LOEWS CORP
Form 10-Q
October 29, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF

THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2013

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934
For the Transition Period From ____________ to ____________

Commission File Number 1-6541

LOEWS CORPORATION

(Exact name of registrant as specified in its charter)

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

667 Madison Avenue, New York, N.Y. 10065-8087

(Address of principal executive offices) (Zip Code)

(212) 521-2000

(Registrant s telephone number, including area code)

NOT APPLICABLE

(Former name, former address and former fiscal year, if changed since last report)

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

Yes X No ____

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

Yes X No ____ Not Applicable ____

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

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

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

Yes ____ No X

Class	Outstanding at October 21, 2013
Common stock, $0.01 par value	387,161,457 shares

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

Loews Corporation and Subsidiaries

CONSOLIDATED CONDENSED BALANCE SHEETS

(Unaudited)

	September 30, 2013	December 31, 2012
(Dollar amounts in millions, except per share data)		
Assets:		
Investments:		
Fixed maturities, amortized cost of $39,261 and $38,324	$ 41,376	$ 42,765
Equity securities, cost of $862 and $893	841	898
Limited partnership investments	3,465	3,090
Other invested assets, primarily mortgage loans	496	460
Short term investments	6,180	5,835
Total investments	52,358	53,048
Cash	257	228
Receivables	9,023	9,366
Property, plant and equipment	14,381	13,935
Goodwill	991	996
Other assets	1,645	1,538
Deferred acquisition costs of insurance subsidiaries	642	598
Separate account business	213	312
Total assets	$ 79,510	$ 80,021
Liabilities and Equity:		
Insurance reserves:		
Claim and claim adjustment expense	$ 23,962	$ 24,763
Future policy benefits	10,681	11,475
Unearned premiums	3,820	3,610
Policyholders funds	127	157
Total insurance reserves	38,590	40,005
Payable to brokers	326	205

Short term debt	**270**	19
Long term debt	**9,705**	9,191
Deferred income taxes	**831**	840
Other liabilities	**4,754**	4,773
Separate account business	**213**	312
Total liabilities	**54,689**	55,345
Commitments and contingent liabilities		
Preferred stock, $0.10 par value:		
Authorized 100,000,000 shares		
Common stock, $0.01 par value:		
Authorized 1,800,000,000 shares		
Issued 392,351,798 and 392,054,766 shares	**4**	4
Additional paid-in capital	**3,648**	3,595
Retained earnings	**15,911**	15,192
Accumulated other comprehensive income	**20**	678
	19,583	19,469
Less treasury stock, at cost (5,194,400 and 249,600 shares)	**(228)**	(10)
Total shareholders equity	**19,355**	19,459
Noncontrolling interests	**5,466**	5,217
Total equity	**24,821**	24,676
Total liabilities and equity	**$ 79,510**	$ 80,021

See accompanying Notes to Consolidated Condensed Financial Statements.

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Loews Corporation and Subsidiaries

CONSOLIDATED CONDENSED STATEMENTS OF INCOME

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	**2013**	2012
(In millions, except per share data)				
Revenues:				
Insurance premiums	**$ 1,825**	$ 1,781	**$ 5,389**	$ 5,098
Net investment income	**647**	682	**1,867**	1,794
Investment gains (losses):				
Other-than-temporary impairment losses	**(15)**	(62)	**(49)**	(89)
Portion of other-than-temporary impairment losses recognized in Other comprehensive income (loss)	**(2)**	(2)	**(2)**	(25)
Net impairment losses recognized in earnings	**(17)**	(64)	**(51)**	(114)
Other net investment gains	**21**	71	**65**	173
Total investment gains	**4**	7	**14**	59
Contract drilling revenues	**691**	714	**2,136**	2,195
Other	**537**	531	**1,757**	1,701
Total	**3,704**	3,715	**11,163**	10,847
Expenses:				
Insurance claims and policyholders benefits	**1,414**	1,435	**4,364**	4,164
Amortization of deferred acquisition costs	**341**	333	**1,004**	937
Contract drilling expenses	**420**	358	**1,164**	1,160
Other operating expenses (Note 1)	**900**	1,071	**2,689**	2,891
Interest	**109**	109	**329**	331
Total	**3,184**	3,306	**9,550**	9,483
Income before income tax	**520**	409	**1,613**	1,364
Income tax expense	**(136)**	(99)	**(419)**	(337)
Net income	**384**	310	**1,194**	1,027
Amounts attributable to noncontrolling interests	**(102)**	(133)	**(401)**	(427)

Net income attributable to Loews Corporation	**$ 282**	$ 177	**$ 793**	$ 600
Basic net income per share	**$ 0.73**	$ 0.45	**$ 2.04**	$ 1.52
Diluted net income per share	**$ 0.73**	$ 0.45	**$ 2.03**	$ 1.51
Dividends per share	**$ 0.0625**	$ 0.0625	**$ 0.1875**	$ 0.1875
Weighted-average shares outstanding:				
Shares of common stock	**387.26**	394.48	**389.13**	395.88
Dilutive potential shares of common stock	**0.88**	0.81	**0.83**	0.76
Total weighted-average shares outstanding assuming dilution	**388.14**	395.29	**389.96**	396.64

See accompanying Notes to Consolidated Condensed Financial Statements.

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Loews Corporation and Subsidiaries

CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	**2013**	2012
(In millions)				
Net income	**$ 384**	$ 310	**$ 1,194**	$ 1,027
Other comprehensive income (loss), after tax				
Changes in:				
Net unrealized gains (losses) on investments with other-than-temporary impairments	**(3)**	36	**3**	73
Net other unrealized gains (losses) on investments	**(70)**	191	**(717)**	528
Total unrealized gains (losses) on available-for-sale investments	**(73)**	227	**(714)**	601
Unrealized losses on cash flow hedges	**(3)**	(18)	**(14)**	(5)
Pension liability	**3**		**12**	11
Foreign currency	**56**	34	**(18)**	36
Other comprehensive income (loss)	**(17)**	243	**(734)**	643
Comprehensive income	**367**	553	**460**	1,670
Amounts attributable to noncontrolling interests	**(102)**	(160)	**(327)**	(493)
Total comprehensive income attributable to Loews Corporation	**$ 265**	$ 393	**$ 133**	$ 1,177

See accompanying Notes to Consolidated Condensed Financial Statements.

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Loews Corporation and Subsidiaries

CONSOLIDATED CONDENSED STATEMENTS OF EQUITY

(Unaudited)

		Loews Corporation Shareholders					
	Total	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Common Stock Held in Treasury	Noncontrolling Interests
(In millions)							
Balance, January 1, 2012	$ 23,203	$ 4	$ 3,494	$ 14,890	$ 384	$ -	$ 4,431
Net income	1,027			600			427
Other comprehensive income	643				577		66
Dividends paid	(404)			(74)			(330)
Issuance of equity securities by subsidiary	508		79		3		426
Purchase of Loews treasury stock	(139)					(139)	
Issuance of Loews common stock	9		9				
Stock-based compensation	17		15				2
Other	(2)		(2)	(1)			1
Balance, September 30, 2012	$ 24,862	$ 4	$ 3,595	$ 15,415	$ 964	$ (139)	$ 5,023
Balance, January 1,	**$ 24,676**	**$ 4**	**$ 3,595**	**$ 15,192**	**$ 678**	**$ (10)**	**$ 5,217**

2013							
Net income	**1,194**			**793**			**401**
Other comprehensive loss	**(734)**				**(660)**		**(74)**
Dividends paid	**(444)**			**(73)**			**(371)**
Issuance of equity securities by subsidiary	**337**		**51**		**2**		**284**
Purchase of Loews treasury stock	**(218)**					**(218)**	
Issuance of Loews common stock	**4**		**4**				
Stock-based compensation	**12**		**(1)**				**13**
Other	**(6)**		**(1)**	**(1)**			**(4)**
Balance, September 30, 2013	**$ 24,821**	**$ 4**	**$ 3,648**	**$ 15,911**	**$ 20**	**$ (228)**	**$ 5,466**

See accompanying Notes to Consolidated Condensed Financial Statements.

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Loews Corporation and Subsidiaries

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS

(Unaudited)

Nine Months Ended September 30 (In millions)	2013	2012
Operating Activities:		
Net income	$ 1,194	$ 1,027
Adjustments to reconcile net income to net cash provided (used) by operating activities, net	925	1,110
Changes in operating assets and liabilities, net:		
Receivables	146	522
Deferred acquisition costs	(23)	(27)
Insurance reserves	(166)	(53)
Other assets	(64)	(14)
Other liabilities	215	(41)
Trading securities	(898)	(422)
Net cash flow operating activities	1,329	2,102
Investing Activities:		
Purchases of fixed maturities	(8,205)	(7,369)
Proceeds from sales of fixed maturities	4,830	4,761
Proceeds from maturities of fixed maturities	2,496	2,655
Purchases of equity securities	(61)	(30)
Proceeds from sales of equity securities	82	72
Purchases of limited partnership investments	(263)	(249)
Proceeds from sales of limited partnership investments	187	204
Purchases of property, plant and equipment	(1,307)	(994)
Acquisitions	(235)	(367)
Dispositions	135	160
Change in short term investments	611	(637)
Other, net	(135)	(108)
Net cash flow investing activities	(1,865)	(1,902)
Financing Activities:		

Dividends paid	**(73)**	(74)
Dividends paid to noncontrolling interests	**(371)**	(330)
Purchases of treasury shares	**(228)**	(139)
Issuance of common stock	**4**	9
Proceeds from sale of subsidiary stock	**370**	557
Principal payments on debt	**(1,058)**	(2,098)
Issuance of debt	**1,953**	1,918
Other, net	**(29)**	(6)
Net cash flow financing activities	**568**	(163)
Effect of foreign exchange rate on cash	**(3)**	3
Net change in cash	**29**	40
Cash, beginning of period	**228**	129
Cash, end of period	**$ 257**	$ 169

See accompanying Notes to Consolidated Condensed Financial Statements.

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Loews Corporation and Subsidiaries

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

(Unaudited)

1. Basis of Presentation

Loews Corporation is a holding company. Its subsidiaries are engaged in the following lines of business: commercial property and casualty insurance (CNA Financial Corporation (CNA), a 90% owned subsidiary); the operation of offshore oil and gas drilling rigs (Diamond Offshore Drilling, Inc. (Diamond Offshore), a 50.4% owned subsidiary); transportation and storage of natural gas and natural gas liquids and gathering and processing of natural gas (Boardwalk Pipeline Partners, LP (Boardwalk Pipeline), a 53% owned subsidiary); exploration, production and marketing of natural gas and oil (including condensate and natural gas liquids), (HighMount Exploration & Production LLC (HighMount), a wholly owned subsidiary); and the operation of a chain of hotels (Loews Hotels Holding Corporation (Loews Hotels), a wholly owned subsidiary). Unless the context otherwise requires, the terms Company, Loews and Registrant as used herein mean Loews Corporation excluding its subsidiaries and the term N income (loss) attributable to Loews Corporation as used herein means Net income (loss) attributable to Loews Corporation shareholders.

In the opinion of management, the accompanying unaudited Consolidated Condensed Financial Statements reflect all adjustments (consisting of only normal recurring accruals) necessary to present fairly the financial position as of September 30, 2013 and December 31, 2012 and the results of operations and comprehensive income for the three and nine months ended September 30, 2013 and 2012 and changes in shareholders equity and cash flows for the nine months ended September 30, 2013 and 2012.

Net income for the third quarter and first nine months of each of the years is not necessarily indicative of net income for that entire year.

Reference is made to the Notes to Consolidated Financial Statements in the 2012 Annual Report on Form 10-K which should be read in conjunction with these Consolidated Condensed Financial Statements.

The Company presents basic and diluted net income per share on the Consolidated Condensed Statements of Income. Basic net income per share excludes dilution and is computed by dividing net income 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. Stock appreciation rights (SARs) of 1.4 million, 2.3 million, 1.4 million and 2.7 million shares were not included in the diluted weighted average shares amounts for the three and nine months ended September 30, 2013 and 2012 due to the exercise price being greater than the average stock price.

Bluegrass Project In 2013, Boardwalk Pipeline executed a series of agreements with the Williams Companies, Inc. (Williams) to continue the development process for the Bluegrass Project, a project that would transport natural gas liquids from the Marcellus and Utica shale plays to the petrochemical and export complex in the U.S. Gulf Coast region, and related fractionation, storage and export facilities. In connection with the transaction, Boardwalk Pipeline and Boardwalk Pipelines Holding Corp. (BPHC), a wholly owned subsidiary of the Company, have entered into separate joint venture arrangements for purposes of funding the project. Boardwalk Pipeline and BPHC have contributed a total of $28 million to the project as of September 30, 2013. Funding and scope approval of the project is dependent on, among other conditions, execution of customer contracts sufficient to support the project and obtaining all necessary board and regulatory approvals.

Impairment of Natural Gas and Oil Properties Results for the three and nine months ended September 30, 2013 include non-cash ceiling test impairment charges of $65 million and $210 million, ($42 million and $134 million after tax) related to the carrying value of HighMount s natural gas and oil properties. For the three and nine months ended September 30, 2012, HighMount recorded non-cash ceiling test impairment charges of $261 million and $527 million ($166 million and $336 million after tax). The impairments were recorded within Other operating expenses and as credits to Accumulated depreciation, depletion and amortization. The 2013 write-downs were primarily attributable to reduced average natural gas liquids (NGL) prices used in the ceiling test calculations and

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negative reserve revisions. Had the effects of HighMount s cash flow hedges not been considered in calculating the ceiling limitation, the impairments would have been $83 million and $228 million, ($53 million and $145 million after tax) for the three and nine months ended September 30, 2013, and $322 million and $588 million ($205 million and $375 million after tax) for the three and nine months ended September 30, 2012. In periods which HighMount took ceiling test impairment charges, HighMount performed a goodwill impairment test. No impairment charges were required.

2. Investments

Net investment income is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	**2013**	2012
(In millions)				
Fixed maturity securities	**$ 504**	$ 507	**$ 1,501**	$ 1,528
Short term investments	**2**	3	**5**	10
Limited partnership investments	**115**	110	**345**	210
Equity securities	**3**	4	**9**	10
Income from trading portfolio (a)	**30**	66	**28**	62
Other	**7**	5	**19**	16
Total investment income	**661**	695	**1,907**	1,836
Investment expenses	**(14)**	(13)	**(40)**	(42)
Net investment income	**$ 647**	$ 682	**$ 1,867**	$ 1,794

(a) Includes net unrealized gains (losses) related to changes in fair value on trading securities still held of $25, $66, $(22) and $21 for the three and nine months ended September 30, 2013 and 2012.

Investment gains (losses) are as follows:

Fixed maturity securities	**$ 7**	$ 26	**$ 34**	$ 73
Equity securities	**(2)**	(15)	**(17)**	(14)
Derivative instruments	**(2)**	(2)	**(5)**	(4)
Short term investments and other	**1**	(2)	**2**	4
Investment gains (a)	**$ 4**	$ 7	**$ 14**	$ 59

(a) Includes gross realized gains of $54, $80, $142 and $203 and gross realized losses of $49, $69, $125 and $144 on available-for-sale securities for the three and nine months ended September 30, 2013 and 2012.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	**2013**	2012
(In millions)				
Fixed maturity securities available-for-sale:				
Corporate and other bonds	**$ 9**	$ 7	**$ 17**	$ 23
States, municipalities and political subdivisions		17		17
Asset-backed:				
Residential mortgage-backed	**2**	20	**5**	49
Other asset-backed	**1**		**2**	
Total asset-backed	**3**	20	**7**	49
U.S. Treasury and obligations of government - sponsored enterprises				1
Total fixed maturities available-for-sale	**12**	44	**24**	90
Equity securities available-for-sale:				
Common stock	**3**	1	**5**	5
Preferred stock	**2**	19	**22**	19
Total equity securities available-for-sale	**5**	20	**27**	24
Net OTTI losses recognized in earnings	**$ 17**	$ 64	**$ 51**	$ 114

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

September 30, 2013	**Cost or Amortized Cost**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Estimated Fair Value**	**Unrealized OTTI Losses (Gains)**
(In millions)					
Fixed maturity securities:					
Corporate and other bonds	**$ 19,616**	**$ 1,695**	**$ 151**	**$21,160**	
States, municipalities and political subdivisions	**11,000**	**672**	**233**	**11,439**	

Asset-backed:					
Residential mortgage-backed	**4,779**	**141**	**101**	**4,819**	**$ (33)**
Commercial mortgage-backed	**1,942**	**99**	**24**	**2,017**	**(3)**
Other asset-backed	**942**	**16**	**2**	**956**	
Total asset-backed	**7,663**	**256**	**127**	**7,792**	**(36)**
U.S. Treasury and obligations of government- sponsored enterprises	**166**	**8**	**1**	**173**	
Foreign government	**547**	**17**	**3**	**561**	
Redeemable preferred stock	**94**	**12**		**106**	
Fixed maturities available- for-sale	**39,086**	**2,660**	**515**	**41,231**	**(36)**
Fixed maturities, trading	**175**		**30**	**145**	
Total fixed maturities	**39,261**	**2,660**	**545**	**41,376**	**(36)**
Equity securities:					
Common stock	**41**	**12**		**53**	
Preferred stock	**148**	**1**	**3**	**146**	
Equity securities available-for-sale	**189**	**13**	**3**	**199**	**-**
Equity securities, trading	**673**	**85**	**116**	**642**	
Total equity securities	**862**	**98**	**119**	**841**	**-**
Total	**$ 40,123**	**$ 2,758**	**$ 664**	**$42,217**	**$ (36)**

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December 31, 2012	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Unrealized OTTI Losses (Gains)
(In millions)					
Fixed maturity securities:					
Corporate and other bonds	$ 19,530	$ 2,698	$ 21	$ 22,207	
States, municipalities and political subdivisions	9,372	1,455	44	10,783	
Asset-backed:					
Residential mortgage-backed	5,745	246	71	5,920	$ (28)
Commercial mortgage-backed	1,692	147	17	1,822	(3)
Other asset-backed	929	23		952	
Total asset-backed	8,366	416	88	8,694	(31)
U.S. Treasury and obligations of government- sponsored enterprises	172	11	1	182	
Foreign government	588	25		613	
Redeemable preferred stock	113	13	1	125	
Fixed maturities available-for-sale	38,141	4,618	155	42,604	(31)
Fixed maturities, trading	183		22	161	
Total fixed maturities	38,324	4,618	177	42,765	(31)
Equity securities:					
Common stock	38	14		52	
Preferred stock	190	7		197	
Equity securities available-for-sale	228	21	-	249	-
Equity securities, trading	665	80	96	649	
Total equity securities	893	101	96	898	-
Total	$ 39,217	$ 4,719	$ 273	$ 43,663	$ (31)

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The net unrealized gains on investments included in the tables above are recorded as a component of Accumulated Other Comprehensive Income (AOCI). When presented in AOCI, these amounts are net of tax and noncontrolling interests and any required Shadow Adjustments. At September 30, 2013 and December 31, 2012, the net unrealized gains on investments included in AOCI were net of Shadow Adjustments of $650 million and $1.4 billion. To the extent that unrealized gains on fixed income securities supporting certain products within CNA s Life & Group Non-Core segment would result in a premium deficiency if realized, a related decrease in Deferred acquisition costs, and/or 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).

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

	Less than 12 Months		12 Months or Longer		Total	
September 30, 2013	**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	$ 3,521	$ 146	$ 45	$ 5	$ 3,566	$ 151
States, municipalities and political subdivisions	2,413	179	122	54	2,535	233
Asset-backed:						
Residential mortgage-backed	1,289	40	287	61	1,576	101
Commercial mortgage-backed	449	20	79	4	528	24
Other asset-backed	207	2			207	2
Total asset-backed	1,945	62	366	65	2,311	127
U.S. Treasury and obligations of government-sponsored enterprises	21	1			21	1
Foreign government	76	3			76	3
Total fixed maturity securities	7,976	391	533	124	8,509	515
Preferred stock	86	3			86	3
Total	$ 8,062	$ 394	$ 533	$ 124	$ 8,595	$ 518

December 31, 2012

Fixed maturity securities:						
Corporate and other bonds	$ 846	$ 13	$ 108	$ 8	$ 954	$ 21
States, municipalities and political subdivisions	254	5	165	39	419	44
Asset-backed:						
Residential mortgage-backed	583	5	452	66	1,035	71
Commercial mortgage-backed	85	2	141	15	226	17
Total asset-backed	668	7	593	81	1,261	88
U.S. Treasury and obligations of government- sponsored enterprises	23	1			23	1
Redeemable preferred stock	28	1			28	1
Total	$ 1,819	$ 27	$ 866	$ 128	$ 2,685	$ 155

The amount of pretax net realized gains on available-for-sale securities reclassified out of AOCI into earnings was $3 million, $12 million, $15 million and $59 million for the three and nine months ended September 30, 2013 and 2012.

Based on current facts and circumstances, the Company believes the unrealized losses presented in the table above are primarily attributable to broader economic conditions, changes in interest rates and credit spreads, market illiquidity and other market factors, but are not indicative of the ultimate collectibility of the current amortized cost of the securities. The investments with longer duration, primarily included within the states, municipalities and political subdivision asset category, were more significantly impacted by changes in market interest rates. The Company has no current intent to sell these securities, nor is it more likely than not that it will be required to sell

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prior to recovery of amortized cost; accordingly, the Company has determined that there are no additional OTTI losses to be recorded at September 30, 2013.

The following table summarizes the activity for the three and nine months ended September 30, 2013 and 2012 related to the pretax credit loss component reflected in Retained earnings on fixed maturity securities still held at September 30, 2013 and 2012 for which a portion of an OTTI loss was recognized in Other comprehensive income (loss).

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	**2013**	2012
(In millions)				
Beginning balance of credit losses on fixed maturity securities	**$ 89**	$ 99	**$ 95**	$ 92
Additional credit losses for securities for which an OTTI loss was previously recognized	**1**	2	**2**	23
Credit losses for securities for which an OTTI loss was not previously recognized				2
Reductions for securities sold during the period	**(7)**	(3)	**(14)**	(11)
Reductions for securities the Company intends to sell or more likely than not will be required to sell				(8)
Ending balance of credit losses on fixed maturity securities	**$ 83**	$ 98	**$ 83**	$ 98

Contractual Maturity

The following table summarizes available-for-sale fixed maturity securities by contractual maturity at September 30, 2013 and December 31, 2012. Actual maturities may differ from contractual maturities because certain securities may be called or prepaid with or without call or prepayment penalties. Securities not due at a single date are allocated based on weighted average life.

	September 30, 2013		December 31, 2012	
	Cost or Amortized Cost	**Estimated Fair Value**	Cost or Amortized Cost	Estimated Fair Value
(In millions)				

Due in one year or less	**$ 2,475**	**$ 2,516**	$ 1,648	$ 1,665
Due after one year through five years	**10,687**	**11,304**	13,603	14,442
Due after five years through ten years	**10,586**	**10,901**	8,726	9,555
Due after ten years	**15,338**	**16,510**	14,164	16,942
Total	**$ 39,086**	**$ 41,231**	$ 38,141	$ 42,604

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Investment Commitments

As of September 30, 2013, the Company had committed approximately $405 million to future capital calls from various third-party limited partnership investments in exchange for an ownership interest in the related partnerships.

The Company invests in various privately placed debt securities, including bank loans, as part of its overall investment strategy and has committed to additional future purchases, sales and funding. As of September 30, 2013, the Company had commitments to purchase or fund additional amounts of $172 million and sell $143 million under the terms of such securities.

3. Fair Value

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

Level 1 Quoted prices for identical instruments in active markets.

Level 2 Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable in active markets.

Level 3 Valuations derived from valuation techniques in which one or more significant inputs are not observable.

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

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

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

September 30, 2013	Level 1	Level 2	Level 3	Total
(In millions)				
Fixed maturity securities:				
Corporate and other bonds	$ 27	$ 20,922	$ 211	$ 21,160
States, municipalities and political subdivisions		11,344	95	11,439
Asset-backed:				
Residential mortgage-backed		4,449	370	4,819
Commercial mortgage-backed		1,860	157	2,017
Other asset-backed		523	433	956
Total asset-backed		6,832	960	7,792
U.S. Treasury and obligations of government-sponsored enterprises	144	29		173
Foreign government	81	480		561
Redeemable preferred stock	48	58		106
Fixed maturities available-for-sale	300	39,665	1,266	41,231
Fixed maturities, trading		67	78	145
Total fixed maturities	$ 300	$ 39,732	$ 1,344	$ 41,376
Equity securities available-for-sale	$ 135	$ 51	$ 13	$ 199
Equity securities, trading	640		2	642
Total equity securities	$ 775	$ 51	$ 15	$ 841
Short term investments	$ 5,697	$ 430		$ 6,127
Other invested assets		55		55
Receivables		16	$ 4	20
Life settlement contracts			90	90
Separate account business	12	199	2	213
Payable to brokers	(76)	(12)	(4)	(92)

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December 31, 2012	Level 1	Level 2	Level 3	Total
(In millions)				
Fixed maturity securities:				
Corporate and other bonds	$ 6	$ 21,982	$ 219	$ 22,207
States, municipalities and political subdivisions		10,687	96	10,783
Asset-backed:				
Residential mortgage-backed		5,507	413	5,920
Commercial mortgage-backed		1,693	129	1,822
Other asset-backed		584	368	952
Total asset-backed		7,784	910	8,694
U.S. Treasury and obligations of government-sponsored enterprises	158	24		182
Foreign government	140	473		613
Redeemable preferred stock	40	59	26	125
Fixed maturities available-for-sale	344	41,009	1,251	42,604
Fixed maturities, trading		72	89	161
Total fixed maturities	$ 344	$ 41,081	$ 1,340	$ 42,765
Equity securities available-for-sale	$ 117	$ 98	$ 34	$ 249
Equity securities, trading	642		7	649
Total equity securities	$ 759	$ 98	$ 41	$ 898
Short term investments	$ 4,990	$ 799	$ 6	$ 5,795
Other invested assets		58	1	59
Receivables		32	11	43
Life settlement contracts			100	100
Separate account business	4	306	2	312
Payable to brokers	(95)	(11)	(6)	(112)

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The tables below 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, 2013 and 2012:

	Balance, July 1	Net Realized Gains (Losses) and Net Change in Unrealized Gains (Losses) Included in Net Income	Included in OCI	Purchases	Sales	Settlements	Transfers into Level 3	Transfers out of Level 3	Balance, September 30	Ur (Rec I o 3 Li I Sept
ns)										
urity										
e and ds	$ 202	$ 1		$ 6	$ (6)	$ (8)	$ 17	$ (1)	$ 211	
ities cal ns	140		$ (3)			(15)		(27)	95	
ked:										
l backed	428		(20)	5		(21)		(22)	370	$
ial backed	165	(1)	(2)	10		(1)		(14)	157	
ked	387		1	56		(6)		(5)	433	
ked	980	(1)	(21)	71		(28)		(41)	960	
ble stock	25	(1)	1			(25)			-	

urities for-sale	**1,347**	**(1)**	**(23)**	**77**	**(6)**	**(76)**	**17**	**(69)**	**1,266**	
urities,	**87**	**(8)**			**(1)**				**78**	
d :	**$ 1,434**	**$ (9)**	**$ (23)**	**$ 77**	**$ (7)**	**$ (76)**	**$ 17**	**$ (69)**	**$ 1,344**	**$ (**
curities for-sale	**$ 13**	**$ (2)**	**$ 2**						**$ 13**	**$**
curities	**2**								**2**	
ty	**$ 15**	**$ (2)**	**$ 2**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 15**	**$**
ment	**$ 91**	**$ 3**				**$ (4)**			**$ 90**	
account	**2**								**2**	
e ts, net	**5**	**2**	**$ (4)**		**$ (2)**	**(1)**			**-**	

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Balance, July 1	Net Realized Gains (Losses) and Net Change in Unrealized Gains (Losses) Included in Net Income	Included in OCI	Purchases	Sales	Settlements	Transfers into Level 3	Transfers out of Level 3	Balance, September 30
$ 488	$ 1	$ (4)	$ 50	$ (5)	$ (11)		$ (260)	$ 259
89								89
443	(17)	20	21		(8)		(22)	437
166	4	6	12		(17)	$ 11	(65)	117
434	2	5	143	(117)	(34)		(62)	371
1,043	(11)	31	176	(117)	(59)	11	(149)	925
27		(1)						26
1,647	(10)	26	226	(122)	(70)	11	(409)	1,299
94				(1)				93
$ 1,741	$ (10)	$ 26	$ 226	$ (123)	$ (70)	$ 11	$ (409)	$ 1,392

$ 93	$ (19)	$ (10)					$ (14)	$ 50
9	2							11
$ 102	$ (17)	$ (10)	$ -	$ -	$ -	$ -	$ (14)	$ 61
$ 4			$ 7	$ (4)		$ 1		$ 8
11								11
116	$ 7				$ (10)			113
3								3
12	(1)	$ (5)			(1)			5

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	Balance, January 1	Net Realized Gains (Losses) and Net Change in Unrealized Gains (Losses) Included in Net Income	Included in OCI	Purchases	Sales	Settlements	Transfers into Level 3	Transfers out of Level 3	Balance, September 30	Un ((I Reco In or 3 Lia H Sept
ns)										
turity :										
e and nds	$ 219	$ 2	$ (1)	$ 129	$ (96)	$ (34)	$ 43	$ (51)	$ 211	$
lities cal ons	96	(3)	1	122	(79)	(20)	5	(27)	95	
cked:										
al -backed	413	2	(21)	116	(10)	(53)	4	(81)	370	
cial - backed	129		7	88		(10)	21	(78)	157	
ked	368	3	(1)	230	(132)	(30)		(5)	433	
ked	910	5	(15)	434	(142)	(93)	25	(164)	960	
ble stock	26	(1)				(25)			-	
turities -for-sale	1,251	3	(15)	685	(317)	(172)	73	(242)	1,266	
	89	(7)			(4)				78	

turities,										
d s	**$ 1,340**	**$ (4)**	**$ (15)**	**$ 685**	**$ (321)**	**$ (172)**	**$ 73**	**$ (242)**	**$ 1,344**	**$ (**
curities -for-sale	**$ 34**	**$ (22)**	**$ 2**					**$ (1)**	**$ 13**	**$ (**
curities	**7**	**(5)**							**2**	
ity	**$ 41**	**$ (27)**	**$ 2**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (1)**	**$ 15**	**$ (**
m nts	**$ 6**				**$ (6)**				**$ -**	
ested	**1**				**(1)**				**-**	
ement	**100**	**$ 14**				**$ (24)**			**90**	**$**
account	**2**								**2**	
e nts, net	**5**	**7**	**$ (6)**	**$ 1**	**(2)**	**(5)**			**-**	

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	Net Realized Gains (Losses) and Net Change in Unrealized Gains (Losses)							
Balance, January 1	Included in Net Income	Included in OCI	Purchases	Sales	Settlements	Transfers into Level 3	Transfers out of Level 3	Balance, September 30
$ 482	$ 7	$ 2	$ 196	$ (117)	$ (43)	$ 42	$ (310)	$ 259
171		3			(85)			89
452	(15)	(2)	81		(24)		(55)	437
59	6	14	141	(12)	(21)	11	(81)	117
343	8	8	501	(293)	(93)		(103)	371
854	(1)	20	723	(305)	(138)	11	(239)	925
		(1)	53	(26)				26
1,507	6	24	972	(448)	(266)	53	(549)	1,299
101	(7)		1	(2)				93
$ 1,608	$ (1)	$ 24	$ 973	$ (450)	$ (266)	$ 53	$ (549)	$ 1,392

$ 67	$ (19)	$ 6	$ 26	$ (16)			$ (14)	$ 50
14	(3)							11
$ 81	$ (22)	$ 6	$ 26	$ (16)	$ -	$ -	$ (14)	$ 61
$ 27			$ 23	$ (4)	$ (39)	$ 1		$ 8
11								11
117	$ 30				(34)			113
23				(20)				3
(15)	(5)	$ 29		(6)	2			5

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

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

Securities shown in the Level 3 tables may be transferred in or out of Level 3 based on the availability of observable market information used to determine the fair value of the security. The availability of observable market information varies based on market conditions and trading volume and may cause securities to move in and out of Level 3 from reporting period to reporting period. There were no transfers between Level 1 and Level 2 during the three or nine months ended September 30, 2013 and 2012 and $106 million of transfers from Level 2 to Level 1 during the three and nine months ended September 30, 2012. The Company s policy is to recognize transfers between levels at the beginning of quarterly reporting periods.

Valuation Methodologies and Inputs

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

Fixed Maturity Securities

Fixed maturity securities are valued using methodologies that model information generated by market transactions involving identical or comparable assets, as well as discounted cash flow methodologies. Common inputs include: prices from recently executed transactions of similar securities, broker/dealer 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.

Level 1 securities include exchange traded bonds, highly liquid U.S. and foreign government bonds, and redeemable preferred stock, valued using quoted market prices. Level 2 securities include most other fixed maturity securities as the significant inputs are observable in the marketplace. Securities are generally 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 tax-exempt auction rate certificates and private placement debt securities. Fair value of auction rate securities is determined utilizing a pricing model with three primary inputs. The interest rate and spread inputs are observable from like instruments while the expected call date assumption is unobservable due to the uncertain nature of principal prepayments prior to maturity and the credit spread adjustment that is security specific. Fair value of certain private placement debt securities is determined using internal models with inputs that are not market observable.

Equity Securities

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

Derivative Financial Instruments

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

Short Term Investments

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

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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.

Life Settlement Contracts

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

Separate Account Business

Separate account business includes fixed maturity securities, equities and short term investments. The valuation methodologies and inputs for these asset types have been described above.

Significant Unobservable Inputs

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

September 30, 2013	Fair Value (In millions)	Valuation Technique(s)	Unobservable Input(s)	Range (Weighted Average)
Assets				
Fixed maturity securities	$ 179	Discounted cash flow	Expected call date	2.1 5.3 years (3.8 years)
			Credit spread	1.92% 26.24% (3.80%)
Equity securities	13	Market approach	Private offering price	$289.80 $4,273.77 per share ($1,337.14 per share)
Life settlement contracts	90	Discounted cash flow	Discount rate risk premium	9%
			Mortality assumption	69% 883% (208.8%)

December 31, 2012

Assets					
Fixed maturity securities	$	121	Discounted cash flow	Expected call date	3.3 5.3 years (4.3 years)
				Credit spread adjustment	0.02% 0.48%(0.17%)
		72	Market approach	Private offering price	$42.39 $102.32 ($100.11)
Equity securities		34	Market approach	Private offering price	$4.54 $3,842.00 per share ($571.17 per share)
Life settlement contracts		100	Discounted cash flow	Discount rate risk premium	9%
				Mortality assumption	69% 883%(208.9%)

For fixed maturity securities, an increase to the expected call date and credit spread assumptions would result in a lower fair value measurement. For equity securities, an increase in the private offering price would result in a higher fair value measurement. For life settlement contracts, an increase in the discount rate risk premium or decrease in the mortality assumption would result in a lower fair value measurement.

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Financial Assets and Liabilities Not Measured at Fair Value

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

	Carrying		**Estimated Fair Value**		
September 30, 2013	**Amount**	**Level 1**	**Level 2**	**Level 3**	**Total**
(In millions)					
Financial Assets:					
Other invested assets, primarily mortgage loans	**$ 440**			**$ 452**	**$ 452**
Financial Liabilities:					
Premium deposits and annuity contracts	**68**			**69**	**69**
Short term debt	**270**		**$ 260**	**20**	**280**
Long term debt	**9,694**		**10,229**	**183**	**10,412**
December 31, 2012					
Financial Assets:					
Other invested assets, primarily mortgage loans	$ 401			$ 418	$ 418
Financial Liabilities:					
Premium deposits and annuity contracts	100			104	104
Short term debt	19		$ 13	6	19
Long term debt	9,191		10,170	202	10,372

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

The fair values of mortgage loans were based on the present value of the expected future cash flows discounted at the current interest rate for similar financial instruments, adjusted for specific loan risk.

Premium deposits and annuity contracts were valued based on cash surrender values or estimated fair values of policyholder liabilities, net of amounts ceded related to sold business.

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

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4. Derivative Financial Instruments

A summary of the aggregate contractual or notional amounts and gross estimated fair values related to derivative financial instruments follows. The contractual or notional amounts for derivatives are used to calculate the exchange of contractual payments under the agreements and may not be representative of the potential for gain or loss on these instruments.

	September 30, 2013			December 31, 2012		
	Contractual/ Notional Amount	**Estimated Fair Value Asset**	**(Liability)**	Contractual/ Notional Amount	Estimated Fair Value Asset	(Liability)
(In millions)						
With hedge designation:						
Interest rate risk:						
Interest rate swaps	**$ 300**		**$ (4)**	$ 300		$ (6)
Commodities:						
Forwards short	**214**	**$ 15**	**(3)**	288	$ 39	(3)
Foreign exchange:						
Currency forwards short	**152**	**3**	**(4)**	144	4	
Without hedge designation:						
Equity markets:						
Options purchased	**606**	**36**		255	19	
written	**442**		**(32)**	374		(11)
Equity swaps and warrants long	**11**	**2**		14	6	
Interest rate risk:						
Credit default swaps purchased protection	**75**		**(3)**	78		(2)
sold protection	**30**			33		(2)

Foreign exchange:				
Currency forwards				
long			404	(2)
short	**140**	**(2)**	128	

Gross estimated fair values of derivative positions are currently presented in Equity securities, Receivables and Payable to brokers on the Consolidated Condensed Balance Sheets. There would be no significant difference in the balance included in such accounts if the estimated fair values were presented net for the periods ended September 30, 2013 and December 31, 2012.

For derivative financial instruments without hedge designation, changes in the fair value of derivatives not held in a trading portfolio are reported in Investment gains (losses) and changes in the fair value of derivatives held for trading purposes are reported in Net investment income on the Consolidated Condensed Statements of Income. Losses of $2 million for the three months ended September 30, 2013 and 2012 and losses of $5 million and $4 million for the nine months ended September 30, 2013 and 2012 were included in Investment gains (losses). Losses of $17 million for the three months ended September 30, 2013 and 2012 and losses of $33 million and $16 million for the nine months ended September 30, 2013 and 2012 were included in Net investment income.

The Company s derivative financial instruments with cash flow hedge designation hedge variable price risk associated with the purchase and sale of natural gas and other energy-related products, exposure to foreign currency losses on future foreign currency expenditures, as well as risks attributable to changes in interest rates on long term debt. Gains of $12 million and losses of $16 million were recognized in OCI related to these cash flow hedges for the three months ended September 30, 2013 and 2012. Gains of $13 million and $33 million were recognized in OCI related to these cash flow hedges for the nine months ended September 30, 2013 and 2012. For the three months ended September 30, 2013 and 2012, the amount of gains reclassified from AOCI into income were $19 million and $12 million. For the nine months ended September 30, 2013 and 2012, the amount of gains reclassified from AOCI into income were $38 million and $39 million. As of September 30, 2013, the estimated amount of net unrealized gains associated with these cash flow hedges that will be reclassified from AOCI into earnings during the next twelve months was $7 million. The net amounts recognized due to ineffectiveness were less than $1 million for the three and nine months ended September 30, 2013 and 2012.

5. Claim and Claim Adjustment Expense Reserves

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

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

Catastrophes are an inherent risk of the property and casualty insurance business and have contributed to material period-to-period fluctuations in CNA s results of operations and/or equity. CNA reported catastrophe losses, net of reinsurance, of $42 million and $27 million for the three months ended September 30, 2013 and 2012 and $146 million and $123 million for the nine months ended September 30, 2013 and 2012. Catastrophe losses in 2013 related primarily to U.S. storms.

Net Prior Year Development

The following tables and discussion include the net prior year development recorded for CNA Specialty, CNA Commercial and Other.

Three Months Ended September 30, 2013	**CNA Specialty**	**CNA Commercial**	**Other**	**Total**
(In millions)				

Pretax (favorable) unfavorable net prior year claim and allocated claim adjustment expense reserve development	**$**	**(74)**	**$**	**(3)**	**$**	**(4)**	**$**	**(81)**
Pretax (favorable) unfavorable premium development		**(3)**		**7**		**1**		**5**
Total pretax (favorable) unfavorable net prior year development	**$**	**(77)**	**$**	**4**	**$**	**(3)**	**$**	**(76)**

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Three Months Ended September 30, 2012 (In millions)	CNA Specialty	CNA Commercial	Other	Total
Pretax (favorable) unfavorable net prior year claim and allocated claim adjustment expense reserve development	$ (39)	$ 2	$ (3)	$ (40)
Pretax (favorable) unfavorable premium development	(1)	(5)	(1)	(7)
Total pretax (favorable) unfavorable net prior year development	$ (40)	$ (3)	$ (4)	$ (47)
Nine Months Ended September 30, 2013				
Pretax (favorable) unfavorable net prior year claim and allocated claim adjustment expense reserve development	**$ (130)**	**$ 13**	**$ 5**	**$ (112)**
Pretax (favorable) unfavorable premium development	**(16)**	**(8)**	**8**	**(16)**
Total pretax (favorable) unfavorable net prior year development	**$ (146)**	**$ 5**	**$ 13**	**$ (128)**
Nine Months Ended September 30, 2012				
Pretax (favorable) unfavorable net prior year claim and allocated claim adjustment expense reserve development	$ (80)	$ (25)	$ (5)	$ (110)
Pretax (favorable) unfavorable premium development	(15)	(41)	1	(55)
Total pretax (favorable) unfavorable net prior year development	$ (95)	$ (66)	$ (4)	$ (165)

For the nine months ended September 30, 2012, favorable premium development was recorded for CNA Commercial primarily due to premium adjustments on auditable policies arising from increased exposures.

CNA Specialty

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	**2013**	2012
(In millions)				
Medical professional liability	**$ 9**	$ 9	**$ (11)**	$ (6)
Other professional liability	**(4)**	1	**(28)**	(1)
Surety	**(76)**	(60)	**(74)**	(59)
Warranty				(1)
Other	**(3)**	11	**(17)**	(13)
Total pretax (favorable) unfavorable net prior year claim and allocated claim adjustment expense reserve development	**$ (74)**	$ (39)	**$ (130)**	$ (80)

Three Month Comparison

2013

Favorable development for surety coverages was primarily due to better than expected large loss emergence in accident years 2011 and prior.

2012

Favorable development for surety coverages was primarily due to better than expected loss emergence in accident years 2010 and prior.

Other includes standard property and casualty coverages provided to CNA Specialty customers. Unfavorable development for other coverages was primarily due to an unfavorable outcome on an individual general liability claim in accident year 2009.

Nine Month Comparison

2013

Overall, favorable development for medical professional liability reflects favorable experience in accident years 2009 and prior. Unfavorable development was recorded for accident years 2010 and 2011 due to higher than expected large loss activity.

Overall, favorable development for other professional liability was related to better than expected loss emergence in accident years 2007 through 2009. Unfavorable development was recorded in accident years 2010 through 2012 related to an increase in severity.

Favorable development for surety coverages was primarily due to better than expected large loss emergence in accident years 2011 and prior.

Favorable development for other coverages was primarily due to better than expected loss emergence in property coverages in accident years 2010 and subsequent.

2012

Favorable development for surety coverages was primarily due to better than expected loss emergence in accident years 2010 and prior.

Overall, favorable development for other coverages was primarily due to favorable loss emergence in property and workers compensation coverages in accident years 2005 and subsequent. Unfavorable development was recorded in accident year 2009 primarily due to an unfavorable outcome on an individual general liability claim.

CNA Commercial

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	**2013**	2012
(In millions)				
Commercial auto	**$ 4**	$ 9	**$ 1**	$ 11
General liability	**(18)**	(21)	**(24)**	(26)
Workers compensation	**26**	24	**96**	13
Property and other	**(15)**	(10)	**(60)**	(23)
Total pretax (favorable) unfavorable net prior year claim and allocated claim adjustment expense reserve development	**$ (3)**	$ 2	**$ 13**	$ (25)

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Three Month Comparison

2013

Favorable development for general liability coverages was primarily related to better than expected loss emergence in accident years 2005 through 2007 and 2012.

Unfavorable development for workers compensation was primarily due to increased frequency and severity on claims related to Defense Base Act (DBA) contractors in accident year 2012.

Favorable development for property and other coverages was primarily related to favorable loss emergence in non-catastrophe losses in accident years 2010 through 2012.

2012

Favorable development for general liability coverages was primarily due to favorable loss emergence in accident years 2003 and prior related to large account business.

Unfavorable development for workers compensation was primarily due to increased medical severity in accident years 2010 and 2011.

Favorable development for property and other coverages was due to favorable loss emergence in non-catastrophe losses in accident years 2009 and subsequent.

Nine Month Comparison

2013

Favorable development for general liability coverages was primarily related to better than expected loss emergence in accident years 2009 and prior and 2012.

Unfavorable development for workers compensation includes CNA s response to legislation enacted during 2013 related to the New York Fund for Reopened Cases. The law change necessitated an increase in reserves as re-opened workers compensation claims can no longer be turned over to the state for handling and payment after December 31, 2013. Additional unfavorable development was recorded in accident year 2012 related to increased frequency and severity on claims related to DBA contractors and in accident year 2010 due to higher than expected large losses and increased severity in the state of California.

Favorable development for property and other coverages was primarily related to favorable outcomes on litigated catastrophe claims in accident years 2005 and 2010 and favorable loss emergence in non-catastrophe losses in accident years 2010 through 2012.

2012

Unfavorable development for commercial auto coverages was primarily due to higher than expected frequency in accident years 2009 and subsequent.

Favorable development for general liability coverages was primarily due to favorable loss emergence in accident years 2003 and prior related to large account business.

Overall, unfavorable development for workers compensation was primarily due to increased medical severity in accident years 2010 and 2011 and losses related to favorable premium development in accident year 2011. Favorable development was recorded in accident years 2001 and prior reflecting favorable experience.

Favorable development for property and other coverages was due to a favorable outcome on an individual claim in accident year 2005 and favorable loss emergence in non-catastrophe losses in accident years 2009 through 2011.

6. Debt

In May of 2013, the Company completed a public offering of $500 million aggregate principal amount of 2.6% senior notes due May 15, 2023 and $500 million aggregate principal amount of 4.1% senior notes due May 15, 2043. The Company received net proceeds of $983 million, after deducting the underwriters discounts and commissions and offering expenses of $17 million, which will be amortized over the life of the notes. The proceeds for this offering are expected to be used for general corporate purposes.

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7. Shareholders Equity

Accumulated other comprehensive income

The tables below present the changes in Accumulated other comprehensive income (AOCI) by component for the three and nine months ended September 30, 2013:

			Cash Flow Hedges					Total Accumulated Other Comprehensive Income (Loss)
(In millions)	Unrealized Gains (Losses) On Investments	OTTI Gains (Losses)	Interest Rate Swaps	Commodity Hedges	Foreign Currency Forwards	Pension Liability	Foreign Currency Translation	
Balance, July 1, 2013	**$ 650**	**$ 23**	**$ (7)**	**$ 18**	**$ (3)**	**$ (721)**	**$ 77**	**$ 37**
Other comprehensive income (loss) before reclassifications, after tax of $36, $1, $0, $(2), $(1), $0 and $0	**(68)**	**(4)**	**1**	**7**	**1**		**56**	**(7)**
Reclassification of (gains) losses from accumulated other comprehensive income, after tax of $2, $0, $2, $7, $(2), $(5) and $0	**(2)**	**1**		**(16)**	**4**	**3**		**(10)**
Other comprehensive income (loss)	**(70)**	**(3)**	**1**	**(9)**	**5**	**3**	**56**	**(17)**
Amounts attributable to noncontrolling interests	**7**	**1**			**(2)**		**(6)**	**-**
Balance, September 30, 2013	**$ 587**	**$ 21**	**$ (6)**	**$ 9**	**$ -**	**$ (718)**	**$ 127**	**$ 20**

Balance, January 1, 2013	**$ 1,233**	**$ 18**	**$ (9)**	**$ 24**	**$ 1**	**$ (732)**	**$ 143**	**$ 678**
Other comprehensive income (loss) before reclassifications, after tax of $382, $(2), $(1), $(4), $3, $0 and $0	**(706)**	**2**	**4**	**12**	**(5)**		**(18)**	**(711)**
Reclassification of (gains) losses from accumulated other comprehensive income, after tax of $5, $0, $1, $13, $(1), $(10) and $0	**(11)**	**1**	**(1)**	**(26)**	**2**	**12**		**(23)**
Issuance of equity securities by subsidiary						**2**		**2**
Other comprehensive income (loss)	**(717)**	**3**	**3**	**(14)**	**(3)**	**14**	**(18)**	**(732)**
Amounts attributable to noncontrolling interests	**71**			**(1)**	**2**		**2**	**74**
Balance, September 30, 2013	**$ 587**	**$ 21**	**$ (6)**	**$ 9**	**$ -**	**$ (718)**	**$ 127**	**$ 20**

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

Major Category of AOCI	Affected Line Item
Unrealized gains (losses) on investments	Investment gains (losses)
OTTI gains (losses)	Investment gains (losses)
Cash flow hedges	
Interest rate swaps	Interest expense
Commodity hedges	Other revenues
Foreign currency forwards	Contract drilling expenses
Pension liability	Other operating expenses

Subsidiary Equity Transaction

In May of 2013, Boardwalk Pipeline sold 12.7 million common units in a public offering and received net proceeds of $377 million, including an $8 million contribution from the Company to maintain its 2% general partner interest. The Company s percentage ownership interest in Boardwalk Pipeline declined as a result of this transaction, from 55% to 53%. The issuance price of the common units exceeded the Company s carrying value, resulting in an increase to Additional paid-in capital of $51 million and an increase to AOCI of $2 million.

Treasury Stock

The Company purchased 4.9 million and 3.5 million shares of Loews common stock at aggregate costs of $218 million and $139 million during the nine months ended September 30, 2013 and 2012.

8. Benefit Plans

Pension Plans - The Company has several non-contributory defined benefit plans for eligible employees. Benefits for certain plans are determined annually based on a specified percentage of annual earnings (based on the participant s age or years of service) and a specified interest rate (which is established annually for all participants) applied to accrued balances. The benefits for another plan which cover salaried employees are based on formulas which include, among others, years of service and average pay. The Company s funding policy is to make contributions in accordance with applicable governmental regulatory requirements.

Other Postretirement Benefit Plans - The Company has several postretirement benefit plans covering eligible employees and retirees. Participants generally become eligible after reaching age 55 with required years of service. Actual requirements for coverage vary by plan. Benefits for retirees who were covered by bargaining units vary by each unit and contract. Benefits for certain retirees are in the form of a Company health care account.

Benefits for retirees reaching age 65 are generally integrated with Medicare. Other retirees, based on plan provisions, must use Medicare as their primary coverage, with the Company reimbursing a portion of the unpaid amount; or are reimbursed for the Medicare Part B premium or have no Company coverage. The benefits provided by the Company are basically health and, for certain retirees, life insurance type benefits.

The Company funds certain of these benefit plans and accrues postretirement benefits during the active service of those employees who would become eligible for such benefits when they retire.

The components of net periodic benefit cost are as follows:

	Pension Benefits			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	**2013**	2012
(In millions)				
Service cost	**$ 6**	$ 5	**$ 18**	$ 17
Interest cost	**34**	39	**101**	114
Expected return on plan assets	**(49)**	(47)	**(148)**	(140)
Amortization of unrecognized net loss	**12**	11	**40**	34
Settlement loss	**4**		**4**	
Net periodic benefit cost	**$ 7**	$ 8	**$ 15**	$ 25

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	Other Postretirement Benefits			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	**2013**	2012
(In millions)				
Service cost	**$ 1**	$ 1	**$ 1**	$ 1
Interest cost	**1**	1	**3**	4
Expected return on plan assets	**(1)**	(1)	**(3)**	(3)
Amortization of unrecognized net loss	**1**		**1**	
Amortization of unrecognized prior service benefit	**(6)**	(6)	**(19)**	(19)
Net periodic benefit cost	**$ (4)**	$ (5)	**$ (17)**	$ (17)

9. Business Segments

The Company s reportable segments are primarily based on its individual operating subsidiaries. Each of the principal operating subsidiaries are headed by a chief executive officer who is responsible for the operation of its business and has the duties and authority commensurate with that position. Investment gains (losses) and the related income taxes, excluding those of CNA, are included in the Corporate and other segment.

CNA s results are reported in four business segments: CNA Specialty, CNA Commercial, Life & Group Non-Core and Other. CNA Specialty provides a broad array of professional, financial and specialty property and casualty products and services, primarily through insurance brokers and managing general underwriters. CNA Commercial includes property and casualty coverages sold to small businesses and middle market entities and organizations primarily through an independent agency distribution system. CNA Commercial also includes commercial insurance and risk management products sold to large corporations primarily through insurance brokers. Life & Group Non-Core primarily includes the results of the life and group lines of business that are in run-off. Other includes the operations of Hardy Underwriting Bermuda Limited (Hardy) since its acquisition date of July 2, 2012, corporate expenses, including interest on corporate debt, and the results of certain property and casualty business primarily in run-off, including CNA Re and asbestos and environmental pollution. Hardy is a specialized Lloyd s of London underwriter primarily of short-tail exposures in marine and aviation, non-marine property, specialty lines and property treaty reinsurance.

Diamond Offshore owns and operates offshore drilling rigs that are chartered on a contract basis for fixed terms by companies engaged in exploration and production of hydrocarbons. Offshore rigs are mobile units that can be relocated based on market demand. Diamond Offshore s fleet consists of 45 drilling rigs, including five new-build rigs which are under construction and two rigs being constructed utilizing the hulls of Diamond Offshore s existing mid-water floaters. On September 30, 2013, Diamond Offshore s drilling rigs were located offshore 13 countries in addition to the United States.

Boardwalk Pipeline is engaged in the interstate transportation and storage of natural gas and NGLs and gathering and processing of natural gas. This segment consists of interstate natural gas pipeline systems originating in the Gulf Coast region, Oklahoma and Arkansas, and extending north and east through the midwestern states of Tennessee, Kentucky, Illinois, Indiana and Ohio, natural gas storage facilities in four states and NGL pipelines and storage facilities in Louisiana, with approximately 14,410 miles of pipeline.

HighMount is engaged in the exploration, production and marketing of natural gas and oil (including condensate and NGLs), primarily located in the Permian Basin in West Texas as well as the Mississippian Lime in Oklahoma.

Loews Hotels operates a chain of 19 hotels, 17 of which are in the United States and two are in Canada.

The Corporate and other segment consists primarily of corporate investment income, corporate interest expense and other unallocated expenses.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies in Note 1 of the Notes to Consolidated Financial Statements in the Company s Annual Report on Form 10-K for the year ended December 31, 2012. In addition, CNA does not maintain a distinct investment portfolio for every insurance segment, and accordingly, allocation of assets to each segment is not performed. Therefore, a significant portion of net investment income and investment gains (losses) are allocated based on each segment s carried insurance reserves, as adjusted.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	**2013**	2012
(In millions)				
Revenues (a):				
CNA Financial:				
CNA Specialty	**$ 996**	$ 957	**$ 2,906**	$ 2,798
CNA Commercial	**1,062**	1,091	**3,267**	3,163
Life & Group Non-Core	**346**	340	**1,055**	1,050
Other	**100**	77	**272**	101
Total CNA Financial	**2,504**	2,465	**7,500**	7,112
Diamond Offshore	**706**	730	**2,198**	2,319
Boardwalk Pipeline	**288**	271	**921**	862
HighMount	**62**	74	**196**	219
Loews Hotels	**95**	98	**290**	272
Corporate and other	**49**	77	**58**	63
Total	**$ 3,704**	$ 3,715	**$ 11,163**	$ 10,847
Income (loss) before income tax and noncontrolling interests (a):				
CNA Financial:				
CNA Specialty	**$ 283**	$ 214	**$ 718**	$ 589
CNA Commercial	**200**	193	**559**	519
Life & Group Non-Core	**(79)**	(60)	**(166)**	(111)
Other	**(26)**	(33)	**(91)**	(84)
Total CNA Financial	**378**	314	**1,020**	913
Diamond Offshore (b)	**131**	234	**593**	732
Boardwalk Pipeline	**60**	58	**226**	216
HighMount	**(59)**	(248)	**(189)**	(499)
Loews Hotels	**(2)**	(1)		17
Corporate and other	**12**	52	**(37)**	(15)
Total	**$ 520**	$ 409	**$ 1,613**	$ 1,364

Net income (loss) (a):				
CNA Financial:				
CNA Specialty	**$ 170**	$ 122	**$ 427**	$ 347
CNA Commercial	**119**	119	**328**	309
Life & Group Non-Core	**(31)**	(21)	**(56)**	(26)
Other	**(11)**	(20)	**(51)**	(53)
Total CNA Financial	**247**	200	**648**	577
Diamond Offshore (b)	**44**	83	**213**	264
Boardwalk Pipeline	**19**	20	**74**	80
HighMount	**(37)**	(158)	**(120)**	(319)
Loews Hotels	**1**	(1)	**2**	9
Corporate and other	**8**	33	**(24)**	(11)
Total	**$ 282**	$ 177	**$ 793**	$ 600

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	**2013**	2012
Revenues and Income (loss) before income tax and noncontrolling interests:				
CNA Financial:				
CNA Specialty	**$ 2**	$ 2	**$ (1)**	$ 18
CNA Commercial	**3**	10	**(5)**	34
Life & Group Non-Core		(3)	**14**	14
Other		(1)	**7**	(4)
Total CNA Financial	**5**	8	**15**	62
Corporate and other	**(1)**	(1)	**(1)**	(3)
Total	**$ 4**	$ 7	**$ 14**	$ 59
Net income (loss):				
CNA Financial:				
CNA Specialty		$ 1	**$ (1)**	$ 11
CNA Commercial	**$ 1**	6	**(3)**	20
Life & Group Non-Core		(2)	**8**	8
Other	**2**		**5**	(2)
Total CNA Financial	**3**	5	**9**	37
Corporate and other	**(1)**	(1)	**(1)**	(2)
Total	**$ 2**	$ 4	**$ 8**	$ 35

(b) For the three and nine months ended September 30, 2013, bad debt expense of $23 million ($9 million after tax and noncontrolling interests) was recorded by Diamond Offshore to fully reserve the outstanding receivable balances of two of its customers.

10. Legal Proceedings

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

11. Commitments and Contingencies

Guarantees

In the course of selling business entities and assets to third parties, CNA has agreed to indemnify purchasers for losses arising out of breaches of representation and warranties with respect to the business entities or assets being sold, including, in certain cases, losses arising from undisclosed liabilities or certain named litigation. Such indemnification provisions generally survive for periods ranging from nine months following the applicable closing date to the expiration of the relevant statutes of limitation. As of September 30, 2013, the aggregate amount of quantifiable indemnification agreements in effect for sales of business entities, assets and third party loans was $723 million.

In addition, CNA has agreed to provide indemnification to third party purchasers for certain losses associated with sold business entities or assets that are not limited by a contractual monetary amount. As of September 30, 2013, CNA had outstanding unlimited indemnifications in connection with the sales of certain of its business entities or assets that included tax liabilities arising prior to a purchaser s ownership of an entity or asset, defects in title at the time of sale, employee claims arising prior to closing and in some cases losses arising from certain litigation and undisclosed liabilities. These indemnification agreements survive until the applicable statutes of limitation expire, or until the agreed upon contract terms expire.

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Offshore Rig Purchase Obligations

Diamond Offshore is financially obligated under four turnkey construction contracts with Hyundai Heavy Industries, Co. Ltd. (Hyundai) for the construction of four dynamically positioned, ultra-deepwater drillships. Diamond Offshore expects the aggregate cost of the construction of its drillships, including commissioning, capital spares and project management costs, to be approximately $2.6 billion, of which approximately $650 million in contractual installment payments have been paid. These amounts are included in Construction in process within Property, plant and equipment in the Consolidated Condensed Balance Sheets. Diamond Offshore expects to pay a total of approximately $790 million for the first two drillships which are expected to be delivered in the fourth quarter of 2013 and the first quarter of 2014, and the remaining contractual payments due to Hyundai will be paid when the remaining drillships are delivered in 2014.

Diamond Offshore is also financially obligated under agreements for the construction of two moored semisubmersible deepwater rigs with expected completion dates in the fourth quarter of 2013 and in the third quarter of 2014. The rigs will be constructed utilizing the hulls of two of Diamond Offshore s mid-water floaters and the aggregate cost of the rigs, including commissioning, capital spares and project management costs, are estimated to be approximately $705 million, of which $185 million in contractual installment payments have been paid.

In February of 2013, Diamond Offshore entered into a vessel modification agreement for enhancements to a mid-water floater that will enable the rig to work in the North Sea. The contracted price with the shipyard is $29 million, of which $10 million has been paid. The total cost of the project is estimated to be approximately $120 million, including shipyard costs, owner-furnished equipment and labor, commissioning and capital spares, with an expected completion date in the second quarter of 2014.

In May of 2013, Diamond Offshore entered into a construction contract with Hyundai for the construction of a dynamically positioned, ultra-deepwater harsh environment semisubmersible drilling rig, expected to be delivered in the first quarter of 2016. The total cost of the rig including capital spares, commissioning and shipyard supervision is estimated to be approximately $755 million. The first installment payment of $189 million has been paid and is included in Construction in process within Property, plant and equipment in the Consolidated Condensed Balance Sheets.

Boardwalk Pipeline

Boardwalk Pipeline s future capital commitments are comprised of binding commitments under purchase orders for materials ordered but not received and firm commitments under binding construction service agreements. The commitments as of September 30, 2013 were approximately $105 million, all of which are expected to be settled within the next twelve months.

Loews Hotels

Loews Hotels has commitments aggregating approximately $205 million for the development and renovation of hotel properties.

12. Consolidating Financial Information

The following schedules present the Company s consolidating balance sheet information at September 30, 2013 and December 31, 2012, and consolidating statements of income information for the nine months ended September 30, 2013 and 2012. These schedules present the individual subsidiaries of the Company and their contribution to the

Consolidated Condensed Financial Statements. Amounts presented will not necessarily be the same as those in the individual financial statements of the Company s subsidiaries due to adjustments for purchase accounting, income taxes and noncontrolling interests. In addition, many of the Company s subsidiaries use a classified balance sheet which also leads to differences in amounts reported for certain line items.

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

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Loews Corporation

Consolidating Balance Sheet Information

September 30, 2013	CNA Financial	Diamond Offshore	Boardwalk Pipeline	HighMount	Loews Hotels	Corporate and Other	Eliminations	Total
(In millions)								
Assets:								
Investments	$ 46,233	$ 1,206		$ 30	$ 51	$ 4,838		$ 52,358
Cash	185	33	$ 25	2	10	2		257
Receivables	8,325	444	92	36	31	231	$ (136)	9,023
Property, plant and equipment	311	5,336	7,253	1,040	396	45		14,381
Deferred income taxes	355			811	3		(1,169)	-
Goodwill	117	20	267	584	3			991
Investments in capital stocks of subsidiaries						16,982	(16,982)	-
Other assets	770	314	314	19	182	11	35	1,645
Deferred acquisition costs of insurance subsidiaries	642							642
Separate account business	213							213
Total assets	$ 57,151	$ 7,353	$ 7,951	$ 2,522	$ 676	$ 22,109	$ (18,252)	$ 79,510
Liabilities and Equity:								
Insurance reserves	$ 38,590							$ 38,590
Payable to brokers	218	$ 4		$ 8		$ 96		326
		250			$ 20			270

Short term debt								
Long term debt	**2,559**	**1,240**	**$ 3,334**	**711**	**183**	**1,678**		**9,705**
Deferred income taxes		**524**	**688**		**44**	**709**	**$ (1,134)**	**831**
Other liabilities	**3,454**	**647**	**396**	**111**	**34**	**248**	**(136)**	**4,754**
Separate account business	**213**							**213**
Total liabilities	**45,034**	**2,665**	**4,418**	**830**	**281**	**2,731**	**(1,270)**	**54,689**
Total shareholders equity	**10,906**	**2,375**	**1,591**	**1,692**	**395**	**19,378**	**(16,982)**	**19,355**
Noncontrolling interests	**1,211**	**2,313**	**1,942**					**5,466**
Total equity	**12,117**	**4,688**	**3,533**	**1,692**	**395**	**19,378**	**(16,982)**	**24,821**
Total liabilities and equity	**$ 57,151**	**$ 7,353**	**$ 7,951**	**$ 2,522**	**$ 676**	**$ 22,109**	**$ (18,252)**	**$ 79,510**

Loews Corporation

Consolidating Balance Sheet Information

December 31, 2012	CNA Financial	Diamond Offshore	Boardwalk Pipeline	HighMount	Loews Hotels	Corporate and Other	Eliminations	Total
(In millions)								
Assets:								
Investments	$ 47,636	$ 1,435	$ 1	$ 8	$ 33	$ 3,935		$ 53,048
Cash	156	53	3	2	10	4		228
Receivables	8,516	503	89	69	25	183	$ (19)	9,366
Property, plant and equipment	297	4,870	7,252	1,136	333	47		13,935
Deferred income taxes	119			734			(853)	-
Goodwill	118	20	271	584	3			996
Investments in capital stocks of subsidiaries						16,936	(16,936)	-
Other assets	730	366	330	22	84	4	2	1,538
Deferred acquisition costs of insurance subsidiaries	598							598
Separate account business	312							312
Total assets	$ 58,482	$ 7,247	$ 7,946	$ 2,555	$ 488	$ 21,109	$ (17,806)	$ 80,021
Liabilities and Equity:								
Insurance reserves	$ 40,005							$ 40,005
Payable to brokers	61			$ 10		$ 134		205
Short term debt	13				$ 6			19
Long term debt	2,557	$ 1,489	$ 3,539	710	203	693		9,191
Deferred income taxes		483	619		37	552	$ (851)	840

Other liabilities	3,260	675	432	120	42	263	(19)	4,773
Separate account business	312							312
Total liabilities	46,208	2,647	4,590	840	288	1,642	(870)	55,345
Total shareholders equity	11,058	2,331	1,624	1,715	200	19,467	(16,936)	19,459
Noncontrolling interests	1,216	2,269	1,732					5,217
Total equity	12,274	4,600	3,356	1,715	200	19,467	(16,936)	24,676
Total liabilities and equity	$ 58,482	$ 7,247	$ 7,946	$ 2,555	$ 488	$ 21,109	$ (17,806)	$ 80,021

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Loews Corporation

Consolidating Statement of Income Information

ne Months Ended September 30, 2013	CNA Financial	Diamond Offshore	Boardwalk Pipeline	HighMount	Loews Hotels	Corporate and Other	Eliminations	Total
millions)								
venues:								
urance premiums	$ 5,389							$ 5,389
t investment income	1,808	$ 1				$ 58		1,867
ercompany interest and dividends						547	$ (547)	-
vestment gains (losses)	15			$ (1)				14
ntract drilling revenues		2,136						2,136
her	288	61	$ 921	196	$ 290	1		1,757
tal	7,500	2,198	921	195	290	606	(547)	11,163
penses:								
urance claims and policyholders nefits	4,364							4,364
nortization of deferred acquisition ts	1,004							1,004
ntract drilling expenses		1,164						1,164
her operating expenses	987	423	573	372	282	52		2,689
erest	125	18	122	13	8	43		329
tal	6,480	1,605	695	385	290	95	-	9,550
come (loss) before income tax	1,020	593	226	(190)	-	511	(547)	1,613
come tax (expense) benefit	(300)	(154)	(49)	69	2	13		(419)
t income (loss)	720	439	177	(121)	2	524	(547)	1,194
nounts attributable to noncontrolling erests	(72)	(226)	(103)					(401)
t income (loss) attributable to Loews rporation	$ 648	$ 213	$ 74	$ (121)	$ 2	$ 524	$ (547)	$ 793

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Loews Corporation

Consolidating Statement of Income Information

Months Ended September 30, 2012	CNA Financial	Diamond Offshore	Boardwalk Pipeline	HighMount	Loews Hotels	Corporate and Other	Eliminations	Tota
llions)								
ues:								
nce premiums	$ 5,098							$ 5,09
vestment income	1,719	$ 4			$ 1	$ 70		1,79
ompany interest and dividends						512	$ (512)	
ment gains (losses)	62		$ (3)					5
ct drilling revenues		2,195						2,19
	233	120	862	$ 219	271	2	(6)	1,70
	7,112	2,319	859	219	272	584	(518)	10,84
ses:								
nce claims and policyholders ts	4,164							4,16
ization of deferred acquisition	937							93
ct drilling expenses		1,160						1,16
operating expenses	970	390	521	709	247	60	(6)	2,89
t	128	37	125	9	8	30	(6)	33
	6,199	1,587	646	718	255	90	(12)	9,48
e (loss) before income tax	913	732	213	(499)	17	494	(506)	1,36
e tax (expense) benefit	(272)	(188)	(52)	180	(8)	3		(33
come (loss)	641	544	161	(319)	9	497	(506)	1,02
nts attributable to noncontrolling ts	(64)	(280)	(83)					(42
come (loss) attributable to Loews ration	$ 577	$ 264	$ 78	$ (319)	$ 9	$ 497	$ (506)	$ 60

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

Management s discussion and analysis of financial condition and results of operations (MD&A) should be read in conjunction with our Consolidated Condensed Financial Statements included in Item 1 of this Report, Risk Factors included in Part II, Item 1A of this Report, and the Consolidated Financial Statements, Risk Factors, and MD&A included in our Annual Report on Form 10-K for the year ended December 31, 2012. This MD&A is comprised of the following sections:

OVERVIEW

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

- commercial property and casualty insurance (CNA Financial Corporation (CNA), a 90% owned subsidiary);
- operation of offshore oil and gas drilling rigs (Diamond Offshore Drilling, Inc. (Diamond Offshore), a 50.4% owned subsidiary);
- transportation and storage of natural gas and natural gas liquids and gathering and processing of natural gas (Boardwalk Pipeline Partners, LP (Boardwalk Pipeline), a 53% owned subsidiary);

exploration, production and marketing of natural gas and oil (including condensate and natural gas liquids) (HighMount Exploration & Production LLC (HighMount), a wholly owned subsidiary); and

operation of a chain of hotels (Loews Hotels Holding Corporation (Loews Hotels), a wholly owned subsidiary).

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

Consolidated Financial Results

Net income for the third quarter of 2013 was $282 million, or $0.73 per share, compared to $177 million, or $0.45 per share, in the third quarter of 2012. Net income for the third quarter of 2013 and 2012 includes after tax non-cash ceiling test impairment charges of $42 million and $166 million at HighMount related to the carrying value of its natural gas and oil properties. Excluding these non-cash impairment charges, Loews adjusted net income for the third quarter of 2013 and 2012 would have been $324 million and $343 million. The decrease in net income is primarily due to lower earnings at Diamond Offshore and lower investment income at the Parent Company. These decreases were partially offset by higher earnings at CNA.

CNA s earnings increased primarily from improved non-catastrophe current accident year underwriting results and higher favorable net prior year development. These increases were partially offset by higher catastrophe losses and reduced results from the Life & Group Non-Core segment as a result of unfavorable morbidity in the long term care business.

Diamond Offshore s earnings decreased primarily due to lower utilization and $35 million (after tax and noncontrolling interests) of lost revenue and bad debt write-offs relating to termination of rig contracts due to payment defaults by two customers. The decrease in utilization during 2013 is primarily due to downtime for scheduled surveys and shipyard projects. These decreases were partially offset by higher dayrates.

Boardwalk Pipeline s earnings were flat as compared with the prior year. The contribution of results from Louisiana Midstream, acquired in October of 2012, and the sale of storage gas in 2013 were substantially offset by lower transportation revenues as a result of unfavorable contract renewal conditions.

Net income for the nine months ended September 30, 2013 was $793 million or $2.03 per share as compared to $600 million, or $1.51 per share in the prior year period. Net income for the nine months ended September 30, 2013 and 2012 includes after tax non-cash ceiling test impairment charges of $134 million and $336 million at HighMount. Excluding these non-cash impairment charges, Loews adjusted net income for the nine months ended September 30, 2013 and 2012 would have been $927 million and $936 million. The decrease in net income is primarily due to the reasons discussed in the three month comparison above for Diamond Offshore as well as a prior year gain of $32 million (after tax and noncontrolling interests) from the sale of six jack-up rigs in 2012, partially offset by higher earnings at CNA.

Book value per share decreased to $49.99 at September 30, 2013 from $50.41 at September 30, 2012 and increased from $49.67 at December 31, 2012. Book value per share excluding accumulated other comprehensive income (AOCI) increased to $49.94 at September 30, 2013 from $47.96 at September 30, 2012 and $47.94 at December 31, 2012.

Parent Company Structure

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

CRITICAL ACCOUNTING ESTIMATES

The preparation of the consolidated condensed financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires us to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and the related notes. Actual results could differ from those estimates.

The consolidated condensed financial statements and accompanying notes have been prepared in accordance with GAAP, applied on a consistent basis. We continually evaluate the accounting policies and estimates used to prepare the consolidated condensed financial statements. In general, our estimates are based on historical experience, evaluation of current trends, information from third party professionals and various other assumptions that we believe are reasonable under the known facts and circumstances.

We consider the accounting policies discussed below to be critical to an understanding of our consolidated condensed financial statements as their application places the most significant demands on our judgment.

Insurance Reserves
Reinsurance and Other Receivables
Litigation
Valuation of Investments and Impairment of Securities

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- Long Term Care Products
- Payout Annuity Contracts
- Pension and Postretirement Benefit Obligations
- Valuation of HighMount s Proved Reserves
- Impairment of Long-Lived Assets
- Goodwill
- Income Taxes

Due to the inherent uncertainties involved with these types of judgments, actual results could differ significantly from estimates, which may have a material adverse impact on our results of operations or equity. See the Critical Accounting Estimates section and the Results of Operations by Business Segment CNA Financial Reserves Estimates and Uncertainties section of our MD&A included under Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2012 for further information.

RESULTS OF OPERATIONS BY BUSINESS SEGMENT

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

CNA Financial

The following table summarizes the results of operations for CNA for the three and nine months ended September 30, 2013 and 2012 as presented in Note 12 of the Notes to Consolidated Condensed Financial Statements included in Item 1 of this Report:

	Three Months Ended September 30,		**Nine Months Ended September 30,**	
	2013	2012	**2013**	2012
(In millions)				
Revenues:				
Insurance premiums	**$ 1,825**	$ 1,781	**$ 5,389**	$ 5,098
Net investment income	**597**	601	**1,808**	1,719
Investment gains	**5**	8	**15**	62
Other	**77**	75	**288**	233
Total	**2,504**	2,465	**7,500**	7,112
Expenses:				
Insurance claims and policyholders benefits	**1,414**	1,435	**4,364**	4,164
Amortization of deferred acquisition costs	**341**	333	**1,004**	937
Other operating expenses	**329**	340	**987**	970
Interest	**42**	43	**125**	128
Total	**2,126**	2,151	**6,480**	6,199

Income before income tax		**378**		314		**1,020**		913
Income tax expense		**(104)**		(92)		**(300)**		(272)
Amounts attributable to noncontrolling interests		**(27)**		(22)		**(72)**		(64)
Net income attributable to Loews Corporation	**$**	**247**	$	200	**$**	**648**	$	577

Three Months Ended September 30, 2013 Compared to 2012

Net income increased $47 million for the three months ended September 30, 2013 as compared with the same period in 2012, primarily due to improved non-catastrophe current accident year underwriting results and higher favorable net prior year development, partially offset by higher catastrophe losses and reduced results from the Life & Group Non-Core segment as a result of unfavorable morbidity in the long term care business. See the Investments section of this MD&A for further discussion of net realized investment results and net investment income.

Nine Months Ended September 30, 2013 Compared to 2012

Net income increased $71 million for the nine months ended September 30, 2013 as compared with the same period in 2012. Insurance premiums increased $291 million and included an increase of $162 million related to Hardy, which was acquired in July of 2012. Net income improved from the prior year primarily due to improved non-catastrophe current accident year underwriting results, higher net investment income and a settlement benefit of

$27 million (after tax and noncontrolling interests) related to workers compensation residual market litigation. These favorable items were partially offset by lower favorable net prior year development and increased catastrophe losses.

CNA Property and Casualty Insurance Operations

CNA s property and casualty insurance operations consist of professional, financial, specialty property and casualty products and services and commercial insurance and risk management products.

In the evaluation of the results of the property and casualty businesses, CNA utilizes the loss ratio, the expense ratio, the dividend ratio and the combined ratio. These ratios are calculated using GAAP financial results. The loss ratio is the percentage of net incurred claim and claim adjustment expenses to net earned premiums. The expense ratio is the percentage of insurance underwriting and acquisition expenses, including the amortization of deferred acquisition costs, to net earned premiums. The dividend ratio is the ratio of policyholders dividends incurred to net earned premiums. The combined ratio is the sum of the loss, expense and dividend ratios.

The following tables summarize the results of CNA s property and casualty operations for the three and nine months ended September 30, 2013 and 2012:

Three Months Ended September 30, 2013	**CNA Specialty**	**CNA Commercial**	**Hardy**	**Total**
(In millions, except %)				
Net written premiums	**$ 778**	**$ 760**	**$ 81**	**$ 1,619**
Net earned premiums	**768**	**832**	**86**	**1,686**
Net investment income	**159**	**219**	**1**	**379**
Net operating income	**170**	**118**	**11**	**299**
Net realized investment gains		**1**		**1**
Net income	**170**	**119**	**11**	**300**
Ratios:				
Loss and loss adjustment expense	**55.6%**	**67.9%**	**40.5%**	**60.9%**
Expense	**29.4**	**34.8**	**44.6**	**32.9**
Dividend	**0.3**	**0.3**		**0.2**
Combined	**85.3%**	**103.0%**	**85.1%**	**94.0%**

Three Months Ended September 30, 2012				
Net written premiums	$ 723	$ 811	$ 56	$ 1,590
Net earned premiums	738	840	64	1,642
Net investment income	159	230	2	391

Net operating income	121	113	3	237
Net realized investment gains (losses)	1	6	(1)	6
Net income	122	119	2	243
Ratios:				
Loss and loss adjustment expense	62.5%	70.5%	33.3%	65.4%
Expense	31.0	35.2	52.5	34.1
Dividend	0.2	0.3		0.2
Combined	93.7%	106.0%	85.8%	99.7%

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Nine Months Ended September 30, 2013	CNA Specialty	CNA Commercial	Hardy	Total
(In millions, except %)				
Net written premiums	**$ 2,337**	**$ 2,504**	**$ 274**	**$ 5,115**
Net earned premiums	**2,237**	**2,509**	**226**	**4,972**
Net investment income	**480**	**680**	**3**	**1,163**
Net operating income	**428**	**331**	**2**	**761**
Net realized investment gains (losses)	**(1)**	**(3)**	**1**	**(3)**
Net income	**427**	**328**	**3**	**758**
Ratios:				
Loss and loss adjustment expense	**60.1%**	**72.1%**	**47.3%**	**65.6%**
Expense	**29.8**	**34.9**	**48.1**	**33.2**
Dividend	**0.2**	**0.2**		**0.2**
Combined	**90.1%**	**107.2%**	**95.4%**	**99.0%**

Nine Months Ended September 30, 2012				
Net written premiums	$ 2,206	$ 2,543	$ 56	$ 4,805
Net earned premiums	2,163	2,452	64	4,679
Net investment income	446	646	2	1,094
Net operating income	336	289	3	628
Net realized investment gains (losses)	11	20	(1)	30
Net income	347	309	2	658
Ratios:				
Loss and loss adjustment expense	63.6%	71.3%	33.3%	67.3%
Expense	31.5	35.2	52.5	33.6
Dividend		0.3		0.2
Combined	95.1%	106.8%	85.8%	101.1%

Three Months Ended September 30, 2013 Compared to 2012

Net written premiums increased $29 million for the three months ended September 30, 2013 as compared with the same period in 2012. This increase was primarily driven by increased rate and an increase related to Hardy, partially offset by previous underwriting actions taken in certain business classes in CNA Commercial. Net earned premiums increased $44 million for the three months ended September 30, 2013 as compared with the same period in 2012, primarily driven by the increase in net written premiums over recent quarters for CNA Specialty and Hardy, partially offset by a decrease for CNA Commercial.

CNA Specialty s average rate increased 6% for the three months ended September 30, 2013 as compared with an increase of 5% for the three months ended September 30, 2012, for the policies that renewed in each period. Retention of 85% was achieved in each period. CNA Commercial s average rate increased 8% for the three months ended September 30, 2013 as compared with an increase of 7% for the three months ended September 30, 2012, for the policies that renewed in each period. Retention of 71% and 77% was achieved in each period. Hardy s average rate decreased 5% for the three months ended September 30, 2013 as compared with an increase of 1% for the three months ended September 30, 2012, for the policies that renewed in each period. Retention of 75% and 73% was achieved in each period.

Net operating income increased $62 million for the three months ended September 30, 2013 as compared with the same period in 2012. The increase in net operating income was primarily due to improved underwriting results and higher favorable net prior year development, partially offset by higher catastrophe losses. Catastrophe losses were $25 million (after tax and noncontrolling interests) for the three months ended September 30, 2013 as compared to catastrophe losses of $16 million (after tax and noncontrolling interests) for the same period in 2012.

Favorable net prior year development of $78 million and $49 million was recorded for the three months ended September 30, 2013 and 2012. Further information on net prior year development is included in Note 5 of the Notes to Consolidated Condensed Financial Statements included under Item 1.

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CNA Specialty s combined ratio improved 8.4 points for the three months ended September 30, 2013 as compared with the same period in 2012. The loss ratio improved 6.9 points, due to higher favorable net prior year development and an improved non-catastrophe current accident year loss ratio, partially offset by higher catastrophe losses. The expense ratio improved 1.6 points, primarily due to the impact of lower underwriting expenses and a higher net earned premium base.

CNA Commercial s combined ratio improved 3.0 points for the three months ended September 30, 2013 as compared with the same period in 2012. The loss ratio improved 2.6 points, primarily due to an improved current accident year loss ratio.

Hardy s combined ratio improved 0.7 points for the three months ended September 30, 2013 as compared with the same period in 2012. The loss ratio increased 7.2 points, primarily due to higher catastrophe losses. The expense ratio improved 7.9 points, primarily due to the higher net earned premium base.

Nine Months Ended September 30, 2013 Compared to 2012

Net written premiums increased $310 million for the nine months ended September 30, 2013 as compared with the same period in 2012. Net written premiums for 2013 included an increase of $218 million related to Hardy. Excluding Hardy, the increase in net written premiums was primarily driven by increased rate in CNA Specialty, partially offset by previous underwriting actions taken in certain business classes in CNA Commercial, including a transfer of $44 million of in-force business. Net earned premiums increased $293 million for the nine months ended September 30, 2013 as compared with the same period in 2012, including an increase of $162 million related to Hardy. Excluding Hardy, the increase in net earned premiums was primarily driven by the increase in net written premiums over recent quarters.

CNA Specialty s average rate increased 6% for the nine months ended September 30, 2013 as compared with an increase of 4% for the nine months ended September 30, 2012 for the policies that renewed in each period. Retention of 85% and 86% was achieved in each period. CNA Commercial s average rate increased 9% for the nine months ended September 30, 2013 as compared with an increase of 6% for the nine months ended September 30, 2012, for the policies that renewed in each period. Retention of 74% and 77% was achieved in each period.

Net operating income increased $133 million for the nine months ended September 30, 2013 as compared with the same period in 2012. The increase in net operating income was primarily due to improved underwriting results, higher net investment income and a settlement benefit of $27 million (after tax and noncontrolling interests) in CNA Commercial. These favorable items were partially offset by unfavorable net prior year development in 2013 for CNA Commercial, which includes $21 million (after tax and noncontrolling interests) recorded for workers compensation in response to legislation related to the New York Fund for Reopened Cases and higher catastrophe losses. Catastrophe losses were $86 million (after tax and noncontrolling interests) for the nine months ended September 30, 2013 as compared with $72 million (after tax and noncontrolling interests) for the same period in 2012.

Favorable net prior year development of $129 million and $167 million was recorded for the nine months ended September 30, 2013 and 2012. Further information on net prior year development is included in Note 5 of the Notes to Consolidated Condensed Financial Statements included under Item 1.

CNA Specialty s combined ratio improved 5.0 points for the nine months ended September 30, 2013 as compared with the same period in 2012. The loss ratio improved 3.5 points, due to higher favorable net prior year development and an improved non-catastrophe current accident year loss ratio, partially offset by higher catastrophe losses. The expense ratio improved 1.7 points, primarily due to the impact of lower underwriting expenses and a higher net earned premium base.

CNA Commercial s combined ratio increased 0.4 points for the nine months ended September 30, 2013 as compared with the same period in 2012. The loss ratio increased 0.8 points, primarily due to unfavorable net prior year development, partially offset by an improved current accident year loss ratio.

Life & Group Non-Core and Other Operations

Life & Group Non-Core primarily includes the results of the life and group lines of business that are in run-off. Other primarily includes certain CNA corporate expenses, including interest on corporate debt and the results of certain property and casualty business in run-off, including CNA Re and asbestos and environmental pollution (A&EP).

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The following tables summarize the results of CNA s Life & Group Non-Core and Other operations for the three and nine months ended September 30, 2013 and 2012:

Three Months Ended September 30, 2013	Life & Group Non-Core	Other	Total
(In millions)			
Net earned premiums	$ 140		$ 140
Net investment income	209	$ 9	218
Net operating loss	(31)	(24)	(55)
Net realized investment gains		2	2
Net loss	(31)	(22)	(53)
Three Months Ended September 30, 2012			
Net earned premiums	$ 141		$ 141
Net investment income	201	$ 9	210
Net operating loss	(19)	(23)	(42)
Net realized investment gains (losses)	(2)	1	(1)
Net loss	(21)	(22)	(43)
Nine Months ended September 30, 2013			
Net earned premiums	$ 419		$ 419
Net investment income	620	$ 25	645
Net operating loss	(64)	(58)	(122)
Net realized investment gains	8	4	12
Net loss	(56)	(54)	(110)
Nine Months Ended September 30, 2012			
Net earned premiums	$ 421		$ 421
Net investment income	600	$ 25	625
Net operating loss	(34)	(54)	(88)
Net realized investment gains (losses)	8	(1)	7
Net loss	(26)	(55)	(81)

Three Months Ended September 30, 2013 Compared to 2012

Net loss increased $10 million for the three months ended September 30, 2013 as compared with the same period in 2012 primarily due to unfavorable morbidity, partially offset by the effect of rate increase actions and favorable persistency in CNA s individual long term care business.

Nine Months ended September 30, 2013 Compared to 2012

Net loss increased $29 million for the nine months ended September 30, 2013 as compared with the same period in 2012 primarily due to unfavorable morbidity, partially offset by the effect of rate increase actions and favorable persistency in CNA s individual long term care business. In addition, there was a $6 million release of an allowance established for officer notes receivable for the nine months ended September 30, 2013 as compared to a $13 million release of an allowance established for uncollectable reinsurance receivables for the same period in 2012. Additionally, results in 2012 included a significant gain related to a benefit on a life settlement contract.

Diamond Offshore

The ultra-deepwater and deepwater floater markets are generally firm. Regionally, the offshore basins of West Africa, Brazil and the Gulf of Mexico continues to be an area of significant ultra-deepwater and deepwater activity. Demand currently remains strong for ultra-deepwater rigs offshore West Africa, primarily in Angola and Nigeria, where discoveries in the pre-salt formations have led to increased interest in the region. On the Outer Continental Shelf of the U.S. Gulf of Mexico, drilling activity has surpassed pre-Macondo levels, and industry analysts predict that the market will remain strong in the near term, particularly in the ultra-deepwater market. Demand for ultra-deepwater and deepwater rigs offshore Brazil currently remains strong.

Diamond Offshore believes that the offshore drilling industry will be challenged in the future by expected newbuild rig deliveries, which are expected to increase competition and could result in downward pressure on dayrates if demand does not remain balanced with expected supply. Since 2010, the outlook for the ultra-deepwater and deepwater markets has led to a significant number of orders for newbuild floaters by established drilling contractors as well as new entrants to the industry. Currently, the total number of announced newbuild floaters exceeds 100 rigs, including an estimated 28 rigs potentially to be built on behalf of Petróleo Brasileiro S.A. Excluding these customer-ordered rigs, 38 of the 62 newbuilds scheduled for delivery in 2014 through 2016 are not yet contracted for future work, including two of Diamond Offshore s four rigs expected to be delivered in 2014. In addition, Diamond Offshore believes that the offshore drilling industry will continue to be challenged by growing regulatory demands and more complex customer specifications, which could disadvantage the marketability of some lower specification rigs. Customer requirements in certain markets could result in the migration of some ultra-deepwater rigs to work in deepwater, and likewise, some deepwater rigs to displace mid-water units.

Strength in the mid-water floater market varies significantly by region, but overall remains balanced. In both the U.K. and Norway sectors of the North Sea, the mid-water market continues to be quite strong. Increasing operator interest in frontier markets across Southeast Asia and South America, including Myanmar, Peru, Nicaragua, Trinidad and Tobago, and Colombia indicates possible future strengthening in those regions. In the Gulf of Mexico, demand is limited, while in Brazil, demand is moderating.

Diamond Offshore is a small participant in the jack-up market and has a limited view of overall market conditions. Diamond Offshore has four jack-up rigs working under long term contracts in the Mexican waters of the Gulf of Mexico, where contract renewals indicate strong demand. One of Diamond Offshore s jack-up rigs works in the U.S. Gulf of Mexico well-to-well for smaller operators under short term commitments.

Contract Drilling Backlog

The following table reflects Diamond Offshore s contract drilling backlog as of October 23, 2013 and February 1, 2013 (the date reported in our Annual Report on Form 10-K for the year ended December 31, 2012). Contract drilling backlog as presented below includes only firm commitments (typically represented by signed contracts) and is calculated by multiplying the contracted operating dayrate by the firm contract period and adding one half of any potential rig performance bonuses. Diamond Offshore s calculation also assumes full utilization of its drilling equipment for the contract period (excluding scheduled shipyard and survey days); however, the amount of actual revenue earned and the actual periods during which revenues are earned will be different than the amounts and periods shown in the tables below due to various factors. Utilization rates, which generally approach 92% - 98% during contracted periods, can be adversely impacted by downtime due to various operating factors including, but not limited to, weather conditions and unscheduled repairs and maintenance. Contract drilling backlog excludes revenues for mobilization, demobilization, contract preparation and customer reimbursables. No revenue is generally earned during periods of downtime for regulatory surveys. Changes in Diamond Offshore s contract drilling backlog between periods are a function of the performance of work on term contracts, as well as the extension or modification of existing term contracts and the execution of additional contracts.

Contract drilling backlog as of October 23, 2013 was $7.4 billion and no longer includes an aggregate of approximately $531 million in previously reported contracted backlog for the fourth quarter of 2013 through 2016, associated with certain contracts for four of Diamond Offshore s rigs due to the financial condition of two customers for which these rigs are contracted to and the uncertainty associated with realizing this backlog.

(In millions)	October 23, 2013	February 1, 2013
Floaters:		
Ultra-Deepwater (a)	$ 4,306	$ 4,422
Deepwater (b)	862	1,229
Mid-Water (c)	1,997	2,649
Total Floaters	7,165	8,300
Jack-ups	188	272
Total	$ 7,353	$ 8,572

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(a) As of October 23, 2013, for ultra-deepwater floaters includes (i) $928 million attributable to contracted operations offshore Brazil for the years 2013 to 2015, (ii) $1.8 billion attributable to future work for two drillships under construction for the years 2014 to 2019 and (iii) $641 million attributable to future work for the ultra-deepwater semisubmersible rig under construction for the years 2016 to 2019.
(b) As of October 23, 2013, for deepwater floaters includes (i) $370 million attributable to contracted operations offshore Brazil for the years 2013 to 2016 and (ii) $179 million for the years 2014 to 2015 attributable to future work for the *Ocean Onyx* which is under construction.
(c) As of October 23, 2013, for mid-water floaters includes $519 million attributable to contracted operations offshore Brazil for the years 2013 to 2015.

The following table reflects the amount of Diamond Offshore s contract drilling backlog by year as of October 23, 2013:

Year Ended December 31	**Total**	**2013 (a)**	**2014**	**2015**	**2016 - 2019**
(In millions)					
Floaters:					
Ultra-Deepwater (b)	**$ 4,306**	**$ 223**	**$ 942**	**$ 1,208**	**$ 1,933**
Deepwater (c)	**862**	**121**	**455**	**224**	**62**
Mid-Water (d)	**1,997**	**296**	**974**	**471**	**256**
Total Floaters	**7,165**	**640**	**2,371**	**1,903**	**2,251**
Jack-ups	**188**	**45**	**73**	**48**	**22**
Total	**$ 7,353**	**$ 685**	**$ 2,444**	**$ 1,951**	**$ 2,273**

(a) Represents a three month period beginning October 1, 2013.
(b) As of October 23, 2013, for ultra-deepwater floaters includes (i) $131 million, $473 million and $324 million for the years 2013 to 2015 attributable to contracted operations offshore Brazil, (ii) $189 million and $361 million for the years 2014 and 2015 and $1.3 billion in the aggregate for the years 2016 to 2019 attributable to future work for two drillships under construction and (iii) $641 million in the aggregate for the years 2016 to 2019 attributable to future work for the ultra-deepwater semisubmersible rig under construction.
(c) As of October 23, 2013, for deepwater floaters includes (i) $59 million, $115 million, $134 million and $62 million for the years 2013 to 2016 attributable to contracted operations offshore Brazil and (ii) $157 million and $22 million for the years 2013 and 2014 attributable to future work for the *Ocean Onyx* which is under construction.
(d) As of October 23, 2013, for mid-water floaters includes $98 million, $342 million and $79 million for the years 2013 to 2015 attributable to contracted operations offshore Brazil.

The following table reflects the percentage of rig days committed by year as of October 23, 2013. The percentage of rig days committed is calculated as the ratio of total days committed under contracts, as well as scheduled shipyard, survey and mobilization days for all rigs in Diamond Offshore s fleet, to total available days (number of rigs multiplied by the number of days in a particular year). Total available days have been calculated based on the expected final commissioning dates for rigs under construction.

Year Ended December 31	2013 (a) (b)	2014 (b)	2015 (b)	2016 2019 (b)
Floaters:				
Ultra-Deepwater	**88%**	**83%**	**62%**	**20%**
Deepwater	**96%**	**54%**	**22%**	**2%**
Mid-Water	**78%**	**56%**	**23%**	**3%**
Total Floaters	**83%**	**64%**	**35%**	**8%**
Jack-ups	**76%**	**41%**	**20%**	**2%**

(a) Represents a three month period beginning October 1, 2013.

(b) As of October 23, 2013, includes approximately 453, 1,507, 15 and 61 currently known, scheduled shipyard days for rig commissioning, contract preparation, surveys, and extended maintenance projects, as well as rig mobilization days for 2013, 2014, 2015 and 2016.

Dayrate and Utilization Statistics

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	**2013**	2012
Revenue earning days (a)				
Floaters:				
Ultra-Deepwater	**596**	549	**1,794**	1,818
Deepwater	**357**	437	**1,230**	1,214
Mid-Water	**1,037**	1,215	**3,136**	3,481
Jack-ups (b)	**542**	358	**1,459**	1,298
Utilization (c)				
Floaters:				
Ultra-Deepwater	**81%**	75%	**82%**	83%
Deepwater	**78%**	95%	**90%**	89%
Mid-Water	**63%**	71%	**64%**	67%
Jack-ups (d)	**84%**	56%	**76%**	49%
Average daily revenue (e)				
Floaters:				
Ultra-Deepwater	**$ 325,600**	$ 354,100	**$ 341,900**	$ 357,400
Deepwater	**413,300**	372,800	**403,200**	367,800
Mid-Water	**281,900**	258,100	**271,600**	262,100
Jack-ups	**93,100**	97,800	**89,100**	92,100

(a) A revenue earning day is defined as a 24-hour period during which a rig earns a dayrate after commencement of operations and excludes mobilization, demobilization and contract preparation days.
(b) Revenue earning days for the nine months ended September 30, 2012 included approximately 87 days earned by Diamond Offshore s jack-up rigs during the period prior to being sold in the first half of 2012.
(c) Utilization is calculated as the ratio of total revenue earnings days divided by the total calendar days in the period for all rigs in Diamond Offshore s fleet (including cold stacked rigs).
(d) Utilization for Diamond Offshore s jack-up rigs would have been 63% for the nine months ended September 30, 2012, excluding revenue earning days and total calendar days associated with rigs that were sold in the first half of 2012.
(e) Average daily revenue is defined as contract drilling revenue (excluding revenue for mobilization, demobilization and contract preparation) per revenue earning day.

Results of Operations

The following table summarizes the results of operations for Diamond Offshore for the three and nine months ended September 30, 2013 and 2012, as presented in Note 12 of the Notes to Consolidated Condensed Financial Statements included in Item 1 of this Report:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	**2013**	2012
(In millions)				
Revenues:				
Contract drilling revenues	**$ 691**	$ 714	**$ 2,136**	$ 2,195
Net investment income		1	**1**	4
Other	**15**	15	**61**	120
Total	**706**	730	**2,198**	2,319
Expenses:				
Contract drilling expenses	**420**	358	**1,164**	1,160
Other operating expenses	**153**	129	**423**	390
Interest	**2**	9	**18**	37
Total	**575**	496	**1,605**	1,587
Income before income tax	**131**	234	**593**	732
Income tax expense	**(40)**	(63)	**(154)**	(188)
Amounts attributable to noncontrolling interests	**(47)**	(88)	**(226)**	(280)
Net income attributable to Loews Corporation	**$ 44**	$ 83	**$ 213**	$ 264

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During the three and nine months ended September 30, 2013, Diamond Offshore recorded $23 million in bad debt expense after determining it was necessary to fully reserve the outstanding receivable balances of two of its customers as discussed above. In addition, during the three months ended September 30, 2013, Diamond Offshore did not recognize revenue of $70 million associated with an aggregate 213 revenue earning days in which four of its rigs, the *Ocean Monarch*, the *Ocean Quest*, the *Ocean Lexington* and the *Ocean Star*, were contracted to these two customers since collection of the amounts due was not reasonably assured.

Three Months Ended September 30, 2013 Compared to 2012

Contract drilling revenue decreased $23 million in the three months ended September 30, 2013 as compared with 2012, while contract drilling expense increased $62 million during the same period. Contract drilling revenue decreased primarily due to fewer revenue earning days for deepwater and mid-water floaters and a reduction in average daily revenue earned by ultra-deepwater floaters, partially offset by an increase in revenue earning days for Diamond Offshore s jack-up fleet. Contract drilling expense for the entire rig fleet increased for the three months ended September 30, 2013 reflecting higher labor and personnel related costs, primarily as a result of a rig-based salary increase beginning in the third quarter of 2013 and costs associated with crewing up the newbuild rigs, and higher costs associated with repairs, maintenance and mobilization of rigs.

Revenue generated by ultra-deepwater floaters remained stable during the three months ended September 30, 2013 as compared with 2012 as a result of a decline in average daily revenue earned of $17 million, offset by increased utilization. Revenue earning days increased in the three months ended September 30, 2013 primarily due to a reduction in planned downtime for shipyard projects, partially offset by 88 days in which the *Ocean Monarch* worked and the associated revenue of $33 million was not recognized.

Revenue generated by deepwater floaters decreased $17 million during the three months ended September 30, 2013 as compared with 2012, primarily due to decreased utilization of $30 million, partially offset by higher average daily revenue of $14 million. Utilization decreased in the three months ended September 30, 2013 primarily due to planned downtime for surveys and shipyard projects in the 2013 period and 31 days in which the *Ocean Star* worked and the associated revenue of $9 million was not recognized. Average daily revenue increased in the three months ended September 30, 2013 primarily due to the *Ocean Valiant* working at a significantly higher dayrate than that earned during the three months ended September 30, 2012.

Revenue generated by mid-water floaters decreased $22 million during the three months ended September 30, 2013 as compared with 2012, primarily due to decreased utilization of $46 million, partially offset by higher average daily revenue of $25 million. Revenue earning days decreased in the three months ended September 30, 2013 as compared with 2012, primarily due to an increase in planned downtime for shipyard projects, the warm stacking of rigs in between contracts, and 94 days in the three months ended September 30, 2013 during which the *Ocean Quest* and *Ocean Lexington* worked and the associated revenue of $26 million was not recognized. Average daily revenue increased primarily due to a new contract and a contract renewal both at significantly higher dayrates.

Revenue earned by jack-up rigs increased $16 million during the three months ended September 30, 2013 as compared with 2012 primarily due to increased utilization of $18 million attributable to near full utilization of two rigs which were warm stacked and mobilizing in the 2012 period.

Net income decreased $39 million for the three months ended September 30, 2013 as compared with the 2012 period reflecting the decrease in revenue, the increase in contract drilling expense and the recognition of bad debt expense as discussed above, partially offset by lower interest expense.

Diamond Offshore s effective tax rate increased for the three months ended September 30, 2013 as compared with 2012. The higher effective tax rate is primarily due to the mix of domestic and international pre-tax earnings and losses.

Nine Months Ended September 30, 2013 Compared to 2012

Contract drilling revenue decreased $59 million in the nine months ended September 30, 2013 as compared with the 2012 period, while contract drilling expense increased $4 million during the same period. Contract drilling revenue for the first nine months of 2013 was negatively impacted by a decrease in revenue earned by Diamond Offshore s ultra-deepwater and mid-water fleets, partially offset by favorable revenue variances for its deepwater floaters and jack-up rigs. The increase in contract drilling expense for the first nine months of 2013 reflects increases in labor and personnel related costs, repairs and maintenance and inspection costs, partially offset by lower mobilization, freight and other rig operating costs.

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Revenue generated by ultra-deepwater floaters decreased $55 million during the first nine months of 2013 as compared with 2012, due to decreased average daily revenue of $28 million, decreased amortized mobilization revenue of $19 million and lower utilization of $8 million. The decrease in average daily revenue is primarily due to a contract extension for the *Ocean Rover* at a significantly lower dayrate than previously earned. Amortized mobilization fees decreased in the first nine months of 2013 as compared with 2012 primarily due to the recognition of mobilization revenue in the 2012 period associated with the *Ocean Monarch* s mobilization to Vietnam and the *Ocean Rover* s demobilization from Indonesia to Malaysia.

Revenue generated by deepwater floaters increased $44 million during the first nine months of 2013 as compared with 2012, due to higher average daily revenue of $44 million and increased utilization of $6 million, partially offset by lower amortized mobilization fees of $6 million. Average daily revenue increased in the first nine months of 2013 primarily due to the *Ocean Valiant* and *Ocean Victory* both working at significantly higher dayrates than those rigs earned during the 2012 period.

Revenue generated by mid-water floaters decreased $57 million during the first nine months of 2013 as compared with 2012, due to decreased utilization of $90 million, partially offset by higher average daily revenue of $30 million and an increase in mobilization and contract preparation fees of $3 million. Revenue earning days decreased in the first nine months of 2013 as compared with 2012, primarily due to an increase in planned downtime for shipyard projects and cold stacking of a rig, and 94 fewer days for the *Ocean Quest* and *Ocean Lexington* for which the associated revenue was not recognized. These decreases in utilization were partially offset by fewer days related to warm stacking of rigs in between contracts, mobilization of rigs and downtime for unscheduled repairs. Average daily revenue increased primarily due to new contracts and a contract renewal at higher dayrates.

Revenue earned by jack-up rigs increased $9 million for the first nine months of 2013 as compared with 2012, primarily due to utilization of a rig which was warm stacked in the 2012 period, partially offset by the absence of revenue attributable to six jack-up rigs which were sold in 2012. These rigs earned aggregate revenue of $5 million during the nine months ended September 30, 2012.

Net income decreased $51 million for the nine months ended September 30, 2013 as compared with the 2012 period reflecting the decline in revenue as discussed above, and recognition of bad debt expense, partially offset by lower interest expense. The decrease in interest expense is primarily due to an increase in interest capitalized on eligible construction projects during 2013, partially offset by an increase in interest expense primarily related to uncertain tax positions in the Mexico tax jurisdiction. Net income for the nine months ended September 30, 2012 also included a $32 million gain (after tax and noncontrolling interests) on the sale of six jack-up rigs.

Diamond Offshore s effective tax rate remained stable for the nine months ended September 30, 2013 as compared with 2012. The tax rate for the nine months ended September 30, 2013 benefited from a $28 million reduction in tax as a result of the American Taxpayer Relief Act of 2012 which was signed into law on January 2, 2013. The Act extends through 2013 several expired temporary business provisions, commonly referred to as extenders which were retroactively extended to the beginning of 2012. This benefit was partially offset by $12 million of tax expense associated with the settlement of prior tax years in Mexico under an amnesty program and the mix of domestic and international pre-tax earnings and losses. The effective tax rate for the nine months ended September 30, 2012 was favorably impacted by the sale of two jack-up rigs at a zero tax rate during the second quarter of 2012.

Boardwalk Pipeline

Boardwalk Pipeline derives revenues primarily from the transportation and storage of natural gas and natural gas liquids (NGLs) and gathering and processing of natural gas for third parties. Transportation services consist of firm natural gas transportation, where the customer pays a capacity reservation charge to reserve pipeline capacity at certain receipt and delivery points along pipeline systems, plus a commodity and fuel charge on the volume of natural gas actually transported, and interruptible natural gas transportation, where the customer pays to transport gas only when capacity is available and used. Boardwalk Pipeline also offers firm natural gas storage services where the customer reserves and pays for a specific amount of storage capacity, including injection and withdrawal rights, and interruptible storage and parking and lending (PAL) services where the customer receives and pays for capacity only when it is available and used. Some PAL agreements are paid for at inception of the service and revenues for these agreements are recognized as service is provided over the term of the agreement. Boardwalk Pipeline s NGL contracts are generally fee-based and are dependent on actual volumes transported or stored, although in some cases minimum volume requirements apply. Boardwalk Pipeline is not in the business of buying and selling natural gas and NGLs other than for system management purposes, but changes in the level of natural gas and NGL prices may impact the volumes of gas transported and stored on its pipeline systems. Boardwalk

Pipeline s operating costs and expenses typically do not vary significantly based upon the amount of products transported, with the exception of fuel consumed at its compressor stations.

Boardwalk Pipeline provides natural gas transportation services to customers that are directly connected to its pipeline system and, through interconnects with third party pipelines, to customers that are not directly connected to Boardwalk Pipeline s system. Transportation rates that Boardwalk Pipeline can charge customers it serves through interconnects with third party pipelines are heavily influenced by current and anticipated basis differentials. Basis differentials, generally the difference in the price of natural gas at receipt and delivery points across Boardwalk Pipeline s natural gas pipeline system, influence how much customers are willing to pay to transport gas between those points. Basis differentials can be affected by, among other things, the availability and supply of natural gas, competition from other pipelines, including pipelines under development, available transportation and storage capacity, storage inventories, regulatory developments, weather and general market demand in markets served by Boardwalk Pipeline s pipeline systems. As new sources of natural gas have been identified and developed, including the Marcellus and the Utica shale plays which are closer to the traditional high value markets served by interstate pipelines like Boardwalk Pipeline, and pipeline infrastructure has been developed to move the new sources of gas to market areas, changes in pricing dynamics between supply basins, pooling points and market areas have occurred. As a result of the new sources of supply and related pipeline infrastructure, basis differentials on Boardwalk Pipeline s pipeline systems have narrowed significantly in recent years, reducing the transportation rates Boardwalk Pipeline can typically negotiate with its customers on contracts due for renewal for its firm transportation services.

A substantial portion of Boardwalk Pipeline s transportation capacity was contracted for under firm transportation agreements having a weighted-average remaining life of approximately 5.6 years as of September 30, 2013. Each year a portion of Boardwalk Pipeline s firm transportation agreements expire and must be renewed or replaced. Due to the factors noted above, in recent years the rates Boardwalk Pipeline has been able to obtain under firm and interruptible transportation agreements have declined and the amount of capacity that Boardwalk Pipeline has been able to contract for under long term firm transportation agreements have also declined. The amount of Boardwalk Pipeline s transportation capacity under agreements which expired in 2013 was greater than in recent years. In light of the market conditions discussed above, natural gas transportation contracts Boardwalk Pipeline has renewed or entered into in 2013 and in recent years have been at lower rates, and any remaining available capacity generally has been marketed and sold at lower rates under short term firm or interruptible contracts, or in some cases not sold at all. As a result, capacity reservation charges under firm transportation agreements for the nine months ended September 30, 2013 were lower by $34 million than they were for the comparable 2012 period. Boardwalk Pipeline expects this trend to continue in 2014 while it attempts to renew or replace expiring transportation agreements. The cumulative effect of these circumstances have negatively affected, and are expected to continue to negatively affect, Boardwalk Pipeline s transportation revenues and distributable cash flows in 2013 and 2014.

The market for storage and PAL services is also impacted by the factors discussed above, as well as by natural gas price differentials between time periods, such as winter to summer (time period price spreads). Based on current forward pricing curves, time period price spreads for 2013 were not as favorable as they were in 2012 and that trend is expected to continue in 2014. However, forward pricing curves change frequently as a result of a variety of market factors, including weather, levels of storage gas and available capacity, among others and as such may not be a reliable predictor of actual future events. Accordingly, Boardwalk Pipeline cannot predict its future revenues from interruptible storage and PAL services due to the uncertainty and volatility in market conditions discussed above.

In 2013, Boardwalk Pipeline executed a series of agreements with the Williams Companies, Inc. (Williams) to continue the development process for the Bluegrass Project, a project that would transport NGLs from the Marcellus and Utica shale plays to the petrochemical and export complex in the U.S. Gulf Coast region, and related fractionation, storage and export facilities.

In connection with the transaction: (i) Boardwalk Pipeline entered into separate joint venture arrangements with Boardwalk Pipelines Holding Corp. (BPHC), a wholly owned subsidiary of ours, by forming Boardwalk Bluegrass Pipeline, LLC (Boardwalk Bluegrass) and Boardwalk Moss Lake, LLC (Boardwalk Moss Lake); and (ii) Boardwalk Bluegrass and Boardwalk Moss Lake, together with affiliates of Williams, formed Bluegrass Pipeline Company, LLC (Bluegrass Pipeline), Moss Lake Fractionation, LLC (Moss Lake Fractionation) and Moss Lake LPG Terminal LLC (Moss Lake LPG) to continue to pursue and, if approved, develop, own and construct the pipeline, fractionation and export liquefied petroleum gas (LPG) terminal facilities. Boardwalk Bluegrass currently owns 50% of the equity interests in Bluegrass Pipeline and Boardwalk Moss Lake currently owns 50% of the equity interests in Moss Lake Fractionation and Moss Lake LPG, with affiliates of Williams owning the other 50%.

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Through the agreements, Boardwalk Pipeline and Williams are engaged in comprehensive project development activities, including developing customer support for the pipeline. As of September 30, 2013, Boardwalk Pipeline and BPHC have contributed a total of $28 million to the project. Sanctioning and completion of this project is subject to, among other conditions, execution of customer contracts sufficient to support the project and obtaining all necessary board and regulatory approvals. In addition, each of the parties has the right, under certain circumstances, to withdraw from the project or from portions of the project, in which case the project may be terminated, only portions of the project may be completed or the parties respective ownership interests may change. No assurances can be given that this project will be completed, in whole or in part, however, if all conditions are satisfied, the project could be placed into service in late 2015.

Results of Operations

The following table summarizes the results of operations for Boardwalk Pipeline for the three and nine months ended September 30, 2013 and 2012 as presented in Note 12 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,**	
	2013	2012	**2013**	2012
(In millions)				
Revenues:				
Other revenue, primarily operating	**$ 288**	$ 271	**$ 921**	$ 862
Investment losses		(1)		(3)
Total	**288**	270	**921**	859
Expenses:				
Operating	**187**	171	**573**	521
Interest	**41**	42	**122**	125
Total	**228**	213	**695**	646
Income before income tax	**60**	57	**226**	213
Income tax expense	**(13)**	(15)	**(49)**	(52)
Amounts attributable to noncontrolling interests	**(28)**	(23)	**(103)**	(83)
Net income attributable to Loews Corporation	**$ 19**	$ 19	**$ 74**	$ 78

Three Months Ended September 30, 2013 Compared to 2012

Total revenues increased $18 million for the three months ended September 30, 2013, compared to the same period in 2012. This increase is primarily due to $19 million of revenues earned from Louisiana Midstream, acquired in October of 2012, and a $13 million gain from the sale of storage gas. The sale of storage gas was a result of a change in the storage gas needed for no-notice services. The increase in revenues was partially offset by lower transportation revenues, excluding fuel, of $13 million resulting primarily from lower firm and interruptible revenues due to the market and contract renewal conditions discussed above and reduced utilization. PAL and storage revenues decreased by $3 million due to decreased parking opportunities from unfavorable natural gas price spreads between time periods.

Operating expenses increased $16 million for the three months ended September 30, 2013, compared to the same period in 2012. This increase is primarily due to $12 million of expenses incurred by Louisiana Midstream and an increase of depreciation expense of $4 million, primarily due to an increase in the asset base.

Net income for the three months ended September 30, 2013 was consistent with the 2012 period, reflecting higher revenues offset by increased operating expenses as discussed above and amounts attributable to noncontrolling interests. The amount of income attributable to noncontrolling interests increased as a result of equity offerings in 2012 and 2013 by Boardwalk Pipeline, decreasing the ownership percentage from 59% for the three months ended September 30, 2012 to 53% for the three months ended September 30, 2013.

Nine Months Ended September 30, 2013 Compared to 2012

Total revenues increased $62 million for the nine months ended September 30, 2013, compared to the same period in 2012. This increase is primarily due to $63 million of revenues earned from Louisiana Midstream, acquired in October of 2012, a $30 million gain from the sale of storage gas and an increase in fuel revenues of $13 million primarily due to higher natural gas prices. The increase in revenues was partially offset by lower transportation revenues, excluding fuel, of $43 million resulting primarily from lower firm and interruptible revenues due to the market and contract renewal conditions discussed above and lower utilization.

Operating expenses increased $52 million for the nine months ended September 30, 2013, compared to the same period in 2012. This increase is primarily due to $41 million of expenses incurred by Louisiana Midstream and increased fuel costs of $12 million due to higher natural gas prices, partially offset by $8 million of asset impairment charges in 2012.

Net income decreased $4 million for the nine months ended September 30, 2013, compared with the 2012 period reflecting higher revenues offset by increased operating expenses as discussed above and amounts attributable to noncontrolling interests. The amount of income attributable to noncontrolling interests increased as a result of equity offerings in 2012 and 2013 by Boardwalk Pipeline, decreasing the ownership percentage from 61% for the nine months ended September 30, 2012 to 54% for the nine months ended September 30, 2013.

HighMount

We use the following terms throughout this discussion of HighMount s results of operations, with equivalent volumes computed with oil and natural gas liquid (NGL) quantities converted to Mcf, on an energy equivalent ratio of one barrel to six Mcf:

Bbl	- Barrel (of oil or NGLs)
Bcf	- Billion cubic feet (of natural gas)
Bcfe	- Billion cubic feet of natural gas equivalent
Mbbl	- Thousand barrels (of oil or NGLs)
Mcf	- Thousand cubic feet (of natural gas)
Mcfe	- Thousand cubic feet of natural gas equivalent
MMBtu	- Million British thermal units

HighMount s revenues and profitability depend substantially on natural gas and oil prices and HighMount s ability to increase its natural gas and oil production. Natural gas and NGL prices remain at low levels due to an increase in the supply of natural gas and NGL resulting from new sources of supply recoverable from shale formations, primarily the result of technological advancements in horizontal drilling and hydraulic fracturing. As a result, HighMount continues to focus its capital investments primarily on potential oil producing properties, which led to a reduction in natural gas and NGL production and an increase in oil production. Revenues from the sale of oil, including the impact of hedges, amounted to 20% of HighMount s total revenues for the nine months ended September 30, 2013 as compared to 13% of its total revenue for the nine months ended September 30, 2012. The price HighMount realizes for its production is also affected by HighMount s hedging activities, as well as locational differences in market prices.

For the three and nine months ended September 30, 2013, HighMount recorded non-cash ceiling test impairment charges of $65 million and $210 million ($42 million and $134 million after tax). The third quarter write-down was primarily due to reduced average NGL prices used in the ceiling test calculation and negative reserve revisions due to some variability in well performance where HighMount is testing different horizontal target zones and hydraulic fracture designs. A first quarter write-down was required primarily due to reduced average NGL prices used in the ceiling test calculation and negative reserve revisions due to the continued deferral of well repair activity given low natural gas and NGL prices. In periods which HighMount took ceiling test impairment charges, HighMount performed a goodwill impairment test. No impairment charges were required.

Low natural gas and NGL prices, which are not anticipated to improve in the near term, and high drilling and completion costs of horizontal wells targeting oil reserves, compared to traditional vertical gas wells, as well as lower than anticipated production from recently completed wells, have adversely impacted HighMount s results of operations and cash flows. The continuation of these factors could result in ceiling test and goodwill impairment charges in future periods, which may be material.

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In the third quarter of 2013, HighMount sold its acreage position in the Texas Panhandle for approximately $33 million. The Texas Panhandle properties represented approximately 0.1% in aggregate of HighMount s total proved reserves as of December 31, 2012, prior to the sale.

HighMount s operating expenses consist primarily of production expenses, production and ad valorem taxes, as well as depreciation, depletion and amortization (DD&A) expenses. Production expenses represent costs incurred to operate and maintain wells, related equipment and facilities and transportation costs. Production and ad valorem taxes increase or decrease primarily when prices of natural gas and oil increase or decrease, but they are also affected by changes in production and state incentive programs, as well as appreciated property values. HighMount calculates depletion using the units-of-production method, which depletes the capitalized costs and future development costs associated with evaluated properties based on the ratio of production volumes for the current period to total remaining reserve volumes for the evaluated properties. HighMount s depletion expense is affected by its capital spending program and projected future development costs, as well as reserve changes resulting from drilling programs, well performance and revisions due to changing commodity prices.

Production and Sales Statistics

Presented below are production and sales statistics related to HighMount s operations for the three and nine months ended September 30, 2013 and 2012:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	**2013**	2012
Gas production (Bcf)	**8.2**	9.5	**25.0**	29.9
Gas sales (Bcf)	**7.6**	8.8	**23.2**	28.0
NGL production/sales (Mbbls)	**501.4**	589.6	**1,506.0**	1,804.7
Oil production/sales (Mbbls)	**121.2**	131.6	**430.3**	313.7
Equivalent production (Bcfe)	**11.9**	13.8	**36.6**	42.6
Equivalent sales (Bcfe)	**11.4**	13.2	**34.9**	40.7
Average realized prices without hedging results:				
Gas (per Mcf)	**$ 3.40**	$ 2.76	**$ 3.54**	$ 2.47
NGL (per Bbl)	**32.69**	33.47	**31.05**	38.59
Oil (per Bbl)	**103.06**	88.05	**93.31**	88.66
Equivalent (per Mcfe)	**4.83**	4.22	**4.85**	4.09
Average realized prices with hedging results:				
Gas (per Mcf)	**$ 4.13**	$ 4.28	**$ 4.18**	$ 4.13
NGL (per Bbl)	**36.06**	37.48	**36.03**	38.58
Oil (per Bbl)	**93.57**	94.71	**93.12**	92.94
Equivalent (per Mcfe)	**5.36**	5.49	**5.49**	5.26

Average cost per Mcfe:				
Production expenses	**$ 1.70**	$ 1.30	**$ 1.61**	$ 1.30
Production and ad valorem taxes	**0.21**	0.21	**0.28**	0.25
General and administrative expenses	**0.82**	0.70	**0.81**	0.75
Depletion expense	**1.09**	1.43	**1.21**	1.48

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Results of Operations

The following table summarizes the results of operations for HighMount for the three and nine months ended September 30, 2013 and 2012, as presented in Note 12 of the Notes to Consolidated Condensed Financial Statements included in Item 1 of this Report:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	**2013**	2012
(In millions)				
Revenues:				
Other revenue, primarily operating	**$ 62**	$ 74	**$ 196**	$ 219
Investment losses	**(1)**		**(1)**	
Total	**61**	74	**195**	219
Expenses:				
Other operating expenses				
Impairment of natural gas and oil properties	**65**	261	**210**	527
Operating	**52**	58	**162**	182
Interest	**4**	3	**13**	9
Total	**121**	322	**385**	718
Loss before income tax	**(60)**	(248)	**(190)**	(499)
Income tax benefit	**22**	90	**69**	180
Net loss attributable to Loews Corporation	**$ (38)**	$ (158)	**$ (121)**	$ (319)

For the three and nine months ended September 30, 2013, HighMount recorded non-cash ceiling test impairment charges of $65 million and $210 million ($42 million and $134 million after tax), attributable to reduced average NGL prices used in the ceiling test calculations and negative reserve revisions. For the three and nine months ended September 30, 2012, HighMount recorded non-cash ceiling test impairment charges of $261 million and $527 million ($166 million and $336 million after tax). Had the effects of HighMount s cash flow hedges not been considered in calculating the ceiling limitation, the impairments would have been $83 million and $228 million ($53 million and $145 million after tax) for the three and nine months ended September 30, 2013, and $322 million and $588 million ($205 million and $375 million after tax) for the three and nine months ended September 30, 2012.

Three Months Ended September 30, 2013 Compared to 2012

HighMount s operating revenues decreased $12 million for the three months ended September 30, 2013 as compared with the 2012 period primarily due to reduced sales volumes. HighMount sold 11.4 Bcfe in the three months ended

September 30, 2013 compared to 13.2 Bcfe in the 2012 period. The decrease in sales volume was primarily due to the continued reduction in capital spending on natural gas drilling since 2008.

HighMount had hedges in place as of September 30, 2013 that cover approximately 74.1% and 44.9% of total estimated 2013 and 2014 natural gas equivalent production at a weighted average price of $6.48 and $5.56 per Mcfe.

Operating expenses were $52 million for the three months ended September 30, 2013 as compared to $58 million for the same period in 2012 and include DD&A expenses of $19 million for the three months ended September 30, 2013, compared to $25 million for the 2012 period. The decrease in DD&A expenses was due to reduced production volumes and lower depletion rates, primarily due to the impairment of natural gas and oil properties recorded in 2013 and 2012.

Nine Months Ended September 30, 2013 Compared to 2012

HighMount s operating revenues decreased $23 million for the nine months ended September 30, 2013 as compared with the 2012 period primarily due to reduced natural gas and NGL sales volumes and reduced NGL sales prices. HighMount sold 34.9 Bcfe in 2013 compared to 40.7 Bcfe in the 2012 period. The decrease in sales volume was primarily due to the continued reduction in capital spending on natural gas drilling since 2008.

Operating expenses decreased by $20 million for the nine months ended September 30, 2013 as compared with the 2012 period primarily due to lower DD&A expenses as described above.

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Loews Hotels

The following table summarizes the results of operations for Loews Hotels for the three and nine months ended September 30, 2013 and 2012 as presented in Note 12 of the Notes to Consolidated Condensed Financial Statements included in Item 1 of this Report:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	**2013**	2012
(In millions)				
Revenues:				
Other revenue, primarily operating	**$ 95**	$ 97	**$ 290**	$ 271
Net investment income		1		1
Total	**95**	98	**290**	272
Expenses:				
Other operating expenses				
Operating	**86**	87	**270**	242
Depreciation	**7**	8	**25**	22
Equity (income) expense from joint ventures	**2**		**(13)**	(17)
Interest	**2**	4	**8**	8
Total	**97**	99	**290**	255
Income (loss) before income tax	**(2)**	(1)	**-**	17
Income tax (expense) benefit	**3**		**2**	(8)
Net income (loss) attributable to Loews Corporation	**$ 1**	$ (1)	**$ 2**	$ 9
EBITDA	**$ 7**	$ 11	**$ 33**	$ 47

Earnings before interest, tax, depreciation and amortization (EBITDA) is an indicator of operating performance used by Loews Hotels to measure its ability to service debt, fund capital expenditures and expand its business. EBITDA is a non-GAAP financial measure that is not meant to replace net income as defined by GAAP. The following table reconciles EBITDA to Net income attributable to Loews Corporation for the three and nine months ended September 30, 2013 and 2012:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	**2013**	2012
(In millions)				
EBITDA	**$ 7**	$ 11	**$ 33**	$ 47
Depreciation	**(7)**	(8)	**(25)**	(22)
Interest	**(2)**	(4)	**(8)**	(8)
Income tax (expense) benefit	**3**		**2**	(8)
Net income (loss) attributable to Loews Corporation	**$ 1**	$ (1)	**$ 2**	$ 9

Results of operations for the three and nine months ended September 30, 2013 as compared to the 2012 periods include the impact of the 2013 closure of the Loews Regency Hotel for renovation and the addition of the Loews Madison Hotel and the Loews Boston Hotel in 2013 for approximately six months. In July of 2013, partial equity interests in the Loews Madison Hotel and the Loews Boston Hotel were sold. Results for the third quarter of 2012 include the Loews Hollywood Hotel. In November of 2012, a partial equity interest in the Loews Hollywood Hotel was sold. Upon the sale of the equity interests, Loews Hotels share of earnings for these hotels is included in Equity (income) expense from joint ventures.

Revenues and operating expenses for the three and nine months ended September 30, 2013 include $14 million and $39 million of cost reimbursements from joint venture and managed properties, relating mainly to payroll incurred on behalf of the owners of hotel properties managed by us. Revenues for the three and nine months ended September 30, 2013 include $4 million related to a gain from the sale of ownership interests in hotel properties as discussed above.

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Revenues excluding reimbursables decreased $17 million and $21 million for the three and nine months ended September 30, 2013 as compared to the 2012 periods, primarily due to the 2013 closure of the Loews Regency Hotel for renovation and the addition of the Loews Hollywood Hotel in 2012. The decrease in revenues was partially offset by the addition of the Loews Madison Hotel and the Loews Boston Hotel in 2013.

Revenue per available room (RevPAR) is an industry measure of the combined effect of occupancy rates and average room rates on room revenues. Other hotel operating revenues primarily include guest charges for food and beverages. RevPAR, occupancy rates and average room rates as discussed below are for owned hotels only. RevPAR decreased $6.32 and $7.81 to $162.99 and $161.24 for the three and nine months ended September 30, 2013 as compared to the 2012 periods, reflecting a decrease in occupancy and average room rates. Occupancy rates decreased to 81.5% and 74.9% in the three and nine months ended September 30, 2013, from 82.0% and 77.2% in the 2012 periods. Average room rates decreased by $6.43 and $3.82, or 3.1% and 1.7%, in the three and nine months ended September 30, 2013, as compared to the 2012 periods. Excluding the Loews Regency Hotel which has been under renovation throughout 2013, RevPAR increased $9.32 and $7.92 for the three and nine months ended September 30, 2013 as compared to the 2012 periods, reflecting an increase in average room rates.

Operating expenses excluding reimbursables, as discussed above, decreased $15 million and $11 million for the three and nine months ended September 30, 2013 as compared to the 2012 periods. For the three and nine months ended September 30, 2013, the decrease in expenses was primarily due to the closure of the Loews Regency Hotel, partially offset by higher corporate expenses related to hotel development.

Equity earnings from joint venture properties decreased $2 million and $4 million for the three and nine months ended September 30, 2013 as compared to the 2012 periods, primarily due to the impact of renovations and the development of joint venture properties.

Net results increased $2 million for the three months ended September 30, 2013 as compared to the 2012 period primarily due to a tax benefit of $3 million recorded during the three months ended September 30, 2013, partially offset by the changes discussed above. Net income decreased $7 million for the nine months ended September 30, 2013 as compared to the 2012 period, primarily due to the changes discussed above.

Corporate and Other

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

The following table summarizes the results of operations for Corporate and Other for the three and nine months ended September 30, 2013 and 2012 as presented in Note 12 of the Notes to Consolidated Condensed Financial Statements included in Item 1 of this Report:

	Three Months Ended September 30,		**Nine Months Ended September 30,**	
	2013	2012	**2013**	2012

(In millions)

Revenues:				
Net investment income	**$ 50**	$ 79	**$ 58**	$ 70
Other		2	**1**	2
Total	**50**	81	**59**	72
Expenses:				
Operating	**19**	20	**52**	60
Interest	**18**	10	**43**	30
Total	**37**	30	**95**	90
Income (loss) before income tax	**13**	51	**(36)**	(18)
Income tax (expense) benefit	**(4)**	(19)	**13**	3
Net income (loss) attributable to Loews Corporation	**$ 9**	$ 32	**$ (23)**	$ (15)

Net investment income decreased by $29 million and $12 million for the three and nine months ended September 30, 2013, as compared to the 2012 periods. Investment income for the three months ended September 30, 2013 decreased primarily due to lower performance of equity and fixed income investments in the trading portfolio.

Investment income for the nine months ended September 30, 2013 decreased primarily due to lower performance of equity investments, partially offset by improved performance of limited partnership investments.

Interest expense increased $8 million and $13 million for the three and nine months ended September 30, 2013, primarily due to a May of 2013 public offering of $500 million aggregate principal amount of 2.6% senior notes due May 15, 2023 and $500 million aggregate principal amount of 4.1% senior notes due May 15, 2043.

Net results decreased $23 million and $8 million for the three and nine months ended September 30, 2013 as compared to the 2012 periods. These changes were primarily due to the change in revenues and expenses discussed above.

LIQUIDITY AND CAPITAL RESOURCES

CNA Financial

CNA s primary operating cash flow sources are premiums and investment income from its insurance subsidiaries. CNA s primary operating cash flow uses are payments for claims, policy benefits and operating expenses including interest expense on corporate debt. Additionally, cash may be paid or received for income taxes.

For the nine months ended September 30, 2013, net cash provided by operating activities was $921 million as compared with $993 million for the same period in 2012. Cash provided by operating activities in 2012 was favorably affected by a $75 million tax refund.

Cash flows from investing activities include the purchase and disposition of available-for-sale financial instruments. Additionally, cash flows from investing activities may include the purchase and sale of businesses, land, buildings, equipment and other assets not generally held for resale.

For the nine months ended September 30, 2013, net cash used by investing activities was $689 million as compared with $747 million for the same period in 2012. The cash flow from investing activities is affected by various factors such as the anticipated payment of claims, financing activity, asset/liability management and individual security buy and sell decisions made in the normal course of portfolio management.

Cash flows from financing activities may include proceeds from the issuance of debt and equity securities, outflows for shareholder dividends or repayment of debt and outlays to reacquire equity instruments.

For the nine months ended September 30, 2013, net cash used by financing activities was $200 million as compared with $195 million for the same period in 2012. Net cash used by financing activities in both periods was substantially related to the payment of dividends by CNA to common shareholders.

CNA believes that its present cash flows from operations, investing activities and financing activities are sufficient to fund its current and expected working capital and debt obligation needs and CNA does not expect this to change in the near term. There are currently no amounts outstanding under CNA s $250 million senior unsecured revolving credit facility.

In August of 2013, Continental Casualty Company (CCC), a subsidiary of CNA, became a member of the Federal Home Loan Bank of Chicago (FHLBC). FHLBC membership provides participants with access to additional sources of liquidity through various programs and services. As a requirement of membership in the FHLBC, CCC acquired $16 million of FHLBC stock giving it access to approximately $330 million of additional liquidity. Any funding above this level would require the purchase of additional shares of FHLBC stock. As of September 30, 2013, CCC has no outstanding borrowings from the FHLBC.

Ratings are an important factor in establishing the competitive position of insurance companies. CNA s insurance company subsidiaries are rated by major rating agencies and these ratings reflect the rating agency s opinion of the insurance company s financial strength, operating performance, strategic position and ability to meet its obligations to policyholders. In June 2013, Standard & Poor s (S&P) upgraded CNA s property and casualty insurance financial strength ratings to A with a stable outlook and upgraded the credit rating on the senior debt of CNA to BBB. Further information on CNA s ratings is included in the Liquidity and Capital Resources section of our MD&A included under Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2012.

Diamond Offshore

Cash and investments totaled $1.2 billion at September 30, 2013, compared to $1.5 billion at December 31, 2012. During the first nine months of 2013, Diamond Offshore paid cash dividends totaling $368 million, consisting of aggregate regular cash dividends of $52 million and aggregate special cash dividends of $316 million. On October 23, 2013, Diamond Offshore declared a regular quarterly dividend of $0.125 per share and a special dividend of $0.75 per share.

Cash provided by operating activities for the nine months ended September 30, 2013 decreased $152 million compared to the 2012 period, primarily due to a decrease in cash receipts from contract drilling services of $110 million and higher cash payments related to contract drilling expenses of $41 million.

Diamond Offshore is currently obligated under various agreements in connection with the construction of three semisubmersible rigs and four new ultra-deepwater drillships. Diamond Offshore estimates that the aggregate cost for the construction of these semisubmersible rigs and drillships, including commissioning, capital spares and project management, to be approximately $1.5 billion and $2.6 billion. During the first nine months of 2013, Diamond Offshore spent $595 million towards the construction of these four new drillships and three semisubmersible rigs. In addition, Diamond Offshore spent approximately $145 million during the period related to its ongoing capital maintenance programs.

Diamond Offshore expects to spend $730 million for capital expenditures in the fourth quarter of 2013 of which $561 million will be spent towards the construction of its new drillships and semisubmersible rigs, and $28 million will be spent on the North Sea enhancement project for the *Ocean Patriot.* The remainder will be spent on Diamond Offshore s ongoing rig equipment enhancement/replacement program. Diamond Offshore expects to finance its 2013 capital expenditures through the use of existing cash balances and cash flows from operations and may also make use of its credit facility.

A substantial portion of Diamond Offshore s cash flows has been and is expected to continue to be invested in the enhancement of its drilling fleet. Diamond Offshore determines the amount of cash required to meet its capital commitments by evaluating its rig construction obligations, the need to upgrade rigs to meet specific customer requirements and its ongoing rig equipment enhancement and replacement programs. As a result of Diamond Offshore s intention to indefinitely reinvest the earnings of its wholly owned subsidiary, Diamond Offshore International Limited (DOIL), to finance its foreign activities, Diamond Offshore does not expect such earnings to be available for distribution to its stockholders or to finance its domestic activities. However, Diamond Offshore believes that the operating cash flows generated by and cash reserves of DOIL, and the operating cash flows available to and cash reserves of Diamond Offshore Drilling, Inc. will be sufficient to meet both its working capital requirements and its capital commitments. However, due to the significant cash requirements of Diamond Offshore s capital expansion program in 2013 and 2014, Diamond Offshore may make use of its credit facility or the possible issuance of debt or equity securities, or a combination thereof. Diamond Offshore will, however, continue to make periodic assessments based on its capital spending programs and industry conditions and will adjust capital spending programs if required. Diamond Offshore s ability to access the capital markets by issuing debt or equity securities will be dependent on its results of operations, current financial condition, current market conditions and other factors beyond its control.

Boardwalk Pipeline

At September 30, 2013 and December 31, 2012, cash and investments amounted to $25 million and $4 million. Funds from operations for the nine months ended September 30, 2013 amounted to $402 million, compared to $414 million for the 2012 period. For the nine months ended September 30, 2013 and 2012, Boardwalk Pipeline s capital expenditures were $214 million and $136 million.

In May of 2013, Boardwalk Pipeline sold 12.7 million common units in a public offering and received net proceeds of $377 million, including an $8 million contribution from us to maintain our 2% general partner interest.

As of September 30, 2013, Boardwalk Pipeline had $85 million of loans outstanding under its revolving credit facility with a weighted-average interest rate of 1.3% and had no letters of credit issued. As of September 30, 2013, Boardwalk Pipeline was in compliance with all covenant requirements under the credit facility and had an available borrowing capacity of $915 million.

Boardwalk Pipeline s ability to access the capital markets for debt and equity financing under reasonable terms depends on its financial condition, credit ratings and market conditions. Boardwalk Pipeline anticipates that its existing capital resources, including the revolving credit facility and future cash flows generated from operations will be adequate to fund its operations, including maintenance capital expenditures. Boardwalk Pipeline may seek to access the capital markets to fund some or all of its growth capital expenditures, acquisitions or for general corporate purposes including to refinance all or a portion of its indebtedness, a significant amount of which matures in the next five years.

Boardwalk Pipeline expects total capital expenditures to be approximately $330 million in 2013, including approximately $100 million for maintenance capital. The 2013 growth capital expenditures primarily relate to the Eagle Ford and Choctaw Brine Supply Expansion Projects discussed in the Annual Report on Form 10-K for the year ended December 31, 2012.

HighMount

At September 30, 2013 and December 31, 2012, cash and investments amounted to $32 million and $10 million. Net cash flows provided by operating activities were $77 million and $112 million for the nine months ended September 30, 2013 and 2012. Key drivers of net operating cash flows are commodity prices, production volumes and operating costs.

Cash used in investing activities for the nine months ended September 30, 2013, was $167 million, compared to $249 million for the 2012 period. Cash used in investing activities for the nine months ended September 30, 2013 includes net proceeds from the sale of HighMount s assets in the Texas Panhandle of approximately $33 million. In accordance with the full cost method of accounting, proceeds from the sale were accounted for as a reduction of capitalized costs, and recorded as a credit to Accumulated depreciation, depletion and amortization. The primary driver of cash used in investing activities is capital spent developing HighMount s natural gas and oil reserves. HighMount expects to spend approximately $69 million in the fourth quarter of 2013, developing its natural gas and oil reserves with a focus on oil drilling opportunities. Funds for capital expenditures and working capital requirements are expected to be provided from operating activities and capital contributions from us.

At September 30, 2013, HighMount had $600 million of term loans outstanding and $110 million was outstanding under HighMount s $250 million revolving credit facility. HighMount s credit agreement contains financial covenants typical for these types of agreements, including a maximum debt to capitalization ratio and a minimum ratio of net present value of its projected future cash flows from its proved natural gas and oil reserves to total debt. The calculation of net present value, to be performed at year-end, is based on commodity prices determined by the lenders and HighMount s proved reserves at the time of measurement. Based on current commodity prices and HighMount s estimate of proved reserves, the measure of borrowing capacity at December 31, 2013 is expected to be lower than the amount currently outstanding and could require a partial principal repayment. Due to the current limited capacity of HighMount s credit agreement, we made $112 million of capital contributions to HighMount in the nine months ended September 30, 2013, which were used for capital expenditures. The credit agreement also contains customary restrictions or limitations on HighMount s ability to engage in certain transactions, including transactions with affiliates. At September 30, 2013, HighMount was in compliance with all of its covenants under the credit agreement.

Loews Hotels

Loews Hotels added two properties to its portfolio in 2013, the Loews Madison Hotel and the Loews Boston Hotel. These acquisitions were initially funded with existing cash balances, debt and capital contributions by us. Subsequently, Loews Hotels sold half of its equity interests in both properties.

Cash and investments totaled $61 million at September 30, 2013, as compared to $43 million at December 31, 2012. Committed and planned capital expenditures for renovations, capital improvements and development of new properties are estimated to be approximately $70 million for the remainder of 2013. Funds for future capital expenditures, including acquisitions of new properties, renovations and working capital requirements are expected to be provided from operations, newly incurred debt, existing cash balances and advances or capital contributions from us.

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Corporate and Other

Parent Company cash and investments, net of receivables and payables, at September 30, 2013 totaled $4.8 billion, as compared to $3.9 billion at December 31, 2012. In May of 2013, we received net proceeds of $983 million, after deducting the underwriters discounts, commissions and offering expenses, in connection with a public offering of $500 million aggregate principal amount of 2.6% senior notes due May 15, 2023 and $500 million aggregate principal amount of 4.1% senior notes due May 15, 2043. In addition, during the nine months ended September 30, 2013, we received $547 million in interest and dividends from our subsidiaries. These inflows were partially offset by the payment of $228 million to fund treasury stock purchases, the payment of $73 million of cash dividends to our shareholders and capital contributions of approximately $350 million to our subsidiaries.

On October 9, 2013, all of the 22.9 million class B units of Boardwalk Pipeline were converted by us into common units on a one-for-one basis, pursuant to the terms of the Boardwalk Pipeline partnership agreement. After the conversion we held 125.6 million common units.

As of September 30, 2013, there were 387,157,398 shares of Loews common stock outstanding. Depending on market and other conditions, we may purchase our shares and shares of our subsidiaries outstanding common stock in the open market or otherwise. During the nine months ended September 30, 2013, we purchased 4.9 million shares of Loews common stock.

We have an effective Registration Statement on Form S-3 registering the future sale of an unlimited amount of our debt and equity securities. From time to time, we consider issuance of Parent Company indebtedness under this registration statement.

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

INVESTMENTS

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

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

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

Insurance

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

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Net Investment Income

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	**2013**	2012
(In millions)				
Fixed maturity securities	**$ 504**	$ 507	**$ 1,501**	$ 1,528
Short term investments	**1**	2	**3**	5
Limited partnership investments	**93**	89	**303**	184
Equity securities	**3**	4	**9**	10
Trading portfolio	**3**	7	**13**	18
Other	**7**	5	**19**	16
Gross investment income	**611**	614	**1,848**	1,761
Investment expense	**(14)**	(13)	**(40)**	(42)
Net investment income	**$ 597**	$ 601	**$ 1,808**	$ 1,719

Net investment income for the three months ended September 30, 2013 was essentially unchanged as compared with the same period in 2012.

Net investment income for the nine months ended September 30, 2013 increased $89 million as compared with the same period in 2012. The increase was primarily driven by a significant increase in limited partnership investment results, partially offset by a decrease in fixed maturity securities income.

The fixed maturity investment portfolio provided a pretax effective income yield of 5.2% and 5.4% for the nine months ended September 30, 2013 and 2012. Tax-exempt municipal bonds generated $83 million and $223 million of net investment income for the three and nine months ended September 30, 2013 compared with $70 million and $205 million of net investment income for the same periods in 2012.

Net Realized Investment Gains (Losses)

The components of CNA s net realized investment results are presented in the following table:

	Three Months Ended September 30,	Nine Months Ended September 30,

(In millions)	2013	2012	2013	2012
Realized investment gains (losses):				
Fixed maturity securities:				
Corporate and other bonds	**$ 2**	$ 48	**$ 48**	$ 91
States, municipalities and political subdivisions	**8**	(16)	**6**	11
Asset-backed	**(6)**	(7)	**(24)**	(36)
U.S. Treasury and obligations of government-sponsored enterprises		1		3
Foreign government	**4**		**5**	4
Redeemable preferred stock	**(1)**		**(1)**	
Total fixed maturity securities	**7**	26	**34**	73
Equity securities	**(2)**	(15)	**(17)**	(14)
Derivative securities	**(1)**	(1)	**(4)**	(1)
Short term investments and other		(2)	**1**	4
Total realized investment gains (losses)	**4**	8	**14**	62
Income tax (expense) benefit	**(2)**	(3)	**(5)**	(22)
Amounts attributable to noncontrolling interests			**(1)**	(3)
Net realized investment gains (losses) attributable to Loews Corporation	**$ 2**	$ 5	**$ 8**	$ 37

Net realized investment results decreased $3 million and $29 million for the three and nine months ended September 30, 2013, as compared with the 2012 periods. The decrease was primarily driven by lower net realized

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gains on sales of securities, partially offset by lower OTTI losses recognized in earnings. Further information on CNA s realized gains and losses, including CNA s OTTI losses, is set forth in Note 2 of the Notes to Consolidated Condensed Financial Statements included under Item 1.

Portfolio Quality

CNA s fixed maturity portfolio consists primarily of high quality bonds, 91.9% and 91.6% of which were rated as investment grade (rated BBB- or higher) at September 30, 2013 and December 31, 2012. The classification between investment grade and non-investment grade is based on a ratings methodology that takes into account ratings from S&P and Moody s Investors Service, Inc. (Moody s) in that order of preference. If a security is not rated by these rating agencies, CNA formulates an internal rating. At September 30, 2013 and December 31, 2012, approximately 99% and 98% of the fixed maturity portfolio was rated by S&P or Moody s, or was issued or guaranteed by the U.S. Government, Government agencies or Government-sponsored enterprises.

The following table summarizes the ratings of CNA s fixed maturity portfolio at fair value:

	September 30, 2013		December 31, 2012	
(In millions of dollars)				
U.S. Government, Government agencies and Government-sponsored enterprises	**$ 3,506**	**8.5%**	$ 4,540	10.6%
AAA	**2,915**	**7.1**	3,224	7.6
AA and A	**20,212**	**49.0**	19,305	45.3
BBB	**11,253**	**27.3**	11,997	28.1
Non-investment grade	**3,388**	**8.1**	3,567	8.4
Total	**$ 41,274**	**100.0%**	$ 42,633	100.0%

Non-investment grade fixed maturity securities, as presented in the table below, include high-yield securities rated below BBB- by bond rating agencies and other unrated securities that, according to CNA s analysis, are below investment grade. Non-investment grade securities generally involve a greater degree of risk than investment grade securities. The amortized cost of CNA s non-investment grade fixed maturity bond portfolio was $3.3 billion and $3.4 billion at September 30, 2013 and December 31, 2012. The following table summarizes the ratings of this portfolio at fair value:

	September 30, 2013		December 31, 2012	
(In millions of dollars)				
BB	**$ 1,379**	**40.7%**	$ 1,529	42.9%
B	**1,070**	**31.6**	1,075	30.1
CCC-C	**665**	**19.6**	724	20.3
D	**274**	**8.1**	239	6.7

Total	**$ 3,388**	**100.0%**	$ 3,567	100.0%

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

September 30, 2013 (In millions of dollars)	Estimated Fair value	%	Gross Unrealized Losses	%
U.S. Government, Government agencies and Government-sponsored enterprises	**$ 1,117**	**13.1%**	**$ 82**	**15.9%**
AAA	**612**	**7.2**	**26**	**5.0**
AA	**1,700**	**20.0**	**164**	**31.8**
A	**1,755**	**20.6**	**85**	**16.5**
BBB	**2,460**	**28.9**	**123**	**23.9**
Non-investment grade	**865**	**10.2**	**35**	**6.9**
Total	**$ 8,509**	**100.0%**	**$ 515**	**100.0%**

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The following table provides 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, 2013 (In millions of dollars)	Estimated Fair value	%	Gross Unrealized Losses	%
Due in one year or less	$ 237	2.8%	$ 7	1.4%
Due after one year through five years	1,214	14.3	34	6.6
Due after five years through ten years	3,811	44.8	198	38.4
Due after ten years	3,247	38.1	276	53.6
Total	$ 8,509	100.0%	$ 515	100.0%

Duration

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

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

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

	September 30, 2013		December 31, 2012	
	Fair Value	Effective Duration	Fair Value	Effective Duration

			(Years)		(Years)
(In millions of dollars)					
Investments supporting Life & Group Non-Core	**$**	**14,840**	**11.4**	$ 15,590	11.3
Other interest sensitive investments		**27,803**	**4.4**	28,855	3.9
Total	**$**	**42,643**	**6.8**	$ 44,445	6.5

The investment portfolio is periodically analyzed for changes in duration and related price change risk. Additionally, CNA periodically reviews the sensitivity of the portfolio to the level of foreign exchange rates and other factors that contribute to market price changes. A summary of these risks and specific analysis on changes is included in the Quantitative and Qualitative Disclosures about Market Risk in Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2012.

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Short Term Investments

The carrying value of the components of CNA s short term investment portfolio is presented in the following table:

(In millions)	September 30, 2013	December 31, 2012
Short term investments:		
Commercial paper	$ 392	$ 751
U.S. Treasury securities	837	617
Money market funds	111	301
Other	135	163
Total short term investments	$ 1,475	$ 1,832

FORWARD-LOOKING STATEMENTS

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

Risks and uncertainties primarily affecting us and our insurance subsidiaries

- the risks and uncertainties associated with CNA s loss reserves, as outlined under Results of Operations by Business Segment CNA Financial Reserves Estimates and Uncertainties in our Annual Report on Form 10-K for the year ended December 31, 2012, including the sufficiency of the reserves and the possibility for future increases, which would be reflected in the results of operations in the period that the need for such adjustment is determined;

the risk that the other parties to the transaction in which, subject to certain limitations, CNA ceded its legacy A&EP liabilities will not fully perform their obligations to CNA, the uncertainty in estimating loss reserves for A&EP liabilities and the possible continued exposure of CNA to liabilities for A&EP claims that are not covered under the terms of the transaction;

the performance of reinsurance companies under reinsurance contracts with CNA;

the impact of competitive products, policies and pricing and the competitive environment in which CNA operates, including changes in CNA s book of business;

product and policy availability and demand and market responses, including the level of ability to obtain rate increases and decline or non-renew underpriced accounts, to achieve premium targets and profitability and to realize growth and retention estimates;

general economic and business conditions, including recessionary conditions that may decrease the size and number of CNA s insurance customers and create additional losses to CNA s lines of business, especially those that provide management and professional liability insurance, as well as surety bonds, to businesses engaged in real estate, financial services and professional services, and inflationary pressures on medical care costs, construction costs and other economic sectors that increase the severity of claims;

conditions in the capital and credit markets, including continuing uncertainty and instability in these markets, as well as the overall economy, and their impact on the returns, types, liquidity and valuation of CNA s investments;

conditions in the capital and credit markets that may limit CNA s ability to raise significant amounts of capital on favorable terms, as well as restrictions on the ability or willingness of the Company to provide additional capital support to CNA;

the possibility of changes in CNA s ratings by ratings agencies, including the inability to access certain markets or distribution channels, and the required collateralization of future payment obligations as a result of such changes, and changes in rating agency policies and practices;

regulatory limitations, impositions and restrictions upon CNA, including the effects of assessments and other surcharges for guaranty funds and second-injury funds, other mandatory pooling arrangements and future assessments levied on insurance companies as well as the new federal financial regulatory reform of the insurance industry established by the Dodd-Frank Wall Street Reform and Consumer Protection Act;

increased operating costs and underwriting losses arising from the Patient Protection and Affordable Care Act and the related amendments in the Health Care and Education Reconciliation Act, as well as health care reform proposals at the state level;

regulatory limitations and restrictions, including limitations upon CNA s ability to receive dividends from its insurance subsidiaries imposed by regulatory authorities, including regulatory capital adequacy standards;

weather and other natural physical events, including the severity and frequency of storms, hail, snowfall and other winter conditions, natural disasters such as hurricanes and earthquakes, as well as climate change, including effects on weather patterns, greenhouse gases, sea, land and air temperatures, sea levels, rain and snow;

regulatory requirements imposed by coastal state regulators in the wake of hurricanes or other natural disasters, including limitations on the ability to exit markets or to non-renew, cancel or change terms and conditions in policies, as well as mandatory assessments to fund any shortfalls arising from the inability of quasi-governmental insurers to pay claims;

man-made disasters, including the possible occurrence of terrorist attacks and the effect of the absence or insufficiency of applicable terrorism legislation on coverages;

the unpredictability of the nature, targets, severity or frequency of potential terrorist events, as well as the uncertainty as to CNA s ability to contain its terrorism exposure effectively; and the occurrence of epidemics.

Risks and uncertainties primarily affecting us and our energy subsidiaries

the impact of changes in worldwide demand for oil and natural gas and oil and gas price fluctuations on E&P activity, including possible write-downs of the carrying value of natural gas and NGL properties and impairments of goodwill and reduced demand for offshore drilling services;

the effects of the Macondo well blowout;

timing and cost of completion of rig upgrades, construction projects and other capital projects, including delivery dates and drilling contracts;

changes in foreign and domestic oil and gas exploration, development and production activity;

risks of international operations, compliance with foreign laws and taxation policies and expropriation or nationalization of equipment and assets;

government policies regarding exploration and development of oil and gas reserves;

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market conditions in the offshore oil and gas drilling industry, including utilization levels and dayrates;

timing and duration of required regulatory inspections for offshore oil and gas drilling rigs;

the risk of physical damage to rigs and equipment caused by named windstorms in the U.S. Gulf of Mexico;

the availability, cost limits and adequacy of insurance and indemnification;

the impact of new pipelines or new gas supply sources on competition and basis spreads on Boardwalk Pipeline s pipeline systems, which may impact its ability to maintain or replace expiring gas transportation and storage contracts and to sell short term capacity on its pipelines;

the costs of maintaining and ensuring the integrity and reliability of Boardwalk Pipeline s pipeline systems;

the impact of current and future environmental laws and regulations and exposure to environmental liabilities including matters related to global climate change;

regulatory issues affecting natural gas transmission, including ratemaking and other proceedings particularly affecting Boardwalk Pipeline s gas transmission subsidiaries;

the timing, cost, scope and financial performance of Boardwalk Pipeline s recent, current and future acquisitions and growth projects, including the expansion into new product lines and geographical areas; and

the development of additional natural gas reserves and changes in reserve estimates.

Risks and uncertainties affecting us and our subsidiaries generally

general economic and business conditions;

risks of war, military operations, other armed hostilities, terrorist acts or embargoes;

potential changes in accounting policies by the Financial Accounting Standards Board, the Securities and Exchange Commission or regulatory agencies for any of our subsidiaries industries which may cause us or our subsidiaries to revise their financial accounting and/or disclosures in the future, and which may change the way analysts measure our and our subsidiaries business or financial performance;

the impact of regulatory initiatives and compliance with governmental regulations, judicial rulings and jury verdicts;

the results of financing efforts; by us and our subsidiaries, including any additional investments by us in our subsidiaries;

the ability of customers and suppliers to meet their obligations to us and our subsidiaries;

the consummation of contemplated transactions and agreements;

the successful integration, transition and management of acquired businesses;

the outcome of pending or future litigation, including any tobacco-related suits to which we are or may become a party;

possible casualty losses;

the availability of indemnification by Lorillard and its subsidiaries for any tobacco-related liabilities that we may incur as a result of tobacco-related lawsuits or otherwise, as provided in the Separation Agreement; and

potential future asset impairments.

Developments in any of these or other areas of risk and uncertainty, which are more fully described elsewhere in this Report and 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

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reliance on forward-looking statements. Forward-looking statements speak only as of the date of this Report 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 for the nine months ended September 30, 2013. See the Quantitative and Qualitative Disclosures about Market Risk included in Item 7A of our Annual Report on Form 10-K filed with the Securities and Exchange Commission for the year ended December 31, 2012 for further information. Additional information related to portfolio duration and market conditions is discussed in the Investments section of Management s Discussion and Analysis of Financial Condition and Results of Operations included in Part I, Item 2.

Item 4. Controls and Procedures.

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

The Company s principal executive officer (CEO) and principal financial officer (CFO) undertook an evaluation of the Company s disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this report. The CEO and CFO have concluded that the Company s disclosure controls and procedures were effective as of September 30, 2013.

There were no changes in the Company s internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) identified in connection with the foregoing evaluation that occurred during the quarter ended September 30, 2013 that have materially affected or that are reasonably likely to materially affect the Company s internal control over financial reporting.

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PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

None.

Item 1A. Risk Factors.

Our Annual Report on Form 10-K for the year ended December 31, 2012 includes a detailed discussion of certain material risk factors facing our company. No updates or additions have been made to such risk factors as of September 30, 2013.

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, 2013- July 31, 2013	918,200	$45.49	N/A	N/A
August 1, 2013 - August 31, 2013	N/A	N/A	N/A	N/A
September 1, 2013 - September 30, 2013	N/A	N/A	N/A	N/A

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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	101.INS *
XBRL Taxonomy Extension Schema	101.SCH *
XBRL Taxonomy Extension Calculation Linkbase	101.CAL *
XBRL Taxonomy Extension Definition Linkbase	101.DEF *
XBRL Taxonomy Label Linkbase	101.LAB *
XBRL Taxonomy Extension Presentation Linkbase	101.PRE *

*Filed herewith.

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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: October 29, 2013

By: /s/ Peter W. Keegan
PETER W. KEEGAN
Senior Vice President and
Chief Financial Officer
(Duly authorized officer and principal financial officer)