities	$	38,963	$	5,800	$	77	$	40	$	44,646

The net unrealized gains on available-for-sale investments included in the tables above are recorded as a component of Accumulated other comprehensive income (loss) ("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 long term care products and structured settlements not funded by annuities would result in a premium deficiency if those gains were 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 (loss) ("Shadow Adjustments"). As of September 30, 2021 and December 31, 2020, the net unrealized gains on investments included in AOCI were correspondingly reduced by Shadow Adjustments of $2.2 billion and $2.5 billion (after tax and noncontrolling interests).

The available-for-sale securities in a gross unrealized loss position for which an allowance for credit losses has not been recorded are as follows:

	Less than 12 Months		12 Months or Longer		Total	
September 30, 2021	**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	**$ 1,853**	**$ 37**	**$ 88**	**$ 5**	**$ 1,941**	**$ 42**
States, municipalities and political subdivisions	**885**	**15**			**885**	**15**
Asset-backed:						
Residential mortgage-backed	**1,295**	**6**			**1,295**	**6**
Commercial mortgage-backed	**317**	**4**	**194**	**12**	**511**	**16**
Other asset-backed	**439**	**3**	**58**	**1**	**497**	**4**
Total asset-backed	**2,051**	**13**	**252**	**13**	**2,303**	**26**
U.S. Treasury and obligations of government-sponsored enterprises	**65**	**4**	**1**		**66**	**4**
Foreign government	**73**	**2**			**73**	**2**
Total fixed maturity securities	**$ 4,927**	**$ 71**	**$ 341**	**$ 18**	**$ 5,268**	**$ 89**
December 31, 2020						
Fixed maturity securities:						
Corporate and other bonds	$ 609	$ 21	$ 12	$ 1	$ 621	$ 22
States, municipalities and political subdivisions	33				33	
Asset-backed:						
Residential mortgage-backed	71	1	11		82	1
Commercial mortgage-backed	533	40	28	2	561	42
Other asset-backed	344	9	13		357	9
Total asset-backed	948	50	52	2	1,000	52
U.S. Treasury and obligations of government-sponsored enterprises	63	3			63	3
Foreign government	13				13	
Total fixed maturity securities	$ 1,666	$ 74	$ 64	$ 3	$ 1,730	$ 77

Based on current facts and circumstances, the Company believes the unrealized losses presented in the September 30, 2021 securities in a gross unrealized loss position table above are not indicative of the ultimate collectability of the current amortized cost of the securities, but rather are attributable to changes in interest rates, credit spreads and other factors. There is no current intent to sell securities with unrealized losses, nor is it more likely than not that sale will be required prior to recovery of amortized cost; accordingly, it was determined that there are no additional impairment losses to be recorded at September 30, 2021.

Contractual Maturity

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

	September 30, 2021		December 31, 2020	
	Cost or Amortized Cost	**Estimated Fair Value**	Cost or Amortized Cost	Estimated Fair Value
(In millions)				
Due in one year or less	**$ 1,648**	**$ 1,656**	$ 1,456	$ 1,458
Due after one year through five years	**10,776**	**11,517**	12,304	13,098
Due after five years through ten years	**13,628**	**14,794**	12,319	13,878
Due after ten years	**14,281**	**17,093**	12,847	16,170
Total	**$ 40,333**	**$ 45,060**	$ 38,926	$ 44,604

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.

Mortgage Loans

The following table presents the amortized cost basis of mortgage loans for each credit quality indicator by year of origination. The primary credit quality indicators utilized are debt service coverage ratios (“DSCR”) and loan-to-value (“LTV”) ratios.

	Mortgage Loans Amortized Cost Basis by Origination Year (a)						
As of September 30, 2021	**2021**	**2020**	**2019**	**2018**	**2017**	**Prior**	**Total**
(In millions)							
DSCR ≥1.6x							
LTV less than 55%	**$ 8**	**$ 75**	**$ 16**	**$ 37**	**$ 116**	**$ 203**	**$ 455**
LTV 55% to 65%		**38**	**15**	**18**		**1**	**72**
LTV greater than 65%	**17**		**14**	**7**		**23**	**61**
DSCR 1.2x - 1.6x							
LTV less than 55%	**13**	**15**	**95**		**5**	**58**	**186**
LTV 55% to 65%	**25**			**24**	**10**	**4**	**63**
LTV greater than 65%		**24**	**9**		**8**		**41**
DSCR ≤1.2x							
LTV less than 55%			**35**		**30**		**65**
LTV 55% to 65%			**42**				**42**
LTV greater than 65%		**9**	**56**			**7**	**72**
Total	**$ 63**	**$ 161**	**$ 282**	**$ 86**	**$ 169**	**$ 296**	**$ 1,057**

(a) The values in the table above reflect DSCR on a standardized amortization period and LTV ratios based on the most recent appraised values trended forward using changes in a commercial real estate price index.

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 related 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.

	September 30, 2021			December 31, 2020		
	Contractual/ Notional Amount	**Estimated Fair Value**		Contractual/ Notional Amount	Estimated Fair Value	
		Asset	**(Liability)**		Asset	(Liability)
(In millions)						
With hedge designation:						
Interest rate swaps				$ 675		$ (26)
Without hedge designation:						
Equity markets:						
Options – purchased	**$ 1**			135	$ 3	
Interest rate swaps	**100**		**$ (1)**	100		(3)
Embedded derivative on funds withheld liability	**272**		**(11)**	190		(19)

Investment Commitments

As part of the overall investment strategy, investments are made in various assets which require future purchase, sale or funding commitments. These investments are recorded once funded, and the related commitments may include future capital calls from various third-party limited partnerships, signed and accepted mortgage loan applications and obligations related to private placement securities. As of September 30, 2021, commitments to purchase or fund were approximately $1.3 billion and to sell were approximately $55 million under the terms of these investments.

4. 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, securities are priced 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 that market participants presumably would use to value the assets. Prices obtained from third-party pricing services or brokers are not adjusted.

Control procedures are performed 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 may include: (i) the review of pricing service methodologies or broker pricing qualifications, (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 and (iv) detailed analysis, where an independent analysis of the inputs and assumptions used to price individual securities is performed.

Assets and liabilities measured at fair value on a recurring basis are summarized in the following tables. Corporate bonds and other includes obligations of the U.S. Treasury, government-sponsored enterprises, foreign governments and redeemable preferred stock.

September 30, 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
(In millions)				
Fixed maturity securities:				
Corporate bonds and other	**$ 146**	**$ 24,186**	**$ 877**	**$ 25,209**
States, municipalities and political subdivisions		**11,922**	**57**	**11,979**
Asset-backed		**7,394**	**478**	**7,872**
Fixed maturities available-for-sale	**146**	**43,502**	**1,412**	**45,060**
Fixed maturities trading		**9**		**9**
Total fixed maturities	**$ 146**	**$ 43,511**	**$ 1,412**	**$ 45,069**
Equity securities	**$ 890**	**$ 745**	**$ 25**	**$ 1,660**
Short term and other	**4,063**			**4,063**
Payable to brokers	**(118)**	**(1)**		**(119)**

December 31, 2020				
Fixed maturity securities:				
Corporate bonds and other	$ 355	$ 24,082	$ 770	$ 25,207
States, municipalities and political subdivisions		11,546	46	11,592
Asset-backed		7,497	308	7,805
Fixed maturities available-for-sale	355	43,125	1,124	44,604
Fixed maturities trading		34	8	42
Total fixed maturities	$ 355	$ 43,159	$ 1,132	$ 44,646
Equity securities	$ 796	$ 722	$ 43	$ 1,561
Short term and other	4,538	39		4,577
Payable to brokers	(14)	(29)		(43)

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 nine months ended September 30, 2021 and 2020:

		Net Realized Investment Gains (Losses) and Net Change in Unrealized Investment Gains (Losses)									
2021	Balance, July 1	Included in Net Income (Loss)	Included in OCI	Purchases	Sales	Settlements	Transfers into Level 3	Transfers out of Level 3	Balance, September 30	Unrealized Gains (Losses) Recognized in Net Income (Loss) on Level 3 Assets and Liabilities Held at September 30	Unrealized Gains (Losses) Recognized in Other Comprehensive Income (Loss) on Level 3 Assets and Liabilities Held at September 30
(In millions)											
Fixed maturity securities:											
Corporate bonds and other	$ 883	$ 1	$ 1	$ 55		$ (11)		$ (52)	$ 877		$ 2
States, municipalities and political subdivisions	57								57		
Asset-backed	410	1	1	83	$ (9)	(11)	$ 41	(38)	478		
Fixed maturities available-for-sale	1,350	2	2	138	(9)	(22)	41	(90)	1,412	$ -	2
Fixed maturities trading	-								-		
Total fixed maturities	$ 1,350	$ 2	$ 2	$ 138	$ (9)	$ (22)	$ 41	$ (90)	$ 1,412	$ -	$ 2
Equity securities	$ 36	$ (2)		$ 1	$ (11)		$ 11	$ (10)	$ 25	$ (3)	

2020	Balance, July 1	Net Realized Investment Gains (Losses) and Net Change in Unrealized Investment Gains (Losses) Included in Net Income (Loss)	Included in OCI	Purchases	Sales	Settlements	Transfers into Level 3	Transfers out of Level 3	Balance, September 30	Unrealized Gains (Losses) Recognized in Net Income (Loss) on Level 3 Assets and Liabilities Held at September 30	Unrealized Gains (Losses) Recognized in Other Comprehensive Income (Loss) on Level 3 Assets and Liabilities Held at September 30
(In millions)											
Fixed maturity securities:											
Corporate bonds and other	$ 555		$ 5	$ 129		$ (3)	$ 8		$ 694		$ 5
States, municipalities and political subdivisions	-			45					45		
Asset-backed	222		9	20		(14)		$ (2)	235		8
Fixed maturities available-for-sale	777	$ -	14	194	$ -	(17)	8	(2)	974	$ -	13
Fixed maturities trading	4	4							8	4	
Total fixed maturities	$ 781	$ 4	$ 14	$ 194	$ -	$ (17)	$ 8	$ (2)	$ 982	$ 4	$ 13
Equity securities	$ 27			$ 12					$ 39		

2021	Balance, January 1	Net Realized Investment Gains (Losses) and Net Change in Unrealized Investment Gains (Losses) Included in Net Income (Loss)	Included in OCI	Purchases	Sales	Settlements	Transfers into Level 3	Transfers out of Level 3	Balance, September 30	Unrealized Gains (Losses) Recognized in Net Income (Loss) on Level 3 Assets and Liabilities Held at September 30	Unrealized Gains (Losses) Recognized in Other Comprehensive Income (Loss) on Level 3 Assets and Liabilities Held at September 30
(In millions)											
Fixed maturity securities:											
Corporate bonds and other	$ 770	$ (9)	$ (23)	$ 219	$ (3)	$ (35)	$ 10	$ (52)	$ 877		$ (22)
States, municipalities and political subdivisions	46			12		(1)			57		
Asset-backed	308	4	(4)	197	(9)	(38)	71	(51)	478		(5)
Fixed maturities available-for-sale	1,124	(5)	(27)	428	(12)	(74)	81	(103)	1,412	$ -	(27)
Fixed maturities trading	8	(6)				(2)			-		
Total fixed maturities	$ 1,132	$ (11)	$ (27)	$ 428	$ (12)	$ (76)	$ 81	$ (103)	$ 1,412	$ -	$ (27)
Equity securities	$ 43	$ (15)		$ 11	$ (15)		$ 11	$ (10)	$ 25	$ (1)	

2020	Balance, January 1	Net Realized Investment Gains (Losses) and Net Change in Unrealized Investment Gains (Losses): Included in Net Income (Loss)	Net Realized Investment Gains (Losses) and Net Change in Unrealized Investment Gains (Losses): Included in OCI	Purchases	Sales	Settlements	Transfers into Level 3	Transfers out of Level 3	Balance, September 30	Unrealized Gains (Losses) Recognized in Net Income (Loss) on Level 3 Assets and Liabilities Held at September 30	Unrealized Gains (Losses) Recognized in Other Comprehensive Income (Loss) on Level 3 Assets and Liabilities Held at September 30
(In millions)											
Fixed maturity securities:											
Corporate bonds and other	$ 468		$ 27	$ 200		$ (9)	$ 8		$ 694		$ 29
States, municipalities and political subdivisions	-			45					45		
Asset-backed	165		18	100	$ (9)	(22)		$ (17)	235		19
Fixed maturities available-for-sale	633	$ -	45	345	(9)	(31)	8	(17)	974	$ -	48
Fixed maturities trading	4	4							8	4	
Total fixed maturities	$ 637	$ 4	$ 45	$ 345	$ (9)	$ (31)	$ 8	$ (17)	$ 982	$ 4	$ 48
Equity securities	$ 19	$ (7)		$ 12			$ 15		$ 39	$ (7)	

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

Major Category of Assets and Liabilities	Consolidated Condensed Statements of Operations Line Items
Fixed maturity securities available-for-sale	Investment gains (losses)
Fixed maturity securities trading	Net investment income
Equity securities	Investment gains (losses) and 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 Operating revenues and other

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.

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 government securities and exchange traded bonds 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 some inputs that are not market observable.

Equity Securities

Level 1 securities include publicly traded securities valued using quoted market prices. Level 2 securities are primarily 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 some inputs that are not market observable.

Derivative Financial Instruments

Equity options are valued using quoted market prices and are classified within Level 1 of the fair value hierarchy. Over-the-counter derivatives, principally interest rate swaps, currency forwards, 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 and Other Invested Assets

Securities that are actively traded or have quoted prices are classified as Level 1. These securities include money market funds, treasury bills and exchange traded open-end funds valued using quoted market prices. Level 2 primarily includes commercial paper, for which all inputs are market observable. Fixed maturity securities purchased within one year of maturity are classified 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.

Significant Unobservable Inputs

The following tables present quantitative information about the significant unobservable inputs utilized 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. The weighted average rate is calculated based on fair value.

September 30, 2021	Estimated Fair Value	Valuation Techniques	Unobservable Inputs	Range (Weighted Average)
	(In millions)			
Fixed maturity securities	**$ 1,154**	**Discounted cash flow**	**Credit spread**	**1% – 7% (2%)**
December 31, 2020				
Fixed maturity securities	$ 966	Discounted cash flow	Credit spread	1% – 8% (3%)

For fixed maturity securities, an increase to the credit spread assumptions 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 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 finance 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			
September 30, 2021	**Amount**	**Level 1**	**Level 2**	**Level 3**	**Total**
(In millions)					
Assets:					
Other invested assets, primarily mortgage loans	**$ 1,031**			**$ 1,106**	**$ 1,106**
Liabilities:					
Short term debt	**186**			**190**	**190**
Long term debt	**8,919**		**$ 9,319**	**554**	**9,873**
December 31, 2020					
Assets:					
Other invested assets, primarily mortgage loans	$ 1,068			$ 1,151	$ 1,151
Liabilities:					
Short term debt	35		$ 19	17	36
Long term debt	10,042		10,482	765	11,247

5. Claim and Claim Adjustment Expense Reserves

Property and casualty insurance claim and claim adjustment expense reserves represent the estimated amounts necessary to resolve all outstanding claims, including incurred but not reported (“IBNR”) claims as of the reporting date. Reserve projections are based primarily on detailed analysis of the facts in each case, experience with similar cases and various historical development patterns. Consideration is given to historical patterns such as claim reserving trends and settlement practices, loss payments, pending levels of unpaid claims and product mix, as well as court decisions and 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 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 the 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 the Company's results of operations and/or equity. The Company reported catastrophe losses, net of reinsurance, of $178 million and $160 million for the three months ended September 30, 2021 and 2020 and $357 million and $536 million for the nine months ended September 30, 2021 and 2020. Net catastrophe losses for the three months ended September 30, 2021 included $114 million for Hurricane Ida. Net catastrophe losses for the nine months ended September 30, 2021 were driven by severe weather-related events, primarily Hurricane Ida and Winter Storms Uri and Viola. Net catastrophe losses for the three months ended September 30, 2020 were driven by severe weather-related events, primarily Hurricanes Laura, Isaias and Sally and the Midwest derecho. Net catastrophe losses for the nine months ended September 30, 2020 included $273 million primarily related to severe weather-related events, $195 million related to the COVID-19 pandemic and $68 million related to civil unrest.

Liability for Unpaid Claim and Claim Adjustment Expenses

The following table presents a reconciliation between beginning and ending claim and claim adjustment expense reserves, including claim and claim adjustment expense reserves of other insurance operations.

Nine Months Ended September 30	**2021**	2020
(In millions)		
Reserves, beginning of year:		
Gross	**$ 22,706**	$ 21,720
Ceded	**4,005**	3,835
Net reserves, beginning of year	**18,701**	17,885
Reduction of net reserves due to the excess workers' compensation loss portfolio transfer	**(632)**	
Net incurred claim and claim adjustment expenses:		
Provision for insured events of current year	**4,474**	4,425
Increase (decrease) in provision for insured events of prior years	**(130)**	(68)
Amortization of discount	**137**	143
Total net incurred (a)	**4,481**	4,500
Net payments attributable to:		
Current year events	**(629)**	(556)
Prior year events	**(2,874)**	(3,285)
Total net payments	**(3,503)**	(3,841)
Foreign currency translation adjustment and other	**(51)**	39
Net reserves, end of period	**18,996**	18,583
Ceded reserves, end of period	**4,836**	3,951
Gross reserves, end of period	**$ 23,832**	$ 22,534

(a) Total net incurred above does not agree to Insurance claims and policyholders' benefits as reflected on the Consolidated Condensed Statements of Operations due to amounts related to retroactive reinsurance deferred gain accounting, the loss on the excess workers' compensation loss portfolio transfer, uncollectible reinsurance and benefit expenses related to future policy benefits, which are not reflected in the table above.

Net Prior Year Development

Changes in estimates of claim and claim adjustment expense reserves net of reinsurance, for prior years are defined as net prior year loss reserve development. These changes can be favorable or unfavorable.

Favorable net prior year loss reserve development of $10 million and $15 million was recorded for commercial property and casualty operations ("Property & Casualty Operations") for the three months ended September 30, 2021 and 2020 and favorable net prior year loss reserve development of $36 million and $58 million was recorded for the nine months ended September 30, 2021 and 2020. Unfavorable net prior year loss reserve development of $40 million and $50 million was recorded in CNA's operations outside of Property & Casualty Operations ("Other Insurance Operations") for the nine months ended September 30, 2021 and 2020.

The following table and discussion present details of the net prior year loss reserve development in Property & Casualty Operations and Other Insurance Operations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	**2021**	2020
(In millions)				
Medical professional liability	**$ 8**	$ 25	**$ 16**	$ 35
Other professional liability and management liability			**10**	(6)
Surety	**(15)**	(40)	**(53)**	(70)
Commercial auto		9	**30**	33
General liability		15		15
Workers' compensation	**2**	(23)	**(40)**	(97)
Property and other	**(5)**	(1)	**1**	32
Other insurance operations			**40**	50
Total pretax (favorable) unfavorable development	**$ (10)**	$ (15)	**$ 4**	$ (8)

Three Months

2021

Favorable development in surety was primarily due to lower than expected frequency and lack of systemic activity in recent accident years.

2020

Unfavorable development in medical professional liability was primarily due to higher than expected frequency of large losses in recent accident years and unfavorable development on a latent claim for an older accident year.

Favorable development in surety was due to lower than expected frequency and lack of systemic activity for accident years 2019 and prior.

Unfavorable development in general liability was primarily due to increased bodily injury severities in accident years 2012 through 2016 and higher than expected frequency and severity in CNA's umbrella business in accident years 2015 through 2019.

Favorable development in workers' compensation was due to favorable medical trends driving lower than expected severity in multiple accident years.

Nine Months

2021

Unfavorable development in medical professional liability was due to higher than expected frequency of large losses in recent accident years.

Favorable development in surety was primarily due to lower than expected frequency and lack of systemic activity in recent accident years.

Unfavorable development in commercial auto was due to higher than expected claim severity in CNA's construction and middle market businesses in recent accident years.

Favorable development in workers' compensation was due to favorable medical trends driving lower than expected severity in multiple accident years.

Unfavorable development in property and other was due to higher than expected claim severity in CNA's medical treatment business mostly offset by favorable development due to lower than expected loss emergence across multiple accident years in property, energy and marine.

Unfavorable development in other insurance operations was due to higher than expected emergence in mass tort exposures in older accident years primarily related to abuse.

2020

Unfavorable development in medical professional liability was primarily due to higher than expected frequency of large losses in recent accident years, unfavorable development on a latent claim for an older accident year and unfavorable outcomes on specific claims in accident years 2015 and 2016 in CNA's aging services business.

Favorable development in surety was due to lower than expected frequency and lack of systemic activity for accident years 2019 and prior.

Unfavorable development in commercial auto was due to unfavorable claim severity in CNA's middle market and construction businesses in accident years 2017 through 2019.

Unfavorable development in general liability was driven by increased bodily injury severities in accident years 2012 through 2016 and higher than expected frequency and severity in CNA's umbrella business in accident years 2015 through 2019.

Favorable development in workers' compensation was due to favorable medical trends driving lower than expected severity in multiple accident years.

Unfavorable development in property and other was primarily due to higher than expected large loss activity in CNA's middle market, national accounts and marine business units in accident year 2019.

Unfavorable development in other insurance operations was due to higher than expected emergence in mass tort exposures in older accident years primarily related to abuse.

Asbestos & Environmental Pollution ("A&EP") Reserves

In 2010, Continental Casualty Company ("CCC") together with several insurance subsidiaries completed a transaction with National Indemnity Company ("NICO"), a subsidiary of Berkshire Hathaway Inc., under which substantially all of their legacy A&EP liabilities were ceded to NICO through a loss portfolio transfer ("LPT"). At the effective date of the transaction, approximately $1.6 billion of net A&EP claim and allocated claim adjustment expense reserves were ceded 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. NICO was paid a reinsurance premium of $2.0 billion and billed third party reinsurance receivables related to A&EP claims with a net book value of $215 million were transferred to NICO, resulting in total consideration of $2.2 billion.

In years subsequent to the effective date of the LPT, adverse prior year development on A&EP reserves was recognized resulting in additional amounts ceded under the LPT. As a result, the cumulative amounts ceded under the LPT have exceeded the $2.2 billion consideration paid, resulting in the NICO LPT moving into a gain position, requiring retroactive reinsurance accounting. Under retroactive reinsurance accounting, this gain is deferred and only 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 A&EP reserves is recognized that increases or decreases the amounts ceded under the LPT, the proportion of actual paid recoveries to total ceded losses is affected and the change in the deferred gain is recognized in earnings as if the revised estimate of ceded losses was available at the effective date of the LPT. The effect of the deferred retroactive reinsurance benefit is recorded in Insurance claims and policyholders' benefits on the Consolidated Condensed Statements of Operations.

The impact of the LPT on the Consolidated Condensed Statements of Operations was the recognition of a retroactive reinsurance benefit of $8 million and $9 million for the three months ended September 30, 2021 and 2020 and $30 million and $43 million for the nine months ended September 30, 2021 and 2020. As of September 30, 2021 and December 31, 2020, the cumulative amounts ceded under the LPT were $3.3 billion. The unrecognized deferred retroactive reinsurance benefit was $368 million and $398 million as of September 30, 2021 and December 31, 2020 and is included within Other liabilities on the Consolidated Condensed Balance Sheets.

NICO established a collateral trust account as security for its obligations under the LPT. The fair value of the collateral trust account was $2.9 billion as of September 30, 2021. In addition, Berkshire Hathaway Inc. guaranteed the payment obligations of NICO up to the 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 the majority of the A&EP claims.

Excess Workers' Compensation LPT

On February 5, 2021, CNA completed a transaction with Cavello Bay Reinsurance Limited ("Cavello"), a subsidiary of Enstar Group Limited, under which certain legacy excess workers' compensation ("EWC") liabilities were ceded to Cavello. Under the terms of the transaction, based on reserves in place as of January 1, 2020, approximately $690 million of net EWC claim and allocated claim adjustment expense reserves were ceded to Cavello under a loss portfolio transfer ("EWC LPT") with an aggregate limit of $1.0 billion. Cavello was paid a reinsurance premium of $697 million, less claims paid between January 1, 2020 and the closing date of the agreement of $64 million. After transaction costs, a loss of approximately $11 million (after tax and noncontrolling interest) was recognized in Other Insurance Operations in the first quarter of 2021 related to the EWC LPT.

As of September 30, 2021, the cumulative amount ceded under the EWC LPT was $690 million.

Cavello established a collateral trust account as security for its obligations, which will be maintained at 105% of outstanding reserves.

Credit Risk for Ceded Reserves

The majority of CNA's outstanding voluntary reinsurance receivables are due from reinsurers with financial strength ratings of A- or higher. Receivables due from reinsurers with lower financial strength ratings are primarily due from captive reinsurers and are backed by collateral arrangements.

Life & Group Policyholder Reserves

CNA's Life & Group business includes its run-off long term care business as well as structured settlement obligations not funded by annuities related to certain property and casualty claimants. Long term care policies provide benefits for nursing homes, assisted living facilities and home health care subject to various daily and lifetime caps. Generally, policyholders must continue to make periodic premium payments to keep the policy in force and CNA has the ability to increase policy premiums, subject to state regulatory approval.

CNA maintains both claim and claim adjustment expense reserves as well as future policy benefit reserves for policyholder benefits for its Life & Group business. Claim and claim adjustment expense reserves consist of estimated reserves for long term care policyholders that are currently receiving benefits, including claims that have been incurred but are not yet reported. In developing the claim and claim adjustment expense reserve estimates for long term care policies, CNA's actuaries perform a detailed claim reserve review on an annual basis. The review analyzes the sufficiency of existing reserves for policyholders currently on claim and includes an evaluation of expected benefit utilization and claim duration. In addition, claim and claim adjustment expense reserves are also maintained for the structured settlement obligations. In developing the claim and claim adjustment expense reserve estimates for structured settlement obligations, CNA's actuaries review mortality experience on an annual basis. CNA's recorded claim and claim adjustment expense reserves reflect management's best estimate after incorporating the results of the most recent reviews.

CNA completed its annual claim reserve reviews in the third quarters of 2021 and 2020 resulting in $40 million and $37 million pretax reductions in long term care reserves primarily due to lower claim severity than anticipated in the reserve estimates and $2 million and $46 million pretax increases in the structured settlement claim reserves primarily due to lower discount rate assumptions and mortality assumption changes.

Future policy benefit reserves consist of active life reserves related to CNA's long term care policies for policyholders that are not currently receiving benefits and represent the present value of expected future benefit payments and expenses less expected future premium. The determination of these reserves requires management to make estimates and assumptions about expected investment and policyholder experience over the life of the contract. Since many of these contracts may be in force for several decades, these assumptions are subject to significant estimation risk.

The actuarial assumptions that CNA believes are subject to the most variability are morbidity, persistency, discount rates and anticipated future premium rate increases. Morbidity is the frequency and severity of injury, illness, sickness and diseases contracted. Persistency is the percentage of policies remaining in force and can be affected by policy lapses, benefit reductions and death. Discount rates are influenced by the investment yield on assets supporting long term care reserves which is subject to interest rate and market volatility and may also be affected by changes to the Internal Revenue Code. Future premium rate increases are generally subject to regulatory approval, and therefore the exact timing and size of the approved rate increases are unknown. As a result of this variability, CNA's long term care reserves may be subject to material increases if actual experience develops adversely to CNA's expectations.

Annually, in the third quarter, CNA assesses the adequacy of its long term care future policy benefit reserves by performing a gross premium valuation ("GPV") to determine if there is a premium deficiency. Under the GPV, management estimates required reserves using best estimate assumptions as of the date of the assessment without provisions for adverse deviation. The GPV required reserves are then compared to the existing recorded reserves. If the GPV required reserves are greater than the existing recorded reserves, the existing assumptions are unlocked and future policy benefit reserves are increased to the greater amount. Any such increase is reflected in the Company's results of operations in the period in which the need for such adjustment is determined. If the GPV required reserves are less than the existing recorded reserves, assumptions remain locked in and no adjustment is required.

The GPV for the long term care future policy benefit reserves, performed in the third quarter of 2021, indicated the recorded reserves included a pretax margin of approximately $72 million as of September 30, 2021.

The GPV for the long term care future policy benefit reserves performed in the third quarter of 2020 indicated a premium deficiency primarily driven by lower discount rate assumptions. Recognition of the premium deficiency resulted in a $74 million pretax increase in policyholders' benefits reflected in the Company's results of operations for the three and nine months ended September 30, 2020.

6. Shareholders' Equity

Accumulated other comprehensive income (loss)

The tables below present the changes in AOCI by component for the three and nine months ended September 30, 2020 and 2021:

(In millions)	Net Unrealized Gains (Losses) on Investments with an Allowance for Credit Losses	Net Unrealized Gains (Losses) on Other Investments	Unrealized Gains (Losses) on Cash Flow Hedges	Pension and Postretirement Benefits	Foreign Currency Translation	Total Accumulated Other Comprehensive Income (Loss)
Balance, July 1, 2020	$ (8)	$ 1,050	$ (25)	$ (837)	$ (175)	$ 5
Other comprehensive income (loss) before reclassifications, after tax of $0, $(63), $0, $0 and $0	2	231	(2)	(2)	38	267
Reclassification of (income) losses from accumulated other comprehensive income, after tax of $(1), $7, $0, $(3) and $0	4	(24)	3	9		(8)
Other comprehensive income	6	207	1	7	38	259
Amounts attributable to noncontrolling interests	(1)	(22)			(3)	(26)
Balance, September 30, 2020	$ (3)	$ 1,235	$ (24)	$ (830)	$ (140)	$ 238
Balance, July 1, 2021	**$ -**	**$ 1,271**	**$ (11)**	**$ (863)**	**$ (70)**	**$ 327**
Other comprehensive income (loss) before reclassifications, after tax of $0, $32, $0, $0 and $0		**(121)**	**1**	**3**	**(33)**	**(150)**
Reclassification of (income) losses from accumulated other comprehensive income, after tax of $0, $5, $0, $(2) and $0		**(17)**	**1**	**13**		**(3)**
Other comprehensive income (loss)		**(138)**	**2**	**16**	**(33)**	**(153)**
Amounts attributable to noncontrolling interests		**14**		**(1)**	**4**	**17**
Balance, September 30, 2021	**$ -**	**$ 1,147**	**$ (9)**	**$ (848)**	**$ (99)**	**$ 191**

(In millions)	Net Unrealized Gains (Losses) on Investments with an Allowance for Credit Losses	Net Unrealized Gains (Losses) on Other Investments	Unrealized Gains (Losses) on Cash Flow Hedges	Pension and Postretirement Benefits	Foreign Currency Translation	Total Accumulated Other Comprehensive Income (Loss)
Balance, January 1, 2020	$ -	$ 918	$ (6)	$ (855)	$ (125)	$ (68)
Other comprehensive income (loss) before reclassifications, after tax of $13, $(97), $8, $0 and $0	(48)	374	(22)	(3)	(17)	284
Reclassification of losses from accumulated other comprehensive income, after tax of $(12), $5, $(1), $(8) and $0	45	(20)	4	30		59
Other comprehensive income (loss)	(3)	354	(18)	27	(17)	343
Amounts attributable to noncontrolling interests		(37)		(2)	2	(37)
Balance, September 30, 2020	$ (3)	$ 1,235	$ (24)	$ (830)	$ (140)	$ 238
Balance, January 1, 2021	**$ -**	**$ 1,563**	**$ (23)**	**$ (877)**	**$ (82)**	**$ 581**
Other comprehensive income (loss) before reclassifications, after tax of $1, $104, $(3), $0 and $0	**(2)**	**(391)**	**12**	**1**	**(19)**	**(399)**
Reclassification of (income) losses from accumulated other comprehensive income, after tax of $(1), $20, $(2), $(7) and $0	**2**	**(74)**	**2**	**31**		**(39)**
Other comprehensive income (loss)	**-**	**(465)**	**14**	**32**	**(19)**	**(438)**
Amounts attributable to noncontrolling interests		**49**		**(3)**	**2**	**48**
Balance, September 30, 2021	**$ -**	**$ 1,147**	**$ (9)**	**$ (848)**	**$ (99)**	**$ 191**

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

Major Category of AOCI	Affected Line Item
Net unrealized gains (losses) on investments with an allowance for credit losses, Net unrealized gains (losses) on investments with OTTI losses and Net unrealized gains (losses) on other investments	Investment gains (losses)
Unrealized gains (losses) on cash flow hedges	Operating revenues and other, Interest expense and Operating expenses and other
Pension and postretirement benefits	Operating expenses and other

Treasury Stock

Loews Corporation repurchased 15.7 million and 16.1 million shares of its common stock at an aggregate cost of $826 million and $673 million during the nine months ended September 30, 2021 and 2020.

7. Revenue from Contracts with Customers

Disaggregation of revenues – Revenue from contracts with customers, other than insurance premiums, is reported as Non-insurance warranty revenue and within Operating revenues and other on the Consolidated Condensed Statements of Operations. The following table presents revenues from contracts with customers disaggregated by revenue type along with the reportable segment and a reconciliation to Operating revenues and other as reported in Note 11:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	**2021**	2020
(In millions)				
Non-insurance warranty – CNA Financial	**$ 357**	$ 317	**$ 1,054**	$ 926
Transportation and storage of natural gas and NGLs and other services – Boardwalk Pipelines	**296**	280	**959**	898
Lodging and related services – Loews Hotels & Co	**129**	36	**279**	194
Rigid plastic packaging and recycled resin – Corporate (a)		253	**280**	753
Contract drilling – Diamond Offshore (b)				300
Total revenues from contracts with customers	**425**	569	**1,518**	2,145
Other revenues	**25**	40	**62**	96
Operating revenues and other	**$ 450**	$ 609	**$ 1,580**	$ 2,241

(a) Revenues presented for Corporate reflect the periods prior to the deconsolidation of Altium Packaging in the second quarter of 2021. See Note 2 for further discussion.
(b) Revenues presented for Diamond Offshore reflect the period prior to its deconsolidation in the second quarter of 2020. See Note 2 for further discussion.

Receivables from contracts with customers – As of September 30, 2021 and December 31, 2020, receivables from contracts with customers were approximately $118 million and $246 million and are included within Receivables on the Consolidated Condensed Balance Sheets.

Deferred revenue – As of September 30, 2021 and December 31, 2020, deferred revenue resulting from contracts with customers was approximately $4.5 billion and $4.1 billion and is reported as Deferred non-insurance warranty revenue and within Other liabilities on the Consolidated Condensed Balance Sheets. Approximately $916 million and $839 million of revenues recognized during the nine months ended September 30, 2021 and 2020 were included in deferred revenue as of December 31, 2020 and 2019.

Performance obligations – As of September 30, 2021, approximately $13.3 billion of estimated operating revenues is expected to be recognized in the future related to outstanding performance obligations. The balance relates primarily to transportation and storage of natural gas and natural gas liquids and hydrocarbons (“NGLs”) services and non-insurance warranty revenue. Approximately $0.7 billion will be recognized during the remaining three months of 2021, $2.3 billion in 2022 and the remainder in following years. The actual timing of recognition may vary due to factors outside of the Company’s control.

8. Benefit Plans

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

The following table presents the components of net periodic (benefit) cost for the defined benefit plans:

	Pension Benefits			
	Three Months Ended September 30,		**Nine Months Ended September 30,**	
(In millions)	**2021**	2020	**2021**	2020
Service cost	**$ 1**		**$ 2**	$ 2
Interest cost	**17**	$ 24	**53**	70
Expected return on plan assets	**(41)**	(43)	**(127)**	(130)
Amortization of unrecognized net loss	**12**	12	**37**	35
Amortization of unrecognized prior service cost				1
Settlement charge		1	**2**	8
Regulatory asset decrease	**1**		**1**	
Net periodic benefit	**$ (10)**	$ (6)	**$ (32)**	$ (14)

The net periodic benefit for other postretirement benefits was $1 million for the three months ended September 30, 2021 and the nine months ended September 30, 2021 and 2020. There was no net periodic benefit for the three months ended September 30, 2020.

9. Legal Proceedings

On May 25, 2018, plaintiffs Tsemach Mishal and Paul Berger (on behalf of themselves and the purported class, “Plaintiffs”) initiated a purported class action in the Court of Chancery of the State of Delaware (the “Court”) against the following defendants: Boardwalk Pipelines, Boardwalk GP, LP (“General Partner”), Boardwalk GP, LLC and Boardwalk Pipelines Holding Corp. (“BPHC”) (together, “Defendants”), regarding the potential exercise by the General Partner of its right to purchase all of the issued and outstanding common units representing limited partnership interests in Boardwalk Pipelines not already owned by the General Partner or its affiliates.

On June 25, 2018, Plaintiffs and Defendants entered into a Stipulation and Agreement of Compromise and Settlement, subject to the approval of the Court (the “Proposed Settlement”). Under the terms of the Proposed Settlement, the lawsuit would be dismissed, and related claims against the Defendants would be released by the Plaintiffs, if BPHC, the sole member of the General Partner, elected to cause the General Partner to exercise its right to purchase the issued and outstanding common units of Boardwalk Pipelines pursuant to Boardwalk Pipelines’ Third Amended and Restated Agreement of Limited Partnership, as amended (“Limited Partnership Agreement”), within a period specified by the Proposed Settlement. On June 29, 2018, the General Partner elected to exercise its right to purchase all of the issued and outstanding common units representing limited partnership interests in Boardwalk Pipelines not already owned by the General Partner or its affiliates pursuant to the Limited Partnership Agreement within the period specified by the Proposed Settlement. The transaction was completed on July 18, 2018.

On September 28, 2018, the Court denied approval of the Proposed Settlement. On February 11, 2019, a substitute verified class action complaint was filed in this proceeding. The Defendants filed a motion to dismiss, which was heard by the Court in July of 2019. In October of 2019, the Court ruled on the motion and granted a partial dismissal, with certain aspects of the case proceeding to trial. A trial was held the week of February 22, 2021 and post-trial oral arguments were held on July 14, 2021.

The Company is from time to time party to other litigation arising in the ordinary course of business. While it is difficult to predict the outcome or effect of any litigation, management does not believe that the outcome of any pending litigation, including the Boardwalk Pipelines matter described above, will materially affect the Company’s results of operations or equity.

10. Commitments and Contingencies

CNA Data Breach-related Contingency

As previously disclosed, CNA sustained a sophisticated cybersecurity attack in March of 2021 involving ransomware. CNA's investigation revealed that an unauthorized third party copied some personal information relating to certain current and former employees, contractor workers and their dependents and certain other persons, including some policyholders. In July of 2021, CNA provided notifications to the impacted individuals and to regulators, in accordance with applicable law. CNA may be subject to subsequent investigations, fines or penalties, as well as other legal claims and actions, related to the foregoing. The likelihood is reasonably possible, but the amount of such fines, penalties or costs, if any, cannot be estimated at this time.

Based on the information currently known, CNA does not believe that the March 2021 cybersecurity attack will have a material impact on its business, results of operations or financial condition, but no assurances can be given as it continues to assess the full impact from the incident, including costs, expenses and insurance coverage.

CNA Guarantees

CNA has provided guarantees, if the primary obligor fails to perform, to holders of structured settlement annuities issued by a previously owned subsidiary. As of September 30, 2021, the potential amount of future payments CNA could be required to pay under these guarantees was approximately $1.6 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.

11. Segments

Loews Corporation has four reportable segments comprised of three individual consolidated operating subsidiaries, CNA, Boardwalk Pipelines and Loews Hotels & Co; and the Corporate segment. In the first quarter of 2020, Diamond Offshore was a reportable segment; it was deconsolidated during the second quarter of 2020. The Corporate segment is primarily comprised of Loews Corporation, excluding its subsidiaries, and the operations of Altium Packaging through March 31, 2021. On April 1, 2021, Loews Corporation sold 47% of its interest in Altium Packaging and as a result, Altium Packaging was deconsolidated from Loews Corporation's consolidated financial results. Subsequent to deconsolidation, Loews Corporation's investment in Altium Packaging is accounted for under the equity method of accounting, with Equity income (loss) reported in Operating expenses and other on the Consolidated Condensed Statements of Operations in the Corporate segment. For further discussion on the deconsolidations of Diamond Offshore and Altium Packaging see Note 2.

Each of the 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. For additional disclosures regarding the composition of Loews Corporation'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, 2020.

The following tables present the reportable segments and their contribution to the Consolidated Condensed Statements of Operations. Amounts presented will not necessarily be the same as those in the individual financial statements of the subsidiaries due to adjustments for purchase accounting, income taxes and noncontrolling interests.

Statements of Operations by segment are presented in the following tables.

Three Months Ended September 30, 2021	CNA Financial	Boardwalk Pipelines	Loews Hotels & Co	Corporate	Total
(In millions)					
Revenues:					
Insurance premiums	$ 2,059				$ 2,059
Net investment income (loss)	513			$ (30)	483
Investment gains	22				22
Non-insurance warranty revenue	357				357
Operating revenues and other	8	$ 307	$ 134	1	450
Total	2,959	307	134	(29)	3,371
Expenses:					
Insurance claims and policyholders' benefits	1,632				1,632
Amortization of deferred acquisition costs	368				368
Non-insurance warranty expense	330				330
Operating expenses and other	287	215	109	27	638
Interest	28	40	8	23	99
Total	2,645	255	117	50	3,067
Income (loss) before income tax	314	52	17	(79)	304
Income tax (expense) benefit	(59)	(14)	(4)	19	(58)
Net income (loss)	255	38	13	(60)	246
Amounts attributable to noncontrolling interests	(26)				(26)
Net income (loss) attributable to Loews Corporation	$ 229	$ 38	$ 13	$ (60)	$ 220

Three Months Ended September 30, 2020	CNA Financial	Boardwalk Pipelines	Loews Hotels & Co	Corporate (a)	Total
(In millions)					
Revenues:					
Insurance premiums	$ 1,953				$ 1,953
Net investment income	517			$ 23	540
Investment gains	46				46
Non-insurance warranty revenue	317				317
Operating revenues and other	7	$ 289	$ 60	253	609
Total	2,840	289	60	276	3,465
Expenses:					
Insurance claims and policyholders’ benefits	1,616				1,616
Amortization of deferred acquisition costs	360				360
Non-insurance warranty expense	293				293
Operating expenses and other	268	219	114	275	876
Interest	52	44	8	33	137
Total	2,589	263	122	308	3,282
Income (loss) before income tax	251	26	(62)	(32)	183
Income tax (expense) benefit	(36)	(6)	15	6	(21)
Net income (loss)	215	20	(47)	(26)	162
Amounts attributable to noncontrolling interests	(23)				(23)
Net income (loss) attributable to Loews Corporation	$ 192	$ 20	$ (47)	$ (26)	$ 139

(a) Amounts presented for Corporate include the operating results of Altium Packaging prior to the deconsolidation.

Nine Months Ended September 30, 2021	CNA Financial	Boardwalk Pipelines	Loews Hotels & Co	Corporate (b)	Total
(In millions)					
Revenues:					
Insurance premiums	$ 6,056				$ 6,056
Net investment income	1,608		$ 1	$ 40	1,649
Investment gains	117			540	657
Non-insurance warranty revenue	1,054				1,054
Operating revenues and other	19	$ 991	288	282	1,580
Total	8,854	991	289	862	10,996
Expenses:					
Insurance claims and policyholders' benefits	4,684				4,684
Amortization of deferred acquisition costs	1,084				1,084
Non-insurance warranty expense	973				973
Operating expenses and other	874	641	328	365	2,208
Interest	85	121	25	93	324
Total	7,700	762	353	458	9,273
Income (loss) before income tax	1,154	229	(64)	404	1,723
Income tax (expense) benefit	(219)	(59)	13	(126)	(391)
Net income (loss)	935	170	(51)	278	1,332
Amounts attributable to noncontrolling interests	(97)				(97)
Net income (loss) attributable to Loews Corporation	$ 838	$ 170	$ (51)	$ 278	$ 1,235

(b) Amounts presented for Corporate include the operating results of Altium Packaging through March 31, 2021. Beginning April 1, 2021, Altium Packaging is recorded as an equity method investment.

Nine Months Ended September 30, 2020 (In millions)	CNA Financial	Boardwalk Pipelines	Loews Hotels & Co	Corporate (a)	Diamond Offshore (c)	Total
Revenues:						
Insurance premiums	$ 5,672					$ 5,672
Net investment income (loss)	1,380			$ (33)		1,347
Investment losses	(101)			(1,211)		(1,312)
Non-insurance warranty revenue	926					926
Operating revenues and other	20	$ 926	$ 236	754	$ 305	2,241
Total	7,897	926	236	(490)	305	8,874
Expenses:						
Insurance claims and policyholders’ benefits	4,683					4,683
Amortization of deferred acquisition costs	1,046					1,046
Non-insurance warranty expense	859					859
Operating expenses and other	851	633	404	810	1,196	3,894
Interest	114	127	24	96	43	404
Total	7,553	760	428	906	1,239	10,886
Income (loss) before income tax	344	166	(192)	(1,396)	(934)	(2,012)
Income tax (expense) benefit	(40)	(43)	48	293	26	284
Net income (loss)	304	123	(144)	(1,103)	(908)	(1,728)
Amounts attributable to noncontrolling interests	(32)				432	400
Net income (loss) attributable to Loews Corporation	$ 272	$ 123	$ (144)	$ (1,103)	$ (476)	$ (1,328)

(c) Amounts presented for Diamond Offshore reflect the period prior to the deconsolidation.

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 under Item 1 of this Report, Risk Factors included under Part II, Item 1A of this Report, Risk Factors included in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2021 and June 30, 2021 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, 2020. This MD&A is comprised of the following sections:

OVERVIEW

Loews Corporation is a holding company and has four reportable segments comprised of three individual consolidated operating subsidiaries, CNA Financial Corporation ("CNA"), Boardwalk Pipeline Partners, LP ("Boardwalk Pipelines") and Loews Hotels Holding Corporation ("Loews Hotels & Co"); and the Corporate segment. In the first quarter of 2020, Diamond Offshore Drilling Inc. ("Diamond Offshore") was a reportable segment; Diamond Offshore was deconsolidated during the second quarter of 2020. The Corporate segment is primarily comprised of Loews Corporation, excluding its subsidiaries, and the operations of Altium Packaging LLC ("Altium Packaging") through March 31, 2021. On April 1, 2021, Loews Corporation sold 47% of its interest in Altium Packaging to GIC, Singapore's sovereign wealth fund, for $420 million in cash consideration. As a result of the terms of this transaction, Loews Corporation shares certain participating rights with GIC related to capital allocation and other decisions and was therefore required to deconsolidate Altium Packaging as of the date of the sale under accounting principles generally accepted in the United States of America ("GAAP"). Subsequent to deconsolidation, Loews Corporation's investment in Altium Packaging is accounted for under the equity method of accounting, with Equity income (loss) reported in Operating expenses and other on the Consolidated Condensed Statements of Operations in the Corporate segment. For further information on the deconsolidations of Diamond Offshore and Altium Packaging see Note 2 of the Notes to Consolidated Condensed Financial Statements included under Item 1 of this Report.

Unless the context otherwise requires, the term "Company" as used herein means Loews Corporation including its consolidated subsidiaries, the terms "Parent Company," "we," "our," "us" or like terms as used herein mean Loews Corporation excluding its subsidiaries, the term "Net income (loss) attributable to Loews Corporation" as used herein means Net income (loss) attributable to Loews Corporation shareholders and the term "subsidiaries" means Loews Corporation's consolidated 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 shareholders. The ability of 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 (see Note 14 of the Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2020) 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.

RESULTS OF OPERATIONS

Consolidated Financial Results

The following table summarizes net income (loss) attributable to Loews Corporation by segment and net income (loss) per share attributable to Loews Corporation for the three and nine months ended September 30, 2021 and 2020:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	**2021**	2020
(In millions, except per share data)				
CNA Financial	**$ 229**	$ 192	**$ 838**	$ 272
Boardwalk Pipelines	**38**	20	**170**	123
Loews Hotels & Co	**13**	(47)	**(51)**	(144)
Corporate	**(60)**	(26)	**278**	(1,103)
Diamond Offshore				(476)
Net income (loss) attributable to Loews Corporation	**$ 220**	$ 139	**$ 1,235**	$ (1,328)
Basic net income (loss) per share	**$ 0.86**	$ 0.50	**$ 4.71**	$ (4.70)
Diluted net income (loss) per share	**$ 0.85**	$ 0.50	**$ 4.70**	$ (4.70)

Net income attributable to Loews Corporation for the three months ended September 30, 2021 was $220 million, or $0.85 per share, compared to $139 million, or $0.50 per share in the comparable 2020 period. Net income attributable to Loews Corporation for the nine months ended September 30, 2021 was $1.2 billion, or $4.70 per share, compared to a net loss of $1.3 billion, or $4.70 per share in the comparable 2020 period.

Each of the company’s consolidated subsidiaries, CNA Financial Corporation, Boardwalk Pipelines, and Loews Hotels & Co, contributed meaningfully to the year-over-year increase in Loews’s 2021 third quarter net income as compared to the comparable 2020 period. As compared to the third quarter of 2020, CNA benefited from higher Property & Casualty non-catastrophe current accident year underwriting results and improved Life & Group business results primarily due to the absence of the active life premium deficiency charge recorded in the third quarter of 2020, partially offset by higher net catastrophe losses and lower investment gains. Loews Hotels & Co posted significantly improved year-over-year third quarter results due to the continuing rebound in leisure travel, especially at resort destinations. Boardwalk Pipelines revenues for the third quarter of 2021 increased compared to the comparable prior year period, reflecting the impact of recently completed growth projects and higher system utilization. The parent company investment portfolio experienced lower net investment income in the third quarter of 2021 compared to the comparable prior year period.

The improved results for the nine months ended September 30, 2021 compared to the comparable 2020 period are due to higher Property & Casualty non-catastrophe current accident year underwriting results at CNA, improved results for CNA’s Life & Group business which benefited from the absence of the active life premium deficiency charge recorded in the third quarter of 2020, lower net catastrophe losses at CNA, significantly higher net investment income at CNA and the parent company, and investment gains in 2021 as compared to losses in 2020 at CNA and in the parent company investment portfolio. All other segment improvements for the nine months ended September 31, 2021 as compared to the comparable 2020 period are primarily due to the reasons discussed in the three month comparison above. In addition, the nine months ended September 30, 2021 include a gain of $438 million (after tax) related to the sale of 47% of Altium Packaging and its deconsolidation on April 1, 2021. The nine months ended September 30, 2020 included a loss of $957 million (after tax), related to the bankruptcy filing and deconsolidation of Diamond Offshore, and impairment charges totaling $774 million ($408 million after tax and noncontrolling interests) at Diamond Offshore in the first quarter of 2020, prior to deconsolidation.

CNA Financial

The following table summarizes the results of operations for CNA for the three and nine months ended September 30, 2021 and 2020 as presented in Note 11 of the Notes to Consolidated Condensed Financial Statements included under Item 1 of this Report. For further discussion of Net investment income and Investment gains (losses), see the Investments section of this MD&A.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	**2021**	2020
(In millions)				
Revenues:				
Insurance premiums	**$ 2,059**	$ 1,953	**$ 6,056**	$ 5,672
Net investment income	**513**	517	**1,608**	1,380
Investment gains (losses)	**22**	46	**117**	(101)
Non-insurance warranty revenue	**357**	317	**1,054**	926
Other revenues	**8**	7	**19**	20
Total	**2,959**	2,840	**8,854**	7,897
Expenses:				
Insurance claims and policyholders' benefits	**1,632**	1,616	**4,684**	4,683
Amortization of deferred acquisition costs	**368**	360	**1,084**	1,046
Non-insurance warranty expense	**330**	293	**973**	859
Other operating expenses	**287**	268	**874**	851
Interest	**28**	52	**85**	114
Total	**2,645**	2,589	**7,700**	7,553
Income before income tax	**314**	251	**1,154**	344
Income tax expense	**(59)**	(36)	**(219)**	(40)
Net income	**255**	215	**935**	304
Amounts attributable to noncontrolling interests	**(26)**	(23)	**(97)**	(32)
Net income attributable to Loews Corporation	**$ 229**	$ 192	**$ 838**	$ 272

Three Months Ended September 30, 2021 Compared to the Comparable 2020 Period

Net income attributable to Loews Corporation increased $37 million for the three months ended September 30, 2021 as compared with the comparable 2020 period primarily due to the absence of a $74 million charge ($52 million after tax and noncontrolling interests) related to the recognition of an active life reserve premium deficiency for long term care policies in the third quarter of 2020. Results for the three months ended September 30, 2021 also included improved non-catastrophe current accident year underwriting results. The three months ended September 30, 2020 also included a $14 million charge (after tax and noncontrolling interests) related to the early retirement of debt. These increases were partially offset by lower investment gains and net catastrophe losses of $178 million ($125 million after tax and noncontrolling interests) for the three months ended September 30, 2021 as compared to $160 million ($112 million after tax and noncontrolling interests) in the comparable 2020 period. Net catastrophe losses for the three months ended September 30, 2021 included $114 million for Hurricane Ida. Net catastrophe losses for the three months ended September 30, 2020 were driven by severe weather-related events, primarily Hurricanes Laura, Isaias and Sally and the Midwest derecho.

Nine Months Ended September 30, 2021 Compared to the Comparable 2020 Period

Net income attributable to Loews Corporation increased $566 million for the nine months ended September 30, 2021 as compared with the comparable 2020 period primarily due to improved current accident year underwriting results. Net catastrophe losses were $357 million ($251 million after tax and noncontrolling interests) for the nine months ended September 30, 2021 as compared to $536 million ($377 million after tax and noncontrolling interests) in the comparable 2020 period. Net catastrophe losses for the nine months ended September 30, 2021 were driven by severe weather-related events, primarily Hurricane Ida and Winter Storms Uri and Viola. Net catastrophe losses for the nine months ended September 30, 2020 included $273 million primarily related to severe weather-related events, $195 million related to COVID-19 and $68 million related to civil unrest. Results also reflect higher net investment income and investment gains during the nine months ended September 30, 2021 as compared with investment losses in the comparable 2020 period. Higher net investment income was driven by limited partnership and common stock returns and investment gains were driven by lower impairment losses and the favorable change in fair value of non-redeemable preferred stock for the nine months ended September 30, 2021 as compared with the comparable 2020 period. Results for the nine months ended September 30, 2021 also reflect the absence of a $74 million charge ($52 million after tax and noncontrolling interests) related to the recognition of an active life reserve premium deficiency for long term care policies in the comparable 2020 period.

CNA's Property & Casualty and Other Insurance Operations

CNA's commercial property and casualty insurance operations ("Property & Casualty Operations") include its Specialty, Commercial and International lines of business. CNA's Other Insurance Operations outside of Property & Casualty Operations include its long term care business that is in run-off, certain corporate expenses, including interest on CNA's corporate debt, certain property and casualty businesses in run-off, including CNA Re, Asbestos & Environmental Pollution ("A&EP"), excess workers' compensation and legacy mass tort. We believe the presentation of CNA as one reportable segment is appropriate in accordance with applicable accounting standards on segment reporting. However, for purposes of this discussion and analysis of the results of operations, we provide greater detail with respect to CNA's Property & Casualty Operations and Other Insurance Operations to enhance the reader's understanding and to provide further transparency into key drivers of CNA's financial results.

Effective January 1, 2021, and in connection with the ceding of certain legacy reserves under a retroactive reinsurance agreement executed in February 2021, CNA changed the presentation of a legacy portfolio of excess workers' compensation policies relating to business written in 2007 and prior. This business, which was previously reported as part of the Commercial business, is now reported as part of the Other Insurance Operations business. See Note 5 of the Notes to Consolidated Condensed Financial Statements included under Item 1 of this Report for further information on this retroactive reinsurance agreement. In addition, a determination was made to change the presentation of certain legacy mass tort reserves. Similar to the aforementioned excess workers' compensation legacy business, these legacy mass tort reserves were previously reported in the Commercial business and are now reported as part of the Other Insurance Operations business. These changes were made to better reflect the manner in which CNA is organized for purposes of making operating decisions and assessing performance. Prior period information has been conformed to the new presentation.

In assessing its insurance operations, CNA utilizes the core income (loss) financial measure. Core income (loss) is calculated by excluding from net income (loss), investment gains or losses and any cumulative effects of changes in accounting guidance. In addition, core income (loss) excludes the effects of noncontrolling interests. The calculation of core income (loss) excludes investment gains or losses because investment gains or losses are generally driven by economic factors that are not necessarily reflective of CNA's primary insurance operations. Core income (loss) is deemed to be a non-GAAP financial measure and management believes this measure is useful for investors to evaluate its insurance operations. Please see the non-GAAP reconciliation of core income (loss) to net income (loss) that follows in this MD&A.

Recent Developments

As previously disclosed, CNA sustained a sophisticated cybersecurity attack in March of 2021 involving ransomware that caused a network disruption and impacted certain of its systems. CNA has incurred expenses within Other Insurance Operations related to the cybersecurity attack and expects these expenses will continue. Additionally, CNA anticipates making continued investments in technology to improve its security and infrastructure, which will increase expenses in future periods. While CNA does not believe that the March 2021 cybersecurity attack will have a material impact on its business, results of operations or financial condition, no assurances can be given at this time as it continues to assess the full impact from the incident, including costs, expenses and insurance coverage.

Property & Casualty Operations

In evaluating the results of Property & Casualty Operations, CNA utilizes the loss ratio, the loss ratio excluding catastrophes and development, the expense ratio, the dividend ratio, the combined ratio and the combined ratio excluding catastrophes and development. 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 loss ratio excluding catastrophes and development excludes net catastrophes losses and changes in estimates of claim and claim adjustment expense reserves, net of reinsurance, for prior years from the loss ratio. 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. The combined ratio excluding catastrophes and development is the sum of the loss ratio excluding catastrophes and development, the expense ratio and the dividend ratio. In addition, renewal premium change, rate, retention and new business are also utilized in evaluating operating trends. Renewal premium change represents the estimated change in average premium on policies that renew, including rate and exposure changes. Rate represents the average change in price on policies that renew excluding exposure change.

For certain products within Small Business, where quantifiable, rate includes the influence of new business as well. Exposure represents the measure of risk used in the pricing of the insurance product. Retention represents the percentage of premium dollars renewed in comparison to the expiring premium dollars from policies available to renew. Renewal premium change, rate and retention presented for the prior period are updated to reflect subsequent activity on policies written in the period. New business represents premiums from policies written with new customers and additional policies written with existing customers. Gross written premiums, excluding third party captives, represents gross written premiums excluding business which is ceded to third party captives, including business related to large warranty programs.

The following tables summarize the results of CNA's Property & Casualty Operations for the three and nine months ended September 30, 2021 and 2020:

Three Months Ended September 30, 2021	**Specialty**	**Commercial**	**International**	**Total**
(In millions, except %)				
Gross written premiums	**$ 1,953**	**$ 1,010**	**$ 276**	**$ 3,239**
Gross written premiums excluding third party captives	**943**	**1,005**	**276**	**2,224**
Net written premiums	**822**	**831**	**256**	**1,909**
Net earned premiums	**773**	**893**	**271**	**1,937**
Net investment income	**116**	**141**	**14**	**271**
Core income	**173**	**27**	**17**	**217**
Other performance metrics:				
Loss ratio excluding catastrophes and development	**59.1%**	**61.5%**	**58.9%**	**60.2%**
Effect of catastrophe impacts	**0.4**	**18.6**	**3.4**	**9.2**
Effect of development-related items	**(1.8)**	**0.5**	**1.1**	**(0.3)**
Loss ratio	**57.7%**	**80.6%**	**63.4%**	**69.1%**
Expense ratio	**30.6**	**30.4**	**32.1**	**30.7**
Dividend ratio	**(0.1)**	**0.6**		**0.2**
Combined ratio	**88.2%**	**111.6%**	**95.5%**	**100.0%**
Combined ratio excluding catastrophes and development	**89.6%**	**92.5%**	**91.0%**	**91.1%**
Rate	**9%**	**6%**	**13%**	**8%**
Renewal premium change	**8**	**8**	**12**	**9**
Retention	**80**	**83**	**79**	**81**
New business	**$ 147**	**$ 204**	**$ 54**	**$ 405**

Three Months Ended September 30, 2020				
Gross written premiums	$ 1,855	$ 915	$ 238	$ 3,008
Gross written premiums excluding third party captives	861	915	238	2,014
Net written premiums	795	804	222	1,821
Net earned premiums	734	857	236	1,827
Net investment income	126	151	15	292
Core income	168	41	27	236
Other performance metrics:				
Loss ratio excluding catastrophes and development	60.0%	60.8%	60.1%	60.5%
Effect of catastrophe impacts	1.0	17.0	3.0	8.7
Effect of development-related items	(2.0)	0.6	0.1	(0.4)
Loss ratio	59.0%	78.4%	63.2%	68.8%
Expense ratio	30.5	32.3	34.9	31.8
Dividend ratio		0.6		0.3
Combined ratio	89.5%	111.3%	98.1%	100.9%
Combined ratio excluding catastrophes and development	90.5%	93.7%	95.0%	92.6%
Rate	13%	11%	17%	12%
Renewal premium change	15	9	15	12
Retention	87	82	69	82
New business	$ 105	$ 168	$ 54	$ 327

Nine Months Ended September 30, 2021	Specialty	Commercial	International	Total
(In millions, except %)				
Gross written premiums	**$ 5,650**	**$ 3,284**	**$ 958**	**$ 9,892**
Gross written premiums excluding third party captives	**2,656**	**3,176**	**958**	**6,790**
Net written premiums	**2,350**	**2,622**	**783**	**5,755**
Net earned premiums	**2,270**	**2,629**	**789**	**5,688**
Net investment income	**367**	**463**	**42**	**872**
Core income	**531**	**233**	**67**	**831**
Other performance metrics:				
Loss ratio excluding catastrophes and development	**59.1%**	**60.8%**	**59.2%**	**59.9%**
Effect of catastrophe impacts	**0.4**	**12.6**	**2.0**	**6.3**
Effect of development-related items	**(1.7)**	**0.6**	**0.3**	**(0.4)**
Loss ratio	**57.8%**	**74.0%**	**61.5%**	**65.8%**
Expense ratio	**30.4**	**31.4**	**33.3**	**31.3**
Dividend ratio	**0.1**	**0.6**		**0.3**
Combined ratio	**88.3%**	**106.0%**	**94.8%**	**97.4%**
Combined ratio excluding catastrophes and development	**89.6%**	**92.8%**	**92.5%**	**91.5%**
Rate	**10%**	**8%**	**13%**	**10%**
Renewal premium change	**10**	**9**	**12**	**10**
Retention	**84**	**82**	**76**	**82**
New business	**$ 370**	**$ 615**	**$ 204**	**$ 1,189**

Nine Months Ended September 30, 2020				
Gross written premiums	$ 5,331	$ 3,103	$ 822	$ 9,256
Gross written premiums excluding third party captives	2,413	3,018	822	6,253
Net written premiums	2,231	2,703	680	5,614
Net earned premiums	2,124	2,470	699	5,293
Net investment income	315	354	44	713
Core income	354	113	15	482
Other performance metrics:				
Loss ratio excluding catastrophes and development	59.8%	60.1%	60.1%	59.9%
Effect of catastrophe impacts	5.7	14.3	8.9	10.1
Effect of development-related items	(2.1)	0.1	(0.4)	(0.8)
Loss ratio	63.4%	74.5%	68.6%	69.2%
Expense ratio	31.5	33.2	35.6	32.9
Dividend ratio	0.1	0.6		0.3
Combined ratio	95.0%	108.3%	104.2%	102.4%
Combined ratio excluding catastrophes and development	91.4%	93.9%	95.7%	93.1%
Rate	12%	10%	13%	11%
Renewal premium change	13	9	11	11
Retention	86	84	71	83
New business	$ 275	$ 564	$ 184	$ 1,023

Three Months Ended September 30, 2021 Compared to the Comparable 2020 Period

Gross written premiums, excluding third party captives, for Specialty increased $82 million for the three months ended September 30, 2021 as compared with the comparable 2020 period driven by rate and higher new business. Net written premiums for Specialty increased $27 million for the three months ended September 30, 2021 as compared with the comparable 2020 period. The increase in net earned premiums for the three months ended September 30, 2021 was consistent with the trend in net written premiums for Specialty.

Gross written premiums for Commercial increased $95 million for the three months ended September 30, 2021 as compared with the comparable 2020 period driven by rate and higher new business. Net written premiums for Commercial increased $27 million for the three months ended September 30, 2021 as compared with the comparable 2020 period. The increase in net earned premiums for the three months ended September 30, 2021 was consistent with the trend in net written premiums for Commercial.

Gross written premiums for International increased $38 million for the three months ended September 30, 2021 as compared with the comparable 2020 period. Excluding the effect of foreign currency exchange rates, gross written premiums increased $26 million driven by rate and retention. Net written premiums for International increased $34 million for the three months ended September 30, 2021 as compared with the comparable 2020 period. Excluding the effect of foreign currency exchange rates, net written premiums increased $23 million for the three months ended September 30, 2021 as compared with the comparable 2020 period. The increase in net earned premiums for the three months ended September 30, 2021 was consistent with the trend in net written premiums for International.

Total core income decreased $19 million for the three months ended September 30, 2021 as compared with the comparable 2020 period primarily due to higher net catastrophe losses and lower net investment income, partially offset by improved non-catastrophe current accident year underwriting results.

Total net catastrophe losses were $178 million for the three months ended September 30, 2021 as compared with $160 million in the comparable 2020 period. For the three months ended September 30, 2021 and 2020, Specialty had net catastrophe losses of $3 million and $7 million, Commercial had net catastrophe losses of $166 million and $146 million and International had net catastrophe losses of $9 million and $7 million.

Favorable net prior year loss reserve development of $10 million and $15 million was recorded for the three months ended September 30, 2021 and 2020. For the three months ended September 30, 2021 and 2020, Specialty recorded favorable net prior year loss reserve development of $15 million and $16 million, Commercial recorded unfavorable net prior year loss reserve development of $2 million and $1 million and International recorded unfavorable net prior year loss reserve development of $3 million and no net prior year loss reserve development. Further information on net prior year loss reserve development is included in Note 5 of the Notes to Consolidated Condensed Financial Statements included under Item 1 of this Report.

Specialty’s combined ratio improved 1.3 points for the three months ended September 30, 2021 as compared with the comparable 2020 period due to a 1.3 point improvement in the loss ratio driven by improved current accident year underwriting results.

Commercial’s combined ratio increased 0.3 points for the three months ended September 30, 2021 as compared with the comparable 2020 period due to a 2.2 point increase in the loss ratio largely offset by a 1.9 improvement in the expense ratio. The increase in the loss ratio was driven by higher net catastrophe losses, which were 18.6 points of the loss ratio for the three months ended September 30, 2021 as compared with 17.0 points of the loss ratio in the comparable 2020 period. The improvement in the expense ratio was primarily due to higher net earned premiums and lower acquisition costs driven by ceded commissions.

International’s combined ratio improved 2.6 points for the three months ended September 30, 2021 as compared with the comparable 2020 period primarily due to a 2.8 point improvement in the expense ratio. The improvement in the expense ratio was driven by higher net earned premiums and lower acquisition costs.

Nine Months Ended September 30, 2021 Compared to the Comparable 2020 Period

Gross written premiums, excluding third party captives, for Specialty increased $243 million for the nine months ended September 30, 2021 as compared with the comparable 2020 period driven by rate and higher new business. Net written premiums for Specialty increased $119 million for the nine months ended September 30, 2021 as compared with the comparable 2020 period. The increase in net earned premiums for the nine months ended September 30, 2021 was consistent with the trend in net written premiums for Specialty.

Gross written premiums for Commercial increased $181 million for the nine months ended September 30, 2021 as compared with the comparable 2020 period driven by rate and higher new business. Net written premiums for Commercial decreased $81 million for the nine months ended September 30, 2021 as compared with the comparable 2020 period driven by the impact of the June 1, 2021 written premium catch-up resulting from the addition of the quota share treaty to the property reinsurance program. Excluding the impact of the June 1, 2021 written premium catch-up, net written premiums increased $31 million for the nine months ended September 30, 2021 as compared with the comparable 2020 period. Net earned premiums for Commercial increased $159 million for the nine months ended September 30, 2021 as compared with the comparable 2020 period. The increase in net earned premiums for the nine months ended September 30, 2021 was partially impacted by a reduction in estimated audit premiums related to COVID-19 in 2020 for Commercial.

Gross written premiums for International increased $136 million for the nine months ended September 30, 2021 as compared with the comparable 2020 period. Excluding the effect of foreign currency exchange rates, gross written premiums increased $82 million driven by rate and higher new business. Net written premiums for International increased $103 million for the nine months ended September 30, 2021 as compared with the comparable 2020 period. Excluding the effect of foreign currency exchange rates, net written premiums increased $57 million for the nine months ended September 30, 2021 as compared with the comparable 2020 period. The increase in net earned premiums for the nine months ended September 30, 2021 was consistent with the trend in net written premiums for International.

Total core income increased $349 million for the nine months ended September 30, 2021 as compared with the comparable 2020 period primarily due to improved current accident year underwriting results and higher net investment income driven by limited partnership and common stock returns.

Total net catastrophe losses were $357 million for the nine months ended September 30, 2021 as compared with $536 million in the comparable 2020 period. For the nine months ended September 30, 2021 and 2020, Specialty had net catastrophe losses of $9 million and $120 million, Commercial had net catastrophe losses of $332 million and $354 million and International had net catastrophe losses of $16 million and $62 million.

Favorable net prior year loss reserve development of $36 million and $58 million was recorded for the nine months ended September 30, 2021 and 2020. For the nine months ended September 30, 2021 and 2020, Specialty recorded favorable net prior year loss reserve development of $40 million and $47 million, Commercial recorded unfavorable net prior loss reserve development of $2 million and favorable net prior year loss reserve development of $8 million and International recorded unfavorable net prior year loss reserve development of $2 million and favorable net prior year loss reserve development of $3 million. Further information on net prior year loss reserve development is included in Note 5 of the Notes to Consolidated Condensed Financial Statements included under Item 1 of this Report.

Specialty's combined ratio improved 6.7 points for the nine months ended September 30, 2021 as compared with the comparable 2020 period due to a 5.6 point improvement in the loss ratio and a 1.1 point improvement in the expense ratio. The improvement in the loss ratio was primarily due to lower net catastrophe losses and improved non-catastrophe current accident year underwriting results. Net catastrophe losses were 0.4 points of the loss ratio for the nine months ended September 30, 2021, as compared with 5.7 points of the loss ratio in the comparable 2020 period. The improvement in the expense ratio was driven by higher net earned premiums.

Commercial's combined ratio improved 2.3 points for the nine months ended September 30, 2021 as compared with the comparable 2020 period primarily due to a 1.8 point improvement in the expense ratio. The improvement in the expense ratio was primarily due to higher net earned premiums and a favorable acquisition ratio. Net catastrophe losses were 12.6 points of the loss ratio for the nine months ended September 30, 2021 as compared with 14.3 points of the loss ratio for the comparable 2020 period.

International's combined ratio improved 9.4 points for the nine months ended September 30, 2021 as compared with the comparable 2020 period due to a 7.1 point improvement in the loss ratio and a 2.3 point improvement in the expense ratio. The improvement in the loss ratio was driven by lower net catastrophe losses, which were 2.0 points of the loss ratio for the nine months ended September 30, 2021 as compared with 8.9 points of the loss ratio in the comparable 2020 period, and improved non-catastrophe current accident year underwriting results. The improvement in the expense ratio was driven by a favorable acquisition ratio and higher net earned premiums.

Other Insurance Operations

The following table summarizes the results of CNA's Other Insurance Operations for the three and nine months ended September 30, 2021 and 2020:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	**2021**	2020
(In millions)				
Net earned premiums	**$ 123**	$ 127	**$ 369**	$ 380
Net investment income	**242**	225	**736**	667
Core income (loss)	**20**	(43)	**10**	(82)

Three Months Ended September 30, 2021 Compared to the Comparable 2020 Period

Core results improved $63 million for the three months ended September 30, 2021 as compared with the comparable 2020 period. Results for the three months ended September 30, 2021 included no unlocking event for active life reserves as a result of the gross premium valuation ("GPV"). Core results for the three months ended September 30, 2021 included a $31 million favorable impact from the reduction in long term care claim reserves resulting from the annual claim reserve reviews in the third quarter of 2021. Core results for the three months ended September 30, 2020 included a $59 million charge related to the recognition of an active life reserve premium deficiency for long term care policies. The results for the three months ended September 30, 2020 also included a $36 million charge related to the increase in structured settlement claim reserves partially offset by a $30 million favorable impact from the reduction in long term care claim reserves, both resulting from the annual claim reserve reviews in the third quarter of 2020.

Nine Months Ended September 30, 2021 Compared to the Comparable 2020 Period

Core results improved $92 million for the nine months ended September 30, 2021 as compared with the comparable 2020 period. The drivers of the improved results were generally consistent with the three month discussion above. In addition, core results for the nine months ended September 30, 2021 included lower unfavorable net prior year loss reserve development related to legacy mass tort exposures as compared with the comparable 2020 period. Core results for the nine months ended September 30, 2021 also reflect expenses related to the March 2021 cybersecurity attack, the recognition of a $12 million loss resulting from the legacy excess workers' compensation loss portfolio transfer ("EWC LPT") and lower amortization of the deferred gain related to the A&EP Loss Portfolio Transfer ("LPT") as compared with the comparable 2020 period. For further information on the A&EP LPT, EWC LPT and net prior year loss reserve development see Note 5 of the Notes to Consolidated Condensed Financial Statements included under Item 1 of this Report.

Life & Group Policyholder Reserves

Annually, in the third quarter, CNA assesses the adequacy of its long term care future policy benefit reserves by performing a GPV to determine if there is a premium deficiency. See the Insurance Reserves section of our MD&A included under Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2020 for further information on the reserving process.

The September 30, 2021 GPV indicated that the recorded reserves included a margin of approximately $72 million. A summary of the changes in the estimated reserve margin is presented in the table below:

(In millions)		
Long term care active life reserve - change in estimated reserve margin		
September 30, 2020 estimated margin	**$**	**-**
Changes in underlying discount rate assumptions (a)		**65**
Changes in underlying morbidity assumptions		**205**
Changes in underlying persistency assumptions		**(233)**
Changes in underlying premium rate action assumptions		**27**
Changes in underlying expense and other assumptions		**8**
September 30, 2021 Estimated Margin	**$**	**72**

(a) Including cost of care inflation assumption.

The increase in the margin in 2021 was primarily driven by changes in discount rate assumptions due to higher near term expected reinvestment rates and favorable changes to underlying morbidity assumptions. These favorable drivers were partially offset by unfavorable changes to underlying persistency assumptions.

CNA has determined that additional future policy benefit reserves for profits followed by losses are not currently required based on the most recent projections.

The table below summarizes the estimated pretax impact on CNA's results of operations from various hypothetical revisions to its active life reserve assumptions. The annual GPV process involves updating all assumptions to management's then current best estimate, and historically all significant assumptions have been revised each year. In the table below, CNA has assumed that revisions to such assumptions would occur in each policy type, age and duration within each policy group and would occur absent any changes, mitigating or otherwise, in the other assumptions. Although such hypothetical revisions are not currently required or anticipated, CNA believes they could occur based on past variances in experience and its expectations of the ranges of future experience that could reasonably occur. Any required increase in the recorded reserves resulting from a hypothetical revision in the table below would first reduce the margin in the carried reserves before it would affect results from operations. Any actual adjustment would be dependent on the specific policies affected and, therefore, may differ from the estimates summarized below. The estimated impacts to results of operations in the table below are after consideration of the existing margin.

September 30, 2021		**Estimated Reduction to Pretax Income**
(In millions)		
Hypothetical revisions		
Morbidity:		
2.5% increase in morbidity	**$**	**300**
5% increase in morbidity		**600**
Persistency:		
5% decrease in active life mortality and lapse	**$**	**100**
10% decrease in active life mortality and lapse		**300**
Discount rates:		
25 basis point decline in new money interest rates	**$**	**100**
50 basis point decline in new money interest rates		**200**
Premium rate actions:		
25% decrease in anticipated future premium rate increases	**$**	**-**
50% decrease in anticipated future premium rate increases		**-**

Non-GAAP Reconciliation of Core Income (Loss) to Net Income

The following table reconciles core income (loss) to net income attributable to Loews Corporation for the three and nine months ended September 30, 2021 and 2020:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	**2021**	2020
(In millions)				
Core income (loss):				
Property & Casualty Operations	**$ 217**	$ 236	**$ 831**	$ 482
Other Insurance Operations	**20**	(43)	**10**	(82)
Total core income	**237**	193	**841**	400
Investment gains (losses)	**18**	36	**94**	(81)
Consolidating adjustments including noncontrolling interests	**(26)**	(37)	**(97)**	(47)
Net income attributable to Loews Corporation	**$ 229**	$ 192	**$ 838**	$ 272

Boardwalk Pipelines

A significant portion of Boardwalk Pipelines' revenues are fee-based, being derived from capacity reservation charges under firm agreements with customers, which do not vary significantly period to period, but are impacted by longer term trends in its business such as lower pricing on contract renewals and other factors. Boardwalk Pipelines' operating costs and expenses do not vary significantly based upon the amount of products transported, with the exception of costs recorded in fuel and transportation expense, which are netted with fuel retained on our Consolidated Condensed Statements of Operations. For further information on Boardwalk Pipelines' revenue recognition policies see Note 1 of the Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2020.

The following table summarizes the results of operations for Boardwalk Pipelines for the three and nine months ended September 30, 2021 and 2020 as presented in Note 11 of the Notes to Consolidated Condensed Financial Statements included under Item 1 of this Report:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	**2021**	2020
(In millions)				
Revenues:				
Operating revenues and other	**$ 307**	$ 289	**$ 991**	$ 926
Total	**307**	289	**991**	926
Expenses:				
Operating and other	**215**	219	**641**	633
Interest	**40**	44	**121**	127
Total	**255**	263	**762**	760
Income before income tax	**52**	26	**229**	166
Income tax expense	**(14)**	(6)	**(59)**	(43)
Net income attributable to Loews Corporation	**$ 38**	$ 20	**$ 170**	$ 123

Three Months Ended September 30, 2021 Compared to the Comparable 2020 Period

Total revenues increased $18 million for the three months ended September 30, 2021 as compared with the comparable 2020 period. Including fuel and transportation expense, revenues increased $21 million, primarily driven by revenues from recently completed growth projects and higher utilization-based revenues.

Operating and other expenses decreased $4 million for the three months ended September 30, 2021 as compared with the comparable 2020 period. Excluding fuel and transportation expense, which was offset with operating revenues, operating and other expenses were essentially flat.

Interest expenses decreased $4 million for the three months ended September 30, 2021 as compared with the comparable 2020 period, primarily due to lower average interest rates and lower average outstanding long term debt balances.

Nine Months Ended September 30, 2021 Compared to the Comparable 2020 Period

Total revenues increased $65 million for the nine months ended September 30, 2021 as compared with the comparable 2020 period, primarily driven by recently completed growth projects and higher system utilization from colder winter weather experienced during the first quarter of 2021.

Operating and other expenses increased $8 million for the nine months ended September 30, 2021 as compared with the comparable 2020 period, primarily due to an increased asset base from recently completed growth projects.

Interest expense decreased $6 million for the nine months ended September 30, 2021 as compared with the comparable 2020 period, primarily due to lower average interest rates and lower average outstanding long term debt balances.

Loews Hotels & Co

The following table summarizes the results of operations for Loews Hotels & Co for the three and nine months ended September 30, 2021 and 2020 as presented in Note 11 of the Notes to Consolidated Condensed Financial Statements included under Item 1 of this Report:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	**2021**	2020
(In millions)				
Revenues:				
Operating revenue	**$ 107**	$ 22	**$ 222**	$ 140
Gain on sale of assets		24		37
Revenues related to reimbursable expenses	**27**	14	**67**	59
Total	**134**	60	**289**	236
Expenses:				
Operating and other:				
Operating	**93**	53	**231**	219
Asset impairments		10		30
Reimbursable expenses	**27**	14	**67**	59
Depreciation	**15**	15	**47**	45
Equity (income) loss from joint ventures	**(26)**	22	**(17)**	51
Interest	**8**	8	**25**	24
Total	**117**	122	**353**	428
Income (loss) before income tax	**17**	(62)	**(64)**	(192)
Income tax (expense) benefit	**(4)**	15	**13**	48
Net income (loss) attributable to Loews Corporation	**$ 13**	$ (47)	**$ (51)**	$ (144)

Loews Hotels & Co's results have been significantly impacted by the COVID-19 pandemic. By April 2020, most hotel properties owned and/or operated by Loews Hotels & Co had temporarily suspended operations. These hotel properties gradually resumed operations at various times, culminating with all hotels having resumed operations by June 30, 2021. During 2021, occupancy rates have gradually improved as social distancing restrictions were scaled back and vaccinations helped reduce infection rates, with hotel properties located in resort destinations improving sooner than hotel properties located in city centers. However, occupancy levels have not reached pre-pandemic levels at many hotels owned and/or operated by Loews Hotels & Co.

The increase in operating revenues of $85 million and the increase in operating expenses of $40 million for the three months ended September 30, 2021 as compared with the comparable 2020 period, when operations were significantly impacted by the pandemic, was due to improved performance. For the nine months ended September 30, 2021 operating revenues improved by $82 million and operating expenses increased $12 million as compared with the comparable 2020 period. The nine-month comparison is impacted by pre-pandemic business levels prior to mid-March 2020 followed by results that were significantly impacted by the pandemic for the remainder of 2020. Through 2021, occupancy levels have gradually increased leading to improved revenues at most hotel properties, with operating expenses also increasing to support the increased demand levels. As all properties have not resumed all levels of pre-pandemic service offerings, hotel operating expenses, including staffing levels, will increase as those return.

Equity (income) loss from joint ventures improved $48 million and $68 million for the three and nine months ended September 30, 2021 as compared with the comparable 2020 periods driven by the resumption of operations and associated occupancy improvement at all joint venture hotels. The three months ended September 30, 2021 was the first quarter during which all 9,000 rooms that are part of the Universal Orlando Resort joint ventures were open for the full quarter. In addition, pre-opening costs included in equity (income) loss from joint ventures decreased $1 million and $8 million for the three and nine months ended September 30, 2021 as compared with the comparable 2020 periods.

Loews Hotels & Co considers events or changes in circumstances that indicate the carrying amount of its assets may not be recoverable. For the three and nine months ended September 30, 2020, Loews Hotels & Co recorded impairment charges of $10 million and $30 million to reduce the carrying value of certain assets to their estimated fair value.

Loews Hotels & Co recorded gains on the sale of assets of $24 million and $37 million for the three and nine months ended September 30, 2020 related to sales of an office building in the third quarter and an owned hotel in the second quarter.

Corporate

Corporate operations consist primarily of investment income, interest expense and administrative costs at the Parent Company. 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 held at the Parent Company. Corporate also includes the operating results of Altium Packaging through March 31, 2021 and the loss related to the Parent Company's equity method investment in Altium Packaging beginning on April 1, 2021, as a result of the sale of 47% of the Parent Company's interest in Altium Packaging and the resulting deconsolidation. See Note 2 of the Notes to Consolidated Condensed Financial Statements included under Item 1 of this Report for further information.

The following table summarizes the results of operations for Corporate for the three and nine months ended September 30, 2021 and 2020 as presented in Note 11 of the Notes to Consolidated Condensed Financial Statements included under Item 1 of this Report:

	Three Months Ended September 30,		**Nine Months Ended September 30,**	
	2021	2020	**2021**	2020
(In millions)				
Revenues:				
Net investment income (loss)	**$ (30)**	$ 23	**$ 40**	$ (33)
Investment gains (losses)			**540**	(1,211)
Operating revenues and other	**1**	253	**282**	754
Total	**(29)**	276	**862**	(490)
Expenses:				
Operating and other	**27**	275	**365**	810
Interest	**23**	33	**93**	96
Total	**50**	308	**458**	906
Income (loss) before income tax	**(79)**	(32)	**404**	(1,396)
Income tax (expense) benefit	**19**	6	**(126)**	293
Net income (loss) attributable to Loews Corporation	**$ (60)**	$ (26)	**$ 278**	$ (1,103)

Net investment loss for the Parent Company was $30 million for the three months ended September 30, 2021 as compared with net investment income of $23 million for the comparable 2020 period, primarily due to lower results from equity based investments in the Parent Company trading portfolio. Net investment income for the Parent Company for the nine months ended September 30, 2021 was $40 million as compared with a net investment loss of $33 million for the comparable 2020 period, primarily due to improved results from equity based investments in the Parent Company trading portfolio.

Investment gains of $540 million for the nine months ended September 30, 2021 were primarily due to a gain of $555 million ($438 million after tax) on the sale of 47% of Altium Packaging. Investment loss of $1.2 billion ($957 million after tax) for the nine months ended September 30, 2020 was due to the loss recognized upon deconsolidation of Diamond Offshore as a result of its Chapter 11 Filing.

Operating revenues and other include Altium Packaging revenues of $280 million for 2021, prior to its deconsolidation on April 1, 2021, and $253 million and $753 million for the three and nine months ended September 30, 2020.

Operating and other expenses decreased by $248 million and $445 million for the three and nine months ended September 30, 2021 as compared with the comparable 2020 periods primarily due to the deconsolidation of Altium Packaging as the three and nine months ended September 30, 2020 included $247 million and $729 million of Operating and other expenses for Altium Packaging. Operating and other expenses also include legal and other corporate overhead expenses at the Parent Company. In addition, pursuant to the deconsolidation of Altium Packaging, the related loss related to the Parent Company’s investment in Altium Packaging is included in Operating and other expenses.

Interest expenses decreased $10 million for the three months ended September 30, 2021 as compared with the comparable 2020 period primarily due to the deconsolidation of Altium Packaging as the three months ended September 30, 2020 included $12 million of interest expense for Altium packaging. Interest expenses decreased $3 million for the nine months ended September 30, 2021 as compared with the comparable 2020 period primarily due to the deconsolidation of Altium Packaging as of April 1, 2021, partially offset by the May 2020 issuance of the Parent Company’s $500 million 3.2% senior notes and a charge of approximately $14 million to write off debt issuance costs for the early retirement of debt at Altium Packaging in the first quarter of 2021.

Income tax expense was $126 million for the nine months ended September 30, 2021 as compared with an income tax benefit of $293 million for the comparable 2020 period. The income tax expense for the nine months ended September 30, 2021 is primarily due to the recognition of $117 million of taxes on the investment gain related to the sale of 47% of Altium Packaging and also includes the recognition of a $40 million deferred tax liability resulting from the asset held for sale designation of Altium Packaging in the first quarter of 2021. The income tax benefit for the nine months ended September 30, 2020 is primarily due to the recognition of taxes on the investment loss related to the deconsolidation of Diamond Offshore.

Diamond Offshore

Amounts presented for Diamond Offshore for the nine months ended September 30, 2020 reflect the periods prior to its deconsolidation in the second quarter of 2020. Contract drilling revenues and contract drilling expenses were $287 million and $254 million for the nine months ended September 30, 2020. Operating and other expenses for the nine months ended September 30, 2020 included an aggregate asset impairment charge of $774 million ($408 million after tax and noncontrolling interests) recognized in the first quarter of 2020. For more information on the deconsolidation of Diamond Offshore see Note 2 of the Notes to Consolidated Condensed Financial Statements included under Item 1 of this Report.

LIQUIDITY AND CAPITAL RESOURCES

Parent Company

Parent Company cash and investments, net of receivables and payables, totaled $3.6 billion at September 30, 2021 as compared to $3.5 billion at December 31, 2020. During the nine months ended September 30, 2021, we received $460 million in dividends from CNA, including a special dividend of $182 million. We also received a $199 million dividend from Altium Packaging in February of 2021. Cash outflows during the nine months ended September 30, 2021 included the payment of $825 million to fund treasury stock purchases, $49 million of cash dividends to our shareholders and $32 million of cash contributions to Loews Hotels & Co. On April 1, 2021, Loews Corporation sold its 47% interest in Altium Packaging to GIC and received $420 million in cash consideration. As a holding company we depend on dividends from our subsidiaries and returns on our investment portfolio to fund our obligations. We also have an effective Registration Statement on file with the Securities and Exchange Commission ("SEC") registering the future sale of an unlimited amount of our debt and equity securities from time to time. We are not responsible for the liabilities and obligations of our subsidiaries and there are no Parent Company guarantees.

Depending on market and other conditions, we may purchase our shares and shares of our subsidiaries' outstanding common stock in the open market, in privately negotiated transactions or otherwise. During the nine months ended September 30, 2021, we purchased 15.7 million shares of Loews Corporation common stock. As of October 29, 2021, we had purchased an additional 0.1 million shares of Loews Corporation common stock in 2021 at an aggregate cost of $5 million. As of October 29, 2021, there were 253,684,412 shares of Loews Corporation common stock outstanding.

Future uses of our cash may include investing in our subsidiaries, new acquisitions, dividends and/or repurchases of our and our subsidiaries' outstanding common stock. The declaration and payment of future dividends to holders of our common stock will be at the discretion of our Board of Directors and will depend on many factors, including our earnings, financial condition and business needs.

Subsidiaries

CNA's cash provided by operating activities was $1,354 million for the nine months ended September 30, 2021 and $1,408 million for the comparable 2020 period. The decrease in cash provided by operating activities was driven by the payment of the EWC LPT premium, increased ceded premiums paid and higher taxes paid, partially offset by an increase in gross premiums collected, lower claim payments and a higher level of distributions from limited partnerships. For further information on the EWC LPT see Note 5 of the Notes to Consolidated Condensed Financial Statements included under Item 1 of this Report.

CNA paid cash dividends of $1.89 per share on its common stock, including a special cash dividend of $0.75 per share, during the nine months ended September 30, 2021. On October 29, 2021, CNA's Board of Directors declared a quarterly cash dividend of $0.38 per share, payable December 2, 2021 to shareholders of record on November 15, 2021. 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.

Dividends from 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 (the "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 12 months. Additionally, ordinary dividends may only be paid from earned surplus, which is calculated by removing unrealized gains from unassigned surplus. As of September 30, 2021, CCC was in a positive earned surplus position. CCC paid dividends of $600 million and $855 million during the nine months ended September 30, 2021 and 2020. 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.

CNA has an effective shelf registration statement on file with the SEC under which it may publicly issue debt, equity or hybrid securities from time to time.

Boardwalk Pipelines' cash provided by operating activities increased $26 million for the nine months ended September 30, 2021 as compared to the comparable 2020 period, primarily due to the change in net income.

For the nine months ended September 30, 2021 and 2020, Boardwalk Pipelines' capital expenditures were $239 million and $351 million, consisting primarily of a combination of growth and maintenance capital.

In May 2021, Boardwalk Pipelines entered into an amended revolving credit agreement to decrease the borrowing capacity from $1.5 billion to $1.0 billion and extend the maturity date to May 27, 2026, although the maturity date may be further extended for two one-year extensions at Boardwalk Pipelines' election. As of September 30, 2021, Boardwalk Pipelines had no outstanding borrowings under its revolving credit facility. In the second quarter of 2022, Boardwalk Pipelines expects to retire the $300 million outstanding aggregate principal amount of its 4.0% notes at maturity through available capital resources, including, but not limited to, using available cash, borrowing under its revolving credit facility or publicly issuing debt securities. Boardwalk Pipelines has an effective shelf registration statement on file with the SEC under which it may publicly issue debt securities, warrants or rights from time to time.

Certain of the hotels wholly or partially owned by subsidiaries of Loews Hotels & Co are financed by debt facilities, with a number of different lenders. Each of the loan agreements underlying these facilities contain a variety of financial and operational covenants. As a result of the impacts of COVID-19, Loews Hotels & Co has proactively requested certain lenders, where applicable, to (1) temporarily waive certain covenants to avoid an event of default and/or further restriction of the hotel's cash balances through the establishment of lockboxes and other measures; (2) temporarily allow funds previously restricted directly or indirectly under the hotel's underlying loan agreement for the renewal, replacement and addition of building improvements, furniture and fixtures to be used instead for hotel operations and maintenance; and/or (3) defer certain interest and/or principal payments while the hotels operations were temporarily suspended or significantly impacted by a decline in occupancy. Loews Hotels & Co also continues to work with lenders on loans that are being reviewed for extension. These discussions with lenders are ongoing and may require Loews Hotels & Co to make principal paydowns, establish restricted cash reserves or provide guaranties of a subsidiary's debt to otherwise avoid an event of default. Through the date of this Report, none of Loews Hotels & Co's subsidiaries is in default on any of its loans.

As of September 30, 2021, Loews Hotels & Co has three subsidiaries with mortgage loans that mature within twelve months and is actively working with lenders to refinance $190 million in current maturities of long-term debt.

In October 2021 Loews Hotels & Co announced the development of the Loews Arlington Hotel and Convention Center in Arlington, Texas. The hotel, for which Loews Hotels & Co will serve as manager and hold a majority equity interest, is expected to open in early 2024 with approximately 888 guestrooms and over 250,000 square feet of function space. The approximately $550 million hotel project will be funded through a mix of partner contributions in 2021 and 2022 before drawing on a $300 million construction loan. Based on the timing of construction relative to the seasonality of Loews Hotels & Co's business, a Loews Corporation capital contribution may be required.

Through October 29, 2021, Loews Hotels & Co received capital contributions in 2021 of $32 million from Loews Corporation.

INVESTMENTS

Investment activities of our non-insurance subsidiaries primarily consist of 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 have greater volatility, less liquidity and greater risk than fixed income investments and are included within Results of Operations – Corporate.

The Parent Company enters into short sales and invests in certain derivative instruments that are used for asset and liability management activities, income enhancements to its 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 reports of existing positions and valuation fluctuations to seek to ensure that open positions are consistent with the portfolio strategy.

Credit exposure associated with non-performance by 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. The risk of non-performance is mitigated by monitoring the creditworthiness of counterparties and diversifying derivatives by using multiple counterparties. Collateral is occasionally required from 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, 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. Fixed income securities, as presented, include both fixed maturity securities and non-redeemable preferred stock.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	**2021**	2020
(In millions)				
Fixed income securities:				
Taxable fixed income securities	**$ 360**	$ 363	**$ 1,075**	$ 1,094
Tax-exempt fixed income securities	**77**	80	**236**	238
Total fixed income securities	**437**	443	**1,311**	1,332
Limited partnership and common stock investments	**77**	71	**294**	30
Other, net of investment expense	**(1)**	3	**3**	18
Net investment income	**$ 513**	$ 517	**$ 1,608**	$ 1,380
Effective income yield for the fixed income securities portfolio	**4.3 %**	4.5 %	**4.3 %**	4.6 %
Limited partnership and common stock return	**3.8 %**	4.1 %	**16.4 %**	1.7 %

CNA's net investment income increased $228 million for the nine months ended September 30, 2021 as compared with the comparable 2020 period, driven by limited partnership and common stock returns partially offset by lower yields in the fixed income portfolio.

Investment Gains (Losses)

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	**2021**	2020
(In millions)				
Investment gains (losses):				
Fixed maturity securities:				
Corporate and other bonds	**$ 36**	$ 14	**$ 115**	$ (105)
States, municipalities and political subdivisions	**1**	6		39
Asset-backed	**(15)**	6	**(24)**	34
Total fixed maturity securities	**22**	26	**91**	(32)
Non-redeemable preferred stock	**(2)**	25	**17**	(45)
Short term and other	**2**	(5)	**9**	(24)
Total investment gains (losses)	**22**	46	**117**	(101)
Income tax (expense) benefit	**(4)**	(10)	**(23)**	20
Amounts attributable to noncontrolling interests	**(2)**	(3)	**(10)**	9
Investment gains (losses) attributable to Loews Corporation	**$ 16**	$ 33	**$ 84**	$ (72)

CNA's investment gains (losses) decreased $24 million for the three months ended September 30, 2021 as compared with the comparable 2020 period.

CNA's investment gains (losses) increased $218 million for the nine months ended September 30, 2021 as compared with the comparable 2020 period driven by lower impairment losses and the favorable change in fair value of non-redeemable preferred stock.

Further information on CNA's investment gains and losses is set forth in Note 3 of the Notes to Consolidated Condensed Financial Statements included under Item 1 of this Report.

Portfolio Quality

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

	September 30, 2021		December 31, 2020	
(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	$ 2,938	$ 57	$ 3,672	$ 117
AAA	3,778	371	3,627	454
AA	7,737	833	7,159	1,012
A	9,538	1,159	9,543	1,390
BBB	18,505	2,215	18,007	2,596
Non-investment grade	2,573	123	2,623	149
Total	$ 45,069	$ 4,758	$ 44,631	$ 5,718

As of September 30, 2021 and December 31, 2020, 1% of CNA's fixed maturity portfolio was rated internally. AAA rated securities included $1.7 billion and $1.8 billion of pre-refunded municipal bonds as of September 30, 2021 and December 31, 2020.

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

September 30, 2021 (In millions)	Estimated Fair Value	Gross Unrealized Losses
U.S. Government, Government agencies and Government-sponsored enterprises	$ 1,200	$ 9
AAA	388	5
AA	906	16
A	1,191	18
BBB	1,187	31
Non-investment grade	396	10
Total	$ 5,268	$ 89

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:

September 30, 2021 (In millions)	Estimated Fair Value	Gross Unrealized Losses
Due in one year or less	$ 133	$ 5
Due after one year through five years	709	13
Due after five years through ten years	2,639	33
Due after ten years	1,787	38
Total	$ 5,268	$ 89

Duration

A primary objective in the management of CNA's investment portfolio is to optimize return relative to the 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 as well as 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 CNA's 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 Other Insurance Operations.

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

	September 30, 2021		December 31, 2020	
	Estimated Fair Value	**Effective Duration (Years)**	Estimated Fair Value	Effective Duration (Years)
(In millions of dollars)				
Investments supporting Other Insurance Operations	**$ 18,431**	**9.3**	$ 18,518	9.2
Other investments	**28,520**	**5.1**	28,839	4.5
Total	**$ 46,951**	**6.7**	$ 47,357	6.3

CNA's investment portfolio is periodically analyzed for changes in duration and related price risk. Certain securities have duration characteristics that are variable based on market interest rates, credit spreads and other factors that may drive variability in the amount and timing of cash flows. 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 included under Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2020.

Short Term Investments

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

	September 30, 2021	December 31, 2020
(In millions)		
Short term investments:		
U.S. Treasury securities	**$ 916**	$ 1,702
Other	**219**	205
Total short term investments	**$ 1,135**	$ 1,907

CRITICAL ACCOUNTING ESTIMATES

Certain accounting policies require us to make estimates and 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 and the Insurance Reserves sections of our MD&A included under Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2020 for further information.

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 of this Report.

FORWARD-LOOKING STATEMENTS

Investors are cautioned that certain statements contained in this Report as well as in other of our and our subsidiaries' SEC filings and periodic press releases and certain oral statements made by us and our subsidiaries and our and their officials during presentations may constitute "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 does not directly relate to any historical or current fact and may project, indicate or imply future results, events, performance or achievements. Such statements 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.

Developments in any of the risks or uncertainties facing us or our subsidiaries, including those described under Part II, Item 1A, Risk Factors in this Report, Part I, Item 1A, Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2020, Part II, Item 1A, Risk Factors in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2021 and June 30, 2021 and in our other filings with the SEC, could cause our results to differ materially from results that have been or may be anticipated or projected. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date they are made and we expressly disclaim any obligation or undertaking to update these statements to reflect any change in our expectations or beliefs or any change in events, conditions or circumstances on which any forward-looking statement is based.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

There were no material changes in our market risk components as of September 30, 2021. See the Quantitative and Qualitative Disclosures about Market Risk included under Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2020 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 under Part I, Item 2.

Item 4. Controls and Procedures.

The Company maintains a system of disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), which is designed to ensure that information required to be disclosed by the Company in reports that it files or submits under 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 by the Company 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 management, including the Company's principal executive officer ("CEO") and principal financial officer ("CFO") conducted an evaluation of the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this Report and, based on that evaluation, the CEO and CFO concluded that the Company's disclosure controls and procedures were effective as of September 30, 2021.

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) that occurred during the quarter ended September 30, 2021 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.

Information on our legal proceedings is set forth in Note 9 to the Consolidated Condensed Financial Statements included under Part I, Item 1.

Item 1A. Risk Factors.

Our business and the businesses of our subsidiaries face many risks and uncertainties. These risks and uncertainties could lead to events or circumstances that have a material adverse effect on our business, results of operations, cash flows, financial condition or equity and/or the business, results of operations, cash flows, financial condition, or equity of one or more of our subsidiaries. Our Annual Report on Form 10-K for the year ended December 31, 2020 and our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2021 and June 30, 2021 include detailed discussions of certain risk factors facing the company. Except as described below, there have been no material changes to the risk factors previously disclosed in Part I, Item 1A, Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2020 and Part II, Item 1A. Risk Factors of our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2021 and June 30, 2021.

Risks Related to Us and Our Subsidiary, CNA Financial Corporation (“CNA”)

Any significant interruption in the operation of CNA’s business functions, facilities and systems or its vendors’ facilities and systems could result in a materially adverse effect on its operations.

CNA’s business is highly dependent upon its ability to perform, in an efficient and uninterrupted manner, through its employees or vendor relationships, necessary business functions, such as internet support and 24-hour call centers, processing new and renewal business, processing and paying claims and other obligations and issuing financial statements.

CNA’s, or its vendors’, facilities and systems could become unavailable, inoperable, or otherwise impaired from a variety of causes, including natural events, such as hurricanes, tornadoes, windstorms, earthquakes, severe winter weather and fires, or other events, such as explosions, terrorist attacks, computer security breaches or cyber attacks, riots, hazardous material releases, medical epidemics or pandemics, utility outages, interruptions of CNA’s data processing and storage systems or the systems of third-party vendors, or unavailability of communications facilities. An interruption of CNA’s system availability occurred in March of 2021 as a result of a cybersecurity attack sustained by CNA. Please refer to the immediately following risk factor for further information regarding this incident. Likewise, CNA could experience a significant failure, interruption or corruption of one or more of its vendors’ information technology, telecommunications, or other systems for various reasons, including significant failures or interruptions that might occur as existing systems are replaced or upgraded. The shut-down or unavailability of one or more of CNA’s or its vendors’ systems or facilities for these and other reasons could significantly impair CNA’s ability to perform critical business functions on a timely basis.

In addition, because CNA’s information technology and telecommunications systems interface with and depend on third-party systems, CNA could experience service denials if demand for such service exceeds capacity or a third-party system fails or experiences an interruption. If sustained or repeated, such events could result in a deterioration of CNA’s ability to write and process new and renewal business, provide customer service, pay claims in a timely manner, or perform other necessary business functions, including the ability to issue financial statements in a timely manner.

The foregoing risks could also expose CNA to monetary and reputational damages. Potential exposures resulting from the March 2021 cybersecurity attack, described in the immediately following risk factor, as well as any future incidents may include substantially increased compliance costs, as well as increased costs relating to investments in computer system and security-related upgrades, with those costs potentially not recoverable under relevant insurance coverage. CNA anticipates making continued investments to improve its security and infrastructure. These expenses are not recoverable under relevant insurance coverage. If CNA’s business continuity plans or system security do not sufficiently address these risks, they could have a material adverse effect on CNA’s business, results of operations and financial condition.

Based on the information currently known, CNA does not believe that the March 2021 cybersecurity attack will have a material impact on its business, results of operations or financial condition, but no assurances can be given as it continues to assess the full impact from the incident, including costs, expenses and insurance coverage. CNA may also be subject to future incidents that could have a material adverse effect on its business, results of operations or financial condition or may result in operational impairments and financial losses, as well as significant harm to its reputation.

Any significant breach in CNA's data security infrastructure or its vendors' facilities and systems could disrupt business, cause financial losses and damage its reputation, and insurance coverage may not be available for claims related to a breach.

A significant breach of CNA's data security infrastructure may result from actions by its employees, vendors, third-party administrators, or unknown third parties or through cyber attacks. The risk of a breach can exist whether software services are in CNA's data centers or CNA uses cloud-based software services. Breaches have occurred, and may occur again, in CNA's systems and in the systems of its vendors and third party administrators.

Such a breach could affect CNA's data framework or cause a failure to protect the personal information of its customers, claimants or employees, or sensitive and confidential information regarding its business and may result in operational impairments and financial losses, as well as significant harm to its reputation. The breach of confidential information also could give rise to legal liability and regulatory action under data protection and privacy laws, as well as evolving regulation in this regard. During the third quarter of 2021, CNA was notified of a breach of certain systems of a third party administrator, which resulted in breach notifications sent by such administrator to potentially impacted persons, including a limited number of CNA claimants. While CNA does not believe such notifications and resultant actions will have a material adverse effect on its business, this or similar incidents, or any other such breach of CNA's or its vendors' data security infrastructure could have a material adverse effect on its business, results of operations and financial condition.

CNA sustained a sophisticated cybersecurity attack in March of 2021 involving ransomware that caused a network disruption and impacted certain of its systems. Upon detection, CNA undertook steps to address the incident, including engaging a team of third-party forensic experts and notifying law enforcement and key regulators. CNA restored network systems and resumed normal operations. CNA is continuing to assess all actions that it will take to improve its existing systems.

CNA's investigation revealed that an unauthorized third party copied some personal information relating to certain current and former employees, contractor workers and their dependents and certain other persons, including some policyholders. In July of 2021, CNA provided notifications to the impacted individuals and to regulators, in accordance with applicable law. Although CNA currently has no indication that the impacted data has been misused, or that CNA or its policyholder data was specifically targeted by the unauthorized third party, it may be subject to subsequent investigations, claims or actions in addition to other costs, fines, penalties, or other obligations related to impacted data, whether or not such data is misused. In addition, the misuse, or perceived misuse, of sensitive or confidential information regarding its business or policyholders could cause harm to CNA's reputation and result in the loss of business with existing or potential customers, which could adversely impact its business, results of operations and financial condition.

Although CNA maintains cybersecurity insurance coverage insuring against costs resulting from cyber attacks (including the March 2021 attack), CNA does not expect that the amount available under its coverage and/or its coverage policy to cover all losses. Costs and expenses incurred and likely to be incurred by CNA in connection with the March 2021 attack include both direct and indirect costs and not all may be covered by its insurance coverage. In addition, potential disputes with its insurers about the availability of insurance coverage for claims relating to the March 2021 attack or any future incident could occur. Further, both as a result of the March 2021 attack and industry trends generally, CNA will incur higher costs for the replenishment of its current policy through the end of the term, as well as future cybersecurity insurance coverage beyond the current term.

Based on the information currently known, CNA does not believe that the March 2021 cybersecurity attack will have a material impact on its business, results of operations or financial condition, but no assurances can be given as it continues to assess the full impact from the incident, including costs, expenses and insurance coverage. CNA may also be subject to future incidents that could have a material adverse effect on its business, results of operations or financial condition or may result in operational impairments and financial losses, as well as significant harm to CNA's reputation.

Risks Related to Us and Our Subsidiaries Generally

Failures or interruptions in or breaches to our or our subsidiaries' computer systems or those of our third party vendors could materially and adversely affect our or our subsidiaries' operations.

We and our subsidiaries are dependent upon information technologies, computer systems and networks, including those maintained by us and our subsidiaries and those maintained and provided to us and our subsidiaries by third parties (for example, "software-as-a-service" and cloud solutions), to conduct operations and are reliant on technology to help increase efficiency in our and their businesses. We and our subsidiaries are dependent upon operational and financial computer systems to process the data necessary to conduct almost all aspects of our and their businesses. Any failure of our or our subsidiaries' computer systems, or those of our or their customers, vendors or others with whom we and they do business, could materially disrupt business operations.

Computer, telecommunications and other business facilities and systems could become unavailable or impaired from a variety of causes, including cyber attacks or other cyber incidents, storms and other natural disasters, terrorist attacks, fires, utility outages, theft, design defects, human error or complications encountered as existing systems are replaced or upgraded. Cyber attacks and other cyber incidents are occurring more frequently, are constantly evolving in nature, are becoming more sophisticated and are being carried out by groups and individuals with a wide range of expertise and motives. The U.S. government has issued public warnings that indicate energy assets may be specific targets of cyber attacks, which can have catastrophic consequences, and hotel chains, among other consumer-facing businesses, have been subject to various cyber attacks targeting payment card and other sensitive consumer information. Cyber attacks and cyber incidents take many forms, including cyber extortion, denial of service, social engineering, introduction of viruses or malware, exploiting vulnerabilities in hardware, software or other infrastructure, hacking, website defacement, theft of passwords and other credentials, unauthorized use of computing resources for digital currency mining and business email compromise. CNA was recently subjected to a cybersecurity incident. In addition, one of CNA's vendors also recently experienced a cybersecurity incident. For additional information about these incidents see "*Risks Related to Us and Our Subsidiary, CNA Financial Corporation*" above under this Part II, Item 1A.

As with other large companies, we and our subsidiaries and our and their third party vendors have experienced cyber attacks and other cyber incidents and expect this to continue. If we and our subsidiaries and our and their third party vendors do not allocate and effectively manage the resources necessary to continue to build and maintain our and their information technology security infrastructure, or if we or our subsidiaries or our or our subsidiaries' vendors fail to timely identify or appropriately respond to cyber attacks or other cyber incidents, then this may disrupt our and our subsidiaries' operations, cause significant damage to our or their assets and surrounding areas, cause loss of life or serious bodily injury, impact our or their data framework or cause a failure to protect personal information of customers or employees.

The foregoing risks relating to disruption of service, interruption of operations and data loss could impact our and our subsidiaries' ability to timely perform critical business functions, resulting in disruption or deterioration in our and our subsidiaries' operations and business and expose us and our subsidiaries to significant financial losses and monetary and reputational damages. In addition, potential exposures include substantially increased compliance costs and required computer system upgrades and security related investments. The breach of confidential information also could give rise to legal liability and regulatory action under data protection and privacy laws and regulations, both in the U.S. and foreign jurisdictions.

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)
July 1, 2021 - July 31, 2021	2,590,255	$ 54.01	N/A	N/A
August 1, 2021 - August 31, 2021	1,730,048	54.60	N/A	N/A
September 1, 2021 - September 30, 2021	1,834,131	53.74	N/A	N/A

Item 6. Exhibits.

Description of Exhibit	Exhibit Number
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 – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document	101.INS *
Inline XBRL Taxonomy Extension Schema	101.SCH *
Inline XBRL Taxonomy Extension Calculation Linkbase	101.CAL *
Inline XBRL Taxonomy Extension Definition Linkbase	101.DEF *
Inline XBRL Taxonomy Label Linkbase	101.LAB *
Inline XBRL Taxonomy Extension Presentation Linkbase	101.PRE *
Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	104*

*Filed herewith.

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: November 1, 2021

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

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 control over financial reporting, or caused such internal control 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: November 1, 2021

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 control over financial reporting, or caused such internal control 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: November 1, 2021

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 September 30, 2021 (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: November 1, 2021

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 September 30, 2021 (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: November 1, 2021

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