Raymond Gary S
Form 4
September 08, 2011

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Raymond Gary S

(Last) (First) (Middle)

C/O SPAR GROUP, INC., 560 WHITE PLAINS ROAD, SUITE 210

(Street)

TARRYTOWN, NY 10591

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
SPAR GROUP INC [SGRP]

3. Date of Earliest Transaction (Month/Day/Year)
09/07/2011

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Chief Executive Officer

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock, $.01 par value	09/07/2011		P		5,000	A	$ 1.12	159,600	D	

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

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Raymond Gary S C/O SPAR GROUP, INC. 560 WHITE PLAINS ROAD, SUITE 210 TARRYTOWN, NY 10591	X		Chief Executive Officer	

Signatures

/s/ James Segreto, as attorney-in-fact under Power of Attorney Grant and Confirming Statement dated November 30, 2007	09/08/2011
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

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

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Income from trading portfolio (a)

2 64 90

Other

34 34 25

Total investment income

1,929 2,221 2,478

Investment expenses

(63) (58) (53)

Net investment income

$1,866 $2,163 $2,425

(a) Includes net unrealized gains (losses) related to changes in fair value on trading securities still held of $(46), $42 and $(2) for the years ended December 31, 2015, 2014 and 2013.

As of December 31, 2015, the Company held $54 million of non-income producing fixed maturity securities. As of December 31, 2014, the Company held no non-income producing fixed maturity securities. As of December 31, 2015 and 2014, no investments in a single issuer exceeded 10% of shareholders equity other than investments in securities issued by the U.S. Treasury and obligations of government-sponsored enterprises.

Investment gains (losses) are as follows:

Year Ended December 31	**2015**	2014	2013
(In millions)			
Fixed maturity securities	**$ (66)**	$ 41	$ 41
Equity securities	**(23)**	1	(22)
Derivative instruments	**10**	(1)	(9)
Short term investments and other	**8**	13	6
Investment gains (losses) (a)	**$ (71)**	$ 54	$ 16

(a) Includes gross realized gains of $133, $178 and $198 and gross realized losses of $222, $136 and $179 on available-for-sale securities for the years ended December 31, 2015, 2014 and 2013.

Net change in unrealized gains (losses) on available-for-sale investments is as follows:

Year Ended December 31	**2015**	2014	2013
(In millions)			
Fixed maturity securities	**$ (1,114)**	$ 1,511	$ (2,541)
Equity securities	**(6)**	6	(15)
Other	**1**		

Total net change in unrealized gains (losses) on available-for-sale investments	**$**	**(1,119)**	$	1,517	$	(2,556)

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The components of OTTI losses recognized in earnings by asset type are as follows:

Year Ended December 31	2015	2014	2013
(In millions)			
Fixed maturity securities available-for-sale:			
Corporate and other bonds	**$ 104**	$ 18	$ 20
States, municipalities and political subdivisions	**18**	46	
Asset-backed:			
Residential mortgage-backed	**8**	5	19
Other asset-backed	**1**	1	2
Total asset-backed	**9**	6	21
Total fixed maturities available-for-sale	**131**	70	41
Equity securities available-for-sale:			
Common stock	**25**	7	8
Preferred stock			26
Total equity securities available-for-sale	**25**	7	34
Short term investments			1
Net OTTI losses recognized in earnings	**$ 156**	$ 77	$ 76

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

December 31, 2015	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Unrealized OTTI Losses (Gains)
(In millions)					
Fixed maturity securities:					
Corporate and other bonds	**$ 17,097**	**$ 1,019**	**$ 347**	**$ 17,769**	
States, municipalities and political subdivisions	**11,729**	**1,453**	**8**	**13,174**	**$ (4)**
Asset-backed:					
Residential mortgage-backed	**4,935**	**154**	**17**	**5,072**	**(37)**
Commercial mortgage-backed	**2,154**	**55**	**12**	**2,197**	
Other asset-backed	**923**	**6**	**8**	**921**	
Total asset-backed	**8,012**	**215**	**37**	**8,190**	**(37)**
U.S. Treasury and obligations of government- sponsored enterprises	**62**	**5**		**67**	
Foreign government	**334**	**13**	**1**	**346**	
Redeemable preferred stock	**33**	**2**		**35**	
Fixed maturities available-for-sale	**37,267**	**2,707**	**393**	**39,581**	**(41)**
Fixed maturities, trading	**140**		**20**	**120**	
Total fixed maturities	**37,407**	**2,707**	**413**	**39,701**	**(41)**
Equity securities:					
Common stock	**46**	**3**	**1**	**48**	
Preferred stock	**145**	**7**	**3**	**149**	
Equity securities available-for-sale	**191**	**10**	**4**	**197**	**-**
Equity securities, trading	**633**	**56**	**134**	**555**	
Total equity securities	**824**	**66**	**138**	**752**	**-**
Total	**$ 38,231**	**$ 2,773**	**$ 551**	**$ 40,453**	**$ (41)**
December 31, 2014					
Fixed maturity securities:					
Corporate and other bonds	$ 17,226	$ 1,721	$ 61	$ 18,886	
	11,285	1,463	8	12,740	

States, municipalities and political subdivisions					
Asset-backed:					
Residential mortgage-backed	5,028	218	13	5,233	$ (53)
Commercial mortgage-backed	2,056	93	5	2,144	(2)
Other asset-backed	1,234	11	10	1,235	
Total asset-backed	8,318	322	28	8,612	(55)
U.S. Treasury and obligations of government-sponsored enterprises	26	5		31	
Foreign government	438	16		454	
Redeemable preferred stock	39	3		42	
Fixed maturities available-for-sale	37,332	3,530	97	40,765	(55)
Fixed maturities, trading	137		17	120	
Total fixed maturities	37,469	3,530	114	40,885	(55)
Equity securities:					
Common stock	38	9		47	
Preferred stock	172	5	2	175	
Equity securities available-for-sale	210	14	2	222	-
Equity securities, trading	523	96	113	506	
Total equity securities	733	110	115	728	-
Total	$ 38,202	$ 3,640	$ 229	$ 41,613	$ (55)

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

December 31, 2015	Less than 12 Months		12 Months or Longer		Total	
	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	**$ 4,882**	**$ 302**	**$ 174**	**$ 45**	**$ 5,056**	**$ 347**
States, municipalities and political subdivisions	**338**	**8**	**75**		**413**	**8**
Asset-backed:						
Residential mortgage-backed	**963**	**9**	**164**	**8**	**1,127**	**17**
Commercial mortgage-backed	**652**	**10**	**96**	**2**	**748**	**12**
Other asset-backed	**552**	**8**	**5**		**557**	**8**
Total asset-backed	**2,167**	**27**	**265**	**10**	**2,432**	**37**
U.S. Treasury and obligations of government-sponsored enterprises	**4**				**4**	
Foreign government	**54**	**1**			**54**	**1**
Redeemable preferred stock	**3**				**3**	
Total fixed maturity securities	**7,448**	**338**	**514**	**55**	**7,962**	**393**
Common stock	**3**	**1**			**3**	**1**
Preferred stock	**13**	**3**			**13**	**3**
Total	**$ 7,464**	**$ 342**	**$ 514**	**$ 55**	**$ 7,978**	**$ 397**

December 31, 2014						
Fixed maturity securities:						
Corporate and other bonds	$ 1,330	$ 46	$ 277	$ 15	$ 1,607	$ 61
States, municipalities and political subdivisions	335	5	127	3	462	8
Asset-backed:						

Residential mortgage-backed	293	5	189	8	482	13
Commercial mortgage-backed	264	2	99	3	363	5
Other asset-backed	607	10	7		614	10
Total asset-backed	1,164	17	295	11	1,459	28
U.S. Treasury and obligations of government- sponsored enterprises	3		4		7	
Foreign government	3		3		6	
Redeemable preferred stock	3				3	
Total fixed maturity securities	2,838	68	706	29	3,544	97
Preferred stock	17	2	1		18	2
Total	$ 2,855	$ 70	$ 707	$ 29	$ 3,562	$ 99

Based on current facts and circumstances, the Company believes the unrealized losses presented in the table above are not indicative of the ultimate collectibility of the current amortized cost of the securities, but rather are attributable to changes in interest rates, credit spreads and other factors, including volatility in the energy and metals and mining sectors due to declines in the price of oil and other commodities. As of December 31, 2015, the Company held fixed maturity securities and equity securities with an estimated fair value of $2.5 billion and a cost or amortized cost of $2.7 billion in the energy and metals and mining sectors. The portion of these securities in a gross unrealized loss position had an estimated fair value of $1.4 billion and a cost or amortized cost of $1.6 billion. The Company has no current intent to sell securities with unrealized losses, nor is it more likely than not that it will be required to sell prior to recovery of amortized cost; accordingly, the Company has determined that there are no additional OTTI losses to be recorded at December 31, 2015.

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The following table presents the activity related to the pretax credit loss component reflected in Retained earnings on fixed maturity securities still held at December 31, 2015, 2014 and 2013 for which a portion of an OTTI loss was recognized in Other comprehensive income.

Year Ended December 31	**2015**	2014	2013
(In millions)			
Beginning balance of credit losses on fixed maturity securities	**$ 62**	$ 74	$ 95
Additional credit losses for securities for which an OTTI loss was previously recognized			2
Reductions for securities sold during the period	**(9)**	(9)	(23)
Reductions for securities the Company intends to sell or more likely than not will be required to sell		(3)	
Ending balance of credit losses on fixed maturity securities	**$ 53**	$ 62	$ 74

Contractual Maturity

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

December 31	**2015**		2014	
	Cost or Amortized Cost	**Estimated Fair Value**	Cost or Amortized Cost	Estimated Fair Value
(In millions)				
Due in one year or less	**$ 1,574**	**$ 1,595**	$ 2,479	$ 2,511
Due after one year through five years	**7,738**	**8,082**	9,070	9,621
Due after five years through ten years	**14,652**	**14,915**	12,055	12,584
Due after ten years	**13,303**	**14,989**	13,728	16,049
Total	**$ 37,267**	**$ 39,581**	$ 37,332	$ 40,765

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

Limited Partnerships

The carrying value of limited partnerships as of December 31, 2015 and 2014 was approximately $3.3 billion and $3.7 billion which includes undistributed earnings of $952 million and $1.3 billion. Limited partnerships comprising 70.8% of the total carrying value are reported on a current basis through December 31, 2015 with no reporting lag, 12.8% are reported on a one month lag and the remainder are reported on more than a one month lag. The number of limited partnerships held and the strategies employed provide diversification to the limited partnership portfolio and the overall invested asset portfolio.

Limited partnerships comprising 76.6% and 78.6% of the carrying value at December 31, 2015 and 2014 employ hedge fund strategies that generate returns through investing in marketable securities in the public fixed income and equity markets. Limited partnerships comprising 23.4% and 18.6% of the carrying value at December 31, 2015 and 2014 were invested in private debt and equity, and the remaining limited partnerships were primarily invested in real estate strategies. Hedge fund strategies include both long and short positions in fixed income, equity and derivative instruments. These hedge fund strategies may seek to generate gains from mispriced or undervalued securities, price differentials between securities, distressed investments, sector rotation or various arbitrage disciplines. Within hedge fund strategies, approximately 56.4% were equity related, 28.9% pursued a multi-strategy approach, 11.4% were focused on distressed investments and 3.3% were fixed income related at December 31, 2015.

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The ten largest limited partnership positions held totaled $1.5 billion and $1.8 billion as of December 31, 2015 and 2014. Based on the most recent information available regarding the Company s percentage ownership of the individual limited partnerships, the carrying value reflected on the Consolidated Balance Sheets represents approximately 2.8% and 3.9% of the aggregate partnership equity at December 31, 2015 and 2014, and the related income reflected on the Consolidated Statements of Income represents approximately 2.8%, 4.3% and 3.7% of the changes in total partnership equity for the years ended December 31, 2015, 2014 and 2013.

While the Company generally does not invest in highly leveraged partnerships, there are risks which may result in losses due to short-selling, derivatives or other speculative investment practices. The use of leverage increases volatility generated by the underlying investment strategies.

The Company s limited partnership investments contain withdrawal provisions that generally limit liquidity for a period of thirty days up to one year and in some cases do not permit withdrawals until the termination of the partnership. Typically, withdrawals require advance written notice of up to 90 days.

Derivative Financial Instruments

The Company uses derivatives in the normal course of business, primarily in an attempt to reduce its exposure to market risk (principally interest rate risk, credit risk, equity price risk, commodity price risk and foreign currency risk) stemming from various assets and liabilities. The Company s principal objective under such strategies is to achieve the desired reduction in economic risk, even if the position does not receive hedge accounting treatment.

The Company enters into interest rate swaps, futures and forward commitments to purchase securities to manage interest rate risk. Credit derivatives such as credit default swaps are entered into to modify the credit risk inherent in certain investments. Forward contracts, futures, swaps and options are used primarily to manage foreign currency and commodity price risk.

In addition to the derivatives used for risk management purposes described above, the Company may also use derivatives for purposes of income enhancement. Income enhancement transactions include but are not limited to interest rate swaps, call options, put options, credit default swaps, index futures and foreign currency forwards. See Note 4 for information regarding the fair value of derivative instruments.

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The following tables present the aggregate contractual or notional amount and estimated fair value related to derivative financial instruments.

December 31	2015			2014		
	Contractual/ Notional Amount	**Estimated Asset**	**Fair Value (Liability)**	Contractual/ Notional Amount	Estimated Asset	Fair Value (Liability)
(In millions)						
With hedge designation:						
Foreign exchange:						
Currency forwards short				$ 70		$ (5)
Without hedge designation:						
Equity markets:						
Options purchased	**$ 501**	**$ 16**		544	$ 24	
written	**614**		**$ (28)**	292		(21)
Futures long	**312**		**(1)**			
Futures short				130	2	
Interest rate risk:						
Futures long	**63**					
Foreign exchange:						
Currency forwards long	**133**	**2**		109		(3)
short	**152**			88	2	
Currency options long	**550**	**7**		151	7	
Embedded derivative on funds withheld liability	**179**	**5**		184		(3)

Investment Commitments

As of December 31, 2015, the Company had committed approximately $398 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 December 31, 2015, the Company had commitments to purchase or fund additional amounts of $138 million and sell $67 million under the terms of such securities.

Investments on Deposit

Securities with carrying values of approximately $2.8 billion and $3.0 billion were deposited by CNA s insurance subsidiaries under requirements of regulatory authorities and others as of December 31, 2015 and 2014.

Cash and securities with carrying values of approximately $364 million and $361 million were deposited with financial institutions as collateral for letters of credit as of December 31, 2015 and 2014. In addition, cash and securities were deposited in trusts with financial institutions to secure reinsurance and other obligations with various third parties. The carrying values of these deposits were approximately $263 million and $302 million as of December 31, 2015 and 2014.

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Note 4. Fair Value

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

Level 1 Quoted prices for identical instruments in active markets.

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

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

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

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

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The fair values of CNA s life settlement contracts are included in Other assets on the Consolidated 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:

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

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December 31, 2014	Level 1	Level 2	Level 3	Total
(In millions)				
Fixed maturity securities:				
Corporate and other bonds	$ 32	$ 18,692	$ 162	$ 18,886
States, municipalities and political subdivisions		12,646	94	12,740
Asset-backed:				
Residential mortgage-backed		5,044	189	5,233
Commercial mortgage-backed		2,061	83	2,144
Other asset-backed		580	655	1,235
Total asset-backed		7,685	927	8,612
U.S. Treasury and obligations of government-sponsored enterprises	28	3		31
Foreign government	41	413		454
Redeemable preferred stock	30	12		42
Fixed maturities available-for-sale	131	39,451	1,183	40,765
Fixed maturities trading		30	90	120
Total fixed maturities	$ 131	$ 39,481	$ 1,273	$ 40,885
Equity securities available-for-sale	$ 145	$ 61	$ 16	$ 222
Equity securities trading	505		1	506
Total equity securities	$ 650	$ 61	$ 17	$ 728
Short term investments	$ 4,989	$ 963		$ 5,952
Other invested assets	102	41		143
Receivables	2	7		9
Life settlement contracts			$ 82	82
Payable to brokers	(546)	(6)		(552)

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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 years ended December 31, 2015 and 2014:

	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, December 31	Unre Ga (Lo Recog N Inc on l 3 A a Liab He Decem
llions)										
maturity ies:										
rate and bonds	$ 162	$ (2)	$ (3)	$ 65	$ (13)	$ (35)	$ 40	$ (46)	$ 168	$
palities and al isions	94	1				(10)		(83)	2	
backed:										
ntial age-backed	189	5	(3)	81		(35)	14	(117)	134	
ercial age-backed	83	7	(4)	23		(17)	17	(87)	22	
backed	655	3	3	130	(263)	(52)	7	(430)	53	
backed	927	15	(4)	234	(263)	(104)	38	(634)	209	
maturities ble-for-sale	1,183	14	(7)	299	(276)	(149)	78	(763)	379	
maturities g	90	(3)			(2)				85	
ixed ties	$ 1,273	$ 11	$ (7)	$ 299	$ (278)	$ (149)	$ 78	$ (763)	$ 464	$

securities ble-for-sale	**$ 16**		**$ (1)**	**$ 4**			**$ 1**		**$ 20**	
securities g	**1**	**$ 1**		**1**	**$ (2)**				**1**	**$**
equity ies	**$ 17**	**$ 1**	**$ (1)**	**$ 5**	**$ (2)**	**$ -**	**$ 1**	**$ -**	**$ 21**	**$**
ttlement cts	**$ 82**	**$ 25**				**$ (33)**			**$ 74**	**$**
tive al ments, net					**$ 3**				**3**	

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2014	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, December 31	Unrealized Gains (Losses) Recognized in Net Income on Level 3 Assets and Liabilities Held at December 31
(In millions)										
Fixed maturity securities:										
Corporate and other bonds	$ 204	$ 2	$ (1)	$ 33	$ (23)	$ (16)	$ 18	$ (55)	$ 162	
States, municipalities and political subdivisions	71	1	4	14	(10)		14		94	
Asset-backed:										
Residential mortgage-backed	331	(21)	61	94	(174)	(72)	32	(62)	189	
Commercial mortgage-backed	151	7	(6)	28	(60)	(29)	43	(51)	83	
Other asset-backed	446	2	(6)	488	(111)	(117)		(47)	655	$ (1)
Total asset-backed	928	(12)	49	610	(345)	(218)	75	(160)	927	(1)
Fixed maturities available-for-sale	1,203	(9)	52	657	(378)	(234)	107	(215)	1,183	(1)
Fixed maturities trading	80	11			(1)				90	11
Total fixed maturities	$ 1,283	$ 2	$ 52	$ 657	$ (379)	$ (234)	$ 107	$ (215)	$ 1,273	$ 10
Equity securities available-for-sale	$ 11	$ 3	$ (6)	$ 16	$ (8)				$ 16	
Equity securities trading	8	(1)			(6)				1	$ 1
	$ 19	$ 2	$ (6)	$ 16	$ (14)	$ -	$ -	$ -	$ 17	$ 1

Total equity securities							
Life settlement contracts	$ 88	$ 33		$ (39)		$ 82	$ 8
Separate account business	1				$ (1)	-	
Derivative financial instruments, net	(3)	1	$ 2			-	2

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

Major Category of Assets and Liabilities	Consolidated 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

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Securities may be transferred in or out of levels within the fair value hierarchy based on the availability of observable market information and quoted prices used to determine the fair value of the security. The availability of observable market information and quoted prices varies based on market conditions and trading volume. There were $63 million of transfers from Level 2 to Level 1 and $52 million of transfers from Level 1 to Level 2 during the year ended December 31, 2015. There were $24 million of transfers from Level 2 to Level 1 and $1 million of transfers from Level 1 to Level 2 during the year ended December 31, 2014. The Company s policy is to recognize transfers between levels at the beginning of quarterly reporting periods.

Valuation Methodologies and Inputs

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

Fixed Maturity Securities

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

Equity Securities

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

Derivative Financial Instruments

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

Short Term Investments

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

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Other Invested Assets

Level 1 securities include exchange traded open-end funds valued using quoted market prices. Level 2 securities include overseas deposits which can be redeemed at net asset value in 90 days or less.

Life Settlement Contracts

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

Significant Unobservable Inputs

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

December 31, 2015	**Estimated Fair Value**	**Valuation Techniques**	**Unobservable Inputs**	**Range (Weighted Average)**
	(In millions)			
Fixed maturity securities	**$ 138**	**Discounted cash flow**	**Credit spread**	**3% 184% (6%)**
Life settlement contracts	**74**	**Discounted cash flow**	**Discount rate risk premium**	**9%**
			Mortality assumption	**55% 1,676% (164%)**
December 31, 2014				
Fixed maturity securities	$ 101	Discounted cash flow	Credit spread	2% 13% (3%)
Equity securities	16	Market approach	Private offering price	$12 $4,391 per share ($600 per share)
Life settlement contracts	82	Discounted cash flow	Discount rate risk premium	9%
			Mortality assumption	55% 1,676% (163%)

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For fixed maturity securities, an increase to the 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.

Financial Assets and Liabilities Not Measured at Fair Value

The carrying amount, estimated fair value and the level of the fair value hierarchy of the Company s financial assets and liabilities which are not measured at fair value on the Consolidated Balance Sheets are presented in the following tables. The carrying amounts and estimated fair values of short term debt and long term debt exclude capital lease obligations. The carrying amounts reported on the Consolidated 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		
December 31, 2015	**Amount**	**Level 1**	**Level 2**	**Level 3**	**Total**
(In millions)					
Assets:					
Other invested assets, primarily mortgage loans	**$ 678**			**$ 688**	**$ 688**
Liabilities:					
Short term debt	**1,038**		**$ 1,050**	**2**	**1,052**
Long term debt	**9,530**		**8,538**	**595**	**9,133**
December 31, 2014					
Assets:					
Other invested assets, primarily mortgage loans	$ 588			$ 608	$ 608
Liabilities:					
Short term debt	334		$ 255	84	339
Long term debt	10,320		10,299	420	10,719

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

The fair values of mortgage loans, included in Other invested assets, 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.

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

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Note 5. Receivables

December 31	2015	2014
(In millions)		
Reinsurance (Note 15)	$ 4,491	$ 4,742
Insurance	2,129	1,997
Receivable from brokers	471	84
Accrued investment income	408	412
Federal income taxes	45	27
Other, primarily customer accounts	593	625
Total	8,137	7,887
Less: allowance for doubtful accounts on reinsurance receivables	38	48
allowance for other doubtful accounts	58	69
Receivables	$ 8,041	$ 7,770

Note 6. Property, Plant and Equipment

December 31	2015	2014
(In millions)		
Pipeline equipment (net of accumulated DD&A of $1,887 and $1,620)	$ 7,462	$ 7,491
Offshore drilling equipment (net of accumulated DD&A of $3,335 and $4,159)	6,071	6,459
Other (net of accumulated DD&A of $811 and $730)	1,450	1,083
Construction in process	494	578
Property, plant and equipment, net	$ 15,477	$ 15,611

DD&A expense and capital expenditures are as follows:

Year Ended December 31	2015		2014		2013	
	DD&A	Capital Expend.	DD&A	Capital Expend.	DD&A	Capital Expend.
(In millions)						
CNA Financial	$ 74	$ 123	$ 69	$ 72	$ 72	$ 90

Diamond Offshore	**494**	**812**	457	2,050	389	987
Boardwalk Pipeline	**327**	**390**	292	378	275	305
Loews Hotels	**54**	**389**	37	289	32	369
Corporate and other	**6**	**4**	6	24	6	4
Total	**$ 955**	**$ 1,718**	$ 861	$ 2,813	$ 774	$ 1,755

Capitalized interest related to the construction and upgrade of qualifying assets amounted to approximately $36 million, $80 million and $92 million for the years ended December 31, 2015, 2014 and 2013.

Offshore Drilling Equipment

Purchase of Assets

In 2015, Diamond Offshore took delivery of one ultra-deepwater drillship. The net book value of this newly constructed rig was $655 million at December 31, 2015, of which $225 million was reported in Construction in process at December 31, 2014. At December 31, 2015, Construction in Process included $270 million related to one rig still under construction.

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In 2014, Diamond Offshore took delivery of three ultra-deepwater drillships and two deepwater floaters. The aggregate net book value of these newly constructed rigs was $2.7 billion at December 31, 2014, of which $1.3 billion was reported in Construction in process at December 31, 2013. At December 31, 2014, Construction in process included $439 million related to two rigs still under construction.

Sale of Assets

At December 31, 2015, $14 million net book value of five jack-up rigs held for sale was included in Other assets on the Consolidated Balance Sheets. One of these jack-up rigs held for sale was sold in February 2016 for $8 million. In addition, during 2015, nine rigs with an aggregate net book value of $5 million were sold at a nominal gain.

In 2014, Diamond Offshore sold a jack-up rig for $17 million, resulting in a gain of $9 million ($3 million after tax and noncontrolling interests). This gain was recorded in Other revenues on the Consolidated Statements of Income.

Asset Impairments

During 2015, in response to a continued deterioration of the market fundamentals in the oil and gas industry, including the dramatic decline in oil prices, significant cutbacks in customer capital spending plans and contract cancellations by customers, as well as pending regulatory requirements in the U.S. Gulf of Mexico, Diamond Offshore evaluated 25 of its drilling rigs for impairment. Based on this evaluation, Diamond Offshore determined that 17 of these rigs, consisting of two ultra-deepwater, one deepwater and nine mid-water floaters and five jack-up rigs, were impaired.

Diamond Offshore utilizes an undiscounted projected probability-weighted cash flow analysis in testing an asset for potential impairment. A matrix of assumptions is developed for each rig under evaluation using multiple utilization/dayrate scenarios, to each of which Diamond Offshore assigns a probability of occurrence. Diamond Offshore arrives at a projected probability-weighted cash flow for each rig based on the respective matrix and compares such amount to the carrying value of the asset to assess recoverability.

The underlying assumptions and assigned probabilities of occurrence for utilization and dayrate scenarios are developed using a methodology that examines historical data for each rig, which considers the rig s age, rated water depth and other attributes and then assesses its future marketability in light of the current and projected market environment at the time of assessment. Other assumptions, such as operating, maintenance and inspection costs, are estimated using historical data adjusted for known developments and future events that are anticipated by management at the time of the assessment.

Diamond Offshore estimated the fair value of 16 of the impaired rigs utilizing a market approach, which required it to estimate the value that would be received for each rig in the principal or most advantageous market for that rig in an orderly transaction between market participants. Such estimates were based on various inputs, including historical contracted sales prices for similar rigs in the fleet, nonbinding quotes from rig brokers and/or indicative bids, where applicable. The fair value of the one remaining rig impaired in 2015 is estimated using an income approach, as Diamond Offshore has determined that the most likely use for this rig would be to cold stack the rig and reintroduce it into the market at a later date. The fair value of this rig was determined by discounting its future cash flows and includes assumptions which utilize significant unobservable inputs, including those related to estimated dayrate revenue, rig utilization, estimated equipment upgrade and regulatory survey costs, as well as estimated proceeds that may be received on ultimate disposition of the rig. The fair value estimates are representative of Level 3 fair value measurements due to the significant level of estimation involved and the lack of transparency as to the inputs used.

Diamond Offshore recognized aggregate impairment losses of $861 million ($341 million after tax and noncontrolling interests) for the year ended December 31, 2015. Of the rigs impaired in 2015, five mid-water rigs were sold during 2015 and five jack-up rigs are included in Other assets on the Consolidated Balance Sheets at December 31, 2015. Six rigs impaired in 2015 were cold stacked at the end of 2015, and the remaining impaired rig is expected to be sold for scrap after completion of its contract in 2016. The $175 million aggregate carrying value

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of these impaired rigs is reported in Property, plant and equipment on the Consolidated Balance Sheets at December 31, 2015.

In the third quarter of 2014, Diamond Offshore determined it would retire and scrap six rigs, including a rig upon completion of its contract term in 2015. Diamond Offshore performed an impairment analysis to determine whether the carrying amount of these assets was recoverable. Based on this analysis, an impairment loss was recognized aggregating $109 million ($55 million after tax and noncontrolling interests) for the year ended December 31, 2014. The fair value was determined through discussions and a quote from a rig broker, and for the rig under contract using an internally developed income approach, which are Level 3 inputs of the fair value hierarchy. In the fourth quarter of 2014, two of the rigs were scrapped and at December 31, 2014, the carrying value of the remaining rigs amounted to $9 million. The remaining rigs impaired in 2014 were sold in 2015.

The impairment losses recorded during the years ended December 31, 2015 and 2014 are reported within Other operating expenses on the Consolidated Statements of Income. No impairment loss was recorded during the year ended December 31, 2013.

Diamond Offshore s assumptions are necessarily subjective and are an inherent part of the asset impairment evaluation. If market fundamentals in the oil and gas industry deteriorate further or if Diamond Offshore is unable to secure new or extend existing contracts for its current, actively-marketed drilling fleet or reactivate any of its cold stacked rigs or if Diamond Offshore experiences unfavorable changes to actual dayrates and rig utilization, additional impairment losses may be required to be recognized in future periods.

Note 7. Goodwill

	Total	CNA Financial	Diamond Offshore	Boardwalk Pipeline	Loews Hotels
(In millions)					
Balance, December 31, 2013	$ 357	$ 119	$ 20	$ 215	$ 3
Additions	22			22	
Dispositions	(3)				(3)
Other adjustments	(2)	(2)			
Balance, December 31, 2014	374	117	20	237	-
Impairments	**(20)**		**(20)**		
Other adjustments	**(3)**	**(3)**			
Balance, December 31, 2015	**$ 351**	**$ 114**	**$ -**	**$ 237**	**$ -**

As a result of the continued deterioration of the market fundamentals in the oil and gas industry, the Company assessed the carrying value of goodwill related to its investment in Diamond Offshore. An impairment charge of $20 million was recorded in Other operating expenses in the third quarter of 2015 to write-off all goodwill attributable to Diamond Offshore.

Note 8. 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

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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 $141 million, $156 million and $169 million for the years ended December 31, 2015, 2014 and 2013. Catastrophe losses in 2015 related primarily to U.S. weather-related events.

The following table presents a reconciliation between beginning and ending claim and claim adjustment expense reserves, including claim and claim adjustment expense reserves of the Life & Group Non-Core segment.

Year Ended December 31	**2015**	2014	2013
(In millions)			
Reserves, beginning of year:			
Gross	**$ 23,271**	$ 24,089	$ 24,763
Ceded	**4,344**	4,972	5,126
Net reserves, beginning of year	**18,927**	19,117	19,637
Change in net reserves due to acquisition (disposition) of subsidiaries		(13)	
Net incurred claim and claim adjustment expenses:			
Provision for insured events of current year	**4,934**	5,043	5,114
Decrease in provision for insured events of prior years	**(255)**	(36)	(115)
Amortization of discount	**166**	161	154
Total net incurred (a)	**4,845**	5,168	5,153
Net payments attributable to:			
Current year events	**(856)**	(945)	(981)
Prior year events	**(4,089)**	(4,355)	(4,588)
Total net payments	**(4,945)**	(5,300)	(5,569)
Foreign currency translation adjustment and other	**(251)**	(45)	(104)

Net reserves, end of year		**18,576**		18,927		19,117
Ceded reserves, end of year		**4,087**		4,344		4,972
Gross reserves, end of year	**$**	**22,663**	$	23,271	$	24,089

(a) Total net incurred above does not agree to Insurance claims and policyholders benefits as reflected in the Consolidated Statements of Income due to amounts related to retroactive reinsurance deferred gain accounting, uncollectible reinsurance and loss deductible receivables and benefit expenses related to future policy benefits and policyholders funds, which are not reflected in the table above.

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The following tables present the gross and net carried reserves:

December 31, 2015	**Specialty**	**Commercial**	**International**	**Other Non-Core**	**Total**
(In millions)					
Gross Case Reserves	**$ 2,011**	**$ 4,975**	**$ 622**	**$ 4,494**	**$ 12,102**
Gross IBNR Reserves	**4,258**	**4,208**	**725**	**1,370**	**10,561**
Total Gross Carried Claim and Claim Adjustment Expense Reserves	**$ 6,269**	**$ 9,183**	**$ 1,347**	**$ 5,864**	**$ 22,663**
Net Case Reserves	**$ 1,810**	**$ 4,651**	**$ 531**	**$ 2,844**	**$ 9,836**
Net IBNR Reserves	**3,758**	**3,925**	**688**	**369**	**8,740**
Total Net Carried Claim and Claim Adjustment Expense Reserves	**$ 5,568**	**$ 8,576**	**$ 1,219**	**$ 3,213**	**$ 18,576**
December 31, 2014					
Gross Case Reserves	$ 2,136	$ 5,298	$ 752	$ 4,070	$ 12,256
Gross IBNR Reserves	4,093	4,216	689	2,017	11,015
Total Gross Carried Claim and Claim Adjustment Expense Reserves	$ 6,229	$ 9,514	$ 1,441	$ 6,087	$ 23,271
Net Case Reserves	$ 1,929	$ 4,947	$ 598	$ 2,716	$ 10,190
Net IBNR Reserves	3,726	3,906	663	442	8,737
Total Net Carried Claim and Claim Adjustment Expense Reserves	$ 5,655	$ 8,853	$ 1,261	$ 3,158	$ 18,927

Net Prior Year Development

Changes in estimates of claim and allocated claim adjustment expense reserves and premium accruals, net of reinsurance, for prior years are defined as net prior year development. These changes can be favorable or unfavorable. The following tables and discussion present the net prior year development recorded for Specialty, Commercial, International and Other Non-Core segments.

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Year Ended December 31, 2015	**Specialty**	**Commercial**	**International**	**Other**	**Total**
(In millions)					
Pretax (favorable) unfavorable net prior year claim and allocated claim adjustment expense reserve development	**$ (141)**	**$ (15)**	**$ (54)**	**$ -**	**$ (210)**
Pretax (favorable) unfavorable premium development	**(11)**	**(15)**	**18**		**(8)**
Total pretax (favorable) unfavorable net prior year development	**$ (152)**	**$ (30)**	**$ (36)**	**$ -**	**$ (218)**
Year Ended December 31, 2014					
Pretax (favorable) unfavorable net prior year claim and allocated claim adjustment expense reserve development	$ (136)	$ 176	$ (59)	$ (2)	$ (21)
Pretax (favorable) unfavorable premium development	(13)	(20)	2	(1)	(32)
Total pretax (favorable) unfavorable net prior year development	$ (149)	$ 156	$ (57)	$ (3)	$ (53)
Year Ended December 31, 2013					
Pretax (favorable) unfavorable net prior year claim and allocated claim adjustment expense reserve development	$ (196)	$ 122	$ (38)	$ (6)	$ (118)
Pretax (favorable) unfavorable premium development	(14)	(8)	(21)	1	(42)
Total pretax (favorable) unfavorable net prior year development	$ (210)	$ 114	$ (59)	$ (5)	$ (160)

Favorable net prior year development of $50 million, $14 million and $9 million was recorded in Life & Group Non-Core for the years ended December 31, 2015, 2014 and 2013. The favorable net prior year development for the year ended December 31, 2015 was driven by favorable claim severity.

Premium development can occur in the property and casualty business when there is a change in exposure on auditable policies or when premium accruals differ from processed premium. Audits on policies usually occur in a period after the expiration date of the policy.

For the year ended December 31, 2013, favorable premium development for International is primarily due to a commutation recorded at Hardy.

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Specialty

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

Year Ended December 31	**2015**	2014	2013
(In millions)			
Medical professional liability	**$ (43)**	$ 39	$ (27)
Other professional liability and management liability		(87)	(73)
Surety	**(69)**	(82)	(74)
Warranty	**(2)**	(2)	(3)
Other	**(27)**	(4)	(19)
Total pretax (favorable) unfavorable development	**$ (141)**	$ (136)	$ (196)

2015

Overall, favorable development for medical professional liability was related to lower than expected severity in accident years 2012 and prior. Unfavorable development was recorded related to increased claim frequency and severity in the aging services business in accident years 2013 and 2014.

Favorable development in other professional liability and management liability related to better than expected large loss emergence in financial institutions primarily in accident years 2011 through 2014. Additional favorable development related to lower than expected severity for professional services in accident years 2011 and prior. Unfavorable development was recorded related to increased frequency of large claims on public company management liability in accident years 2012 through 2014.

Favorable development for surety coverages was primarily due to lower than expected frequency of large losses in accident years 2013 and prior.

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

2014

Unfavorable development for medical professional liability was primarily related to increased frequency of large medical products liability class action lawsuits in accident years 2012 and prior and increased frequency of other large medical professional liability losses in accident years 2011 through 2013.

Overall, favorable development for other professional liability and management liability was related to better than expected severity in accident years 2008 through 2011, including favorable outcomes on individual large claims. Additional favorable development related to lower than expected frequency in accident years 2011 through 2013. Unfavorable development was recorded due to higher than expected severity in financial institution and professional service coverages in accident years 2009 through 2011.

Favorable development for surety coverages was primarily due to better than expected large loss emergence in accident years 2012 and prior.

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.

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Overall, favorable development for other professional liability and management liability was related to better than expected loss emergence in accident years 2010 and prior. Unfavorable development was recorded in accident year 2011 related to an increase in severity in management liability.

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

Other includes standard property and casualty coverages provided to Specialty customers. Favorable development for other coverages was primarily due to better than expected loss emergence in property coverages primarily in accident years 2010 and subsequent.

Commercial

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

Year Ended December 31	**2015**	2014	2013
(In millions)			
Commercial auto	**$ (22)**	$ 31	$ 18
General liability	**(33)**	45	64
Workers compensation	**80**	139	91
Property and other	**(40)**	(39)	(51)
Total pretax (favorable) unfavorable development	**$ (15)**	$ 176	$ 122

2015

Favorable development for commercial auto was primarily due to lower than expected severity in accident years 2009 through 2014.

Favorable development for general liability was primarily due to favorable settlements on claims in accident years 2010 through 2013.

Unfavorable development for workers compensation was primarily due to higher than expected severity related to Defense Base Act (DBA) contractors in accident years 2008 through 2014.

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

The year ended December 31, 2015 also included unfavorable loss development related to extra contractual obligation losses and losses associated with premium development.

2014

Unfavorable development for commercial auto was primarily related to higher than expected frequency in accident years 2012 and 2013 and higher than expected severity for liability coverages in accident years 2010 through 2013. Favorable development was recorded related to fewer large claims than expected in accident years 2008 and 2009.

Overall, unfavorable development for general liability was primarily related to higher than expected severity in accident years 2010 through 2013. Favorable development was recorded primarily related to lower than expected frequency of large losses in accident years 2005 through 2009.

Overall, unfavorable development for workers compensation was primarily due to increased medical severity in accident years 2010 and prior, higher than expected severity related to DBA contractors in accident years 2010 through 2013 and the recognition of losses related to favorable premium development in accident year 2013.

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Favorable development of $26 million was recorded in accident years 1996 and prior related to the commutation of a workers compensation reinsurance pool.

Favorable development for property and other first party coverages was recorded in accident years 2013 and prior, primarily related to fewer claims than expected and favorable individual claim settlements.

2013

Unfavorable development for commercial auto coverages was primarily due to higher than expected frequency in accident years 2011 and 2012 and large loss emergence in accident years 2009 and 2010.

Unfavorable development for general liability coverages was primarily related to increased incurred loss severity in accident years 2010 through 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 as well as favorable loss emergence in non-catastrophe losses in accident years 2010 through 2012.

International

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

Year Ended December 31	**2015**	2014	2013
(In millions)			
Medical professional liability	**$ (9)**	$ (7)	$ (7)
Other professional liability	**(16)**	(26)	(30)
Liability	**(17)**	(13)	(8)
Property & marine	**(29)**	(14)	13
Other	**17**	(9)	(17)
Commutations		10	11
Total pretax (favorable) unfavorable development	**$ (54)**	$ (59)	$ (38)

2015

Favorable development in medical professional liability was due to better than expected frequency of losses in accident years 2011 to 2013.

Favorable development in other professional liability was due to better than expected large loss emergence in accident years 2011 and prior.

Favorable development in liability was due to better than expected large loss emergence in accident years 2012 and prior.

Favorable development in property and marine was due to better than expected individual large loss emergence and favorable settlements on large claims in accident years 2013 and 2014.

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

2014

Overall, favorable development for other professional liability was primarily related to better than expected severity in accident years 2012 and prior. Unfavorable development was recorded in accident year 2008 due to financial crisis claims.

Favorable development for liability was primarily related to better than expected frequency and severity in accident years 2009 and subsequent.

Favorable development for property and marine coverages primarily related to better than expected frequency of large claims in accident years 2012 and prior.

Favorable development for other coverages was a result of better than expected frequency in Hardy, primarily in financial institution coverages.

Reinsurance commutations in the first quarter of 2014 reduced ceded losses from prior years. Overall the commutations increased net operating income because of the release of the related allowance for uncollectible reinsurance.

2013

Overall, favorable development for other professional liability was primarily related to better than expected severity in accident years 2011 and prior. Unfavorable development was recorded related to higher than expected severity in accident year 2012.

Overall, unfavorable development for property and marine coverages was primarily due to 2011 catastrophe events, including the Thailand floods and the New Zealand Lyttelton earthquake, and one large non-catastrophe claim. Favorable development was recorded related to better than expected severity in accident years 2008 through 2011.

Favorable development for other coverages was largely a result of better than expected severity in Hardy in accident year 2012.

The commutation of a third-party capital provider s 15% participation in the 2012 year of account resulted in recognition of the 15% share of year of account premiums, losses and expenses.

A&EP Reserves

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

NICO a reinsurance premium of $2.0 billion and transferred to NICO billed third party reinsurance receivables related to A&EP claims with a net book value of $215 million, resulting in total consideration of $2.2 billion.

Through December 31, 2013, CNA recorded $0.9 billion of additional amounts ceded under the LPT. As a result, the cumulative amounts ceded under the loss portfolio transfer exceeded the $2.2 billion consideration paid, resulting in a deferred retroactive reinsurance gain. This deferred gain is recognized in earnings in proportion to actual recoveries under the loss portfolio transfer. Over the life of the contract, there is no economic impact as long

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as any additional losses are within the limit under the contract. In a period in which the estimate of ceded losses is changed, the required change to the deferred gain is cumulatively recognized in earnings as if the revised estimate was available at the inception of the LPT. The effect of the deferred retroactive reinsurance benefit is recorded in Insurance claims and policyholders benefits in the Consolidated Statements of Income.

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

Year Ended December 31	2015	2014	2013
(In millions)			
Net A&EP adverse development before consideration of LPT	$ 150	$ -	$ 363
Provision for uncollectible third party reinsurance on A&EP			140
Additional amounts ceded under LPT	150	-	503
Retroactive reinsurance benefit recognized	(85)	(13)	(314)
Pretax impact of deferred retroactive reinsurance	$ 65	$ (13)	$ 189

During 2013, unfavorable development was recorded for accident years 2000 and prior related to A&EP claims due to an increase in ultimate claim severity and higher than anticipated claim reporting, as well as increased defense costs. Additionally, CNA recognized a provision for uncollectible third-party reinsurance which increased the expected recovery from NICO.

The fourth quarter of 2014 A&EP reserve review was not completed in 2014 because additional information and analysis on inuring third party reinsurance recoveries were needed to finalize the review. The review was finalized in the second quarter of 2015. Unfavorable development was due to a decrease in anticipated future reinsurance recoveries related to asbestos claims and higher than expected severity on pollution claims. CNA adopted the second quarter of the year as the timing for all future annual A&EP claims actuarial reviews.

As of December 31, 2015 and 2014, the cumulative amounts ceded under the LPT were $2.6 billion and $2.5 billion. The unrecognized deferred retroactive reinsurance benefit was $241 million and $176 million as of December 31, 2015 and 2014.

NICO established a collateral trust account as security for its obligations to CNA. The fair value of the collateral trust account was $2.8 billion and $3.4 billion as of December 31, 2015 and 2014. In addition, Berkshire Hathaway Inc. guaranteed the payment obligations of NICO up to the full aggregate reinsurance limit as well as certain of NICO s performance obligations under the trust agreement. NICO is responsible for claims handling and billing and collection from third-party reinsurers related to CNA s A&EP claims.

Note 9. Leases

Leases cover office facilities, machinery and computer equipment. The Company s hotels in some instances are constructed on leased land. Rent expense amounted to $85 million, $94 million and $83 million for the years ended December 31, 2015, 2014 and 2013. The table below presents the future minimum lease payments to be made under non-cancelable operating leases along with lease and sublease minimum receipts to be received on owned and leased properties.

Year Ended December 31	Future Minimum Lease Payments	Receipts
(In millions)		
2016	$ 59	$ 5
2017	53	5
2018	51	5
2019	46	5
2020	43	4
Thereafter	242	23
Total	$ 494	$ 47

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In connection with the planned relocation of CNA s global headquarters, on February 12, 2016, CNA agreed to sell the current principal executive offices of CNA. Concurrently, CNA agreed to lease back the current office space until the relocation of the global headquarters under a separate lease agreement, which is expected to occur in 2018. These anticipated lease agreements include expected future minimum lease payments of $9 million in 2016, $10 million in 2017, $4 million in 2018, $0 in 2019, $5 million in 2020 and $138 million thereafter through the remainder of the seventeen year lease term on the new office space.

Note 10. Income Taxes

The Company and its eligible subsidiaries file a consolidated federal income tax return. The Company has entered into a separate tax allocation agreement with CNA, a majority-owned subsidiary in which its ownership exceeds 80%. The agreement provides that the Company will: (i) pay to CNA the amount, if any, by which the Company s consolidated federal income tax is reduced by virtue of inclusion of CNA in the Company s return or (ii) be paid by CNA an amount, if any, equal to the federal income tax that would have been payable by CNA if it had filed a separate consolidated return. The agreement may be canceled by either of the parties upon thirty days written notice.

For 2013 through 2015, the Internal Revenue Service (IRS) has accepted the Company into the Compliance Assurance Process (CAP), which is a voluntary program for large corporations. Under CAP, the IRS conducts a real-time audit and works contemporaneously with the Company to resolve any issues prior to the filing of the tax return. The Company believes this approach should reduce tax-related uncertainties, if any. Although the outcome of tax audits is always uncertain, the Company believes that any adjustments resulting from audits will not have a material impact on its results of operations, financial position and cash flows. The Company and/or its subsidiaries also file income tax returns in various state, local and foreign jurisdictions. These returns, with few exceptions, are no longer subject to examination by the various taxing authorities before 2011.

Diamond Offshore, which is not included in the Company s consolidated federal income tax return, files income tax returns in the U.S. federal, various state and foreign jurisdictions. Tax years that remain subject to examination by these jurisdictions include years 2009 to 2015. The 2013 federal income tax return is currently under examination.

The current and deferred components of income tax expense (benefit) are as follows:

Year Ended December 31	**2015**	2014	2013
(In millions)			
Income tax expense (benefit):			
Federal:			
Current	**$ 79**	$ 370	$ 705
Deferred	**(234)**	(23)	(232)
State and city:			
Current	**21**	12	19
Deferred	**5**	6	1
Foreign	**86**	92	163
Total	**$ (43)**	$ 457	$ 656

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

Year Ended December 31 (In millions)	**2015**	2014	2013
Income before income tax:			
U.S.	**$ 543**	$ 1,499	$ 1,945
Foreign	**(299)**	311	332
Total	**$ 244**	$ 1,810	$ 2,277
Income tax expense at statutory rate	**$ 86**	$ 633	$ 797
Increase (decrease) in income tax expense resulting from:			
Exempt investment income	**(126)**	(121)	(99)
Foreign related tax differential	**(18)**	(48)	(117)
Amortization of deferred charges associated with intercompany rig sales to other tax jurisdictions	**38**	44	31
Taxes related to domestic affiliate	**(10)**	14	19
Partnership earnings not subject to taxes	**(38)**	(39)	(38)
Unrecognized tax benefit (expense)	**1**	(42)	66
Other (a)	**24**	16	(3)
Income tax expense (benefit)	**$ (43)**	$ 457	$ 656

(a) Includes state and local taxes, retroactive tax law changes, adjustments to prior year estimates and other non-deductible expenses.

Provision has been made for the expected U.S. federal income tax liabilities applicable to undistributed earnings of subsidiaries, except for certain subsidiaries for which the Company intends to invest the undistributed earnings indefinitely to finance foreign activities, or recover such undistributed earnings tax-free. The determination of the amount of the unrecognized deferred tax liability on approximately $2.0 billion of undistributed earnings related to foreign subsidiaries is not practicable.

A reconciliation of the beginning and ending amount of unrecognized tax benefits, excluding tax carryforwards and interest and penalties, is as follows:

Year Ended December 31 (In millions)	**2015**	**2014**	**2013**
Balance at January 1	**$ 57**	$ 91	$ 67
Additions based on tax positions related to the current year	**7**	6	2
Additions for tax positions related to a prior year			31
Reductions for tax positions related to a prior year	**(3)**	(35)	(7)

Lapse of statute of limitations		**(7)**		(5)		(2)
Balance at December 31	**$**	**54**	$	57	$	91

At December 31, 2015, 2014 and 2013, $49 million, $51 million and $76 million of unrecognized tax benefits related to Diamond Offshore would affect the effective tax rate if recognized.

The Company recognizes interest accrued related to: (i) unrecognized tax benefits in Interest expense and (ii) tax refund claims in Other revenues on the Consolidated Statements of Income. The Company recognizes penalties in Income tax expense on the Consolidated Statements of Income. Interest amounts recorded by the Company were insignificant for the years ended December 31, 2015, 2014 and 2013. The Company recorded income tax expense of $2 million and $38 million for the years ended December 31, 2015 and 2013 and income tax benefit of $22 million for the year ended December 31, 2014 related to penalties.

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During 2013, Diamond Offshore received notification from the Egyptian tax authorities proposing a $1.2 billion increase in taxable income for the years 2006 to 2008. In December of 2013, Diamond Offshore accrued an additional $57 million of expense for uncertain tax positions in Egypt for all open years. During the first quarter of 2014, Diamond Offshore settled certain disputes for the years 2006 through 2008 with the Egyptian tax authorities, resulting in a net reduction to income tax expense of $17 million. One issue for the 2006 through 2008 period remains open, which Diamond Offshore appealed. The court case is scheduled to occur in the first quarter of 2016. Diamond Offshore has sought assistance from an agency of the U.S. Treasury Department, pursuant to international tax treaties and continues to believe that its position will, more likely than not, be sustained. However, if Diamond Offshore s position is not sustained, tax expense and related penalties would increase by approximately $53 million related to this issue for the 2006 through 2008 tax years as of December 31, 2015.

During the third quarter of 2014, Diamond Offshore reversed $36 million of reserves for uncertain tax positions, including $6 million for interest and $11 million for penalties, related to a favorable court decision in Brazil resulting in the closure of the 2004 and 2005 tax years, approval from Malaysian tax authorities for the settlement of tax liabilities and penalties for the years 2003 through 2008 and the expiration of the statute of limitations in Mexico for the 2008 tax year.

Due to the 2015 expiration of the statute of limitations in Mexico for the 2009 tax year for one of Diamond Offshore s subsidiaries operating in Mexico, Diamond Offshore reversed an $11 million accrual for an uncertain tax position of which $4 million is interest and $1 million is penalty.

The following table summarizes deferred tax assets and liabilities:

December 31 **(In millions)**	**2015**	2014
Deferred tax assets:		
Insurance reserves:		
Property and casualty claim and claim adjustment expense reserves	**$ 178**	$ 265
Unearned premium reserves	**230**	187
Receivables	**30**	37
Employee benefits	**419**	432
Life settlement contracts	**48**	46
Deferred retroactive reinsurance benefit	**84**	61
Net operating loss carryforwards	**245**	321
Tax credit carryforwards	**131**	93
Basis differential in investment in subsidiary	**19**	21
Other	**282**	209
Total deferred tax assets	**1,666**	1,672
Valuation allowance	**(147)**	(48)
Net deferred tax assets	**1,519**	1,624
Deferred tax liabilities:		
Deferred acquisition costs	**(117)**	(226)
Net unrealized gains	**(166)**	(469)
Property, plant and equipment	**(998)**	(1,132)

Basis differential in investment in subsidiary		**(428)**		(472)
Other liabilities		**(173)**		(204)
Deferred tax liabilities		**(1,882)**		(2,503)
Net deferred tax liability (a)	**$**	**(363)**	$	(879)

(a) Includes $19 and $14 of deferred tax assets reflected in Other assets in the Consolidated Balance Sheets at December 31, 2015 and 2014.

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Federal net operating loss carryforwards of $138 million expire in 2034 and 2035. Net operating loss carryforwards in foreign tax jurisdictions of $66 million expire between 2020 and 2025 and $32 million can be carried forward indefinitely. Federal tax credit carryforwards of $83 million have indefinite lives and $46 million of foreign tax credit carryforwards expire in 2024 and 2025.

Although realization of deferred tax assets is not assured, management believes it is more likely than not that the recognized deferred tax assets will be realized through recoupment of ordinary and capital taxes paid in prior carryback years and through future earnings, reversal of existing temporary differences and available tax planning strategies.

The American Taxpayer Relief Act of 2012 was signed into law on January 2, 2013. The act extended, through 2013, several expired or expiring temporary business provisions, commonly referred to as extenders, which were retroactively extended to the beginning of 2012. As required by GAAP, the effects of new legislation are recognized when signed into law. The Company reduced 2013 tax expense by $28 million as a result of recognizing the 2012 effect of the extenders.

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Note 11. Debt

December 31 (In millions)	2015	2014
Loews Corporation (Parent Company):		
Senior:		
5.3% notes due 2016 (effective interest rate of 5.4%) (authorized, $400)	**$ 400**	$ 400
2.6% notes due 2023 (effective interest rate of 2.8%) (authorized, $500)	**500**	500
6.0% notes due 2035 (effective interest rate of 6.2%) (authorized, $300)	**300**	300
4.1% notes due 2043 (effective interest rate of 4.3%) (authorized, $500)	**500**	500
CNA Financial:		
Senior:		
6.5% notes due 2016 (effective interest rate of 6.6%) (authorized, $350)	**350**	350
7.0% notes due 2018 (effective interest rate of 7.1%) (authorized, $150)	**150**	150
7.4% notes due 2019 (effective interest rate of 7.5%) (authorized, $350)	**350**	350
5.9% notes due 2020 (effective interest rate of 6.0%) (authorized, $500)	**500**	500
5.8% notes due 2021 (effective interest rate of 5.9%) (authorized, $400)	**400**	400
7.3% debentures due 2023 (effective interest rate of 7.3%) (authorized, $250)	**243**	243
4.0% notes due 2024 (effective interest rate of 4.0%) (authorized, $550)	**550**	550
Variable rate note due 2036 (effective interest rate of 3.8% and 3.5%)	**30**	30
Capital lease obligation	**4**	2
Diamond Offshore:		
Senior:		
Commercial paper (weighted average interest rate of 0.9%)	**287**	
4.9% notes due 2015 (effective interest rate of 5.0%) (authorized, $250)		250
5.9% notes due 2019 (effective interest rate of 6.0%) (authorized, $500)	**500**	500
3.5% notes due 2023 (effective interest rate of 3.6%) (authorized, $250)	**250**	250
5.7% notes due 2039 (effective interest rate of 5.8%) (authorized, $500)	**500**	500
4.9% notes due 2043 (effective interest rate of 5.0%) (authorized, $750)	**750**	750
Boardwalk Pipeline:		
Senior:		
Variable rate revolving credit facility due 2020 (effective interest rate of 1.7% and 1.5%)	**375**	120
Variable rate term loan due 2017 (effective interest rate of 1.9%)		200
4.6% notes due 2015 (effective interest rate of 5.1%) (authorized, $250)		250
5.1% notes due 2015 (effective interest rate of 5.2%) (authorized, $275)		275
5.9% notes due 2016 (effective interest rate of 6.0%) (authorized, $250)	**250**	250
5.5% notes due 2017 (effective interest rate of 5.6%) (authorized, $300)	**300**	300
6.3% notes due 2017 (effective interest rate of 6.4%) (authorized, $275)	**275**	275
5.2% notes due 2018 (effective interest rate of 5.4%) (authorized, $185)	**185**	185
5.8% notes due 2019 (effective interest rate of 5.9%) (authorized, $350)	**350**	350
4.5% notes due 2021 (effective interest rate of 5.0%) (authorized, $440)	**440**	440
4.0% notes due 2022 (effective interest rate of 4.4%) (authorized, $300)	**300**	300
3.4% notes due 2023 (effective interest rate of 3.5%) (authorized, $300)	**300**	300
	600	350

5.0% notes due 2024 (effective interest rate of 5.2%) (authorized, $600 and $350)				
7.3% debentures due 2027 (effective interest rate of 8.1%) (authorized, $100)		**100**		100
Capital lease obligation		**10**		10
Loews Hotels:				
Senior debt, principally mortgages (effective interest rates approximate 4.1%)		**598**		506
		10,647		10,736
Less unamortized discount		**64**		68
Debt	**$**	**10,583**	$	10,668

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December 31, 2015 (In millions)	Principal	Unamortized Discount	Net	Short Term Debt	Long Term Debt
Loews Corporation	**$ 1,700**	**$ 19**	**$ 1,681**	**$ 400**	**$ 1,281**
CNA Financial	**2,577**	**11**	**2,566**	**351**	**2,215**
Diamond Offshore	**2,287**	**18**	**2,269**	**287**	**1,982**
Boardwalk Pipeline	**3,485**	**16**	**3,469**		**3,469**
Loews Hotels	**598**		**598**	**2**	**596**
Total	**$ 10,647**	**$ 64**	**$ 10,583**	**$ 1,040**	**$ 9,543**

At December 31, 2015, the aggregate of long term debt maturing in each of the next five years is approximately as follows: $1.1 billion in 2016, $657 million in 2017, $455 million in 2018, $1.2 billion in 2019, $1.2 billion in 2020, and $6.0 billion thereafter. Long term debt is generally redeemable in whole or in part at the greater of the principal amount or the net present value of scheduled payments discounted at the specified treasury rate plus a margin.

CNA Financial

CNA is 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, CNA held $17 million of FHLBC stock as of December 31, 2015, giving it access to approximately $349 million of additional liquidity. As of December 31, 2015, CNA has no outstanding borrowings from the FHLBC.

During the third quarter of 2015, CNA entered into a new credit agreement with a syndicate of banks and simultaneously terminated the previous credit agreement. The new credit agreement established a five-year $250 million senior unsecured revolving credit facility which may be used for general corporate purposes. At CNA s election, the commitments under the new credit agreement may be increased from time to time up to an additional aggregate amount of $100 million and the new credit agreement includes two optional one-year extensions prior to the first and second anniversary of the closing date, subject to applicable consents. As of December 31, 2015 and 2014, there were no outstanding borrowings under the credit agreements and CNA was in compliance with all covenants.

Diamond Offshore

Diamond Offshore has a $1.5 billion senior unsecured revolving credit facility. In October 2015, Diamond Offshore entered into an extension agreement of the revolving credit facility which, among other things, provides for a one-year extension of the maturity date for most of the lenders. The extended revolving credit facility matures in October 2020, except for $40 million of commitments that mature in March 2019 and $60 million of commitments that mature in October 2019. In addition, Diamond Offshore also has the option to increase the revolving commitments under the revolving credit facility by up to an additional $500 million from time to time, upon receipt of additional commitments from new or existing lenders, and to request one additional one-year extension of the maturity date. Up to $250 million of the facility may be used for the issuance of performance or other standby letters of credit and up to $100 million may be used for swingline loans. At December 31, 2015 and 2014, there were no amounts outstanding under the credit agreement.

As of December 31, 2015, Diamond Offshore had $287 million outstanding of commercial paper supported by its existing $1.5 billion revolving credit facility. As of December 31, 2015, the commercial paper notes had a weighted average interest rate of 0.9% and a weighted average remaining term of 5.8 days.

In July of 2015, Diamond Offshore repaid $250 million aggregate principal amount of its 4.9% senior notes due July 1, 2015, primarily with funds obtained through the issuance of additional commercial paper.

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Boardwalk Pipeline

Boardwalk Pipeline intends to refinance all of the outstanding $250 million aggregate principal amount of 5.9% notes due 2016 on a long term basis and has sufficient available capacity under their revolving credit facility to extend the amount that would otherwise come due in less than one year. The Boardwalk Pipeline Senior Notes due in 2016 are included in Long term debt on the Consolidated Balance Sheets.

In March of 2015, Boardwalk Pipeline completed a public offering of an additional $250 million aggregate principal amount of its 5.0% senior notes due December 15, 2024. Boardwalk Pipeline originally issued $350 million aggregate principal amount of its 5.0% senior notes due December 15, 2024 in November of 2014. During 2015, Boardwalk Pipeline used the net proceeds from this offering to retire all of the outstanding $250 million aggregate principal amount of 4.6% notes that matured on June 1, 2015 and repaid at maturity the entire $275 million aggregate principal amount of its 5.1% senior notes.

In May of 2015, Boardwalk Pipeline entered into an amended revolving credit agreement having aggregate lending commitments of $1.5 billion and a maturity date of May 26, 2020. Outstanding borrowings under Boardwalk s revolving credit facility as of December 31, 2015 and 2014 were $375 million and $120 million with a weighted-average interest rate on the borrowings of 1.7% and 1.5%. At December 31, 2015, Boardwalk Pipeline was in compliance with all covenants under the credit facility and had available borrowing capacity of $1.1 billion.

During 2015, Boardwalk Pipeline repaid the $200 million of outstanding borrowings and terminated all related commitments of their variable-rate term loan.

Loews Hotels

In September of 2015, Loews Hotels entered into an $87 million mortgage loan agreement which bears interest at London Interbank Offered Rate (LIBOR) plus an applicable margin. The mortgage loan agreement is due October 1, 2018 and includes two optional one-year extensions, subject to applicable conditions.

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Note 12. Shareholders Equity

Accumulated other comprehensive income

The tables below display the changes in Accumulated other comprehensive income (AOCI) by component for the years ended December 31, 2013, 2014 and 2015:

(In millions)	OTTI Gains (Losses)	Unrealized Gains (Losses) on Investments	Discontinued Operations	Cash Flow Hedges	Pension Liability	Foreign Currency Translation	Total Accumulated Other Comprehensive Income (Loss)
Balance, January 1, 2013	$ 18	$ 1,233	$ 20	$ (4)	$ (732)	$ 143	$ 678
Other comprehensive income (loss) before reclassifications, after tax of $(3), $354, $3, $4, $(165) and $0	6	(658)	(6)	(6)	307	(11)	(368)
Reclassification of (gains) losses from accumulated other comprehensive income, after tax of $0, $10, $10, $(2), $(12) and $0		(21)	(17)	6	22		(10)
Other comprehensive income (loss)	6	(679)	(23)	-	329	(11)	(378)
Issuance of equity securities by subsidiary					2		2
Amounts attributable to noncontrolling interests	(1)	68			(31)	1	37
Balance, December 31, 2013	23	622	(3)	(4)	(432)	133	339
	(5)	(15)	20				-

Sale of subsidiaries							
Other comprehensive income (loss) before reclassifications, after tax of $(8), $(132), $(3), $1, $132 and $0	15	295	2	(2)	(244)	(94)	(28)
Reclassification of (gains) losses from accumulated other comprehensive income, after tax of $0, $10, $16, $0, $(7) and $0		(28)	(21)	(1)	9		(41)
Other comprehensive income (loss)	15	267	(19)	(3)	(235)	(94)	(69)
Amounts attributable to noncontrolling interests	(1)	(28)	2	1	26	10	10
Balance, December 31, 2014	32	846	-	(6)	(641)	49	280
Other comprehensive loss before reclassifications, after tax of $13, $313, $0, $1, $16 and $0	**(23)**	**(600)**		**(2)**	**(31)**	**(139)**	**(795)**
Reclassification of losses from accumulated other comprehensive income, after tax of $(8), $(31), $0, $(2), $(11) and $0	**14**	**43**		**7**	**13**		**77**
Other comprehensive income (loss)	**(9)**	**(557)**	**-**	**5**	**(18)**	**(139)**	**(718)**
Issuance of equity securities by subsidiary					**1**		**1**
	1	**58**		**(2)**	**9**	**14**	**80**

Amounts attributable to noncontrolling interests							
Balance, December 31, 2015	**$ 24**	**$ 347**	**$ -**	**$ (3)**	**$ (649)**	**$ (76)**	**$ (357)**

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

Major Category of AOCI	Affected Line Item
OTTI gains (losses)	Investment gains (losses)
Unrealized gains (losses) on investments	Investment gains (losses)
Unrealized gains (losses) and cash flow hedges related to discontinued operations	Discontinued operations, net
Cash flow hedges	Other revenues and Contract drilling expenses
Pension liability	Other operating expenses

Common Stock Dividends

Dividends of $0.25 per share on the Company s common stock were declared and paid in 2015, 2014 and 2013.

There are no restrictions on the Company s retained earnings or net income with regard to payment of dividends. However, as a holding company, Loews relies upon invested cash balances and distributions from its subsidiaries to generate the funds necessary to declare and pay any dividends to holders of its common stock. The ability of the Company s subsidiaries to pay dividends is subject to, among other things, the availability of sufficient earnings and funds in such subsidiaries, compliance with covenants in their respective loan agreements and applicable state laws, including in the case of the insurance subsidiaries of CNA, laws and rules governing the payment of dividends by regulated insurance companies. See Note 13 for a discussion of the regulatory restrictions on CNA s availability to pay dividends.

Subsidiary Equity Transactions

The Company purchased 1.1 million shares of Diamond Offshore common stock at an aggregate cost of $29 million during 2015. The Company s percentage ownership interest in Diamond Offshore increased as a result of these transactions, from 52% to 53%. The Company s purchase price of the shares was lower than the carrying value of its investment in Diamond Offshore, resulting in an increase to Additional paid-in capital (APIC) of $5 million.

Boardwalk Pipeline sold 7.1 million common units under an equity distribution agreement with certain broker-dealers during 2015 and received net proceeds of $115 million, including a $2 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 53% to 51%. The Company s carrying value exceeded the issuance price of the common units, resulting in a decrease to APIC of $2 million and an increase to AOCI of $1 million.

Treasury Stock

The Company repurchased 33.3 million, 14.6 million and 4.9 million shares of its common stock at aggregate costs of $1.3 billion, $622 million and $218 million during the years ended December 31, 2015, 2014 and 2013. As of December 31, 2015 all outstanding treasury stock was retired. Upon retirement, treasury stock was eliminated through a reduction to common stock, APIC and retained earnings.

Note 13. Statutory Accounting Practices

CNA s insurance subsidiaries are domiciled in various jurisdictions. These subsidiaries prepare statutory financial statements in accordance with accounting practices prescribed or permitted by the respective jurisdictions insurance regulators. Domestic prescribed statutory accounting practices are set forth in a variety of publications of the National Association of Insurance Commissioners (NAIC) as well as state laws, regulations and general administrative rules. These statutory accounting principles vary in certain respects from GAAP. In converting from statutory accounting principles to GAAP, the more significant adjustments include deferral of policy acquisition costs and the inclusion of net unrealized holding gains or losses in shareholders equity relating to certain fixed maturity securities.

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CNA has a prescribed practice as it relates to the accounting under Statement of Statutory Accounting Principles No. 62R (SSAP No. 62R), *Property and Casualty Reinsurance*, paragraphs 67 and 68 in conjunction with the 2010 loss portfolio transfer with NICO as further discussed in Note 8. The prescribed practice allows CNA to aggregate all third party AE&P reinsurance balances administered by NICO in Schedule F and to utilize the loss portfolio transfer as collateral for the underlying third-party reinsurance balances for purposes of calculating the statutory reinsurance penalty. This prescribed practice increased statutory capital and surplus at December 31, 2015 by $90 million.

The long term care premium deficiency discussed in Note 1 was recorded on a GAAP basis. There was no premium deficiency for statutory accounting purposes. Statutory accounting principles requires the use of prescribed discount rates in calculating the reserves for long term care future policy benefits which are lower than the discount rates used on a GAAP basis and results in higher carried reserves relative to GAAP reserves.

The payment of dividends by CNA s insurance subsidiaries without prior approval of the insurance department of each subsidiary s domiciliary jurisdiction is generally limited by formula. Dividends in excess of these amounts are subject to prior approval by the respective insurance regulator.

Dividends from CCC are subject to the insurance holding company laws of the State of Illinois, the domiciliary state of CCC. Under these laws, ordinary dividends, or dividends that do not require prior approval by the Illinois Department of Insurance (Department) are determined based on the greater of the prior year s statutory net income or 10% of statutory surplus as of the end of the prior year, as well as timing and amount of dividends paid in the preceding 12 months. Additionally, ordinary dividends may only be paid from earned surplus, which is calculated by removing unrealized gains from unassigned surplus. As of December 31, 2015, CCC is in a positive earned surplus position. The maximum allowable dividend CCC could pay during 2016 that would not be subject to the Department s prior approval is $1.1 billion, less dividends paid during the preceding 12 months measured at that point in time. CCC paid dividends of $900 million in 2015. The actual level of dividends paid in any year is determined after an assessment of available dividend capacity, holding company liquidity and cash needs as well as the impact the dividends will have on the statutory surplus of the applicable insurance company.

Combined statutory capital and surplus and statutory net income (loss), determined in accordance with accounting practices prescribed or permitted by insurance and/or other regulatory authorities for the Combined Continental Casualty Companies and the life company, are presented in the table below.

	Statutory Capital and Surplus December 31		Statutory Net Income Year Ended December 31		
(In millions)	**2015 (a)**	2014	**2015 (a)**	2014	2013
Combined Continental Casualty Companies	**$ 10,723**	$ 11,155	**$ 1,148**	$ 914	$ 913
Life company	**-**	-	**-**	37	48

(a) Information derived from the statutory-basis financial statements to be filed with insurance regulators.

CNA s domestic insurance subsidiaries are subject to risk-based capital (RBC) requirements. RBC is a method developed by the NAIC to determine the minimum amount of statutory capital appropriate for an insurance company to support its overall business operations in consideration of its size and risk profile. The formula for determining the amount of RBC specifies various factors, weighted based on the perceived degree of risk, which are applied to certain financial balances and financial activity. The adequacy of a company s actual capital is evaluated by a comparison to the RBC results, as determined by the formula. Companies below minimum RBC requirements are classified within certain levels, each of which requires specified corrective action.

The statutory capital and surplus presented above for CCC was approximately 266% and 270% of company action level RBC at December 31, 2015 and 2014. Company action level RBC is the level of RBC which triggers a heightened level of regulatory supervision. The statutory capital and surplus of CCC s foreign insurance subsidiaries, which is not significant to the overall statutory capital and surplus, also met or exceeded their respective regulatory and other capital requirements.

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Note 14. 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 covers 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 Company uses December 31 as the measurement date for its plans.

Weighted average assumptions used to determine benefit obligations:

	Pension Benefits			**Other Postretirement Benefits**		
December 31	**2015**	2014	2013	**2015**	2014	2013
Discount rate	**4.0%**	3.7%	4.4%	**3.7%**	3.4%	4.2%
Expected long term rate of return on plan assets	**7.5%**	7.5%	7.5%	**5.3%**	5.3%	5.3%
Rate of compensation increase	**3.5% to 5.5%**	3.5% to 5.5%	3.5% to 5.5%			

Weighted average assumptions used to determine net periodic benefit cost:

	Pension Benefits			**Other Postretirement Benefits**		
Year Ended December 31	**2015**	2014	2013	**2015**	2014	2013
Discount rate	**3.8%**	4.4%	3.9%	**3.4%**	4.0%	3.5%
Expected long term rate of return on plan assets	**7.5%**	7.5%	7.5% to 7.8%	**5.3%**	5.3%	5.3%
Rate of compensation increase	**3.5% to 5.5%**	3.5% to 5.5%	3.5% to 5.5%			

The expected long term rate of return for plan assets is determined based on widely-accepted capital market principles, long term return analysis for global fixed income and equity markets as well as the active total return oriented portfolio management style. Long term trends are evaluated relative to market factors such as inflation, interest rates and fiscal and monetary policies, in order to assess the capital market assumptions as applied to the plan. Consideration of diversification needs and rebalancing is maintained.

Assumed health care cost trend rates:

December 31	**2015**	2014	2013
Health care cost trend rate assumed for next year	**4.0% to 7.5%**	4.0% to 8.0%	4.0% to 8.5%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	**4.0% to 5.0%**	4.0% to 5.0%	4.0% to 5.0%
Year that the rate reaches the ultimate trend rate	**2016-2021**	2015-2021	2014-2022

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Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. An increase or decrease in the assumed health care cost trend rate of 1% in each year would not have a significant impact on the Company s service and interest cost as of December 31, 2015. An increase of 1% in each year would increase the Company s accumulated postretirement benefit obligation as of December 31, 2015 by $2 million and a decrease of 1% in each year would decrease the Company s accumulated postretirement benefit obligation as of December 31, 2015 by $3 million.

Net periodic benefit cost components:

	Pension Benefits			Other Postretirement Benefits		
Year Ended December 31	**2015**	2014	2013	**2015**	2014	2013
(In millions)						
Service cost	**$ 12**	$ 16	$ 22	**$ 1**	$ 1	$ 1
Interest cost	**127**	149	136	**3**	4	4
Expected return on plan assets	**(193)**	(209)	(198)	**(5)**	(4)	(5)
Amortization of unrecognized net loss	**42**	30	54	**1**	1	1
Amortization of unrecognized prior service benefit	**(1)**	(1)		**(10)**	(18)	(25)
Settlement/Curtailment	**3**	86	5		(86)	
Net periodic benefit cost	**$ (10)**	$ 71	$ 19	**$ (10)**	$ (102)	$ (24)

In 2015, CNA eliminated future benefit accruals associated with the CNA Retirement Plan effective June 30, 2015. This amendment resulted in a $55 million curtailment which is a decrease in the plan benefit obligation liability and a reduction of the unrecognized actuarial losses included in AOCI. In connection with the curtailment, CNA remeasured the plan benefit obligation which resulted in an increase in the discount rate used to determine the benefit obligation from 3.9% to 4.0%.

During 2014, CNA offered a limited-time lump sum settlement payment opportunity to the majority of the terminated vested participants of the CNA Retirement Plan. Settlement payments of $253 million were made from CNA Retirement Plan assets and an $84 million settlement charge was recorded by the Company in the fourth quarter of 2014 to recognize a portion of the unrecognized actuarial losses previously reflected in AOCI. This settlement charge is included in Other operating expenses in the Consolidated Statements of Income.

In the second quarter of 2014, CNA eliminated certain postretirement medical benefits associated with the CNA Health and Group Benefits Program. This change was a negative plan amendment which resulted in an $86 million curtailment gain reported in Other operating expenses in the Consolidated Statements of Income. In connection with the plan amendment, CNA remeasured the plan benefit obligation which resulted in a decrease to the discount rate used to determine the benefit obligation from 3.6% to 3.1%.

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The following provides a reconciliation of benefit obligations and plan assets:

(In millions)	Pension Benefits 2015	Pension Benefits 2014	Other Postretirement Benefits 2015	Other Postretirement Benefits 2014
Change in benefit obligation:				
Benefit obligation at January 1	**$ 3,446**	$ 3,336	**$ 97**	$ 101
Service cost	**12**	16	**1**	1
Interest cost	**127**	149	**3**	4
Plan participants contributions			**5**	6
Amendments/curtailments	**(55)**	(4)		(7)
Actuarial (gain) loss	**(96)**	402	**(11)**	7
Benefits paid from plan assets	**(187)**	(178)	**(13)**	(15)
Settlements	**(12)**	(268)		
Foreign exchange	**(8)**	(7)		
Benefit obligation at December 31	**3,227**	3,446	**82**	97
Change in plan assets:				
Fair value of plan assets at January 1	**2,713**	2,914	**87**	81
Actual return on plan assets	**(21)**	233	**2**	9
Company contributions	**15**	19	**5**	6
Plan participants contributions			**5**	6
Benefits paid from plan assets	**(187)**	(178)	**(13)**	(15)
Settlements	**(12)**	(268)		
Foreign exchange	**(8)**	(7)		
Fair value of plan assets at December 31	**2,500**	2,713	**86**	87
Funded status	**$ (727)**	$ (733)	**$ 4**	$ (10)
Amounts recognized in the Consolidated Balance Sheets consist of:				
Other assets	**$ 11**	$ 9	**$ 38**	$ 32
Other liabilities	**(738)**	(742)	**(34)**	(42)
Net amount recognized	**$ (727)**	$ (733)	**$ 4**	$ (10)
Amounts recognized in Accumulated other comprehensive income (loss), not yet recognized in net periodic (benefit) cost:				
Prior service credit	**$ (5)**	$ (5)	**$ (9)**	$ (19)
Net actuarial loss	**1,106**	1,090	**8**	18
Net amount recognized	**$ 1,101**	$ 1,085	**$ (1)**	$ (1)

Information for plans with projected and accumulated benefit obligations in excess of plan assets:				
Projected benefit obligation	**$ 3,129**	$ 3,336		
Accumulated benefit obligation	**3,114**	3,262	**$ 34**	$ 42
Fair value of plan assets	**2,391**	2,713		

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The accumulated benefit obligation for all defined benefit pension plans was $3.2 billion and $3.4 billion at December 31, 2015 and 2014.

The Company employs a total return approach whereby a mix of equity and fixed maturity securities are used to maximize the long term return of plan assets for a prudent level of risk and to manage cash flows according to plan requirements. The target allocation of plan assets is 40% to 60% invested in equity securities and limited partnerships, with the remainder primarily invested in fixed maturity securities. The intent of this strategy is to minimize the Company s expenses by generating investment returns that exceed the growth of the plan liabilities over the long run. Risk tolerance is established after careful consideration of the plan liabilities, plan funded status and corporate financial conditions. The investment portfolio contains a diversified blend of fixed maturity, equity and short term securities. Alternative investments, including limited partnerships, are used to enhance risk adjusted long term returns while improving portfolio diversification. At December 31, 2015, the Company had committed $105 million to future capital calls from various third party limited partnership investments in exchange for an ownership interest in the related partnerships. Investment risk is monitored through annual liability measurements, periodic asset/liability studies and quarterly investment portfolio reviews.

The table below presents the estimated amounts to be recognized from AOCI into net periodic cost (benefit) during 2016.

(In millions)	Pension Benefits	Other Postretirement Benefits
Amortization of net actuarial loss	$ 46	$ -
Amortization of prior service credit	(1)	(3)
Total estimated amounts to be recognized	$ 45	$ (3)

The table below presents the estimated future minimum benefit payments at December 31, 2015.

Expected future benefit payments (In millions)	Pension Benefits	Other Postretirement Benefits
2016	$ 218	$ 8
2017	217	8
2018	216	7
2019	217	7
2020	219	7
2021 2025	1,076	25

In 2016, it is expected that contributions of approximately $14 million will be made to pension plans and $4 million to postretirement health care and life insurance benefit plans.

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Pension plan assets measured at fair value on a recurring basis are summarized below.

December 31, 2015 (In millions)	**Level 1**	**Level 2**	**Level 3**	**Total**
Fixed maturity securities:				
Corporate and other bonds		**$ 455**	**$ 10**	**$ 465**
States, municipalities and political subdivisions		**106**		**106**
Asset-backed		**219**		**219**
Total fixed maturities	**$ -**	**780**	**10**	**790**
Equity securities	**373**	**107**		**480**
Short term investments	**30**	**28**		**58**
Fixed income mutual funds	**95**			**95**
Limited partnerships:				
Hedge funds		**565**	**327**	**892**
Private equity			**133**	**133**
Total limited partnerships	**-**	**565**	**460**	**1,025**
Other assets		**52**		**52**
Total	**$ 498**	**$ 1,532**	**$ 470**	**$ 2,500**

December 31, 2014				
Fixed maturity securities:				
Corporate and other bonds		$ 463	$ 15	$ 478
States, municipalities and political subdivisions		80		80
Asset-backed		216		216
U.S. Treasury and obligations of government- sponsored enterprises	$ 25			25
Total fixed maturities	25	759	15	799
Equity securities	432	118		550
Short term investments	58	101		159
Fixed income mutual funds	99			99
Limited partnerships:				
Hedge funds		619	333	952
Private equity			123	123
Total limited partnerships	-	619	456	1,075
Other assets	1	30		31
Total	$ 615	$ 1,627	$ 471	$ 2,713

The limited partnership investments are recorded at fair value, which represents the plans share of the net asset value of each partnership. The share of the net asset value of each partnership is determined by the General Partner and is based upon the fair value of the underlying investments, which are valued using varying market approaches. Level 2 includes limited partnership investments which can be redeemed at net asset value in 90 days or less. Level 3 includes limited partnership investments with withdrawal provisions greater than 90 days, or for which withdrawals are not permitted until the termination of the partnership. Within hedge fund strategies, approximately 57% were equity related, 37% pursued a multi-strategy approach and 6% were focused on distressed investments at December 31, 2015.

For a discussion of the valuation methodologies used to measure fixed maturity securities, equities and short term investments, see Note 4.

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The tables below present reconciliations for all pension plan assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended December 31, 2015 and 2014:

2015 (In millions)	Balance at January 1,	Actual Return on Assets Still Held at December 31,	Actual Return on Assets Sold During the Year	Net Purchases, Sales, and Settlements	Net Transfers In (Out) of Level 3	Balance at December 31,
Fixed maturity securities:						
Corporate and other bonds	**$ 15**				**$ (5)**	**$ 10**
Limited partnerships:						
Hedge funds	**333**	**$ 19**		**$ (25)**		**327**
Private equity	**123**	**10**	**$ (1)**	**1**		**133**
Total limited partnerships	**456**	**29**	**(1)**	**(24)**	**-**	**460**
Total	**$ 471**	**$ 29**	**$ (1)**	**$ (24)**	**$ (5)**	**$ 470**
2014						
Fixed maturity securities:						
Corporate and other bonds	$ 15					$ 15
Equity securities	8			$ (8)		
Limited partnerships:						
Hedge funds	352	$ 21		(40)		333
Private equity	125	19	$ 1	(22)		123
Total limited partnerships	477	40	1	(62)	$ -	456
Total	$ 500	$ 40	$ 1	$ (70)	$ -	$ 471

Other postretirement benefits plan assets measured at fair value on a recurring basis are summarized below.

December 31, 2015 (In millions)	Level 1	Level 2	Level 3	Total
Fixed maturity securities:				
Corporate and other bonds		**$ 17**		**$ 17**
States, municipalities and political subdivisions		**42**		**42**
Asset-backed		**19**		**19**
Total fixed maturities	**$ -**	**78**	**$ -**	**78**
Short term investments	**3**			**3**
Fixed income mutual funds	**5**			**5**
Total	**$ 8**	**$ 78**	**$ -**	**$ 86**
December 31, 2014				

Fixed maturity securities:				
Corporate and other bonds		$ 18		$ 18
States, municipalities and political subdivisions		43		43
Asset-backed		20		20
Total fixed maturities	$ -	81	$ -	81
Short term investments	3			3
Fixed income mutual funds	3			3
Total	$ 6	$ 81	$ -	$ 87

There were no Level 3 assets at December 31, 2015 and 2014.

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Savings Plans The Company and its subsidiaries have several contributory savings plans which allow employees to make regular contributions based upon a percentage of their salaries. Matching contributions are made up to specified percentages of employees contributions. The contributions by the Company and its subsidiaries to these plans amounted to $115 million, $125 million and $120 million for the years ended December 31, 2015, 2014 and 2013.

Stock Option Plans In 2012, shareholders approved the amended and restated Loews Corporation 2000 Stock Option Plan (the Loews Plan). The aggregate number of shares of Loews common stock for which options or SARs may be granted under the Loews Plan is 18,000,000 shares, and the maximum number of shares of Loews common stock with respect to which options or SARs may be granted to any individual in any calendar year is 1,200,000 shares. The exercise price per share may not be less than the fair market value of the common stock on the date of grant. Generally, options and SARs vest ratably over a four-year period and expire in ten years.

A summary of the stock option and SAR transactions for the Loews Plan follows:

	2015		2014	
	Number of Awards	**Weighted Average Exercise Price**	Number of Awards	Weighted Average Exercise Price
Awards outstanding, January 1	**6,908,778**	**$ 39.905**	6,476,391	$ 38.497
Granted	**924,000**	**38.715**	910,375	43.839
Exercised	**(390,856)**	**28.586**	(392,519)	24.670
Canceled	**(80,564)**	**45.505**	(85,469)	45.117
Awards outstanding, December 31	**7,361,358**	**40.295**	6,908,778	39.905
Awards exercisable, December 31	**5,341,685**	**$ 39.851**	4,924,249	$ 38.742

The following table summarizes information about the Company s stock options and SARs outstanding in connection with the Loews Plan at December 31, 2015:

	Awards Outstanding			**Awards Exercisable**	
Range of exercise prices	**Number of Shares**	**Weighted Average Remaining Contractual Life**	**Weighted Average Exercise Price**	**Number of Shares**	**Weighted Average Exercise Price**
$20.01-30.00	**377,758**	**3.06**	**$ 25.472**	**377,758**	**$ 25.472**
30.01-40.00	**2,969,582**	**4.82**	**37.168**	**2,410,992**	**37.084**
40.01-50.00	**3,844,443**	**5.85**	**43.691**	**2,383,360**	**44.131**
50.01-60.00	**169,575**	**1.06**	**51.080**	**169,575**	**51.080**

In 2015, the Company awarded SARs totaling 924,000 shares. In accordance with the Loews Plan, the Company has the ability to settle SARs in shares or cash and has the intention to settle in shares. The SARs balance at December 31, 2015 was 7,350,858 shares. There were 5,357,709 shares and 6,099,228 shares available for grant as of December 31, 2015 and 2014.

The weighted average remaining contractual terms of awards outstanding and exercisable as of December 31, 2015 were 5.2 years and 4.1 years. The aggregate intrinsic values of awards outstanding and exercisable at December 31, 2015 were $9 million and $9 million. The total intrinsic value of awards exercised was $5 million, $8 million and $11 million for the years ended 2015, 2014 and 2013. The total fair value of shares vested was $6 million, $7 million and $7 million for the years ended 2015, 2014 and 2013.

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The Company recorded stock based compensation expense of $6 million, $6 million and $7 million related to the Loews Plan for the years ended December 31, 2015, 2014 and 2013. The related income tax benefits recognized were $2 million for each year. At December 31, 2015, the compensation cost related to nonvested awards not yet recognized was $9 million, and the weighted average period over which it is expected to be recognized is 2.4 years.

The fair value of granted options and SARs for the Loews Plan were estimated at the grant date using the Black-Scholes pricing model with the following assumptions and results:

Year Ended December 31	**2015**	2014	2013
Expected dividend yield	**0.7%**	0.6%	0.6%
Expected volatility	**19.1%**	16.9%	16.3%
Weighted average risk-free interest rate	**1.5%**	1.7%	1.1%
Expected holding period (in years)	**5.0**	5.0	5.0
Weighted average fair value of awards	**$ 6.94**	$ 7.41	$ 6.75

Note 15. Reinsurance

CNA cedes insurance to reinsurers to limit its maximum loss, provide greater diversification of risk, minimize exposures on larger risks and to exit certain lines of business. The ceding of insurance does not discharge the primary liability of CNA. A credit exposure exists with respect to property and casualty and life reinsurance ceded to the extent that any reinsurer is unable to meet its obligations or to the extent that the reinsurer disputes the liabilities assumed under reinsurance agreements. Property and casualty reinsurance coverages are tailored to the specific risk characteristics of each product line and CNA s retained amount varies by type of coverage. Reinsurance contracts are purchased to protect specific lines of business such as property and workers compensation. Corporate catastrophe reinsurance is also purchased for property and workers compensation exposure. Currently most reinsurance contracts are purchased on an excess of loss basis. CNA also utilizes facultative reinsurance in certain lines. In addition, CNA assumes reinsurance, primarily through Hardy and as a member of various reinsurance pools and associations.

The following table presents the amounts receivable from reinsurers:

December 31 **(In millions)**	**2015**	2014
Reinsurance receivables related to insurance reserves:		
Ceded claim and claim adjustment expenses	**$ 4,087**	$ 4,344
Ceded future policy benefits	**207**	185
Reinsurance receivables related to paid losses	**197**	213
Reinsurance receivables	**4,491**	4,742
Less allowance for doubtful accounts	**38**	48
Reinsurance receivables, net of allowance for doubtful accounts	**$ 4,453**	$ 4,694

CNA has established an allowance for doubtful accounts on reinsurance receivables. CNA reviews the allowance quarterly and adjusts the allowance as necessary to reflect changes in estimates of uncollectible balances. The allowance may also be reduced by write-offs of reinsurance receivable balances.

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CNA attempts to mitigate its credit risk related to reinsurance by entering into reinsurance arrangements with reinsurers that have credit ratings above certain levels and by obtaining collateral. On a limited basis, CNA may enter into reinsurance agreements with reinsurers that are not rated, primarily captive reinsurers. The primary methods of obtaining collateral are through reinsurance trusts, letters of credit and funds withheld balances. Such collateral was approximately $3.2 billion and $3.4 billion at December 31, 2015 and 2014.

CNA s largest recoverables from a single reinsurer, including ceded unearned premium reserves as of December 31, 2015 were approximately $2.4 billion from subsidiaries of Berkshire Hathaway Group, $284 million from the Gateway Rivers Insurance Company and $207 million from subsidiaries of the Hartford Insurance Group. The recoverable from the Berkshire Hathaway Group includes amounts related to third party reinsurance for which NICO has assumed the credit risk under the terms of the loss portfolio transfer as discussed in Note 8.

The effects of reinsurance on earned premiums are presented in the following table:

(In millions)	Direct	Assumed	Ceded	Net	Assumed/ Net %
Year Ended December 31, 2015					
Property and casualty	**$ 9,853**	**$ 274**	**$ 3,754**	**$ 6,373**	**4.3%**
Accident and health	**498**	**50**		**548**	**9.1**
Earned premiums	**$ 10,351**	**$ 324**	**$ 3,754**	**$ 6,921**	**4.7%**
Year Ended December 31, 2014					
Property and casualty	$ 9,452	$ 277	$ 3,073	$ 6,656	4.2%
Accident and health	508	48		556	8.6
Earned premiums	$ 9,960	$ 325	$ 3,073	$ 7,212	4.5%
Year Ended December 31, 2013					
Property and casualty	$ 9,063	$ 258	$ 2,609	$ 6,712	3.8%
Accident and health	511	48		559	8.6
Earned premiums	$ 9,574	$ 306	$ 2,609	$ 7,271	4.2%

Included in the direct and ceded earned premiums for the years ended December 31, 2015, 2014 and 2013 are $3.3 billion, $2.6 billion and $2.2 billion related to property business that is 100% reinsured under a significant third party captive program. The third party captives that participate in this program are affiliated with the non-insurance company policyholders, therefore this program provides a means for the policyholders to self-insure this property risk. CNA receives and retains a ceding commission.

Accident and health premiums are from long duration contracts; property and casualty premiums are from short duration contracts.

Insurance claims and policyholders benefits reported on the Consolidated Statements of Income are net of reinsurance recoveries of $2.6 billion, $1.4 billion and $1.5 billion for the years ended December 31, 2015, 2014 and 2013, including $2.3 billion, $1.5 billion and $712 million related to the significant third party captive program discussed above. Reinsurance recoveries in 2014 were unfavorably affected by the commutation of a workers compensation reinsurance pool.

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Note 16. Quarterly Financial Data (Unaudited)

2015 Quarter Ended (In millions, except per share data)	**Dec. 31**	**Sept. 30**	**June 30**	**March 31**
Total revenues	**$ 3,333**	**$ 3,169**	**$ 3,435**	**$ 3,478**
Net income (loss) (a)	**(201)**	**182**	**170**	**109**
Per share-basic and diluted	**(0.58)**	**0.50**	**0.46**	**0.29**

2014 Quarter Ended	Dec. 31	Sept. 30	June 30	March 31
Total revenues	$ 3,521	$ 3,523	$ 3,593	$ 3,688
Income from continuing operations	215	179	303	265
Per share-basic	0.58	0.47	0.79	0.68
Per share-diluted	0.57	0.47	0.79	0.68
Discontinued operations, net	(7)	29	(187)	(206)
Per share-basic and diluted	(0.02)	0.08	(0.49)	(0.53)
Net income	208	208	116	59
Per share-basic	0.56	0.55	0.30	0.15
Per share-diluted	0.55	0.55	0.30	0.15

The sum of the quarterly per share amounts may not equal per share amounts reported for year-to-date periods. This is due to changes in the number of weighted average shares outstanding and the effects of rounding for each period.

(a) Net loss for the fourth quarter of 2015 includes the impact of a $177 million charge related to recognition of a premium deficiency in CNA s long term care business and a $182 million asset impairment charge at Diamond Offshore.

Note 17. 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.

Note 18. Commitments and Contingencies

CNA Financial

In the course of selling business entities and assets to third parties, CNA agreed to guarantee the performance of certain obligations of a previously owned subsidiary and to indemnify purchasers for losses arising out of breaches of representation and warranties with respect to the business entities or assets sold, including, in certain cases, losses arising from undisclosed liabilities or certain named litigation. Such guarantee and indemnification agreements in effect for sales of business entities, assets and third party loans may include provisions that survive indefinitely. As of

December 31, 2015, the aggregate amount related to quantifiable guarantees was $375 million and the aggregate amount related to indemnification agreements was $260 million. Should CNA be required to make payments under the guarantee, it would have the right to seek reimbursement in certain cases from an affiliate of a previously owned subsidiary.

In addition, CNA has agreed to provide indemnification to third-party purchasers for certain losses associated with sold business entities or assets that are not limited by a contractual monetary amount. As of December 31, 2015, 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

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undisclosed liabilities. Certain provisions of the indemnification agreements survive indefinitely, while others survive until the applicable statutes of limitation expire, or until the agreed upon contract terms expire.

In the normal course of business, CNA also provided guarantees, if the primary obligor fails to perform, to holders of structured settlement annuities provided by a previously owned subsidiary, which are estimated to mature through 2120. The potential amount of future payments CNA could be required to pay under these guarantees was approximately $2.0 billion as of December 31, 2015. CNA does not believe a payable is likely under these guarantees, as CNA is the beneficiary of a trust that must be maintained at a level that approximates the discounted reserves for these annuities.

Diamond Offshore

In February of 2016, Diamond Offshore entered into a ten-year agreement with GE Oil & Gas (GE) to provide services with respect to certain blowout preventer and related well control equipment on its four newbuild drillships. Such services include management of maintenance, certification and reliability with respect to such equipment. In connection with the services agreement with GE, Diamond Offshore will sell the equipment to a GE affiliate for an aggregate $210 million and will lease back such equipment over separate ten-year operating leases. Diamond Offshore does not expect to realize any gain or loss on these sale and leaseback transactions. Future commitments for the full term under the services agreement and leases are estimated to aggregate approximately $650 million.

Diamond Offshore is financially obligated under a contract with Hyundai Heavy Industries, Co. Ltd. (Hyundai) for the construction of a dynamically positioned, harsh environment semisubmersible drilling rig. The total cost of the rig including shipyard costs, capital spares, commissioning, project management and shipyard supervision is estimated to be $764 million. The remaining contractual payment of $440 million is due upon delivery of the rig, which is expected to occur in mid-2016.

Note 19. Discontinued Operations

As discussed in Note 2, HighMount and the CAC business are classified and presented as discontinued operations.

The Consolidated Statements of Income include discontinued operations of HighMount as follows:

Year Ended December 31 **(In millions)**	2014	2013
Revenues:		
Other revenue, primarily operating	$ 150	$ 259
Total	150	259
Expenses:		
Impairment of goodwill		584
Other operating expenses		
Impairment of natural gas and oil properties	29	291
Operating	173	252
Interest	8	17
Total	210	1,144
Loss before income tax	(60)	(885)

Income tax benefit		4		311
Results of discontinued operations, net of income tax		(56)		(574)
Impairment loss, net of tax benefit of $62		(138)		
Loss from discontinued operations	$	(194)	$	(574)

In 2014 and 2013, HighMount recorded ceiling test impairment charges of $29 million and $291 million ($19 million and $186 million after tax) related to the carrying value of its natural gas and oil properties. The 2014 write-down was primarily attributable to insufficient reserve additions from exploration activities due to variability in well performance where HighMount was testing different horizontal target zones and hydraulic fracture designs. The 2013 write-downs were primarily attributable to negative reserve revisions due to variability in well performance where HighMount was testing different horizontal target zones and hydraulic fracture designs and due to reduced

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average NGL prices used in the ceiling test calculations. Had the effects of HighMount s cash flow hedges not been considered in calculating the ceiling limitation, the impairments would have been $29 million and $301 million ($18 million and $192 million after tax) for the years ended December 31, 2014 and 2013.

Recognition of a ceiling test impairment charge was considered a triggering event for purposes of assessing any potential impairment of goodwill at HighMount under a two-step process. The first step compared HighMount s estimated fair value to its carrying value. Due to the continued low market prices for natural gas and NGLs, the history of quarterly ceiling test write-downs during 2013 and the then potential for future impairments, and negative reserve revisions recognized during 2013, HighMount reassessed its goodwill impairment analysis. To determine fair value, HighMount used a market approach which required significant estimates and assumptions and utilized significant unobservable inputs, representing a Level 3 fair value measurement. These estimates and assumptions primarily included, but were not limited to, earnings before interest, tax, depreciation and amortization, production and reserves, control premium, discount rates and required capital expenditures. These valuation techniques were based on analysis of comparable public companies, adjusted for HighMount s growth profile. In the first step, HighMount determined that its carrying value exceeded its fair value requiring HighMount to perform the second step and to estimate the fair value of its assets and liabilities. The carrying value of goodwill was limited to the amount that HighMount s estimated fair value exceeded the fair value of assets and liabilities. As a result, HighMount recorded a goodwill impairment charge of $584 million ($382 million after tax) for the year ended December 31, 2013, consisting of all of its remaining goodwill.

The Consolidated Statements of Income include discontinued operations of the CAC business as follows:

Year Ended December 31 **(In millions)**	2014	2013
Revenues:		
Net investment income	$ 94	$ 168
Investment gains	3	11
Other revenues		2
Total	97	181
Expenses:		
Insurance claims and policyholders benefits	75	141
Other operating expenses	2	3
Total	77	144
Income before income tax	20	37
Income tax expense	(6)	(15)
Results of discontinued operations, net of income tax	14	22
Loss on sale, net of tax benefit of $40	(211)	
Amounts attributable to noncontrolling interests	20	(2)
Income (loss) from discontinued operations	$ (177)	$ 20

Note 20. 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: Specialty, Commercial, International and Other Non-Core. Specialty provides a broad array of professional, financial and specialty property and casualty products and services, through a network of independent agents, brokers and managing general underwriters. Commercial includes property and casualty coverages sold to small businesses and middle market entities and organizations primarily through an independent agency distribution system. Commercial also includes commercial insurance and risk management products sold to large corporations primarily through insurance brokers. International provides management and professional liability coverages as well as a broad range of other property and casualty insurance

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products and services abroad through a network of brokers, independent agencies and managing general underwriters, as well as the Lloyd s of London marketplace. Other Non-Core primarily includes the results of CNA s long term care business that is in run-off and also includes certain corporate expenses, including interest on corporate debt, and the results of certain property and casualty business in run-off, including CNA Re and A&EP.

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 32 drilling rigs, including one newbuild rig which is under construction, and four jack-up rigs which are being marketed for sale. On December 31, 2015, Diamond Offshore s drilling rigs were located offshore of seven 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 and Texas, with approximately 14,525 miles of pipeline.

Loews Hotels operates a chain of 24 hotels, 23 of which are in the United States and one of which is 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. 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.

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

Year Ended December 31 **(In millions)**	**2015**	2014	2013
Revenues (a):			
CNA Financial:			
Property and Casualty:			
Specialty	**$ 3,579**	$ 3,708	$ 3,676
Commercial	**3,371**	3,683	3,984
International	**856**	973	981
Other Non-Core	**1,295**	1,328	1,291
Total CNA Financial	**9,101**	9,692	9,932
Diamond Offshore	**2,428**	2,825	2,926
Boardwalk Pipeline	**1,254**	1,236	1,232
Loews Hotels	**604**	475	380
Corporate and other	**28**	97	143

Total	**$ 13,415**	$ 14,325	$ 14,613

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Year Ended December 31 (In millions)	2015	2014	2013
Income (loss) before income tax and noncontrolling interests (a)(b):			
CNA Financial:			
Property and Casualty:			
Specialty	**$ 810**	$ 967	$ 1,005
Commercial	**514**	477	662
International	**59**	102	117
Other Non-Core	**(830)**	(331)	(501)
Total CNA Financial	**553**	1,215	1,283
Diamond Offshore	**(402)**	514	774
Boardwalk Pipeline	**227**	140	241
Loews Hotels	**28**	21	(4)
Corporate and other	**(162)**	(80)	(17)
Total	**$ 244**	$ 1,810	$ 2,277
Net income (loss) (a)(b):			
CNA Financial:			
Property and Casualty:			
Specialty	**$ 483**	$ 578	$ 598
Commercial	**303**	285	394
International	**34**	62	65
Other Non-Core	**(387)**	(123)	(230)
Total CNA Financial	**433**	802	827
Diamond Offshore	**(156)**	183	257
Boardwalk Pipeline	**74**	18	78
Loews Hotels	**12**	11	(3)
Corporate and other	**(103)**	(52)	(10)
Income from continuing operations	**260**	962	1,149
Discontinued operations, net		(371)	(554)
Total	**$ 260**	$ 591	$ 595

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

Year Ended December 31	2015	2014	2013
Revenues and Income (loss) before income tax and noncontrolling interests:			
CNA Financial:			

Property and Casualty:						
Specialty	**$**	**(33)**	$	15	$	(5)
Commercial		**(47)**		16		(15)
International		**1**		(1)		5
Other Non-Core		**8**		24		31
Total	**$**	**(71)**	$	54	$	16
Net income (loss):						
CNA Financial:						
Property and Casualty:						
Specialty	**$**	**(19)**	$	9	$	(2)
Commercial		**(28)**		9		(9)
International		**1**		(1)		3
Other Non-Core		**12**		15		18
Total	**$**	**(34)**	$	32	$	10

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(b) Income taxes and interest expense are as follows:

Year Ended December 31	2015		2014		2013	
	Income Taxes	Interest Expense	Income Taxes	Interest Expense	Income Taxes	Interest Expense
CNA Financial:						
Property and Casualty:						
Specialty	$ 271		$ 324		$ 340	
Commercial	175		159		223	
International	22	$ 1	34	$ 1	45	$ 1
Other Non-Core	(397)	154	(195)	182	(245)	165
Total CNA Financial	71	155	322	183	363	166
Diamond Offshore	(117)	94	142	62	245	25
Boardwalk Pipeline	46	176	11	165	56	163
Loews Hotels	16	21	10	14	(1)	9
Corporate and other	(59)	74	(28)	74	(7)	62
Total	$ (43)	$ 520	$ 457	$ 498	$ 656	$ 425

Note 21. Consolidating Financial Information

The following schedules present the Company s consolidating balance sheet information at December 31, 2015 and 2014, and consolidating statements of income information for the years ended December 31, 2015, 2014 and 2013. These schedules present the individual subsidiaries of the Company and their contribution to the consolidated 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

December 31, 2015 (In millions)	CNA Financial	Diamond Offshore	Boardwalk Pipeline	Loews Hotels	Corporate and Other	Eliminations	Total
Assets:							
Investments	$ 44,699	$ 117		$ 81	$ 4,503		$ 49,400
Cash	387	13	$ 4	12	24		440
Receivables	7,384	409	93	35	96	$ 24	8,041
Property, plant and equipment	333	6,382	7,712	1,003	47		15,477
Deferred income taxes	662			3	68	(733)	-
Goodwill	114		237				351
Investments in capital stocks of subsidiaries					15,129	(15,129)	-
Other assets	850	235	330	288		19	1,722
Deferred acquisition costs of insurance subsidiaries	598						598
Total assets	$ 55,027	$ 7,156	$ 8,376	$ 1,422	$ 19,867	$ (15,819)	$ 76,029
Liabilities and Equity:							
Insurance reserves	$ 36,486						$ 36,486
Payable to brokers	358				$ 209		567
Short term debt	351	$ 287		$ 2	400		1,040
Long term debt	2,215	1,982	$ 3,469	596	1,281		9,543
Deferred income taxes	5	276	766	47		$ (712)	382
Other liabilities	3,883	496	510	70	220	22	5,201
Total liabilities	43,298	3,041	4,745	715	2,110	(690)	53,219
Total shareholders equity	10,516	2,195	1,517	705	17,757	(15,129)	17,561
Noncontrolling interests	1,213	1,920	2,114	2			5,249
Total equity	11,729	4,115	3,631	707	17,757	(15,129)	22,810
Total liabilities and equity	$ 55,027	$ 7,156	$ 8,376	$ 1,422	$ 19,867	$ (15,819)	$ 76,029

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Loews Corporation

Consolidating Balance Sheet Information

December 31, 2014 (In millions)	CNA Financial	Diamond Offshore	Boardwalk Pipeline	Loews Hotels	Corporate and Other	Eliminations	Total
Assets:							
Investments	$ 46,262	$ 234		$ 75	$ 5,461		$ 52,032
Cash	190	16	$ 8	9	141		364
Receivables	7,097	490	128	29	82	$ (56)	7,770
Property, plant and equipment	280	6,949	7,649	671	62		15,611
Deferred income taxes	222			2	374	(598)	-
Goodwill	117	20	237				374
Investments in capital stocks of subsidiaries					15,974	(15,974)	-
Other assets	778	307	304	206	7	14	1,616
Deferred acquisition costs of insurance subsidiaries	600						600
Total assets	$ 55,546	$ 8,016	$ 8,326	$ 992	$ 22,101	$ (16,614)	$ 78,367
Liabilities and Equity:							
Insurance reserves	$ 36,380						$ 36,380
Payable to brokers	117	$ 5			$ 551		673
Short term debt		250		$ 85			335
Long term debt	2,561	1,981	$ 3,690	421	1,680		10,333
Deferred income taxes	11	514	732	36		$ (400)	893
Other liabilities	3,713	792	400	17	421	(240)	5,103
Total liabilities	42,782	3,542	4,822	559	2,652	(640)	53,717
Total shareholders equity	11,457	2,359	1,558	431	19,449	(15,974)	19,280
Noncontrolling interests	1,307	2,115	1,946	2			5,370
Total equity	12,764	4,474	3,504	433	19,449	(15,974)	24,650
Total liabilities and equity	$ 55,546	$ 8,016	$ 8,326	$ 992	$ 22,101	$ (16,614)	$ 78,367

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Loews Corporation

Consolidating Statement of Income Information

Year Ended December 31, 2015 (In millions)	CNA Financial	Diamond Offshore	Boardwalk Pipeline	Loews Hotels	Corporate and Other	Eliminations	Total
Revenues:							
Insurance premiums	$ 6,921						$ 6,921
Net investment income	1,840	$ 3	$ 1		$ 22		1,866
Intercompany interest and dividends					816	$ (816)	-
Investment losses	(71)						(71)
Contract drilling revenues		2,360					2,360
Other revenues	411	65	1,253	$ 604	6		2,339
Total	9,101	2,428	1,254	604	844	(816)	13,415
Expenses:							
Insurance claims and policyholders benefits	5,384						5,384
Amortization of deferred acquisition costs	1,540						1,540
Contract drilling expenses		1,228					1,228
Other operating expenses	1,469	1,508	851	555	116		4,499
Interest	155	94	176	21	74		520
Total	8,548	2,830	1,027	576	190	-	13,171
Income (loss) before income tax	553	(402)	227	28	654	(816)	244
Income tax (expense) benefit	(71)	117	(46)	(16)	59		43
Net income (loss)	482	(285)	181	12	713	(816)	287
Amounts attributable to noncontrolling interests	(49)	129	(107)				(27)
Net income (loss) attributable to Loews Corporation	$ 433	$ (156)	$ 74	$ 12	$ 713	$ (816)	$ 260

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Loews Corporation

Consolidating Statement of Income Information

Year Ended December 31, 2014 (In millions)	CNA Financial	Diamond Offshore	Boardwalk Pipeline	Loews Hotels	Corporate and Other	Eliminations	Total
Revenues:							
Insurance premiums	$ 7,212						$ 7,212
Net investment income	2,067	$ 1	$ 1		$ 94		2,163
Intercompany interest and dividends					782	$ (782)	-
Investment gains	54						54
Contract drilling revenues		2,737					2,737
Other revenues	359	87	1,235	$ 475	3		2,159
Total	9,692	2,825	1,236	475	879	(782)	14,325
Expenses:							
Insurance claims and policyholders benefits	5,591						5,591
Amortization of deferred acquisition costs	1,317						1,317
Contract drilling expenses		1,524					1,524
Other operating expenses	1,386	725	931	440	103		3,585
Interest	183	62	165	14	74		498
Total	8,477	2,311	1,096	454	177	-	12,515
Income before income tax	1,215	514	140	21	702	(782)	1,810
Income tax (expense) benefit	(322)	(142)	(11)	(10)	28		(457)
Income from continuing operations	893	372	129	11	730	(782)	1,353
Discontinued operations, net	(197)				(194)		(391)
Net income	696	372	129	11	536	(782)	962
Amounts attributable to noncontrolling interests	(71)	(189)	(111)				(371)
Net income attributable to Loews Corporation	$ 625	$ 183	$ 18	$ 11	$ 536	$ (782)	$ 591

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Loews Corporation

Consolidating Statement of Income Information

Year Ended December 31, 2013 (In millions)	CNA Financial	Diamond Offshore	Boardwalk Pipeline	Loews Hotels	Corporate and Other	Eliminations	Total
Revenues:							
Insurance premiums	$ 7,271						$ 7,271
Net investment income	2,282	$ 1	$ 1		$ 141		2,425
Intercompany interest and dividends					736	$ (736)	-
Investment gains	16						16
Contract drilling revenues		2,844					2,844
Other revenues	363	81	1,231	$ 380	2		2,057
Total	9,932	2,926	1,232	380	879	(736)	14,613
Expenses:							
Insurance claims and policyholders benefits	5,806						5,806
Amortization of deferred acquisition costs	1,362						1,362
Contract drilling expenses		1,573					1,573
Other operating expenses	1,315	554	828	375	98		3,170
Interest	166	25	163	9	62		425
Total	8,649	2,152	991	384	160	-	12,336
Income (loss) before income tax	1,283	774	241	(4)	719	(736)	2,277
Income tax (expense) benefit	(363)	(245)	(56)	1	7		(656)
Income (loss) from continuing operations	920	529	185	(3)	726	(736)	1,621
Discontinued operations, net	22				(574)		(552)
Net income (loss)	942	529	185	(3)	152	(736)	1,069
Amounts attributable to noncontrolling interests	(95)	(272)	(107)				(474)
Net income (loss) attributable to Loews Corporation	$ 847	$ 257	$ 78	$ (3)	$ 152	$ (736)	$ 595

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Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Disclosure Controls and Procedures

The Company maintains a system of disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)) which is designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the federal securities laws, including this Report is recorded, processed, summarized and reported on a timely basis. These disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed by the Company under the Exchange Act is accumulated and communicated to the Company s management on a timely basis to allow decisions regarding required disclosure.

The Company s 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 controls and procedures were effective as of December 31, 2015.

Internal Control Over Financial Reporting

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, and the implementing rules of the Securities and Exchange Commission, the Company included a report of management s assessment of the design and effectiveness of its internal controls as part of this Annual Report on Form 10-K for the year ended December 31, 2015. The independent registered public accounting firm of the Company reported on the effectiveness of internal control over financial reporting as of December 31, 2015. Management s report and the independent registered public accounting firm s report are included in Item 8 of this Report under the captions entitled Management s Report on Internal Control Over Financial Reporting and Report of Independent Registered Public Accounting Firm and are incorporated herein by reference.

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 December 31, 2015, that have materially affected or that are reasonably likely to materially affect the Company s internal control over financial reporting.

Item 9B. Other Information.

None.

PART III

Except as set forth below and under Executive Officers of the Registrant in Part I of this Report, the information called for by Part III (Items 10, 11, 12, 13 and 14) has been omitted as Registrant intends to include such information in its definitive Proxy Statement to be filed with the Securities and Exchange Commission not later than 120 days after the close of its fiscal year.

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PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a) 1. Financial Statements:

The financial statements above appear under Item 8. The following additional financial data should be read in conjunction with those financial statements. Schedules not included with these additional financial data have been omitted because they are not applicable or the required information is shown in the consolidated financial statements or notes to consolidated financial statements.

	Page Number
2. Financial Statement Schedules:	
Loews Corporation and Subsidiaries:	
Schedule I Condensed financial information of Registrant as of December 31, 2015 and 2014 and for the years ended December 31, 2015, 2014 and 2013	181
Schedule II Valuation and qualifying accounts for the years ended December 31, 2015, 2014 and 2013	183
Schedule V Supplemental information concerning property and casualty insurance operations as of December 31, 2015 and 2014 and for the years ended December 31, 2015, 2014 and 2013	184

	Description	Exhibit Number
	3. Exhibits:	
(3)	Articles of Incorporation and By-Laws	
	Restated Certificate of Incorporation of the Registrant, dated August 11, 2009, incorporated herein by reference to Exhibit 3.1 to Registrant s Report on Form 10-Q for the quarter ended September 30, 2009	3.01
	By-Laws of the Registrant as amended through October 9, 2007, incorporated herein by reference to Exhibit 3.1 to Registrant s Report on Form 10-Q filed October 31, 2007	3.02
(4)	Instruments Defining the Rights of Security Holders, Including Indentures	
	The Registrant hereby agrees to furnish to the Commission upon request copies of instruments with respect to long term debt, pursuant to Item 601(b)(4)(iii) of Regulation S-K	
(10)	Material Contracts	
	Loews Corporation Executive Deferred Compensation Plan, effective as of January 1, 2016	10.01*+
		10.02+

Loews Corporation Incentive Compensation Plan for Executive Officers, as amended through October 30, 2009, incorporated herein by reference to Exhibit 10.02 to Registrant s Report on Form 10-K for the year ended December 31, 2009	
Loews Corporation Amended and Restated Stock Option Plan, incorporated herein by reference to Exhibit A to Registrant s Proxy Statement filed with the Commission on March 26, 2012	10.03+

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Description	**Exhibit Number**
Separation Agreement, dated as of May 7, 2008, by and among Registrant, Lorillard, Inc., Lorillard Tobacco Company, Lorillard Licensing Company LLC, One Park Media Services, Inc. and Plisa, S.A., incorporated herein by reference to Exhibit 10.1 to the Registrant s Report on Form 10-Q for the quarter ended June 30, 2008	10.04
Amended and Restated Employment Agreement dated as of February 12, 2015 between Registrant and Andrew H. Tisch, incorporated herein by reference to Exhibit 10.05 to the Registrant s Report on Form 10-K for the year ended December 31, 2014	10.05+
Amendment dated as of February 12, 2016 to Amended and Restated Employment Agreement between Registrant and Andrew H. Tisch	10.06*+
Supplemental Retirement Agreement dated January 1, 2002 between Registrant and Andrew H. Tisch, incorporated herein by reference to Exhibit 10.30 to Registrant s Report on Form 10-K for the year ended December 31, 2001	10.07+
Amendment No. 1 dated January 1, 2003 to Supplemental Retirement Agreement between Registrant and Andrew H. Tisch, incorporated herein by reference to Exhibit 10.33 to Registrant s Report on Form 10-K for the year ended December 31, 2002	10.08+
Amendment No. 2 dated January 1, 2004 to Supplemental Retirement Agreement between Registrant and Andrew H. Tisch, incorporated herein by reference to Exhibit 10.27 to Registrant s Report on Form 10-K for the year ended December 31, 2003	10.09+
Amended and Restated Employment Agreement dated as of February 12, 2015 between Registrant and James S. Tisch, incorporated herein by reference to Exhibit 10.09 to the Registrant s Report on Form 10-K for the year ended December 31, 2014	10.10+
Amendment dated as of February 12, 2016 to Amended and Restated Employment Agreement between Registrant and James S. Tisch	10.11*+
Supplemental Retirement Agreement dated January 1, 2002 between Registrant and James S. Tisch, incorporated herein by reference to Exhibit 10.31 to Registrant s Report on Form 10-K for the year ended December 31, 2001	10.12+
Amendment No. 1 dated January 1, 2003 to Supplemental Retirement Agreement between Registrant and James S. Tisch, incorporated herein by reference to Exhibit 10.35 to Registrant s Report on Form 10-K for the year ended December 31, 2002	10.13+
Amendment No. 2 dated January 1, 2004 to Supplemental Retirement Agreement between Registrant and James S. Tisch, incorporated herein by reference to Exhibit 10.34 to Registrant s Report on Form 10-K for the year ended December 31, 2003	10.14+
Amended and Restated Employment Agreement dated as of February 12, 2015 between Registrant and Jonathan M. Tisch, incorporated herein by reference to Exhibit 10.13 to the Registrant s Report on Form 10-K for the year ended December 31, 2014	10.15+
	10.16*+

Amendment dated as of February 12, 2016 to Amended and Restated Employment Agreement between Registrant and Jonathan M. Tisch	
Supplemental Retirement Agreement dated January 1, 2002 between Registrant and Jonathan M. Tisch, incorporated herein by reference to Exhibit 10.32 to Registrant s Report on Form 10-K for the year ended December 31, 2001	10.17+

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	Description	Exhibit Number
	Amendment No. 1 dated January 1, 2003 to Supplemental Retirement Agreement between Registrant and Jonathan M. Tisch, incorporated herein by reference to Exhibit 10.37 to Registrant s Report on Form 10-K for the year ended December 31, 2002	10.18+
	Amendment No. 2 dated January 1, 2004 to Supplemental Retirement Agreement between Registrant and Jonathan M. Tisch, incorporated herein by reference to Exhibit 10.41 to Registrant s Report on Form 10-K for the year ended December 31, 2003	10.19+
	Form of Stock Option Certificate for grants to executive officers and other employees and to non-employee directors pursuant to the Loews Corporation Amended and Restated Stock Option Plan, incorporated herein by reference to Exhibit 10.27 to Registrant s Report on Form 10-K for the year ended December 31, 2009	10.20+
	Form of Award Certificate for grants of stock appreciation rights to executive officers and other employees pursuant to the Loews Corporation Amended and Restated Stock Option Plan, incorporated herein by reference to Exhibit 10.28 to Registrant s Report on Form 10-K for the year ended December 31, 2009	10.21+
	Lease agreement dated November 20, 2001 between 61st & Park Ave. Corp. and Preston R. Tisch and Joan Tisch, incorporated herein by reference to Exhibit 10.1 to Registrant s Report on Form 10-Q filed August 4, 2009	10.22
(21)	Subsidiaries of the Registrant	
	List of subsidiaries of the Registrant	21.01*
(23)	Consent of Experts and Counsel	
	Consent of Deloitte & Touche LLP	23.01*
(31)	Rule 13a-14(a)/15d-14(a) Certifications	
	Certification by the Chief Executive Officer of the Company pursuant to Rule 13a-14(a) and Rule 15d-14(a)	31.01*
	Certification by the Chief Financial Officer of the Company pursuant to Rule 13a-14(a) and Rule 15d-14(a)	31.02*
(32)	Section 1350 Certifications	
	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)	32.01*
	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)	32.02*

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	Description	Exhibit Number
(100)	XBRL Related Documents	
	XBRL Instance Document	101.INS*
	XBRL Taxonomy Extension Schema	101.SCH*
	XBRL Taxonomy Extension Calculation Linkbase	101.CAL*
	XBRL Taxonomy Extension Definition Linkbase	101.DEF*
	XBRL Taxonomy Label Linkbase	101.LAB*
	XBRL Taxonomy Extension Presentation Linkbase	101.PRE*

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

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

LOEWS CORPORATION

Dated:	February 19, 2016	By	/s/ David B. Edelson **(David B. Edelson, Senior Vice President and Chief Financial Officer)**

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Dated:	February 19, 2016	By	/s/ James S. Tisch **(James S. Tisch, President, Chief Executive Officer and Director)**
Dated:	February 19, 2016	By	/s/ David B. Edelson **(David B. Edelson, Senior Vice President and Chief Financial Officer)**
Dated:	February 19, 2016	By	/s/ Mark S. Schwartz **(Mark S. Schwartz, Vice President and Chief Accounting Officer)**
Dated:	February 19, 2016	By	/s/ Lawrence S. Bacow **(Lawrence S. Bacow, Director)**
Dated:	February 19, 2016	By	/s/ Ann E. Berman **(Ann E. Berman, Director)**
Dated:	February 19, 2016	By	/s/ Joseph L. Bower **(Joseph L. Bower, Director)**

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Dated:	February 19, 2016	By	/s/ Charles D. Davidson **(Charles D. Davidson, Director)**
Dated:	February 19, 2016	By	/s/ Charles M. Diker **(Charles M. Diker, Director)**
Dated:	February 19, 2016	By	/s/ Jacob A. Frenkel **(Jacob A. Frenkel, Director)**
Dated:	February 19, 2016	By	/s/ Paul J. Fribourg **(Paul J. Fribourg, Director)**
Dated:	February 19, 2016	By	/s/ Walter L. Harris **(Walter L. Harris, Director)**
Dated:	February 19, 2016	By	/s/ Philip A. Laskawy **(Philip A. Laskawy, Director)**
Dated:	February 19, 2016	By	/s/ Ken Miller **(Ken Miller, Director)**
Dated:	February 19, 2016	By	/s/ Andrew H. Tisch **(Andrew H. Tisch, Director)**
Dated:	February 19, 2016	By	/s/ Jonathan M. Tisch **(Jonathan M. Tisch, Director)**
Dated:	February 19, 2016	By	/s/ Anthony Welters **(Anthony Welters, Director)**

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SCHEDULE I

Condensed Financial Information of Registrant

LOEWS CORPORATION

BALANCE SHEETS

ASSETS

December 31		2015		2014
(In millions)				
Current assets, principally investment in short term instruments	$	2,888	$	3,959
Investments in securities		1,487		1,439
Investments in capital stocks of subsidiaries, at equity		15,129		15,974
Other assets		99		585
Total assets	$	19,603	$	21,957

LIABILITIES AND SHAREHOLDERS EQUITY

Current liabilities	$	260	$	618
Short term debt		400		
Long term debt		1,281		1,680
Deferred income tax and other		101		379
Total liabilities		2,042		2,677
Shareholders equity		17,561		19,280
Total liabilities and shareholders equity	$	19,603	$	21,957

STATEMENTS OF INCOME AND COMPREHENSIVE INCOME (LOSS)

Year Ended December 31		2015		2014		2013
(In millions)						
Revenues:						
Equity in income of subsidiaries (a)	$	302	$	1,034	$	1,218

Interest and other	**74**	92	83
Total	**376**	1,126	1,301
Expenses:			
Administrative	**108**	97	91
Interest	**74**	74	62
Total	**182**	171	153
Income before income tax	**194**	955	1,148
Income tax benefit	**66**	7	1
Income from continuing operations	**260**	962	1,149
Discontinued operations, net		(371)	(554)
Net income	**260**	591	595
Equity in other comprehensive loss of subsidiaries	**(638)**	(59)	(341)
Total comprehensive income (loss)	**$ (378)**	$ 532	$ 254

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SCHEDULE I

(Continued)

Condensed Financial Information of Registrant

LOEWS CORPORATION

STATEMENTS OF CASH FLOWS

Year Ended December 31	**2015**	2014	2013
(In millions)			
Operating Activities:			
Net income	**$ 260**	$ 591	$ 595
Adjustments to reconcile net income to net cash provided (used) by operating activities:			
Equity method investees	**488**	95	58
Provision for deferred income taxes	**113**	(62)	(376)
Changes in operating assets and liabilities, net:			
Receivables	**(6)**	(2)	(1)
Accounts payable and accrued liabilities	**71**	200	511
Trading securities	**718**	(269)	(787)
Other, net	**(8)**	(23)	(59)
	1,636	530	(59)
Investing Activities:			
Investments in and advances to subsidiaries	**(285)**	130	(669)
Change in investments, primarily short term		7	111
Other	**(4)**	(2)	(3)
	(289)	135	(561)
Financing Activities:			
Dividends paid	**(90)**	(95)	(97)
Issuance of common stock	**7**	6	5
Purchases of treasury shares	**(1,265)**	(622)	(228)
Issuance of debt			983
Other	**1**	2	1
	(1,347)	(709)	664

Net change in cash	**-**	(44)	44
Cash, beginning of year		44	
Cash, end of year	**$ -**	$ -	$ 44

(a) Cash dividends paid to the Company by affiliates amounted to $816, $782 and $736 for the years ended December 31, 2015, 2014 and 2013.

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SCHEDULE II

LOEWS CORPORATION AND SUBSIDIARIES

Valuation and Qualifying Accounts

Column A	Column B	Column C Additions		Column D	Column E
Description	Balance at Beginning of Period	Charged to Costs and Expenses	Charged to Other Accounts	Deductions	Balance at End of Period
(In millions)					
		For the Year Ended December 31, 2015			
Deducted from assets:					
Allowance for doubtful accounts	**$ 117**	**$ -**	**$ -**	**$ 21**	**$ 96**
Total	**$ 117**	**$ -**	**$ -**	**$ 21**	**$ 96**
		For the Year Ended December 31, 2014			
Deducted from assets:					
Allowance for doubtful accounts	$ 329	$ -	$ -	$ 212	$ 117
Total	$ 329	$ -	$ -	$ 212	$ 117
		For the Year Ended December 31, 2013			
Deducted from assets:					
Allowance for doubtful accounts	$ 213	$ 23	$ 140	$ 47	$ 329
Total	$ 213	$ 23	$ 140	$ 47	$ 329

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SCHEDULE V

LOEWS CORPORATION AND SUBSIDIARIES

Supplemental Information Concerning Property and Casualty Insurance Operations

Consolidated Property and Casualty Operations

December 31	**2015**	2014
(In millions)		
Deferred acquisition costs	**$ 598**	$ 600
Reserves for unpaid claim and claim adjustment expenses	**22,663**	23,271
Discount deducted from claim and claim adjustment expense reserves above (based on interest rates ranging from 3.5% to 8.0%)	**1,534**	1,578
Unearned premiums	**3,671**	3,592

Year Ended December 31	**2015**	2014	2013
(In millions)			
Net written premiums	**$ 6,962**	$ 7,088	$ 7,348
Net earned premiums	**6,921**	7,212	7,271
Net investment income	**1,807**	2,031	2,240
Incurred claim and claim adjustment expenses related to current year	**4,934**	5,043	5,113
Incurred claim and claim adjustment expenses related to prior years	**(255)**	(39)	(115)
Amortization of deferred acquisition costs	**1,540**	1,317	1,362
Paid claim and claim adjustment expenses	**4,945**	5,297	5,566