

LOEWS CORP  
Form 10-K  
February 25, 2009

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-K

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

For the Fiscal Year Ended December 31, 2008

OR

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

For the Transition Period From \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 1-6541

LOEWS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of  
incorporation or organization)

13-2646102

(I.R.S. Employer Identification No.)

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

(212) 521-2000

(Registrant's telephone number, including area code)

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

Title of each class	Name of each exchange on which registered
Loews Common Stock, par value \$0.01 per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes

X

No

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Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No X

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

Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. T.

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

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

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

Yes No X

The aggregate market value of voting and non-voting common equity held by non-affiliates as of the last business day of the registrant's most recently completed second fiscal quarter was approximately \$15,238,000,000.

As of February 13, 2009, there were 435,136,670 shares of Loews common stock outstanding.

Documents Incorporated by Reference:

Portions of the Registrant's definitive proxy statement intended to be filed by Registrant with the Commission prior to April 30, 2009 are incorporated by reference into Part III of this Report.

LOEWS CORPORATION  
 INDEX TO ANNUAL REPORT ON  
 FORM 10-K FILED WITH THE  
 SECURITIES AND EXCHANGE COMMISSION

For the Year Ended December 31, 2008

Item No.	PART I	Page No.
1	Business	3
	CNA Financial Corporation	3
	Diamond Offshore Drilling, Inc.	10
	HighMount Exploration & Production LLC	13
	Boardwalk Pipeline Partners, LP	17
	Loews Hotels Holding Corporation	21
	Separation of Lorillard	22
	Available Information	23
1A	Risk Factors	23
1B	Unresolved Staff Comments	50
2	Properties	50
3	Legal Proceedings	50
4	Submission of Matters to a Vote of Security Holders	51
	Executive Officers of the Registrant	51
PART II		
5	Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	51
	Management's Report on Internal Control Over Financial Reporting	54
	Reports of Independent Registered Public Accounting Firm	55
6	Selected Financial Data	57
7	Management's Discussion and Analysis of Financial Condition and Results of Operations	58
7A	Quantitative and Qualitative Disclosures about Market Risk	117
8	Financial Statements and Supplementary Data	121
9	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	205
9A	Controls and Procedures	205
9B	Other Information	205

PART III

Certain information called for by Part III (Items 10, 11, 12, 13 and 14) has been omitted as Registrant intends to file with the Securities and Exchange Commission not later than 120 days after the close of its fiscal year a definitive Proxy Statement pursuant to Regulation 14A.

PART IV

15	Exhibits and Financial Statement Schedules	206
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PART I

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

Item 1. Business.

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

- commercial property and casualty insurance (CNA Financial Corporation, a 90% owned subsidiary);
- operation of offshore oil and gas drilling rigs (Diamond Offshore Drilling, Inc., a 50.4% owned subsidiary);
- exploration, production and marketing of natural gas and natural gas liquids (HighMount Exploration & Production LLC, a wholly owned subsidiary);
- operation of interstate natural gas transmission pipeline systems (Boardwalk Pipeline Partners, LP, a 74% owned subsidiary); and
  - operation of hotels (Loews Hotels Holding Corporation, a wholly owned subsidiary).

Please read information relating to our major business segments from which we derive revenue and income contained in Note 24 of the Notes to Consolidated Financial Statements, included under Item 8.

In June of 2008, we disposed of our entire ownership interest in our wholly owned subsidiary, Lorillard, Inc. (“Lorillard”) in two integrated transactions, collectively referred to as the “Separation.” Please read the “Separation of Lorillard” section below for information relating to these transactions.

CNA FINANCIAL CORPORATION

CNA Financial Corporation (together with its subsidiaries, “CNA”) was incorporated in 1967 and is an insurance holding company. CNA’s property and casualty insurance operations are conducted by Continental Casualty Company (“CCC”), incorporated in 1897, and The Continental Insurance Company (“CIC”), organized in 1853, and its affiliates. CIC became a subsidiary of CNA in 1995 as a result of the acquisition of The Continental Corporation (“Continental”). CNA accounted for 58.9%, 69.1% and 75.0% of our consolidated total revenue for the years ended December 31, 2008, 2007 and 2006, respectively.

CNA’s core businesses serves a wide variety of customers, including small, medium and large businesses, associations, professionals and groups with a broad range of insurance and risk management products and services.

CNA’s insurance products primarily include commercial property and casualty coverages. CNA’s services include risk management, information services, warranty and claims administration. CNA’s products and services are marketed through independent agents, brokers and managing general agents.

CNA’s core business, commercial property and casualty insurance operations, is reported in two business segments: Standard Lines and Specialty Lines. CNA’s non-core operations are managed in two business segments: Life & Group Non-Core and Other Insurance. These segments are managed separately because of differences in their product lines and markets.

## Standard Lines

Standard Lines works with an independent agency distribution system and network of brokers to market a broad range of property and casualty insurance products and services domestically primarily to small, middle-market and large businesses and organizations. The Standard Lines operating model focuses on underwriting performance, relationships with selected distribution sources and understanding customer needs. Property products provide standard and excess property coverages, as well as marine coverage, and boiler and machinery. Casualty products provide standard casualty

Item 1. Business

CNA Financial Corporation - (Continued)

insurance products such as workers' compensation, general and product liability and commercial auto coverage through traditional products. Most insurance programs are provided on a guaranteed cost basis; however, CNA also offers specialized, loss-sensitive insurance programs to those customers viewed as higher risk and less predictable in exposure.

These property and casualty products are offered as part of CNA's Business and Commercial insurance groups. CNA's Business insurance group serves its smaller commercial accounts and the Commercial insurance group serves its middle markets and its larger risks. In addition, Standard Lines provides total risk management services relating to claim and information services to the large commercial insurance marketplace, through a wholly owned subsidiary, CNA ClaimPlus, Inc., a third party administrator.

Specialty Lines

Specialty Lines provides professional, financial and specialty property and casualty products and services, both domestically and abroad, through a network of brokers, managing general underwriters and independent agencies. Specialty Lines provides solutions for managing the risks of its clients, including architects, lawyers, accountants, healthcare professionals, financial intermediaries and public and private companies. Product offerings also include surety and fidelity bonds and vehicle warranty services.

Specialty Lines includes the following business groups:

**U.S. Specialty Lines:** U.S. Specialty Lines provides management and professional liability insurance and risk management services, and other specialized property and casualty coverages, primarily in the United States. This group provides professional liability coverages to various professional firms, including architects, realtors, small and mid-sized accounting firms, law firms and technology firms. U.S. Specialty Lines also provides directors and officers ("D&O"), employment practices, fiduciary and fidelity coverages. Specific areas of focus include small and mid-size firms as well as privately held firms and not-for-profit organizations where tailored products for this client segment are offered. Products within U.S. Specialty Lines are distributed through brokers, agents and managing general underwriters.

U.S. Specialty Lines, through CNA HealthPro, also offers insurance products to serve the healthcare delivery system. Products, which include professional liability as well as associated standard property and casualty coverages, are distributed on a national basis through a variety of channels including brokers, agents and managing general underwriters. Key customer segments include long term care facilities, allied healthcare providers, life sciences, dental professionals and mid-size and large healthcare facilities and delivery systems.

Also included in U.S. Specialty Lines is Excess and Surplus ("E&S"). E&S provides specialized insurance and other financial products for selected commercial risks on both an individual customer and program basis. Customers insured by E&S are generally viewed as higher risk and less predictable in exposure than those covered by standard insurance markets. E&S's products are distributed throughout the United States through specialist producers, program agents and brokers.

**Surety:** Surety consists primarily of CNA Surety and its insurance subsidiaries and offers small, medium and large contract and commercial surety bonds. CNA Surety provides surety and fidelity bonds in all 50 states through a combined network of independent agencies. CNA owns approximately 62% of CNA Surety.

Warranty: Warranty provides vehicle warranty service contracts and related products that protect individuals from the financial burden associated with mechanical breakdown. Products are distributed through independent agents.

CNA Global: CNA Global consists of subsidiaries operating in Europe, Latin America, Canada and Hawaii. These affiliates offer property and casualty insurance, through brokers, managing general underwriters and independent agencies, to small and medium size businesses and capitalize on strategic indigenous opportunities.



#### Life & Group Non-Core

The Life & Group Non-Core segment primarily includes the results of the life and group lines of business that have either been sold or placed in run-off. CNA continues to service its existing individual long term care commitments, its payout annuity business and its pension deposit business. CNA also manages a block of group reinsurance and life settlement contracts. These businesses are being managed as a run-off operation. CNA's group long term care business, while considered non-core, continues to be actively marketed. During 2008, CNA exited the indexed group annuity portion of its pension deposit business.