SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

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

For the Fiscal Year Ended December 31, 1994

OR

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

For the Transition Period From ------------ to -------------

Commission File Number 1-6541

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

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

667 Madison Avenue, New York, N.Y. 10021-8087
(Address of principal executive offices) (Zip Code)

(212) 545-2000
(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
Common Stock, par value $1.00 per share	New York Stock Exchange

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

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. [ ].

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 --------

As at March 3, 1995, 58,916,400 shares of Common Stock of the Registrant were outstanding and the aggregate market value of voting stock held by non-affiliates was approximately $3,841,583,000.

Documents Incorporated by Reference:

Portions of the Loews Corporation Notice of Annual Meeting of Stockholders and Proxy Statement dated March 23, 1995 are incorporated by reference into Part III. (Registrant intends to file a definitive proxy statement with the Commission prior to April 30, 1995.)

LOEWS CORPORATION

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

For the Year Ended December 31, 1994

PART I

Item 1. Business.

Loews Corporation is a holding company. Its subsidiaries are engaged in the following lines of business: property, casualty and life insurance (CNA Financial Corporation, an 84% owned subsidiary); the production and sale of cigarettes (Lorillard, Inc., a wholly owned subsidiary); the operation of hotels (Loews Hotels Holding Corporation, a wholly owned subsidiary); the distribution and sale of watches and clocks (Bulova Corporation, a 97% owned subsidiary); and the operation of oil and gas drilling rigs (Diamond Offshore Drilling, Inc., a wholly owned subsidiary). In addition, a wholly owned subsidiary owns approximately 18% of the outstanding common stock of CBS Inc.

Unless the context otherwise requires, the terms "Company" and "Registrant" as used herein mean Loews Corporation and its subsidiaries, on a consolidated basis.

Information relating to the major business segments from which the Company's consolidated revenues and income are derived is contained in Note 19 of the Notes to Consolidated Financial Statements in Part II Item 8 of this Form 10-K.

CNA FINANCIAL CORPORATION

CNA Financial Corporation and its consolidated subsidiaries ("CNA") constitute the twelfth largest insurance company in the United States as measured by 1993 statutory premium volume. CNA was incorporated in 1967 as the parent company of Continental Casualty Company ("CCC"), incorporated in 1897, and Continental Assurance Company ("CAC") incorporated in 1911. In 1975, CAC became a wholly owned subsidiary of CCC. CNA's property and casualty insurance operations are conducted by CCC and its property and casualty insurance affiliates, and its life insurance operations are conducted by CAC and its life insurance affiliates. CNA's principal business conducted through its insurance subsidiaries is insurance. As multiple-line insurers, the insurance companies underwrite property, casualty, life, and accident and health coverages. Their principal market for insurance is the United States. Foreign operations are not significant. CNA accounted for 81.27%, 80.32% and 78.70% of the Company's total revenue for the years ended December 31, 1994, 1993 and 1992, respectively.

In the fourth quarter of 1994, CNA reached an agreement to purchase the outstanding shares of common stock of The Continental Corporation ("CIC") under which CNA will acquire CIC through a cash merger for approximately $1.1 billion, or $20 a share. The acquisition will create the third largest U.S. property and casualty insurance group and make CNA the seventh largest U.S. insurance organization. The acquisition will be accounted for as a purchase. Accordingly CIC's results of operations will be included in CNA's consolidated results of operations from the date of acquisition, which is expected in the second quarter of 1995 (see Note 20 of the Notes to Consolidated Financial Statements).

On February 28, 1995, CCC acquired all of the stock of Alexsis Inc. ("Alexsis"), a wholly owned subsidiary of Alexander & Alexander Services, Inc. for approximately $45 million in cash. Alexsis is one of the country's three largest property and casualty third-party administrators ("TPA") with 1994 revenues of more than $100 million and 1,300 employees. Alexsis customers are large organizations that fully or partially self-insure their risks and separately purchase specific administrative services, such as claims administration, from TPA's.

The following provides information regarding CNA's property and casualty insurance and life insurance operations.

PROPERTY AND CASUALTY INSURANCE

CNA's property and casualty operations market commercial and personal lines of property and casualty insurance through independent agents and brokers.

CCC and its property and casualty insurance subsidiaries write primarily commercial lines coverages. Customers include large national corporations, small and medium-sized businesses, groups and associations, and professionals. Coverages are written primarily through traditional insurance contracts, under which risk is transferred to the insurer. Many commercial account policies are written under retrospectively-rated contracts, which are experience-rated. Premiums for such contracts may be adjusted, subject to limitations set by contract, based on loss experience of the insureds. Other experience-rated policies include provisions for adjustments to dividends based on loss experience. Experience-rated contracts reduce, but do not eliminate risk to the insurer. Approximately 38% of CNA's property and casualty insurance is written on an experience-rated basis.

CNA also provides loss control, policy administration and claim administration services under service contracts for fees. Such services are provided primarily in the workers' compensation market where retention of risk through self insurance or high-deductible programs has become increasingly prevalent.

Commercial business includes such lines as workers' compensation, general liability, professional and specialty, multiple peril, and accident and health coverages. Professional and specialty coverages include liability coverage for architects and engineers, lawyers, accountants, medical and dental professionals; directors and officers liability; and other specialized coverages. CNA also assumes commercial risks from other insurers. The major components of CNA's commercial business are workers' compensation, general liability and professional and specialty coverages, which accounted for 26%, 18% and 15%, respectively, of 1994 premiums earned, including premiums for involuntary risks on these lines of business. Premiums for involuntary risks result from mandatory participation in residual markets. CNA is required by the various states in which it does business to provide coverage for risks that would not otherwise be considered under CNA's underwriting standards. CNA's share of involuntary risks is generally a function of its share of the voluntary market by line of insurance in each state.

CNA also markets personal lines of insurance, primarily automobile and homeowners coverages sold to individuals under monoline and package policies.

The following table sets forth supplemental data for the property and casualty business:

	Years Ended December 31,		
	1994	1993	1992
	(In millions of dollars)		
Commercial Premiums Earned:			
Workers' compensation	$ 1,426.3	$ 1,501.5	$ 1,669.2
General liability	1,261.1	1,154.5	1,176.0
Professional and specialty	1,010.1	798.9	741.5
Reinsurance and other	773.5	712.2	556.0
Accident and health	557.1	428.3	352.6
Multiple peril	389.0	368.5	374.9
	$ 5,417.1	$ 4,963.9	$ 4,870.2
Personal Premiums Earned:			
Personal lines packages	$ 562.5	$ 510.7	$ 447.3
Monoline automobile and property coverages	314.2	343.5	395.0
Accident and health	88.9	85.6	88.6
	$ 965.6	$ 939.8	$ 930.9
Involuntary Risks Premiums Earned (a):			
Workers' compensation	$ 350.0	$ 292.3	$ 451.4
Commercial passenger auto	54.3	50.3	44.9
Private passenger auto	46.4	23.2	52.5
Property and multiple peril	5.0	5.5	3.7
	$ 455.7	$ 371.3	$ 552.5
Net Investment and Other Income:			
Commercial	$ 1,145.2	$ 979.8	$ 1,087.3
Personal	177.6	156.1	165.3
Involuntary risks	88.1	75.7	83.6
	$ 1,410.9	$ 1,211.6	$ 1,336.2
Underwriting Loss:			
Commercial	$ (945.7)	$(1,535.6)	$(2,505.9)
Personal	(185.2)	(99.7)	(152.8)
Involuntary risks	(70.3)	(156.5)	(340.9)
	$(1,201.2)	$(1,791.8)	$(2,999.6)

	Years Ended December 31,		
	1994	1993	1992
	(In millions of dollars)		

Trade Ratios-GAAP basis (b):			
Loss ratio	81.9%	96.2%	116.7%
Expense ratio	28.3%	27.2%	26.2%
Combined ratio (before policyholder dividends)	110.2%	123.4%	142.9%
Policyholder dividend ratio	4.8%	3.9%	1.9%
Trade Ratios-Statutory Basis (b):			
Loss ratio	82.2%	96.4%	116.3%
Expense ratio	27.8%	27.1%	25.6%
Combined ratio (before policyholder dividends)	110.0%	123.5%	141.9%
Policyholder dividend ratio	3.8%	3.1%	2.4%
Other Data-Statutory Basis (c):			
Capital and surplus	$3,367.3	$3,598.4	$3,135.8
Written to surplus ratio	2.0	1.7	2.0

(a) Property and casualty involuntary risks include mandatory participation in residual markets, statutory assessments for insolvencies of other insurers and other involuntary charges.

(b) Trade ratios reflect the results of CCC and its property and casualty insurance subsidiaries. Trade ratios are industry measures of property and casualty underwriting results. The loss ratio is the percentage of incurred claim and claim adjustment expenses to premiums earned. Under generally accepted accounting principles, the expense ratio is the percentage of underwriting expenses, including the change in deferred acquisition costs, to premiums earned. Under statutory accounting principles, the expense ratio is the percentage of underwriting expenses (with no deferral of acquisition costs) to premiums written. The combined ratio is the sum of the loss and expense ratios. The policyholder dividend ratio is the ratio of dividends incurred to premiums earned.

(c) Other data is determined on the basis of statutory accounting principles and reflects capital contributions from CNA of $475 million in 1993. In addition, dividends of $175, $150 and $100 million were paid to CNA by CCC in 1994, 1993 and 1992, respectively. Property and casualty insurance subsidiaries have received, or will receive, reimbursement from CNA for general management and administrative expenses, unallocated loss adjustment expenses and investment expenses in the amounts of $169.6, $167.5 and $141.1 million in 1994, 1993 and 1992, respectively.

The following table displays the distribution of domestic written premium by state:

State	Years Ended December 31, 1994	1993	1992
California	11.4%	12.1%	11.8%
New York	8.6	8.4	8.0
Texas	6.5	6.2	5.7
Pennsylvania	5.7	5.9	6.1
Illinois	4.9	5.1	5.1
Florida	4.6	4.1	3.3
New Jersey	3.2	3.3	3.1
All other states (a)	43.2	43.1	41.5
Reinsurance assumed:			
Voluntary	5.9	6.9	7.9
Involuntary	6.0	4.9	7.5
	100.0%	100.0%	100.0%

(a) No other state accounts for more than 3.0% of gross written premium.

The growth and profitability of CNA's property and casualty insurance business is dependent on many factors, including competitive and regulatory influences, the efficiency and costs of operations, underwriting quality, the level of natural disasters, and investment results.

In recent years, CNA's growth and earnings have been impacted by a prolonged cycle of inadequate commercial lines pricing. CNA has intensified efforts in the political sphere on behalf of a more predictable and equitable insurance marketing climate. Among CNA's marketing strategies during this difficult time are to emphasize responsible pricing over premium growth and to aggressively adapt to changes in certain markets such as those in which self-insurance has become important. CNA has also initiated wide-scale cost management measures. CNA has continued actions to reduce or stabilize the costs of doing business, including costs of health care, fraud and tort liability. Programs include managed health care programs and intensified efforts of fighting fraud.

The workers' compensation line has improved steadily since 1992. Legislative reforms have cut costs in some states, residual market losses have dropped, and insurance regulators have sharpened their focus on workers' compensation fraud.

Property and Casualty Claim and Claim Expenses: Property and casualty claim and claim expense reserves, except reserves for structured settlements, workers' compensation lifetime claims and accident and health disability claims are based on (a) case basis estimates for losses reported on direct business, adjusted in the aggregate for ultimate loss expectations, (b) estimates of unreported losses based upon past experience, (c) estimates of assumed insurance, (d) estimates of future expenses to be incurred in settlement of claims, and (e) estimates of claim recoveries. The schedule on page 5 provides information on mix of business.

Structured settlements have been negotiated for claims on certain property and casualty insurance policies. Structured settlements are agreements to provide periodic payments to claimants, which are fixed and determinable as to the amount and time of payment. Certain structured settlements are funded by annuities purchased from CAC. Related annuity obligations are carried in future policy benefits reserves. Obligations for structured settlements not funded by annuities are carried at discounted values which approximate the alternative cost of annuity purchases. Such reserves, discounted at interest rates ranging from 6.3% to 7.5%, totaled $839.0 and $748.9 million at December 31, 1994 and 1993, respectively. Ultimate payouts under all structured settlements, funded or unfunded, at December 31, 1994 and 1993 will approximate $2.4 and $2.2 billion, respectively.

In 1992, CNA changed its accounting for claim reserves related to workers' compensation lifetime claims and accident and health disability claims. Reserving practices under both statutory and generally accepted accounting principles allow discounting of reserves for fixed and determinable claim obligations. Reserve discounting for these types of claims is common industry practice. These claim reserves are discounted at interest rates ranging from 3.5% to 6.0% with mortality and morbidity assumptions reflecting current industry experience. At December 31, 1994 and 1993, such discounted reserves totaled $1,115 and $970 million, respectively. Ultimate payouts for these claims are estimated to be $1.5 and $1.4 billion at December 31, 1994 and 1993, respectively.

Claim and claim expense reserves are based on estimates, and the ultimate liability may vary significantly from such estimates. CNA regularly reviews its reserves, and any adjustments that are made to the reserves are reflected in operating income in the period such adjustments become apparent.

The retention limits of CNA as a result of reinsurance of its property and casualty business vary by type of coverage and are based on individual risks underwritten. In general, retention limits have been increased. See additional discussion of reinsurance in Notes 10 and 14 of the Notes to Consolidated Financial Statements.

Asbestos-related and Environmental Pollution Claims

Reserves include estimated amounts for exposures to asbestos-related and environmental pollution claims. Reserving for such claims involves significant uncertainties for both CNA and the industry, characterized by complex and costly litigation and further compounded by the tendency of the courts to broadly interpret contracts beyond their original intent.

A summary of asbestos-related and environmental pollution claim and claim expense activity follows:

	Claim and Claim Expenses				
	Reserves, Net of Reinsurance December 31,		Payments Years Ended December 31,		
	1994	1993	1994	1993	1992
	(In millions)				
Asbestos-related	$1,939	$2,080	$178	$204	$112
Environmental pollution ..	506	433	107	72	38
Total	$2,445	$2,513	$285	$276	$150

A major portion of CNA's asbestos-related claim exposure involves litigation with Fibreboard Corporation, as discussed in Note 18 of the Notes to Consolidated Financial Statements. Adverse reserve developments for asbestos-related claims totaled $37, $601 and $1,689 million in 1994, 1993 and 1992, respectively, which include approximately $500 and $1,500 million related to Fibreboard for 1993 and 1992, respectively.

Potential exposures also exist for claims involving environmental pollution, including toxic waste clean-up. Environmental pollution clean-up is the subject of both federal and state regulation. By some estimates there are thousands of potential waste sites subject to clean-up. The insurance industry is involved in extensive litigation regarding coverage issues. Judicial interpretations in many cases have expanded the scope of coverage and liability beyond the original intent of the policies. CNA has not attributed any reinsurance to reserves for unreported environmental pollution claims. The reserves in the table above are net of reinsurance recoverables of $3 and $5 million at December 31, 1994 and 1993, respectively. Estimating loss reserves is a difficult process as there are many factors that can ultimately affect the final settlement of a claim and, therefore, the reserve that is needed. Changes in the law, results of litigation, medical costs, the cost of repair materials and labor rates can all impact ultimate claim costs. In addition, time can be a critical part of reserving determinations since the longer the span between the incidence of a loss and the payment or settlement of the claim, the more variable the ultimate settlement amount can be. Accordingly, short-tail claims, such as property damage claims, tend to be more reasonably predictable than long-tail claims, such as general liability and professional liability claims.

Reserve Development

The table below provides a reconciliation between beginning and ending claim and claim expense reserve balances for 1994, 1993 and 1992. Not included in the table below is premium development related to certain insurance policies subject to retroactive premium adjustments, which are based on various factors including loss experience.

	Changes in Reserves for Property and Casualty Claim and Claim Expenses Years Ended December 31,		
	1994	1993	1992
	(In millions)		
Reserves at beginning of year:			
Gross	$20,812	$20,034	$17,712
Ceded reinsurance	2,491	2,867	3,297
Net	18,321	17,167	14,415
Net incurred claim and claim expenses:			
Provision for insured events of current year	5,611	5,388	5,708
(Decrease) increase in provision for insured events of prior years (a) .	(71)	590	1,617
Amortization of discounts	100	94	104
Total net incurred	5,640	6,072	7,429
Net payments:			
Attributable to current year events	1,388	1,202	1,260
Attributable to prior year events ..	3,629	3,706	3,411
Amortization of discounts	10	10	6
Total net payments	5,027	4,918	4,677
Net reserves at end of year	$18,934	$18,321	$17,167
Gross reserves at beginning of year ..	$20,812	$20,034	$17,712
Gross incurred claim and claim expenses:			
Provision for insured events of current year	6,125	5,817	6,382
Increase in provision for insured events of prior years	213	305	1,487
Amortization of discounts	100	94	104
Total gross incurred	6,438	6,216	7,973
Gross payments:			
Attributable to current year events	1,468	1,278	1,348
Attributable to prior year events ..	4,133	4,150	4,297
Amortization of discounts	10	10	6
Total gross payments	5,611	5,438	5,651
Gross reserves at end of year	$21,639	$20,812	$20,034

(a) Includes $500 and $1,500 for Fibreboard in 1993 and 1992, respectively. See Note 18 of the Notes to Consolidated Financial Statements.

The loss reserve development table below illustrates the change over time of reserves established for property and casualty claim and claim expense at the end of various calendar years. The first section shows the reserves as originally reported at the end of the stated year. The second section, reading down, shows the cumulative amounts paid as of the end of successive years with respect to that reserve liability. The third section, reading down, shows retroactive reestimates of the original recorded reserve as of the end of each successive year which is the result of CNA's expanded awareness of additional facts and circumstances that pertain to the unsettled claims. The last section compares the latest reestimated reserve to the reserve originally established, and indicates whether or not the original reserve was adequate or inadequate to cover the estimated cost of unsettled claims.

The loss reserve development table is cumulative and, therefore, ending balances should not be added since the amount at the end of each calendar year includes activity for both the current and prior years.

Schedule of Property and Casualty Loss Reserve Development
Years Ended December 31,

(In millions of dollars)

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Gross reserves for unpaid claim and claim expenses	-	-	-	-	-	-	16,530	17,712	20,034	20,812	21,639
Ceded recoverable ...	-	-	-	-	-	-	3,440	3,297	2,867	2,491	2,705
Net reserves for unpaid claim and claim expenses	3,931	4,873	6,243	8,045	9,552	11,267	13,090	14,415	17,167	18,321	18,934
Net Paid (Cumulative) as of:											
One year later	1,330	1,594	1,335	1,763	2,040	2,670	3,285	3,411	3,706	3,629	-
Two years later ...	1,936	2,932	2,383	2,961	3,622	4,724	5,623	6,024	6,354	-	-
Three years later .	2,493	3,022	3,197	4,031	4,977	6,294	7,490	7,946	-	-	-
Four years later ..	2,963	3,642	3,963	5,007	6,078	7,534	8,845	-	-	-	-
Five years later ..	3,407	4,175	4,736	5,801	6,960	8,485	-	-	-	-	-
Six years later ...	3,766	4,735	5,339	6,476	7,682	-	-	-	-	-	-
Seven years later .	4,156	5,233	5,880	7,061	-	-	-	-	-	-	-
Eight years later .	4,512	5,668	6,382	-	-	-	-	-	-	-	-
Nine years later ..	4,901	6,116	-	-	-	-	-	-	-	-	-
Ten years later ...	5,291	-	-	-	-	-	-	-	-	-	-
Net Reserves Reestimated as of:											
End of initial year	3,931	4,873	6,243	8,045	9,552	11,267	13,090	14,415	17,167	18,321	18,934
One year later	3,985	5,047	6,642	8,086	9,737	11,336	12,984	16,032	17,757	18,250	-
Two years later ...	4,122	5,573	6,763	8,345	9,781	11,371	14,693	16,810	17,728	-	-
Three years later .	4,659	5,788	6,989	8,424	9,796	13,098	15,737	16,944	-	-	-
Four years later ..	4,855	6,170	7,166	8,516	11,471	14,118	15,977	-	-	-	-
Five years later ..	5,171	6,422	7,314	10,196	12,496	14,395	-	-	-	-	-
Six years later ...	5,395	6,566	9,022	11,239	12,742	-	-	-	-	-	-
Seven years later .	5,486	8,317	10,070	11,480	-	-	-	-	-	-	-
Eight years later .	7,215	9,365	10,317	-	-	-	-	-	-	-	-
Nine years later ..	8,270	9,635	-	-	-	-	-	-	-	-	-
Ten years later ...	8,524	-	-	-	-	-	-	-	-	-	-
Total net (deficiency) redundancy	(4,593)	(4,762)	(4,074)	(3,435)	(3,190)	(3,128)	(2,887)	(2,529)	(561)	71	-
Reconciliation to Gross Reestimated Reserves:											
Net reserves reestimated	-	-	-	-	-	-	15,977	16,944	17,728	18,250	-
Reestimated ceded recoverable	-	-	-	-	-	-	3,466	3,293	2,828	2,775	-
Total gross reestimated reserves	-	-	-	-	-	-	19,443	20,237	20,556	21,025	-
Net (Deficiency) Redundancy Related to:											
Asbestos-related claims	(2,653)	(2,682)	(2,718)	(2,670)	(2,612)	(2,512)	(2,374)	(2,326)	(637)	(37)	-
Environmental pollution claims .	(777)	(778)	(778)	(763)	(757)	(730)	(719)	(673)	(626)	(180)	-
Other	(1,163)	(1,302)	(578)	(2)	179	114	206	470	702	288	-
Total net (deficiency) redundancy	(4,593)	(4,762)	(4,074)	(3,435)	(3,190)	(3,128)	(2,887)	(2,529)	(561)	71	-

Most of CNA's unfavorable reserve development has been due to asbestos-related and environmental pollution claims. A discussion of CNA's litigation with Fibreboard Corporation regarding asbestos-related bodily injury claims can be found in Note 18 of the Notes to Consolidated Financial Statements.

LIFE INSURANCE

CNA's life insurance operations market individual and group insurance products through licensed agents, most of whom are independent contractors, who sell life insurance for CNA and for other companies on a commission basis. Individual insurance products include life, accident and health and annuity products, and are sold to individuals and small businesses.

The individual life products currently being marketed consist primarily of term, universal life and participating policies. Included in the universal life category is a salary allotment product marketed through employers as a supplement to employers' benefit plans. Premiums are collected from employees through payroll deduction. The individual accident and health policies currently being marketed are long-term disability products. Individual annuity products are primarily periodic payment plans.

Group insurance products include life, accident and health and pension products, and are sold to employers, employer associations and trusts ranging in size from small local employers to large multinational corporations. The group accident and health plans are primarily major medical and hospitalization. Most of the major medical and hospitalization plans are written under experience-rated contracts or contracts to provide claim administrative services only.

CNA's products are designed and priced using assumptions CNA management believes to be reasonably conservative for mortality, morbidity, persistency, expense levels and investment results. Underwriting practices that CNA management believes are prudent are followed in selecting the risks that will be insured. Further, actual experience related to pricing assumptions is monitored closely so that prospective adjustments to these assumptions may be implemented as necessary. CNA mitigates the risk related to persistency by including contractual surrender charge provisions in its ordinary life and annuity policies in the first five to ten years, thus providing for the recovery of acquisition expenses. The investment portfolios supporting interest sensitive products, including universal life and individual annuities, are managed as a separate portfolio to minimize liquidity and interest rate risk.

Profitability in the health insurance business continues to be impacted by intense competition and rising medical costs. CNA has aggressively pursued expense reduction through increases in automation and other productivity improvements. Further, increasing costs of health care have resulted in a continued market shift away from traditional forms of health coverage toward managed care products and experience-rated plans. CNA's ability to compete in this market will be increasingly dependent on its ability to control costs through managed care techniques, innovation, and quality customer focused service in order to properly position CNA in this evolving health care environment.

Although the federal government's proposed comprehensive health care reform was not enacted in 1994, some health care initiatives could emerge in 1995. Possible reforms include legislation affecting tort reform, medical malpractice, insurance market reforms and tax laws affecting health care and long term care benefits. CNA has urged a meaningful role for the private sector in any proposed plan. The present health care system is clearly in need of reform, and CNA has emphasized that the competitive strengths of the insurance industry must be an integral part of a workable solution.

The following table sets forth supplemental data for the life insurance business:

	Years Ended December 31, 1994	1993	1992
	(In millions of dollars)		
Individual Premiums:			
Life and annuities	$ 369.4	$ 312.1	$ 294.7
Accident and health	32.6	30.9	27.1
	$ 402.0	$ 343.0	$ 321.8
Group Premiums:			
Life	$ 138.7	$ 107.2	$ 100.7
Accident and health (a)	2,111.2	1,983.0	1,957.5
Annuities	26.3	9.0	57.7
	$2,276.2	$2,099.2	$2,115.9
Net Investment Income and Other Income:			
Individual	$ 193.8	$ 154.2	$ 163.0
Group	166.4	142.8	156.6
	$ 360.2	$ 297.0	$ 319.6
Income Excluding Realized Capital Gains, Before Income Tax:			
Individual	$ 47.3	$ 14.5	$ 22.5
Group	87.1	51.9	56.1
	$ 134.4	$ 66.4	$ 78.6
Gross Life Insurance in Force:			
Individual (b)	$ 80,560	$ 76,835	$ 75,569
Group	46,873	35,413	29,643
	$127,433	$112,248	$105,212
Other Data-Statutory Basis (c):			
Capital and surplus	$1,054.6	$1,022.0	$1,003.0
Capital and surplus-percent of total liabilities (as defined)	29.4%	30.1%	33.4%
Participating policyholders'-percent of gross life insurance in force	.9%	1.1%	1.2%

(a) Group accident and health premiums include contracts involving U.S. Government employees and their dependents amounting to approximately $1.8, $1.7 and $1.6 billion in 1994, 1993 and 1992, respectively.

(b) Lapse ratios as measured by surrenders and withdrawals as a percentage of average ordinary life insurance in force were 9.7%, 9.7% and 8.6%, in 1994, 1993 and 1992, respectively.

(c) Other Data is determined on the basis of statutory accounting principles. Life insurance subsidiaries have received, or will receive, reimbursement from CNA for general management and administrative expenses and investment expenses in the amounts of $24.7, $25.6 and $24.5 million in 1994, 1993 and 1992, respectively. Statutory capital and surplus as a percent of total liabilities is determined after excluding Separate Account liabilities and reclassifying the Asset Valuation and Interest Maintenance Reserves (statutorily defined and created reserves) as surplus.

Annuities and Guaranteed Investment Contracts

CAC writes the majority of its annuities and guaranteed investment contracts ("GIC's") in a fixed or non-variable Separate Account, which is permitted by Illinois Insurance statutes. CAC guarantees principal and a specified return to GIC contractholders. This guarantee affords the contractholders additional security, in the form of CAC's general account surplus, which supports any principal and/or guaranteed interest payment shortfalls of the Separate Account.

CNA manages the liquidity and interest rate risks on the GIC portfolio by matching the GIC assets and liabilities on the basis of duration and maintaining market value surrender adjustments on the majority of the contracts.

The table below shows a comparison of the duration of assets and liabilities for the GIC portfolio, the investment yield, the weighted average interest crediting rates and withdrawal characteristics of the GIC portfolio.

	December 31,		
	1994	1993	1992
Duration in years:			
Assets	3.23	2.68	3.04
Liabilities	2.99	2.73	2.69
Mismatch	.24	(.05)	.35
Weighted average investment yield	7.67%	7.11%	8.05%
Weighted average interest crediting rates	7.53%	7.74%	8.32%
Withdrawal Characteristics:			
With market value adjustment	79%	81%	83%
Non-withdrawable	15	13	12
Without market value adjustment	6	6	5
Total	100%	100%	100%

As shown above, the investment yield at December 31, 1994 was more than the average crediting rate. The investment yields at December 31, 1993 and 1992 were less than the average crediting rates. This resulted from the reinvestment of proceeds from security sales that generated substantial gains, at rates that were lower than those of the securities sold. However, because the security sales created a larger asset base to reinvest, the aggregate future cash flows from interest and principal were substantially unchanged and sufficient to meet the product obligations.

INVESTMENTS

CNA's general account investment portfolio is managed to maximize after-tax investment return, while minimizing credit risks with investments concentrated in high quality securities to support its insurance underwriting operations. At December 31, 1994, approximately 14% of CNA's general account portfolio is invested in long-term state and municipal bonds in order to maximize after-tax yield and provide for a more stable yield on the portfolio with a higher quality of investment than may otherwise be available.

CNA has the capacity to hold its fixed income portfolio to maturity. However, securities may be sold as part of CNA's asset/liability strategies or to take advantage of investment opportunities generated by changing interest rates, prepayments, tax and credit considerations, or other similar factors. Accordingly, the fixed income securities are classified as available-for-sale. CNA's portfolio is managed based on the following investment strategies: (i) diversification is used to limit exposures to any one issue or issuer, and (ii) in general, the public market is used in order to provide liquidity.

Historically, CNA has maintained short-term assets at a level that provided for liquidity to meet its short-term obligations, principally anticipated claim payments. At December 31, 1994, short-term investments primarily consisted of U.S. treasury bills and high-grade commercial paper. The major components of the short-term investment portfolio were $2.5 billion of collateral for securities sold under agreements to repurchase, $1.0 billion in an escrow account (see Note 1 of the Notes to Consolidated Financial Statements) and approximately $1.5 billion of other short-term investments.

The following summarizes CNA's distribution of general account investments:

	December 31, 1994	December 31, 1993
	(In millions)	
Fixed maturities:		
Tax-exempt bonds	$ 3,770	$ 5,015
Taxable bonds	16,629	12,145
Redeemable preferred stocks	429	448
Common stocks	755	508
Mortgage loans and real estate	47	62
Policy loans	176	174
Other invested assets	101	67
Short-term investments	5,036	6,944
Total investments	$26,943	$25,363

CNA's general account fixed income portfolio has consistently been of high quality as illustrated in the following table using the Standard & Poor's ratings convention (see Note on page 15).

	December 31, 1994	December 31, 1993
AAA	82%	77%
AA	6	8
A	5	7
BBB	2	5
Below BBB	5	3
Total	100%	100%

CNA's Separate Account investment portfolio is managed to specifically support the underlying insurance products (see the discussion of annuities and GIC's in "Life Insurance" above). Approximately 88%, or $5.2 billion, of Separate Account investments are used to fund GIC's; the remaining investments are used to fund variable products. Approximately 88% of the GIC investment portfolio is comprised of taxable fixed income securities. The quality of the GIC fixed income portfolio is as follows (see Note on page 15):

	December 31, 1994	December 31, 1993
AAA	49%	44%
AA	5	6
A	13	18
BBB	9	13
Below BBB	24	19
Total	100%	100%

Note: The bond ratings shown in the two tables above are primarily from Standard & Poor's (95% of the general account portfolio and 94% of the GIC portfolio in 1994). In the case of private placements and other unrated securities, comparable internal ratings are developed by CNA. These ratings are derived by management using available information on the issuer to assess the credit risk. Reference also may be made to similar instruments of the issuer that are rated by Standard & Poor's. In the case of unrated municipal bonds, an AAA rating may be assigned to issues with financial guarantee insurance.

CNA actively manages its high yield bonds and maintains the level of such investments at prudent levels. In 1994, the level of high yield investments within the GIC portfolio increased $34 million to $1.1 billion at year end. This increase is a result of the relative attractiveness of the high yield investment market in comparison to other investment opportunities during the year. Although the level of high yield investments has increased, the components of the high yield portfolio have shifted toward lower risk issues, with B and BB rated bonds comprising 95% of the high yield portfolio at December 31, 1994, compared to 91% at the end of 1993 and 82% at the end of 1992. High yield securities generally involve a greater degree of risk than that of investment grade securities. Expected returns should, however, compensate for the added risk. The risk is also considered in the interest rate assumptions in the underlying insurance products, Further, CNA's investment in real estate and mortgage loans amounted to less than one-half of one percent of its total assets, substantially below industry averages.

At December 31, 1994 and 1993, high yield securities within the general and GIC portfolios were carried at fair value and amounted to $2.1 and $1.8 billion, respectively. Amortized cost exceeded market value for high yield securities by approximately $138 million at December 31, 1994 compared to December 31, 1993 when market value exceeded amortized cost by $72 million.

Included in CNA's 1994 AAA-rated fixed income securities (general and GIC portfolios) are $4.6 billion of asset-backed securities, consisting of approximately 50% in collateralized mortgage obligations ("CMO's"), 34% in U.S. government agency issued pass-through certificates, and 16% in corporate asset-backed obligations. The majority of CMO's held are U.S. government agency issues which are actively traded in liquid markets and are priced monthly by broker-dealers. CNA limits the risks associated with interest rate fluctuations and prepayment by concentrating its CMO investments in planned amortization classes with relatively short principal repayment windows. CNA generally does not invest in complex mortgage derivatives without readily ascertainable market prices.

OTHER

Competition: All aspects of the insurance business are highly competitive. CNA's insurance operations compete with a large number of stock and mutual insurance companies and other entities for both producers and customers and must continuously allocate resources to refine and improve insurance products and services. There are approximately 3,900 companies that sell property and casualty insurance in the United States, about 900 of which operate in all or most states. CCC is ranked as the sixth largest property and casualty insurance organization based on statutory net premiums written in 1993. There are approximately 1,800 companies selling life insurance (including health insurance and pension products) in the United States. CAC is ranked as the twenty-third largest life insurance organization based on consolidated statutory premium revenue in 1993.

Dividends by Insurance Subsidiaries: The payment of dividends to CNA by its insurance affiliates without prior approval of the Illinois Insurance Department ("IID") is limited to formula amounts determined in accordance with the accounting practices prescribed or permitted by the IID. The current formula limits dividends, without approval of the insurance commissioner, to the greater of 10% of prior year statutory surplus or prior year statutory net income less the aggregate of all dividends paid during the twelve months prior to the date of payment. For 1995, approximately $336 million in dividends could be paid to CNA by its insurance affiliates without prior approval. The National Association of Insurance Commissioners ("NAIC") Financial Regulation Standards and Accreditation Committee approved the Illinois dividend formula as complying with the NAIC Model Dividend Law. All dividends must be reported to the insurance department within five business days of declaration and ten days prior to payment.

Regulation: The insurance industry is subject to comprehensive and detailed regulation and supervision throughout the United States. Each state has established supervisory agencies with broad administrative power relative to licensing insurers and agents, approving policy forms, establishing reserve requirements, maintaining guarantee funds, fixing minimum interest rates for accumulation of surrender values and maximum interest rates of policy loans, prescribing the form and content of statutory financial reports and regulating solvency and the type and amount of investments permitted. Regulatory powers also extend to premium rate regulations which require that rates not be excessive, inadequate or unfairly discriminatory. In addition to regulation of dividends by insurance subsidiaries discussed above, intercompany transfers of assets may be subject to prior notice or approval, depending on the size of such transfers and payments in relation to the financial position of the insurance affiliates making the transfer.

The trend for legislation and voter initiatives continues, particularly for personal lines products, directly impacting insurance rate development, rate application and the ability of insurers to cancel or renew insurance policies. Restrictions on the consideration of certain expenses, limits on services provided by advisory organizations and politically suppressed workers' compensation rates in certain states continue to be of concern.

Insurers are also required by the states to provide coverage to risks which would not otherwise be considered eligible by the insurers. Each state dictates the types of insurance and the level of coverage which must be provided to such involuntary risks. CNA's insurance subsidiaries share of these involuntary risks is generally a function of their respective share of the voluntary market by line of insurance in each state.

In recent years, insolvencies of a few large insurers previously believed to be on solid financial ground by many rating agencies and state regulators led to increased scrutiny of state regulated insurer solvency requirements by certain members of the U.S. Congress. Had Congress formally adopted initiatives in the 103rd Congress, insurers would have been subject to federal solvency regulation. In response to this challenge the NAIC developed industry minimum Risk-Based Capital ("RBC") requirements, established a formal state accreditation process designed to minimize the diversity of approved statutory accounting and actuarial practices, and has increased the annual statutory statement disclosure requirements.

RBC requirements were first effective for life insurers in 1993 and for property and casualty insurers in 1994. The RBC formulas were designed to identify an insurer's minimum capital requirements based upon the inherent risks (e.g., asset default, credit and insurance) of its operations. In addition to the minimum capital requirements, the RBC formula and related regulations identify various levels of capital adequacy and corresponding action that the state insurance departments should initiate. The level of capital adequacy below which insurance departments would take action is defined as the Company Action Level. As of December 31, 1994, all of CNA's life insurance affiliates, and property and casualty domestic affiliates have adjusted capital amounts in excess of NAIC Company Action Levels.

The NAIC established minimum capital requirements, and also maintains the Insurance Regulatory Information System ("IRIS"), which assists state insurance departments in overseeing the financial condition of both life and property and casualty insurers. These tests are in the form of ratios, and have a range of results characterized as "usual" by the NAIC. The NAIC IRIS user guide regarding these ratios specifically states that "Falling outside the usual range is not considered a failing result..." and "...in some years it may not be unusual for financially sound companies to have several ratios with results outside the usual range." It is important, therefore, that IRIS ratio test results be reviewed carefully in conjunction with all other financial information.

CCC had one IRIS ratio with an unusual value in 1994, three in 1993 and four in 1992. The ratio with an unusual value in 1994 is the two year overall operating ratio. The three IRIS ratios with unusual values in 1993 were the two year overall operating, investment yield, and the two year reserve development ratios. The four IRIS ratios with unusual values in 1992 were the two year overall operating, the change in surplus, and both the one and two year reserve development ratios. Catastrophe losses and reserve increases associated with Fibreboard Corporation litigation (see Note 18 of the Notes to Consolidated Financial Statements) recognized in 1992 and 1993 triggered the unusual values for the operating ratios generated in 1993 and 1994 and development ratios generated in 1993. Additionally, lower interest rates in the capital markets in 1993, coupled with a proportionately large short-term investment portfolio, triggered the unusual value for the investment yield ratio.

CAC had no IRIS ratios with unusual values in 1994. CAC had two unusual values for IRIS ratios in 1993, net gain to total income and change in net written premium and one unusual value for IRIS ratios in 1992, net gain to total income. CAC's reported statutory net income was adversely affected in both 1993 and 1992 by the transfer of significant realized capital gains to the Interest Maintenance Reserve and depressed investment earnings. The unusual value for change in premium ratio primarily relates to decreases in the Separate Account annuity products fund deposits.

Federal measures, which if reintroduced in the 104th Congress and enacted would significantly affect the insurance business, include proposals for directly regulating insurance company solvency as well as repeal of the McCarran-Ferguson Act. This Act exempts certain aspects of insurance from federal regulation to the extent regulated by the states. The potential for federal health care reform has been widely publicized and debated over the past year. Although legislative reforms were not enacted in 1994, some health care reform could emerge in 1995. Possible reforms include legislation affecting tort reform, medical malpractice, insurance market reforms and tax laws affecting health care and long term care benefits.

Although the courts and legislatures are often asked to expand liability, there is a growing trend among business and professional organizations to wage campaigns, which in several instances have been successful, aimed at limiting their liability risks. Several states have adopted and some are considering "tort reform" measures which, among other things, limit non-economic and punitive damages and otherwise limit damage awards in product liability and malpractice cases. The U.S. House of Representatives has passed three bills providing for significant tort reform. The passage of these bills, in their present form, by the Senate is uncertain.

Reinsurance: CNA assumes and cedes insurance with other insurers and reinsurers and members of various reinsurance pools and associations. CNA utilizes reinsurance arrangements to limit its maximum loss, to provide greater diversification of risk and to minimize exposures on larger risks. The reinsurance coverages are tailored to the specific risk characteristics of each product line with CNA's retained amount varying by type of coverage. Generally, reinsurance coverage for property risks is on an excess of loss, per risk basis. Liability coverages are generally reinsured on a quota share basis in excess of CNA's retained risk.

The ceding of insurance does not discharge the primary liability of the original insurer. CNA places reinsurance with other carriers only after careful review of the nature of the contract and a thorough assessment of the reinsurers' credit quality and claim settlement performance. Further, for carriers that are not authorized reinsurers in Illinois, CNA receives collateral, primarily in the form of bank letters of credit, securing a large portion of the recoverables. Such collateral totaled approximately $165 and $155 million at December 31, 1994 and 1993, respectively. CNA's largest recoverable, including prepaid reinsurance premiums, was approximately $348 and $484 million with Lloyd's of London at December 31, 1994 and 1993, respectively.

Properties: CNA Plaza, owned by CAC, is a 1,421,000 square foot office complex located at 333 S. Wabash, Chicago, Illinois. The forty-five story office building serves as the home office for CNA and its insurance subsidiaries. An adjacent building (a 614,000 square foot building located at 55 E. Jackson Blvd.), jointly owned by CCC and CAC, is partially situated on grounds under leases expiring in 2058. Approximately 35% of the adjacent building is leased to non-affiliates.

CNA also maintains four regional offices and forty branch offices and processing centers in major cities throughout the United States. This office space is leased except for offices located in three CNA owned buildings.

LORILLARD, INC.

The Company's wholly owned subsidiary, Lorillard, Inc. ("Lorillard"), is engaged, through its subsidiaries, in the production and sale of cigarettes. The principal cigarette brand names of Lorillard are Newport, Kent and True. Lorillard's largest selling brands are the Newport and Kent brands, which accounted for approximately 69% and 13%, respectively, of Lorillard's sales in 1994. Substantially all of Lorillard's sales are in the United States. Lorillard's major trademarks outside of the United States were sold in 1977. Lorillard accounted for 14.29%, 13.95% and 15.96% of the Company's total revenue for the years ended December 31, 1994, 1993 and 1992, respectively.

Smoking and Health and Related Matters: For a number of years reports of the asserted harmful health effects of cigarette smoking have engendered significant adverse publicity for the cigarette industry, have caused a decline in the social acceptability of cigarette smoking and have resulted in the implementation of numerous restrictions on the marketing, advertising and use of cigarettes. Along with significant increases in federal and state excise taxes on cigarettes, these actions have, and are likely to continue to have, an adverse effect on cigarette sales.

As a result of the growing concern over the asserted health effects of smoking, in recent years the number of lawsuits against tobacco companies seeking damages related to health effects alleged to have resulted from cigarette smoking or exposure to cigarette smoking has increased. For additional discussion of legal proceedings relating to Lorillard and the tobacco industry, see Note 18 of the Notes to Consolidated Financial Statements.

The Federal Comprehensive Smoking Education Act, which became effective in 1985, requires the use on cigarette packaging and advertising of one of the following four warning statements, on a rotating basis: (1) "SURGEON GENERAL'S WARNING: Smoking Causes Lung Cancer, Heart Disease, Emphysema, and May Complicate Pregnancy." (2) "SURGEON GENERAL'S WARNING: Quitting Smoking Now Greatly Reduces Serious Risks to Your Health." (3) "SURGEON GENERAL'S WARNING: Smoking By Pregnant Women May Result in Fetal Injury, Premature Birth, and Low Birth Weight." (4) "SURGEON GENERAL'S WARNING: Cigarette Smoke Contains Carbon Monoxide." Four shortened versions of these statements are required, on a rotating basis, for use on billboards. This law also requires that each person who manufactures, packages or imports cigarettes shall annually provide to the Secretary of Health and Human Services a list of the ingredients added to tobacco in the manufacture of cigarettes. Such list of ingredients may be submitted in a manner which does not identify the company which uses the ingredients or the brand of cigarettes which contains the ingredients.

Prior to the effective date of the Comprehensive Smoking Education Act, federal law had, since 1965, required that cigarette packaging bear a warning statement which from 1971 to 1985 was as follows: "Warning: The Surgeon General Has Determined That Cigarette Smoking Is Dangerous To Your Health." In addition, in 1972 Lorillard and other cigarette manufacturers had agreed, pursuant to consent orders entered into with the Federal Trade Commission ("FTC"), to include this health warning statement in print advertising, on billboards and on certain categories of point-of-sale display materials relating to cigarettes. In addition, advertising of cigarettes has been prohibited on radio and television since 1971.

Studies with respect to the alleged health risk to nonsmokers of environmental tobacco smoke ("ETS") have received significant publicity. In 1986, the Surgeon General of the United States and the National Academy of Sciences reported that ETS puts nonsmokers at an increased risk of lung cancer and respiratory illness. In January 1993, the United States Environmental Protection Agency released a report (the "EPA Risk Assessment") concluding that ETS is a human lung carcinogen in adults, causes increased respiratory tract disease, middle ear disorders and increases the severity and frequency of asthma in children.

In recent years, many federal, state, local and municipal governments and agencies, as well as private businesses, have adopted legislation or regulations which prohibit or restrict, or are intended to discourage, smoking, including legislation or regulations prohibiting or restricting smoking in various places such as public buildings and facilities, stores and restaurants, on domestic airline flights and in the workplace, and the sale of cigarettes in vending machines. This trend has increased significantly since the release of the EPA Risk Assessment. Additional laws, regulations and policies intended to prohibit, restrict or discourage smoking are being proposed or considered by various federal, state and local governments, agencies and private businesses with increasing frequency.

A 1984 federal law established a Technical Study Group to conduct a study and report to the Congress regarding the technical and commercial feasibility of developing cigarettes that will have a minimum propensity to ignite upholstered furniture or mattresses. The Technical Study Group concluded in 1987 that it was technically feasible and may be commercially feasible to develop such cigarettes. In accordance with a 1990 federal law the Consumer Product Safety Commission issued a report in August 1993, concluding that, while it is practicable to develop a performance standard to reduce cigarette ignition propensity, it is unclear that such a standard will effectively address the number of cigarette ignited fires. Several states also are considering legislation in this area.

From time to time, bills have been introduced in Congress, among other things, to end or limit the price supports for leaf tobacco; to prohibit all tobacco advertising and promotion; to require new health warnings on cigarette packages and advertising; to subject cigarettes generally to regulation under the

Consumer Products Safety Act; to authorize the establishment of various anti-smoking education programs; to provide that current federal smoking legislation should not be construed to relieve any person of liability under common or state law; to permit state and local governments to restrict the sale and distribution of cigarettes and the placement of billboard and transit advertising of tobacco products; to provide that cigarette advertising not be a deductible business expense; to tax cigarettes on the basis of their "tar" and nicotine content; to require the FTC to promulgate standards establishing maximum acceptable levels of "tar," nicotine and "other incriminated agents" in cigarettes; to prohibit the mailing of unsolicited samples of cigarettes; to impose an additional excise tax on cigarettes; to require that cigarettes be manufactured in a manner that will cause them, under certain circumstances, to be self-extinguishing; and to subject cigarettes to regulation in various ways by the U.S. Department of Health and Human Services, including regulation by the Food and Drug Administration.

Early in 1994, and in connection with one such bill, the Energy and Commerce Subcommittee on Health and the Environment of the U.S. House of Representatives (the "Subcommittee") began consideration of various legislative proposals concerning regulation of cigarettes, and launched an oversight investigation into tobacco products, including possible regulation of nicotine-containing cigarettes as drugs. Following the November 1994 elections, the incoming Chairman of the Energy and Commerce Committee indicated that this investigation by the Subcommittee would not continue, and on December 20, 1994 the outgoing majority staff of the Subcommittee issued two final reports. One of these reports questioned the scientific practices of what it characterized as the tobacco industry's "long-running campaign" related to ETS, but reached no final conclusions. The second report asserted that documents obtained from American Tobacco Company, a competitor of Lorillard's, "reflect an intense research and commercial interest in nicotine."

The Food and Drug Administration of the U.S. Department of Health & Human Services (the "FDA") in 1994 also began investigating whether that agency should regulate nicotine-containing cigarettes as drugs, and this investigation is continuing. It is impossible at this time to predict the ultimate outcome of the FDA's investigation.

These investigations have included requests to Lorillard and other cigarette manufacturers for documents and information, and with respect to the Subcommittee investigation, have included hearings at which representatives of Lorillard and other cigarette manufacturers have testified.

On June 6, 1994, the Office on Smoking and Health of the Centers for Disease Control and Prevention of the Department of Health & Human Services, requested that Lorillard and the other major U.S. cigarette manufacturers voluntarily submit to that office certain information regarding cigarette ingredients. On September 21, 1994, Lorillard submitted information and materials in response to this request, with the understanding that it be treated as confidential. It is impossible at this time to predict the ultimate outcome of this inquiry.

In 1994, the Occupational Safety and Health Administration published proposed rulemaking on air quality in indoor workplaces. The proposed rule would require employers in the United States to prohibit smoking indoors or to restrict smoking to a separate room with outside exhaust and negative air pressure. A period of public comment on the proposed rules has ended. Hearings on the proposed rule were conducted in late 1994 and early 1995. It is impossible at this time to predict whether or in what form the proposed rules will be adopted.

Certain of these and other laws, regulations and policies intended to prohibit, restrict or discourage smoking being proposed or considered by various federal, state and local governments and agencies could, if adopted, have a material adverse effect on the financial condition and results of operations of the Company.

Advertising and Sales Promotion: Lorillard's principal brands are advertised and promoted extensively. Introduction of new brands, brand extensions and packings require the expenditures of substantial sums for advertising and sales promotion, with no assurance of consumer acceptance. The advertising media presently used by Lorillard include magazines, newspapers, out-of-home advertising, direct mail and point-of-sale display materials. Sales promotion activities are conducted by distribution of samples and store coupons, point-of-sale display advertising, advertising of promotions in print media, and personal contact with distributors, retailers and consumers.

Distribution Methods: Lorillard distributes its products through direct sales to distributors, who in turn service retail outlets, and through chain store organizations and vending machine operators, many of whom purchase their requirements directly, and by direct sales to the U.S. Armed Forces. Lorillard's tobacco products are stored in public warehouses throughout the country to provide for rapid distribution to customers.

Lorillard has approximately 1,700 direct customers and is not dependent on any one customer or group of customers. Lorillard does not have any backlog orders.

Tobacco and Tobacco Prices: The two main classes of tobacco grown in the United States are flue-cured tobacco, grown mostly in Virginia, North Carolina, South Carolina, Georgia and Florida; and burley, grown mostly in Kentucky and Tennessee. Lorillard purchases flue-cured tobacco and burley tobacco for use in cigarettes. Most of the tobacco of these classes used by Lorillard is purchased by commission buyers at tobacco auctions. Lorillard also purchases various types of Near Eastern tobacco, grown in Turkey and eight other Near Eastern countries. In addition, Lorillard purchases substantial quantities of aged tobacco from various sources, including cooperatives financed under the Commodity Credit Corporation program, to supplement tobacco inventories.

Due to the varying size and quality of annual crops and other economic factors, tobacco prices in the past have been subject to fluctuation. Among the economic factors are federal government control of acreage and poundage in the flue-cured producing areas and poundage control in the burley areas. These controls together with support prices have substantially affected the market prices of tobacco. The approximate average auction prices per pound for flue-cured tobacco were $1.681 in 1993 and $1.703 in 1994 and for burley tobacco were $1.816 in 1993 and $1.842 in 1994. The prices paid by Lorillard have generally been consistent with this trend. Lorillard believes that its current leaf inventories are adequately balanced for its present production requirements. Because the process of aging tobacco normally requires approximately two years, Lorillard at all times has on hand large quantities of leaf tobacco. See Note 1 of the Notes to Consolidated Financial Statements, under Item 8 below, for inventory costing method.

Prices: During 1994, the wholesale price of Lorillard's king size and 100/120 millimeter cigarettes remained unchanged.

Taxes: Federal excise taxes included in the price of cigarettes are $12.00 per thousand cigarettes. Excise taxes, which are levied upon and paid by the distributors, are also in effect in the fifty states, the District of Columbia and many municipalities. The state taxes generally range from 2.5 cents to 75 cents per package of twenty cigarettes.

Properties: The properties of Lorillard are employed principally in the processing and storage of tobacco and in the manufacture and storage of cigarettes. Its principal properties are owned in fee. With minor exceptions, all machinery used by Lorillard is owned by it. All properties are in good condition. Lorillard's manufacturing plant is located on approximately 79 acres in Greensboro, North Carolina. This 942,600 square foot plant contains modern high speed cigarette manufacturing machinery. A warehouse was added in early 1995 with shipping and receiving areas totaling 54,800 square feet. Lorillard also has facilities for receiving, processing and storing leaf tobacco in Danville, Virginia, containing approximately 1,500,000 square feet. A modern research facility containing approximately 82,000 square feet is also located at Greensboro.

Lorillard leases a corporate office in Orangeburg, New York, an executive office in New York City and sales offices in major cities throughout the United States.

Competition: Substantially all of Lorillard's products are sold within the United States in highly competitive markets where its principal competitors are the four other major U.S. cigarette manufacturers (Philip Morris, R.J. Reynolds ("RJR"), Brown & Williamson and Liggett Group). A fifth competitor, American Tobacco Company, was acquired in December 1994 by the parent of Brown and Williamson. According to the Maxwell Consumer Report, a quarterly statistical survey of the cigarette industry, in calendar year 1994 American Tobacco Company and Brown & Williamson accounted for 7.4% and 11.3%, respectively, of the U.S. cigarette market. For that year, Lorillard ranked fourth in the industry with a 7.5% share of the market, based upon the Maxwell Consumer Report. Philip Morris and RJR accounted for approximately 44.8% and 26.7%, respectively, of the U.S. cigarette market, according to the Maxwell Consumer Report.

The following table sets forth cigarette sales in the United States by the industry and by Lorillard, as reported in the Maxwell Consumer Report. This table indicates the relative position of Lorillard in the industry:

Calendar Year	Industry (000)	Lorillard (000)	Lorillard to Industry
1994	489,600,000	36,610,000	7.5%
1993	461,180,000	32,650,000	7.1%
1992	506,950,000	36,540,000	7.2%

The Bureau of Alcohol, Tobacco and Firearms reports Lorillard's share of total taxable factory removals of all cigarettes to be 7.1% and 7.2% for 1993 and 1992, respectively. Data for 1994 is not currently available.

The Maxwell Consumer Report divides the cigarette market into two price segments, the premium price segment and the discount or reduced price segment. According to the Maxwell Consumer Report the reduced price segment decreased in 1994 to approximately 32.5% from approximately 36.8% of the market in 1993. Virtually all of Lorillard's sales are in the premium price segment where Lorillard's share decreased from 10.7% in 1993 to 10.6% in 1994, according to the Maxwell Consumer Report.

LOEWS HOTELS HOLDING CORPORATION

The subsidiaries of Loews Hotels Holding Corporation ("Loews Hotels"), a wholly owned subsidiary of the Company, presently operate the following 14 hotels. Loews Hotels accounted for 1.61%, 1.35% and 1.47% of the Company's total revenue for the years ended December 31, 1994, 1993 and 1992, respectively.

Name and Location	Type	Number of Rooms (Year Opened)	Owned, Leased or Managed

Loews Anatole Dallas, Texas	Luxury Convention Hotel	1,620 (1979)	Management contract expiring 2000 (5)
Loews Annapolis Annapolis, Maryland	Luxury Hotel	217 (1986(2))	Owned
Loews Coronado Bay Resort San Diego, California	Luxury Hotel	450 (1991)	Management contract expiring 2011, with renewal options for 10 years (3)
Loews Giorgio Denver, Colorado	Luxury Hotel	197 (1986(2))	Owned
Howard Johnson Hotel (1) New York, New York	Commercial Hotel	300 (1962)	Owned
Loews Le Concorde Quebec City, Canada	Luxury Hotel	424 (1974(2))	Land lease expiring 2069
Loews L'Enfant Plaza Washington, D.C.	Luxury Hotel	372 (1973)	Management contract expiring 2003 (3)
Loews Monte Carlo Monte Carlo, Monaco	Resort Hotel	622 (1975)	Lease expiring 2002, with renewal options for 20 years (4)
Loews New York New York, New York	First Class Hotel	765 (1961)	Owned
Days Hotel (1) New York, New York	Commercial Hotel	366 (1962)	Owned
Regency New York, New York	Luxury Hotel	496 (1963)	Land Lease expiring 2013, with renewal options for 47 years.
Loews Santa Monica Beach Santa Monica, California	Luxury Hotel	350 (1989)	Management contract expiring 2007, with renewal options for 10 years.
Loews Vanderbilt Plaza Nashville, Tennessee	Luxury Hotel	342 (1984(2))	Owned
Loews Ventana Canyon Resort Tucson, Arizona	Resort Hotel	398 (1984)	Management contract expiring 2004, with renewal options for 10 years (3)

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(1) Operated by Loews Hotels under license agreements pursuant to which Loews Hotels pays royalty fees on sales, as defined in the agreements, for the use of the respective trade names, trademarks and other rights.

(2) The Le Concorde, Giorgio, Vanderbilt Plaza and Annapolis Hotels were acquired by Loews Hotels in 1987, 1989, 1989 and 1990, respectively.

(3) These management contracts are subject to termination rights.

(4) A dispute is pending concerning this lease in relation to, among other things, rent payable under the lease and a contention by the ground lessor that the lease was not properly renewed for periods subsequent to 1990. In 1994, an arbitral tribunal rendered a decision favorable to Loews Hotels on these issues. The ground lessor has continued proceedings which, among other things, challenge the effect of certain aspects of the arbitral award.

(5) The hotel owner has advised Loews Hotels of its exercise of the right to terminate this contract on or about June 1, 1995.

Loews Hotels has recently entered into an agreement to acquire a 154 room hotel in Montreal, Canada. This acquisition is expected to be consummated in March 1995.

The hotels which are operated by Loews Hotels contain shops, a variety of restaurants and lounges, and some contain parking facilities, swimming pools, tennis courts and access to golf courses and, in the case of the Monte Carlo hotel, a casino.

The hotels owned by Loews Hotels are subject to mortgage indebtedness aggregating approximately $42,028,000 at December 31, 1994 with interest rates ranging from 9% to 11%, and maturing between 1997 and 1999. In addition, certain hotels are held under leases which are subject to formula derived rental increases, with rentals aggregating approximately $7,076,000 for the year ended December 31, 1994.

Competition from other hotels, motor hotels and inns, including facilities owned by local interests and by national and international chains, is vigorous in all areas in which Loews Hotels operates. The demand for hotel rooms in many areas is seasonal and dependent on general and local economic conditions. Loews Hotels properties also compete with facilities offering similar services in locations other than those in which the company's hotels are located. Competition among luxury hotels is based primarily on location and service. Competition among resort and commercial hotels is based on price as well as location and service. Because of the competitive nature of the industry, hotels must continually make expenditures for updating, refurbishing and repairs and maintenance, in order to prevent competitive obsolescence.

BULOVA CORPORATION

Bulova Corporation ("Bulova") is engaged in the distribution and sale of watches, clocks and watch parts for consumer use. Bulova accounted for 1.12%, 1.12% and 1.32% of the Company's total revenue for the years ended December 31, 1994, 1993 and 1992, respectively.

Bulova distributes and sells analog and analog-digital quartz crystal watches, jewelry and various types of clocks. All watches and clocks are purchased from foreign suppliers. Watches are sold by Bulova principally in the United States and Canada. In most other areas of the world Bulova has appointed licensees who market watches under Bulova's trademarks in return for a royalty. The business is seasonal, with the greatest sales coming in the third and fourth quarters in expectation of the holiday selling season. The business is intensely competitive. The principal methods of competition are price, styling, aftersale service, warranty and product performance.

In January 1995, Bulova sold its industrial and defense products segment for $20,810,000 in cash and will report a small gain on disposition in the first quarter of 1995. This segment's sales accounted for approximately 36% of Bulova's total sales in 1994.

Properties: Bulova leases its facilities which consist of an 80,000 square foot plant in Woodside, New York for its principal executive and sales office, watch distribution, service and warehouse purposes, a 71,000 square foot plant in Maspeth, New York for clock service and warehouse purposes and a 25,000 square foot plant in Toronto, Canada for watch and clock sales and service.

DIAMOND OFFSHORE DRILLING, INC.

The Company's wholly owned subsidiary, Diamond Offshore Drilling Inc. ("Diamond Offshore"), is engaged, through its subsidiaries, in the business of owning and operating drilling rigs that are used primarily in drilling of oil and gas wells on a contract basis for companies engaged in exploration and production of hydrocarbons. The Company entered the drilling business in 1989 through the acquisition of 10 offshore rigs. Land rigs were acquired in 1990. An additional 40 offshore rigs were acquired in January 1992 through the acquisition of Odeco Drilling, Inc. Diamond Offshore accounted for 2.25%, 2.11% and 1.59% of the Company's total revenue for the years ended December 31, 1994, 1993 and 1992, respectively.

Drilling Units and Equipment: Diamond Offshore currently owns and operates 38 mobile offshore drilling rigs (14 jackup rigs, 23 semisubmersible rigs and one drillship), 10 land rigs and related equipment. An additional three offshore rigs, which are inactive, are currently held for sale. Offshore rigs are mobile units that can be relocated via either self propulsion or by the use of tugs enabling them to be repositioned based on market demand.

Jackup rigs stand on the ocean floor with their drilling platforms "jacked up" on support legs above the water. They are best suited for drilling in water depths of less than 300 feet. Nine of Diamond Offshore's jackup rigs are cantilevered rigs capable of over platform development drilling and workover as well as exploratory drilling. Of Diamond Offshore's 14 jackup rigs, 13 are currently located in the Gulf of Mexico and one is currently in South America.

Semisubmersible rigs are supported by large pontoons and are partially submerged during drilling for greater stability. They are generally designed for deep water depths of up to 6,000 feet. Diamond Offshore operates three of the world's thirteen fourth-generation semisubmersible rigs. These rigs are equipped with advanced drilling equipment, are capable of operations in ultra deep waters in severe weather environments, and command high premiums from operators. Diamond Offshore's 23 semisubmersible rigs are currently located as follows: 10 in the Gulf of Mexico, four in the North Sea, three in Brazil, one in Trinidad, four in Southeast Asia and one in the Black Sea.

Diamond Offshore's drillship is self-propelled and designed to drill in deep water. Shaped like a conventional vessel, it is the most mobile of the major rig types. Diamond Offshore's drillship is located in Southeast Asia.

Diamond Offshore's land rigs are all located in Texas and are also capable of mobilizing to different drilling sites.

Drilling Contracts and Rig Utilization: Contracts for Diamond Offshore's drilling rigs are offered worldwide for either a fixed term, which may range from a few months to several years, or on a well-to-well basis.

The following table sets forth the size and utilization rate of Diamond Offshore's fleet for the years ended December 31, 1994, 1993 and 1992. The utilization rate for a period is based on the ratio of days in the period during which the rigs were earning revenues to the total days in the period during which the rigs were available to work.

	Years Ended December 31,		
	1994	1993	1992
Jackups:			
Rigs in fleet at year-end	14	16	19
Utilization during the year	81.8%	79.6%	57.9%
Semisubmersibles:			
Rigs in fleet at year-end	23	22	26
Utilization during the year	64.1%	71.9%	51.2%
Land:			
Rigs in fleet at year-end	10	19	19
Utilization during the year	60.5%	44.3%	22.5%

Competition: The oil and gas drilling business is dependent on the drilling requirements of petroleum producers and is competitive in all of its phases. Diamond Offshore competes with a large number of drilling contractors and must continually allocate resources for technological changes, repairs and maintenance. Diamond Offshore's rigs are generally of modern design and equipped with the latest technology. Companies in the industry compete primarily on the basis of equipment day-rates and mobilization fees, personnel competence and equipment suitability and availability.

Utilization rates declined in 1994 due to the decrease in natural gas prices in the Gulf of Mexico, the oversupply of drilling rigs, and low crude oil prices. These utilization rate declines were the primary cause of continuing depressed conditions in the drilling industry. In view of the worldwide oversupply of rigs and the surplus of oil and natural gas, Diamond Offshore expects that demand and compensation rates for its rigs could remain at depressed levels in 1995 and continue to have a material adverse impact on operations.

Operating Risks and Regulation: Diamond Offshore's operations are subject to the usual hazards incident to the drilling of oil and gas wells, such as blowouts, cratering and fires. Diamond Offshore's offshore operations are also subject to perils peculiar to marine operations, such as capsizing, collision, grounding and adverse weather and seas. Any of these hazards can seriously damage or destroy equipment, suspend drilling operations, and, through oil spillage, cause pollution damage to offshore or inland waters or the property of others. Diamond Offshore currently maintains insurance covering these risks, including expropriation, confiscation and nationalization of certain equipment in foreign waters. There is no assurance that insurance coverage will continue to be available at rates considered reasonable or that the insurance will be adequate to protect against liability and loss or damage resulting from all the consequences of a significant incident.

Diamond Offshore is subject to stringent laws relating to the equipment and operation of vessels and drilling practices and methods. Additional governmental legislation and regulations involving the petroleum industry could significantly affect Diamond Offshore's operations.

Properties: Diamond Offshore owns an 18,000 square foot building and 20 acres of land in New Iberia, Louisiana for its offshore drilling warehouse and storage facility, a 13,000 square foot building and 5 acres of land in Dyce, Scotland for its North Sea operations and a 15,000 square foot building and 10 acres of land in Alice, Texas for its onshore drilling office, warehouse and storage facility. Diamond Offshore also leases 50,000 square feet of office space for its corporate headquarters located in Houston, Texas and various warehouse and storage facilities in Scotland and Brazil for its offshore drilling operations.

OTHER INTERESTS

The Company owns approximately 18% of the outstanding common stock of CBS Inc. ("CBS"). Laurence A. Tisch, Co-Chairman of the Board of Directors and Co-Chief Executive Officer of the Company, is Chairman, President and Chief Executive Officer of CBS. Preston R. Tisch, Co-Chairman of the Board of Directors and Co-Chief Executive Officer of the Company, is also a director of CBS.

The Company also owns a 49% common stock interest in a joint venture which is engaged in the business of owning and operating six large crude oil tankers that are used primarily to transport crude oil from the Persian Gulf to a limited number of ports in the Far East, Northern Europe and the United States.

In addition, the Company owns a 161,000 square foot first class office building which is leased to third parties.

EMPLOYEE RELATIONS

The Company, inclusive of its operating subsidiaries as described below, employed approximately 25,400 persons at December 31, 1994 and considers its employee relations to be satisfactory.

Lorillard employed approximately 3,700 persons at December 31, 1994. Approximately 1,500 of these employees are represented by labor unions under separate contracts with many local unions expiring at varying times and severally renegotiated and renewed.

Lorillard has collective bargaining agreements covering hourly rated production and service employees at various Lorillard plants with the Tobacco Workers International Union, the International Brotherhood of Firemen and Oilers, and the International Association of Machinists. Lorillard has experienced satisfactory labor relations and provides a retirement plan, a deferred profit sharing plan, and other benefits for its hourly paid employees who are represented by the foregoing unions.

Loews Hotels employed approximately 2,700 persons at December 31, 1994, approximately 850 of whom are union members covered under collective bargaining agreements. Loews Hotels has experienced satisfactory labor relations and provides comprehensive benefit plans for its hourly paid employees.

The Company maintains a retirement plan, group life, disability and health insurance program and a savings plan for salaried employees. Lorillard and Loews Hotels salaried employees also participate in these benefit plans.

Diamond Offshore employed approximately 2,600 persons at December 31, 1994, approximately 170 of whom are union members. Diamond Offshore has experienced satisfactory labor relations and provides comprehensive benefit plans for its employees.

CNA and its subsidiaries employ approximately 15,600 persons and have experienced satisfactory labor relations. CNA and its subsidiaries have comprehensive benefit plans for substantially all of their employees, including a retirement plan, a savings plan, a disability program, a group life program and a group health care program.

Bulova and its subsidiaries (exclusive of 490 persons employed by the industrial & defense business which was sold in January 1995) employ approximately 460 persons, approximately 130 of whom are union members. Bulova and its subsidiaries have experienced satisfactory labor relations. Bulova has comprehensive benefit plans for substantially all employees.

Item 2. Properties.

Information relating to the properties of Registrant and its subsidiaries is contained under Item 1.

Item 3. Legal Proceedings.

1. CNA is involved in various lawsuits involving environmental pollution claims and litigation with Fibreboard Corporation. Information involving such lawsuits is incorporated by reference to Notes 10 and 18 of the Notes to Consolidated Financial Statements in Item 8.

2. Lorillard is involved in various lawsuits involving tobacco products seeking damages for cancer and other health effects claimed to have resulted from the use of cigarettes or from exposure to tobacco smoke. Information involving such lawsuits is incorporated by reference to Note 18 of the Notes to Consolidated Financial Statements in Item 8.

A grand jury investigation is presently being conducted by the United States Attorney's Office for the Eastern District of New York regarding possible fraud by Lorillard and other tobacco companies relating to smoking and health research undertaken or administered by the Council for Tobacco Research-USA, Inc. Lorillard is unable to predict the outcome of this investigation. An adverse outcome of this investigation could result in criminal, administrative or other proceedings against Lorillard.

Lorillard received Civil Investigative Demands ("CIDs") in January, June and November 1994 from the Antitrust Division of the United States Department of Justice. The CIDs, which request certain information, documents and testimony, were issued in the course of an antitrust investigation to determine whether Section 1 of the Sherman Act, 15 U.S.C. Section 1, may have been violated by joint activity to restrain competition in the manufacture and sale of cigarettes with reduced ignition propensity (so-called "fire safe" cigarettes), including joint activity to limit or restrain research and development or product innovation. Lorillard has responded to the CIDs. This investigation is in its preliminary stages and it is impossible at this time to predict its ultimate outcome. An adverse outcome in this investigation could result in other proceedings against Lorillard.

Management believes that the outcome of these pending investigations should not have a material adverse effect upon the financial condition or results of operations of the Company.

Item 4. Submission of Matters to a Vote of Security Holders.

None.

EXECUTIVE OFFICERS OF THE REGISTRANT

Name	Position and Offices Held	Age	First Became Officer
Kenneth Abrams	Vice President-Personnel	61	1975
Gary W. Garson	Vice President and Assistant Secretary	48	1988
Robert J. Hausman	Vice President	71	1973
Barry Hirsch	Senior Vice President and Secretary	61	1971
Herbert C. Hofmann	Senior Vice President	52	1979
John J. Kenny	Treasurer	57	1991
Guy A. Kwan	Controller	52	1987
John G. Malino	Vice President-Real Estate	55	1985
Stuart B. Opotowsky	Vice President-Tax	60	1987
Richard E. Piluso	Vice President-Internal Audit	56	1990
Roy E. Posner	Senior Vice President and Chief Financial Officer	61	1973
Dennis Smith	Vice President-Management Information Services	48	1990
James S. Tisch	President and Chief Operating Officer	42	1981
Jonathan M. Tisch	Vice President	41	1987
Laurence A. Tisch	Co-Chairman of the Board and Co-Chief Executive Officer	72	1959
Preston R. Tisch	Co-Chairman of the Board and Co-Chief Executive Officer	68	1960

Laurence A. Tisch and Preston R. Tisch are brothers. Andrew H. Tisch and James S. Tisch are sons of Laurence A. Tisch and Jonathan M. Tisch is a son of Preston R. Tisch. None of the other officers or directors of Registrant is related to any other.

All executive officers of Registrant have been engaged actively and continuously in the business of Registrant for more than the past five years.

Officers are elected and hold office until their successors are elected and qualified, and are subject to removal by the Board of Directors.

PART II

Item 5. Market for the Registrant's Common Stock and Related Stockholder Matters.

Price Range of Common Stock

Loews Corporation's common stock is listed on the New York Stock Exchange. The following table sets forth the reported consolidated tape high and low sales prices in each calendar quarter of 1994 and 1993:

	1994		1993	
	High	Low	High	Low
First Quarter	$102.75	$89.25	$120.25	$98.13
Second Quarter	92.88	84.50	110.88	92.75
Third Quarter	93.88	86.13	98.63	86.75
Fourth Quarter	91.50	85.25	98.50	90.50

Dividend Information

The Company has paid quarterly cash dividends on its common stock in each year since 1967. Regular dividends of $.25 per share of common stock outstanding were paid in each calendar quarter of 1994 and 1993.

Approximate Number of Equity Security Holders

As of February 24, 1995, the Company had approximately 4,100 holders of record of Common Stock.

Item 6. Selected Financial Data.

	Years Ended December 31,				
	1994	1993	1992	1991	1990
	(In thousands, except per share data)				
Results of Operations:					
Revenues	$13,515,201	$13,686,777	$13,691,454	$13,620,264	$12,636,925
Income (loss) before cumulative effect of accounting changes	267,834	594,121	(22,097)	904,338	804,650
Per share	4.45	9.27	(.33)	13.14	11.01
Net income	267,834	594,121	122,614	904,338	804,650
Per share	4.45	9.27	1.87	13.14	11.01
Financial Position:					
Total assets	50,335,976	45,849,752	43,555,514	42,684,157	38,359,766
Long-term debt	2,144,394	2,195,670	1,759,595	1,944,710	1,826,378
Shareholders' equity	5,405,314	6,127,198	5,526,990	5,667,072	5,043,397
Cash dividends per share ..	1.00	1.00	1.00	1.00	1.00
Book value per share	91.67	99.59	84.90	84.18	72.13
Shares of common stock outstanding	58,965	61,525	65,099	67,320	69,917

In 1993 the Company changed its method of accounting for reinsurance contracts and certain investments in debt and equity securities. In 1992 the Company changed its method of accounting for postretirement benefits, income taxes and certain workers' compensation and disability claims. See Note 1 of the Notes to Consolidated Financial Statements.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Liquidity and Capital Resources:

Insurance

Property and casualty and life insurance operations are wholly owned subsidiaries of CNA Financial Corporation ("CNA"). CNA is an 84% owned subsidiary of the Company.

The prolonged soft market in commercial property and casualty lines that depressed property and casualty earnings last year in much of the insurance industry did not change significantly in 1994. Significant catastrophe claims related to the Northridge earthquake near Los Angeles and severe winter storms in the Northeast and declining bond portfolios due to rising interest rates put additional pressure on the industry. Catastrophe losses for the industry of $14.9 billion have already made 1994 the second worst year on record for catastrophic losses, behind the record $22.9 billion in 1992. The earthquake losses will approach $10.4 billion, more than four times earlier estimates of $2.5 billion.

On the other hand, the workers' compensation line has improved steadily since 1992. Legislative reforms have cut costs in some states, residual market losses have dropped and insurance regulators have sharpened their focus on workers' compensation fraud.

In this difficult business climate, CNA remains among the strongest and most competitive multi-line organizations in the insurance industry and remains committed to conservative financial strategies as the foundation for profitable growth.

In 1994, CNA was impacted by all the industry factors mentioned above. Net income was reduced by substantial catastrophe losses and by realized investment losses due to rising interest rates. However, results were satisfactory in its core businesses. Workers' compensation profitability continued to improve. CNA's new Strategic Business Units ("SBUs") sharpened customer focus, increased efficiencies and strengthened management accountability in all its businesses. SBUs are operating groups dedicated to specific segments of CNA business in commercial, personal, life and health, and specialty insurance.

Life operations experienced significant growth as a result of new products, with life profitability increasing primarily due to increased investment income and improved mortality experience. Other significant events included continued progress toward a global settlement regarding the Fibreboard asbestos claim and significant merger and acquisition activity resulting in agreements to acquire The Continental Corporation and Alexsis.

Fibreboard-As described in Note 18 of the Notes to Consolidated Financial Statements, Continental Casualty Company ("Casualty") has greatly reduced a major source of financial uncertainty by reaching a Global Settlement executed in December 1993 to resolve all future asbestos-related bodily injury claims involving Fibreboard Corporation ("Fibreboard"), a former asbestos manufacturer.

On July 29, 1994 the United States District Court for the Eastern District of Texas preliminarily approved the Global Settlement agreement. A final fairness hearing, to determine whether to approve the Global Settlement agreement, commenced on December 12, 1994. During the hearing various parties presented evidence in opposition to the Global Settlement.

Also pending in the United States District Court for the Eastern District of Texas is litigation over the Trilateral Agreement. Trial on the issues raised by this agreement occurred on February 13, 1995, with evidence submitted to the Court in opposition to final court approval of the Trilateral Agreement.

CNA and the other parties to the Global Settlement agreement and the Trilateral Agreement undertook a comprehensive court approved notice program to provide potential claimants information about their rights and possible benefits under the Global Settlement agreement and Trilateral Agreement. Final arguments concerning the Global Settlement agreement occurred on February 27, 1995; the court's rulings are expected in the spring of 1995. No date has been set for final legal arguments for the Trilateral Agreement.

The Continental Corporation-In the fourth quarter of 1994, CNA reached an agreement to purchase the outstanding shares of common stock of The Continental Corporation ("CIC") through a cash merger for approximately $1.1 billion, or $20 a share. This transaction will create the third largest U.S. property and casualty insurance group and make CNA the seventh largest U.S. insurance organization. This acquisition will be accounted for as a purchase. Accordingly, CIC's results of operations will be included in CNA's consolidated

results of operations from the date of acquisition, which is expected in the second quarter of 1995. The transaction closing is subject to the approval of CIC's shareholders and state insurance regulators. CNA and CIC are jointly seeking prompt regulatory approvals. Until the acquisition is complete, CIC will continue to operate independently.

As part of the CIC transaction, on December 6, 1994, CNA invested $275 million of cash in exchange for sinking fund preferred stock of CIC. At December 31, 1994, this investment is shown in CNA's financial statements as redeemable preferred stock.

CNA has reached an agreement in principle with a syndicate of banks to provide initial financing through a revolving loan facility. The revolving loan facility will have a maturity of five years without any prepayment restrictions. This loan will allow CNA to consummate the merger and facilitate a smooth transition expeditiously, while providing the needed flexibility to determine the ultimate capital structure at a time when it is advantageous to raise debt or a combination of debt and equity in the capital markets.

CIC, with approximately 8,000 employees, is headquartered in New York. It is the 11th largest U.S. property and casualty insurance company based on 1993 premium volume, with revenues and net loss for the year ended December 31, 1994 of approximately $5.1 billion and $602.9 million, respectively. Total assets are approximately $16.0 billion at December 31, 1994.

CIC's business strengths are in its package policies for commercial and personal lines and its specialty lines business.

There will be market efficiencies and economies of scale in many of the product lines both companies write. CNA will be integrating the best features of both companies. CIC has established expertise and market position in the higher margin specialty lines that complement CNA's specialty lines. In personal lines, the combined businesses will create the critical mass needed to be a very low cost producer. CIC's commercial distribution system will enhance CNA's network of strong agency relationships.

In 1995, CNA's major priority will be integrating CIC, while continuing to keep CNA's current businesses running smoothly. Transition planning teams will take up this challenge. The transition organization is designed with an overall management structure similar to what CIC and CNA currently have in place, a structure of business units that have a high degree of independence, but share centralized services where it is more efficient.

Alexsis-CNA's Continental Casualty subsidiary has acquired the stock of Alexsis Inc. and related entities ("Alexsis"), wholly owned subsidiaries of Alexander & Alexander Services, Inc., for approximately $45 million in cash, under a definitive agreement signed on January 16, 1995.

Alexsis is one of the country's three largest property and casualty third-party administrators ("TPA") with 1994 revenues of more than $100 million and 1,300 employees. Alexsis customers are large organizations that fully or partially self-insure their risks and separately purchase specific administrative services, such as claims administration, from TPA's. The acquisition closed February 28, 1995.

CNA's property and casualty insurance subsidiaries statutory surplus grew from $3.1 billion in 1989 to $3.9 billion in 1991. In 1992, property and casualty surplus declined to $3.1 billion primarily due to $1.5 billion in asbestos reserve increases, partially offset by accounting changes described in Note 1 of the Notes to Consolidated Financial Statements. In 1993, property and casualty surplus rose to approximately $3.6 billion despite another $500 million increase in asbestos reserves relating to Fibreboard. In 1994 surplus declined to $3.4 billion, primarily attributable to realized losses. Statutory surplus of CNA's life insurance subsidiaries grew from $786 million at December 31, 1989 to more than $1 billion at December 31, 1994.

Included in the property and casualty surplus increases are capital contributions from CNA to Casualty of $475 million in 1993, $120 million in 1990 and $200 million in 1989. Dividends of $175, $150, $100, $130 and $100 million were paid to CNA by Casualty in 1994, 1993, 1992, 1991 and 1989, respectively.

Life statutory surplus includes capital contributions from Casualty to Continental Assurance Company of $100 and $130 million, in 1990 and 1989, respectively.

CNA's investment portfolio increased by $1.6 billion, or 6.2%, to $26.9 billion, primarily as a result of securities lending activity of $1.9 billion where CNA sells securities to brokers while agreeing to repurchase them at a future date. This increase was partially offset by a decline in fair values of fixed income securities due to rising interest rates.

The liquidity requirements of CNA have been met primarily by funds generated from operations. The principal operating cash flow sources of CNA's property and casualty and life insurance subsidiaries are

premiums and investment income. The primary operating cash flow uses are payments for claims, policy benefits and operating expenses.

For the year ended December 31, 1994, CNA's operating activities generated net cash flows of $1.0 billion compared to $1.3 billion in 1993 and $1.0 billion in 1992. The decrease in cash flow, as compared with 1993, is due primarily to Fibreboard claim payments, catastrophe claim payments, and a decline in federal income tax recoveries. CNA believes that future liquidity needs will be met primarily from operations, other than for financing needs related to the CIC acquisition.

Additional sources of cash flow include sales and maturities of investments, and financing activities. Net cash flows are invested in marketable securities. Investment strategies employed by CNA's insurance subsidiaries consider the cash flow requirements of the insurance products sold, and the tax attributes of the various types of marketable investments.

Cigarettes

Lorillard, Inc. and subsidiaries ("Lorillard").

Funds from operations continue to exceed operating requirements. Lorillard generated net cash flow from operations of approximately $364 million for the year ended December 31, 1994, compared to $538 million for the prior year. No material capital expenditures are anticipated during 1995.

For a number of years through 1992 leading cigarette marketers, including Lorillard, had increased the price of their premium brands. For the period 1982 to 1992 the annual price increase for Lorillard's premium brands averaged approximately 10%. Lorillard's cash flows from operations during this period benefited significantly from these price increases since virtually all of Lorillard's sales are in the premium priced segment, with Newport accounting for more than two-thirds of Lorillard's total unit sales.

Effective August 9, 1993 in response to new lower pricing policies and promotions by its competitors, Lorillard reduced its premium brand wholesale cigarette unit prices by approximately 25% to maintain its competitive position. These price moves have established two price tiers for the industry, eliminating much of the price confusion in the market place, and substantially narrowing the price gap between premium and discount cigarettes. These developments appear to have slowed the rapid growth of discount cigarettes. While promotional spending can be reduced, the new lower pricing has resulted in a reduction of Lorillard's revenues, income contribution and cash flow.

A number of lawsuits have been filed against Lorillard and other manufacturers of tobacco products seeking damages for cancer and other health effects claimed to have resulted from the use of cigarettes or exposure to tobacco smoke. In several of these cases the Company is named as a defendant. Pending litigation includes actions commenced by individuals, purported class actions and actions brought by state governments, most of which claim very substantial damages. These actions are described in Note 18 of the Notes to Consolidated Financial Statements.

Hotels

Loews Hotels Holding Corporation and subsidiaries.

Funds from operations continue to exceed operating requirements. Funds for capital expenditures and working capital requirements are expected to be provided from operations. Funds for any hotel acquisitions would be expected to be provided through the Company.

Watches and Other Timing Devices

Bulova Corporation and subsidiaries ("Bulova"). Bulova is a 97% owned subsidiary of the Company.

On January 17, 1995, Bulova sold its industrial and defense manufacturing business, Bulova Technologies, Inc., for $20,810,000 in cash. Bulova used $18 million of proceeds to repay its advance from the Company. The sale will result in a small gain to be recorded in the first quarter of 1995.

Competition and oversupply of watch products continue to adversely affect

Bulova. Bulova may require working capital advances from the Company from time to time. While the Company has no obligation to enter into or maintain arrangements for any funding requirements, it is anticipated that it would be provided through various arrangements with Bulova.

Drilling

Diamond Offshore Drilling, Inc. and subsidiaries ("Diamond Offshore").

Oversupply of drilling rigs and low gas and crude oil prices continue to depress conditions in the drilling industry and to adversely impact Diamond Offshore. Although funds for future capital expenditures and working capital requirements are expected to be provided from operations, Diamond Offshore may require additional advances from the Company due to the cyclical nature of the industry.

Parent Company

In September 1994 the Company received approximately $270.4 million cash proceeds related to CBS's offer to its shareholders to purchase shares of its common stock.

During 1994 the Company purchased 2,559,800 shares of its outstanding Common Stock at an aggregate cost of approximately $226.9 million. The funds required for such purchases were provided from working capital. Depending on market conditions, the Company from time to time may purchase additional shares in the open market or otherwise. In addition, during the year the Company purchased 641,500 shares of CNA's outstanding common stock at an aggregate cost of approximately $39.3 million.

The Company continues to seek expansion of existing businesses and acquisitions of new businesses; however, it will continue to resist marginal acquisitions.

Investments:

Insurance

CNA's general account investment portfolio is managed to maximize after-tax investment return, while minimizing credit risks with investments concentrated in high quality securities to support its insurance underwriting operations.

CNA has the capacity to hold its fixed income portfolio to maturity. However, securities may be sold as part of CNA's asset/liability strategies or to take advantage of investment opportunities generated by changing interest rates, prepayments, tax and credit considerations, or other similar factors. Accordingly, the fixed income securities are classified as available for sale.

During 1994, consolidated investments increased $1.6 billion to $26.9 billion. This increase was the result of securities lending activity of $1.9 billion where CNA sells securities to brokers while agreeing to repurchase them at a future date. This increase was partially offset by a decline in fair values of fixed income securities due to rising interest rates.

The general account portfolio consists primarily of high quality marketable debt securities, 95% of which are rated as investment grade. At December 31, 1994, tax exempt securities and short-term investments comprised approximately 13% and 18%, respectively, of the general account's total investment portfolio compared to 19% and 28%, respectively, at December 31, 1993. At December 31, 1994 and 1993, short-term investments primarily consisted of U.S. Treasury bills and commercial paper.

As of December 31, 1994 CNA's general account investments in bonds and redeemable preferred stocks were carried at a fair value of $20.8 billion, compared to $17.6 billion at December 31, 1993. At December 31, 1994, net unrealized losses on fixed income securities amounted to approximately $795 million. This compares to $504 and $846 million of net unrealized gains at December 31, 1993 and 1992, respectively. The gross unrealized gains and losses for the fixed income securities portfolio at December 31, 1994 were $194 and $989 million, respectively, compared to $564 and $60 million, respectively, at December 31, 1993.

Net unrealized losses on general account bonds at December 31, 1994 include net unrealized losses on high yield securities of $30 million, compared to net unrealized gains of $15 million at December 31, 1993. High yield securities are bonds rated as below investment grade by bond rating agencies, plus private placements and other unrated securities which, in the opinion of management, are below investment grade. Carrying values of high yield securities in the general account were $1.0 billion at December 31, 1994, compared to $727 million at December 31, 1993.

At December 31, 1994, total Separate Account cash and investments amounted to $6.1 billion with taxable debt securities representing approximately 88% of the Separate Accounts portfolio. Approximately 88% of Separate Account investments are used to fund guaranteed investment contracts ("GIC's") for which Continental Assurance Company guarantees principal and a specified return to the contractholders. Securities included in the GIC portfolio are matched with the corresponding liability in the GIC contract. At December 31, 1994, all fixed income securities in the GIC portfolio were carried at fair value and amounted to $4.6 billion. At December 31, 1994, net unrealized losses on fixed income securities amounted to approximately $195 million. This compares to $148 and $158 million of net unrealized gains at December 31, 1993 and 1992, respectively. The gross unrealized gains and losses for the fixed income securities portfolio at December 31, 1994, were $34 and $229 million, respectively, compared to $163 and $15 million, respectively, at December 31, 1993.

High yield securities in the GIC portfolio are carried at fair value and amounted to $1.1 billion at December 31, 1994 and 1993. Net unrealized losses on high yield securities held in such Separate Accounts were $108 million at December 31, 1994, compared to net unrealized gains of $56 and $28 million at December 31, 1993 and 1992, respectively.

High yield securities generally involve a greater degree of risk than that of investment grade securities. Expected returns should, however, compensate for the added risk. The risk is also considered in the interest rate assumptions in the underlying insurance products. As of December 31, 1994, CNA's concentration in high yield bonds including Separate Accounts was approximately 4.8% of its total assets.

Included in CNA's fixed income securities at December 31, 1994 (general and GIC portfolios) are $4.6 billion of asset-backed securities, consisting of approximately 34% in U.S. government agency issued pass-through certificates, 50% in collateralized mortgage obligations ("CMO's"), and 16% in corporate asset-backed obligations. The majority of CMO's held are U.S. government agency issues, which are actively traded in liquid

markets and are priced by broker-dealers. At December 31, 1994, the amortized cost was in excess of the fair value of asset-backed securities by approximately $181 million, as compared to fair value in excess of amortized cost by approximately $87 million for the comparable period a year ago. CNA limits the risks associated with interest rate fluctuations and prepayment by concentrating its CMO investments in planned amortization classes with relatively short principal repayment windows. CNA avoids investments in complex mortgage derivatives without readily ascertainable market prices.

Over the last few years, much concern has been raised regarding the quality of insurance company invested assets. At December 31, 1994, 64% of the general account's debt securities portfolio was invested in U.S. government and affiliated securities, 18% in other AAA rated securities and 11% in AA and A rated securities. CNA's GIC fixed income portfolio is comprised of 29% U.S. government and affiliated securities, 20% other AAA rated securities and 18% in AA and A rated securities. These ratings are primarily from Standard & Poor's (95% of the general account portfolio and 94% of the GIC portfolio). In addition, CNA's investment in mortgage loans and real estate are substantially below the industry average.

CNA holds a small amount of derivative instruments for purposes of enhancing income and total return. The derivative instruments are marked to market and reported as realized investment gains and losses. CNA's investment in, and risk in relation to, derivative instruments are not significant.

Other

Investment activities of non-insurance companies include investments in fixed maturities securities, equity securities, derivative instruments and short-term investments. Derivative instruments are marked to market and reported as realized investment gains or losses in the income statement. The remaining securities are carried at fair value with a net unrealized gain of $146.2 million at December 31, 1994, compared to $151.9 million at December 31, 1993.

The Company invests in certain derivative instruments for income enhancements as part of its portfolio management strategy. These instruments include various swaps, forwards and futures contracts as well as both purchased and written options.

These investments subject the Company to market risk for positions where the Company does not hold an offsetting security. The Company controls this risk through monitoring procedures which include daily detailed reports of existing positions and valuation fluctuations. These reports are reviewed by members of senior management to ensure that open positions are consistent with the Company's portfolio strategy.

The credit exposure associated with these instruments is generally limited to the positive market value of the instruments and will vary based on changes in market prices. The Company enters into these transactions with large financial institutions and considers the risk of nonperformance to be remote. In addition, the amounts subject to credit risk are substantially mitigated by collateral requirements in many of these transactions.

The Company does not believe that any of the derivative instruments utilized by it are unusually complex or volatile, or expose the Company to a higher degree of risk. These derivative instruments have not had, and are expected not to have, an adverse impact on the results of operations. See Note 5 of the Notes to Consolidated Financial Statements for additional information with respect to derivative instruments, including recognized gains and losses on these instruments.

The Company's short-term investments portfolio included $2.1 billion of proceeds from securities sold under agreements to repurchase at December 31, 1994. These proceeds have been invested in U.S. government treasury securities. The cost is approximately equivalent to fair value at December 31, 1994 due to the Company repositioning this portfolio in December. The Company has recognized gross realized investment losses of $154.8 million. This loss reflects the impact that rising interest rates has had on the Company's U.S. government portfolio.

Results of Operations:

Revenues declined by $171.6 and $176.3 million, or 1.3% in each case as compared to 1993 and 1992, respectively. Income before accounting changes decreased by $326.3 million, or 54.9%, and increased by $289.9 million as compared to 1993 and 1992, respectively.

Insurance

Property and casualty revenues decreased by $71.3 million, or 0.9%, and increased by $139.7 million, or 1.8%, as compared to 1993 and 1992, respectively.

Property and casualty premium revenues increased by $563.5 and $485.0 million, or 9.0% and 7.6%, as compared to 1993 and 1992, respectively. Property and casualty earned premiums were $6.8 billion up 9.0% from the $6.3 billion earned in 1993 and up 7.6% from 1992. The 1994 earned premium increase was principally attributable to increases in medium commercial accounts ($211 million), group accident and health ($132 million), professional liability ($138 million), and international reinsurance ($65 million). In addition, involuntary risks premium was $84 million above the prior year. Property and casualty investment income was up 17.0% from the $1.1 billion reported in 1993 and up 1.3% from 1992. Investment income increased primarily due to the continuing increase in interest rates and a decrease in short-term investments (excluding investments relating to loaned securities) from $5.1 billion at December 31, 1993 to $2.3 billion at December 31, 1994.

Property and casualty underwriting losses were $1.2 billion in 1994, compared to $1.8 and $3.0 billion in 1993 and 1992, respectively. The combined ratio was 115.0 for 1994, compared with 127.3 and 144.8 for 1993 and 1992, respectively. As previously discussed, the primary reason for the 1993 and 1992 poor operating results was the addition of $500 million in underwriting losses related to Fibreboard in 1993 and $1.5 billion in 1992.

Catastrophe losses (pre-tax) for 1994 were approximately $283 million, compared with $74 million in 1993 and $270 million in 1992. CNA's 1994 catastrophe losses related primarily to the Northridge earthquake near Los Angeles and severe winter storms in the Northeast. While it is too early to estimate the magnitude of the insured losses from the January 17, 1995 earthquake in Kobe, Japan, the amounts are not expected to be significant.

Property and casualty pre-tax results include losses for involuntary risks of $17.8 million in 1994. Involuntary risk charges were $80.8 and $257.3 million in 1993 and 1992, respectively. The improved results in 1994 are due to the overall improvement in the workers' compensation market over the last two years. Involuntary risks include mandatory participation in residual markets, statutory assessments for insolvencies of other insurers and other involuntary charges. CNA's share of involuntary risks is generally a function of its share of the voluntary market by line of insurance in each state. CNA records the estimated effects of its mandatory participation in residual markets on an accrual basis. These estimates are adjusted as premium, claim and expense activity is received from the residual markets' administrators. CNA records assessments for insolvencies as they are paid rather than on an accrual basis. Such an accrual process would be very difficult, as past experience is not a reliable indicator of future activity. Further, information currently available from all the states' life and property and casualty guarantee funds is fairly limited and would not provide reliable data on which to base an estimated liability. Many states allow recovery of insolvency assessments by a direct offset to premium taxes or a separate policy surcharge. In addition, some states assess prospectively based on current premiums written.

CNA, consistent with sound insurance reserving practices, regularly adjusts its reserve estimates in subsequent reporting periods as new facts and circumstances emerge that indicate the previous estimates need to be modified. These adjustments, referred to as "reserve development," are inevitable given the complexities of the reserving process and are recorded in the income statement in the period the need for the adjustment is determined. The property and casualty underwriting losses include net reserve decreases of $71 million for 1994.

Results for 1994 also reflect adverse development for asbestos and environmental pollution claims which were offset by favorable development in other lines. Favorable trends were represented primarily by positive severity experience in professional liability lines and improvement in voluntary and involuntary workers' compensation experience, resulting in reserve decreases of $188 and $100 million, respectively.

Reserve strengthening related to prior years, net of reinsurance recoverable, amounted to $590 and $1,617 million for the years 1993 and 1992, respectively. Reserve development includes strengthening of $37, $601 and $1,689 million for years 1994, 1993 and 1992, respectively, for asbestos claims, primarily representing reserve additions related to the Fibreboard litigation, as discussed previously.

Adverse reserve development for environmental pollution claim and claim expenses totaled $180, $446 and $48 million, for the years 1994, 1993 and 1992, respectively. Prior to 1993, CNA identified reserves only for reported environmental pollution claims. As of December 31, 1994 and 1993, CNA carried approximately $427 and $340 million, respectively, of claim and claim expense reserves for unreported environmental pollution claims in addition to the $79 and $94 million, respectively, of reserves recorded for reported claims. CNA has not attributed any reinsurance to reserves for unreported claims. The reserves for reported claims cited above are net of reinsurance recoverable of $3 and $5 million at December 31, 1994 and 1993, respectively. See Notes 10 and 18 of the Notes to Consolidated Financial Statements for further discussion of asbestos and environmental pollution exposures.

In early 1994, Casualty began to reposition its portfolios to longer maturities. The repositioning was undertaken in order to improve future overall investment returns. Casualty reduced its short-term portfolios and purchased five and ten year government securities. Short-term investments (excluding investments relating to loaned securities) for the property and casualty subsidiaries decreased from $5.1 billion at December 31, 1993 to $2.3 billion at December 31, 1994.

Casualty sold approximately $25.0 billion of fixed income and equity securities in 1994, realizing pre-tax net losses of $167.9 million. Of the securities sold, approximately $15, $7 and $3 billion were from the U.S. Treasury, Government mortgage-backed and tax exempt municipal bond portfolios, respectively.

CNA sells a variety of individual and group insurance products. The individual and group insurance products currently being marketed consist primarily of term, universal life, participating policies and individual annuity products. Group insurance products include life, accident and health, consisting primarily of major medical and hospitalization, and pension products.

Life insurance revenues increased by $80.5 and $87.4 million, or 2.9% and 3.1%, as compared to 1993 and 1992, respectively. Life premium revenues increased by $224.4 and $223.8 million, or 9.4% and 9.4%, as compared to 1993 and 1992, respectively. Life investment income increased by approximately 20% for the same reasons described for property and casualty operations. Short-term investments (excluding investments relating to loaned securities) for the life group decreased from $1.2 billion at December 31, 1993 to $260.7 million at December 31, 1994.

Cigarettes

Revenues increased by $6.7 million, or 0.3%, and decreased by $269.9 million, or 12.3%, as compared to 1993 and 1992, respectively. Income before accounting changes increased by $7.2 million, or 2.1%, and decreased by $176.7 million, or 33.7%, as compared to 1993 and 1992, respectively.

Revenues increased, as compared to 1993, by approximately $225.0 million, or 11.7%, due to an increase in unit sales volume, partially offset by a decline of approximately $218.3 million, or 11.4%, due to lower unit prices. Compared to 1992, revenues declined by approximately $297.6 million, or 13.6%, due to lower unit prices, partially offset by an increase of approximately $27.7 million, or 1.3%, due to increased sales volume. The price decline as compared to 1992 included an increase of approximately $71.7 million, or 3.3%, from the increase of federal excise taxes of $2.00 per thousand cigarettes on January 1, 1993.

Lorillard's unit sales volume increased by 13.3% and 1.4% as compared to 1993 and 1992, respectively. Unit sales volume of the U.S. cigarette industry has increased by 6.2% and declined 9.0% over the same periods. Newport, a premium brand which accounts for two-thirds of Lorillard's unit sales, increased by 11.5% and 2.8% as compared to 1993 and 1992, respectively. With the industry wide list price reduction of premium price brands, effective August 9, 1993, the growth rate of discount brands appears to have slowed and Lorillard's product line has benefited in terms of unit sales. Discount brand sales have increased from an average of 30% during 1992 to an average of 33% during 1994. At December 31, 1994, they represented 31.5% of industry sales. Virtually all of Lorillard's sales are in the premium brand category.

Although Lorillard has benefited from an increase in unit sales volume, the overall impact of the pricing changes has reduced industry profit margins. It is expected that lower consumer cigarette consumption will continue to influence overall industry unit volume and the discount category will be a significant influence in overall sales.

U.S. federal excise taxes on cigarettes increased $2.00 per thousand effective January 1, 1993. The effects of any additional federal tax increases, as well as increases by state and local taxing authorities, or manufacturers' price increases cannot be determined, but it is likely they would add to the overall industry decline and the growth in the discount category.

Hotels

Revenues increased by $32.2 and $16.0 million, or 17.4% and 7.9%, as compared to 1993 and 1992, respectively. Results from operations before accounting changes increased by $18.8 and $15.1 million, as compared to 1993 and 1992, respectively.

Intensive rate competition continues to adversely affect average room rates, although occupancies have improved.

Revenues and results of operations include pre-tax and after-tax gain on sales of two hotel leases amounting to $30.2 and $15.4 million, respectively, for the year ended December 31, 1994. Excluding this gain, revenues increased due primarily to higher occupancy rates as compared to 1993. Revenues declined, as compared to 1992, due to lower average room rates as well as lower occupancy rates at the Loews Monte Carlo hotel resulting from depressed economic conditions in southern Europe coupled with an absence of Italian tourist business on the Riviera. Results from operations before accounting changes, excluding the sale of the hotel leases, improved due to the increased occupancy rates as compared to 1993. Results from operations declined slightly, as compared to 1992, due primarily to the lower revenues.

Watches and Other Timing Devices

Revenues decreased by $2.1 and $29.9 million, or 1.4% and 16.5%, as compared to 1993 and 1992, respectively. Results from operations before accounting changes decreased by $1.6 and $3.6 million, or 66.6% and 81.5%, as compared to 1993 and 1992, respectively.

Revenues and results from operations declined, as compared to 1993, due primarily to a gain on sale of an inactive defense manufacturing facility in the prior year. Revenues and results from operations declined, as compared to 1992, due primarily to lower industrial and defense sales volume related to a $19.5 million payment by the U.S. government in 1992 in favorable settlements of defense contract claims. This benefit was partially offset by a charge of approximately $2.4 million for the write-off of parts inventory and equipment related to these contracts, as well as a continuing decline of defense business. Bulova's watch business continues to benefit from a change in its product sales mix as well as lower interest expense.

Drilling

Revenues increased by $15.5 and $86.0 million, or 5.4% and 39.5%, as compared to 1993 and 1992, respectively. Net loss increased by $19.4 million and decreased by $15.2 million as compared to 1993 and 1992, respectively.

Diamond Offshore began 1994 with strong demand in the Gulf of Mexico where many of its rigs are located, although utilization declined due to an influx of rigs into the region from other depressed areas of the world. As a result, day rates never responded to the increased demand and were also negatively impacted by a depressed natural gas price during the second half of 1994. Internationally, depressed conditions continued through the first half of 1994 due mainly to depressed oil prices and political instability in some countries. However, a second half improvement in the price of oil strengthened demand as operators reinstated deferred drilling programs.

Revenues increased, as compared to 1993, due to higher day rates for international semisubmersible rigs and increased number of offshore turnkey wells drilled. Net loss increased due to higher rig maintenance costs, relocation expenses and increased interest expense.

Revenues increased and net loss decreased, as compared to 1992, due to increased utilization and day rates for domestic semisubmersible rigs.

Other

Revenues decreased by $233.1 and $205.6 million, as compared to 1993 and 1992, respectively. Net income decreased by $160.8 and $167.8 million as compared to

1993 and 1992, respectively. Other operations consist primarily of investment income of non-insurance companies and the Company's investment in CBS Inc.

Revenues and net income decreased due primarily to realized investment losses from securities transactions. Pre-tax realized investment (losses) gains amounted to $(201.9), $62.5 and $49.2 million for the years ended December 31, 1994, 1993 and 1992, respectively. Realized investment (losses) gains after-tax amounted to $(131.3), $38.7 and $31.3 million for the respective periods.

Exclusive of securities transactions, other revenues increased $31.4 and $45.5 million, or 29.8% and 50.0%, due primarily to increased investment income and, as compared to 1992, higher earnings (accounted for under the equity method) of CBS Inc. Net income increased by $9.2 million and decreased by $5.1 million due primarily to the increased revenues discussed above. Net income decreased, as compared to 1992, due to higher interest expense, partially offset by the increased revenues.

Accounting Developments:

In May 1993, the FASB issued SFAS No. 114, "Accounting by Creditors for Impairment of a Loan." This Statement, as amended, addresses the accounting by creditors for impairment of certain loans. The Statement requires that applicable loans be treated as impaired when it is probable that a creditor will be unable to collect all amounts (both principal and interest) contractually due. This Statement applies to financial statements for fiscal years beginning after December 15, 1994 and will not have a significant impact on the Company.

Disclosures of Certain Significant Risks and Uncertainties-In December 1994, the Accounting Standards Division of the AICPA issued SOP 94-6. Disclosure of Certain Significant Risks and Uncertainties. This SOP requires reporting entities to include in their financial statements disclosures about the nature of their operations and the use of estimates in the preparation of financial statements. Additional disclosures are required for certain significant estimates utilized in the financial statements and current vulnerability due to certain concentrations if specific criteria are met. This Statement would be effective for financial statements issued for fiscal years ending after December 15, 1995 and will not have a significant impact on the Company.

Item 8. Financial Statements and Supplementary Data.

Loews Corporation and Subsidiaries

CONSOLIDATED BALANCE SHEETS

(Amounts in thousands of dollars)	December 31, 1994	1993
Assets:		
Investments (Notes 1, 3, 4 and 5):		
Fixed maturities, amortized cost of $21,644,672 and $17,132,086	$20,852,079	$17,657,856
Equity securities, cost of $1,270,324 and $1,028,733	1,438,140	1,240,256
Mortgage loans and notes receivable	68,004	121,439
Policy loans	176,231	173,606
Other investments	104,210	72,085
Short-term investments	8,437,617	8,025,201
Total investments	31,076,281	27,290,443
Cash	160,557	155,703
Receivables-net (Notes 1 and 2)	8,068,016	7,474,753
Inventories (Notes 1 and 7)	244,394	241,287
Investment in associated companies (Note 6)	301,550	490,654
Property, plant and equipment-net (Notes 1 and 8)	1,089,868	1,038,179
Deferred income taxes (Note 11)	1,679,172	1,074,410
Other assets (Notes 13 and 14)	611,315	564,600
Deferred policy acquisition costs of insurance subsidiaries (Note 1)	1,024,561	979,166
Separate Account business (Notes 1 and 4)	6,080,262	6,540,557
Total assets	$50,335,976	$45,849,752

See Notes to Consolidated Financial Statements.

December 31,

	1994	1993
Liabilities and Shareholders' Equity:		
Insurance reserves (Notes 1 and 10):		
Claim and claim expense	$22,564,751	$21,670,202
Future policy benefits	3,046,054	2,735,691
Unearned insurance premiums	2,690,679	2,556,015
Policyholders' funds	632,283	477,095
Total insurance reserves	28,933,767	27,439,003
Accounts payable and accrued liabilities	1,153,033	914,895
Payable for securities purchased	489,797	190,138
Securities sold under agreements to repurchase (Notes 1 and 3)	4,571,517	613,250
Long-term debt, less unamortized discount (Notes 4 and 12)	2,144,394	2,195,670
Deferred credits and other liabilities (Notes 1 and 13)	713,131	795,767
Separate Account business (Notes 1 and 4)	6,080,262	6,540,557
Total liabilities	44,085,901	38,689,280
Minority interest	844,761	1,033,274
Commitments and contingent liabilities (Notes 1, 3, 5, 10, 11, 12, 13, 14, 17, 18 and 20)		
Shareholders' equity (Notes 1, 3, 6, 12, 13 and 15):		
Common stock, $1 par value:		
Authorized-200,000,000 shares		
Issued and outstanding-58,964,900 and 61,524,700 shares	58,965	61,525
Additional paid-in capital	219,137	210,289
Earnings retained in the business	5,469,874	5,476,660
Unrealized (depreciation) appreciation	(322,700)	406,736
Pension liability adjustment	(19,962)	(28,012)
Total shareholders' equity	5,405,314	6,127,198
Total liabilities and shareholders' equity	$50,335,976	$45,849,752

Loews Corporation and Subsidiaries

STATEMENTS OF CONSOLIDATED INCOME

(Amounts in thousands, except per share data)	Years Ended December 31, 1994	1993	1992
Revenues (Note 1):			
Insurance premiums (Note 14):			
Property and casualty	$ 6,837,122	$ 6,273,654	$6,352,166
Life	2,616,466	2,392,027	2,392,690
Investment income, net of expenses (Note 3)	1,671,254	1,377,754	1,584,321
Realized investment (losses) gains (Note 3)	(446,980)	862,797	407,247
Manufactured products (including excise taxes of $431,720, $379,361 and $355,816)	2,061,415	2,055,084	2,363,431
Other	775,924	725,461	591,599
Total	13,515,201	13,686,777	13,691,454
Expenses (Note 1):			
Insurance claims and policyholders' benefits (Notes 10 and 14)	9,246,446	9,271,536	10,697,227
Amortization of deferred policy acquisition costs	1,373,090	1,193,421	1,067,689
Cost of manufactured products sold	929,342	864,115	878,465
Selling, operating, advertising and administrative expenses	1,525,610	1,506,049	1,417,696
Interest	174,565	162,298	148,843
Total	13,249,053	12,997,419	14,209,920
	266,148	689,358	(518,466)

Income taxes (benefits) (Note 11)	(9,041)	46,567	(388,691)
Minority interest	7,355	48,670	(107,678)
Total	(1,686)	95,237	(496,369)
Income (loss) before cumulative effect of accounting changes	267,834	594,121	(22,097)
Cumulative effect of accounting changes-net (Note 1)			144,711
Net income	$ 267,834	$594,121	$122,614
Earnings Per Share (Note 15):			
Income (loss) before cumulative effect of accounting changes	$4.45	$9.27	$(.33)
Cumulative effect of accounting changes-net			2.20
Net income	$4.45	$9.27	$1.87

See Notes to Consolidated Financial Statements.

Loews Corporation and Subsidiaries

STATEMENTS OF CONSOLIDATED SHAREHOLDERS' EQUITY

(Amounts in thousands)	Common Stock	Additional Paid-in Capital	Earnings Retained in the Business	Unrealized (Depreciation) Appreciation	Pension Liability Adjustment	Common Stock Held in Treasury
Balance, December 31, 1991	$67,558	$162,162	$5,464,036	$ (2,419)		$ 24,265
Net income			122,614			
Dividends paid, $1 per share			(65,810)			
Purchases of common stock						238,223
Retirement of common stock held in treasury	(2,459)	(6,172)	(253,857)			(262,488)
Net unrealized appreciation				34,251		
Equity in certain transactions of subsidiary companies		7,086				
Balance, December 31, 1992	65,099	163,076	5,266,983	31,832		
Net income			594,121			
Dividends paid, $1 per share			(64,289)			
Purchases of common stock						336,297
Retirement of common stock held in treasury	(3,574)	(12,568)	(320,155)			(336,297)
Accounting change (Note 1)				367,928		
Net unrealized appreciation				6,976		
Pension liability adjustment (Note 13)					$(28,012)	
Equity in certain transactions of subsidiary companies (Note 6)		59,781				
Balance, December 31, 1993	61,525	210,289	5,476,660	406,736	(28,012)	
Net income			267,834			
Dividends paid, $1 per share			(60,240)			
Purchases of common stock						226,851
Retirement of common stock held in treasury	(2,560)	(9,911)	(214,380)			(226,851)
Net unrealized depreciation				(729,436)		
Pension liability adjustment (Note 13)					8,050	
Equity in certain transactions of subsidiary companies (Note 6)		18,759				
Balance, December 31, 1994	$58,965	$219,137	$5,469,874	$(322,700)	$(19,962)	

See Notes to Consolidated Financial Statements.

Loews Corporation and Subsidiaries

STATEMENTS OF CONSOLIDATED CASH FLOWS

	Years Ended December 31,		
(Amounts in thousands)	1994	1993	1992
Operating Activities:			
Net income	$ 267,834	$ 594,121	$ 122,614
Adjustments to reconcile net income to net cash provided by operating activities:			
Cumulative effect of accounting changes			(144,711)
Undistributed earnings from unconsolidated cos.	(30,127)	(50,045)	(26,170)
Distribution of CBS equity earnings	91,609	3,787	3,029
Provision for minority interest	7,355	48,670	(107,678)
Amortization of investments	(120,008)	(95,262)	(127,416)
Depreciation and amortization	160,677	135,101	138,370
Realized investment losses (gains)	446,980	(862,797)	(407,247)

Provision for deferred income taxes	(112,071)	(181,601)	(382,691)
Changes in assets and liabilities-net:			
Reinsurance receivables	(236,029)	298,185	457,892
Other receivables	(369,651)	349,971	(327,966)
Deferred policy acquisition costs	(45,395)	(92,162)	(34,065)
Insurance reserves and claims	1,484,367	1,229,486	2,496,282
Accounts payable and accrued liabilities	78,791	403,027	(28,336)
Other-net	(125,081)	(119,803)	26,704
	1,499,251	1,660,678	1,658,611
Investing Activities:			
Purchases of fixed maturities	(34,282,130)	(42,893,379)	(32,343,428)
Proceeds from sales of fixed maturities	25,398,705	41,339,798	32,854,377
Proceeds from maturities of fixed maturities	4,506,352	2,349,370	1,414,987
Purchases of equity securities	(1,195,103)	(957,846)	(574,478)
Proceeds from sales of equity securities	1,034,118	874,460	435,147
Return of investment from CBS tender offer	183,991		
Purchases of property and equipment	(209,092)	(159,480)	(123,658)
Proceeds from sales of property and equipment	97,738	20,276	17,184
Securities sold under agreements to repurchase	3,958,267	2,263	(789,248)
Change in short-term investments	(594,935)	(2,259,348)	(1,841,219)
Change in other investments	(63,444)	8,146	151,821
Purchase of business-net of cash acquired			(372,242)
	(1,165,533)	(1,675,740)	(1,170,757)
Financing Activities:			
Dividends paid to shareholders	(60,240)	(64,289)	(65,810)
Purchases of treasury shares	(225,074)	(336,297)	(238,223)
Principal payments on long-term debt	(54,463)	(745,163)	(210,662)
Issuance of long-term debt	517	1,181,910	1,517
Receipts credited to policyholders	32,779	47,481	47,293
Withdrawals of policyholder account balances	(22,383)	(18,185)	(18,476)
	(328,864)	65,457	(484,361)
Net change in cash	4,854	50,395	3,493
Cash, beginning of year	155,703	105,308	101,815
Cash, end of year	$ 160,557	$ 155,703	$ 105,308

See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies-

Principles of Consolidation-The consolidated financial statements include all significant subsidiaries and all material intercompany accounts and transactions have been eliminated. The equity method of accounting is used for investments in associated companies in which the Company generally has an interest of 20% to 50%.

Accounting Changes-Effective December 31, 1993, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 115, "Accounting for Certain Investments in Debt and Equity Securities." This Statement requires that investments in debt and equity securities classified as available for sale be carried at fair value. Previously, fixed income securities classified as available for sale were carried at the lower of aggregate amortized cost or fair value. Unrealized gains and losses are reflected as a separate component of shareholders' equity, net of deferred income taxes, participating policyholders' and minority interests. The effect of adopting this Statement was to increase shareholders' equity by $367,928,000 (net of $293,973,000 in deferred income taxes, participating policyholders' and minority interests). The adoption of this Statement did not impact net income. Separate Account assets invested in debt securities have also been classified as available for sale and are carried at fair value.

Effective January 1, 1993, the Company adopted SFAS No. 113, "Accounting and Reporting for Reinsurance of Short-duration and Long-duration Contracts." This Statement establishes the conditions required for a contract to be accounted for as reinsurance, prescribes accounting and reporting standards for those contracts, and requires that balances pertaining to reinsurance transactions be reported "gross" on the balance sheet rather than reductions of reserves for claim and claim expense, policy benefits or unearned premiums.

The provisions of SFAS No. 113 that pertain to risk transfer and recognition of revenues and costs did not impact the Company's income or shareholders' equity as all material reinsurance arrangements are prospective and provided for the transfer of risk.

In 1992 the Company adopted SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" and SFAS No. 109, "Accounting for Income Taxes." CBS Inc. (accounted for under the equity method) has also adopted SFAS Nos. 106 and 109 as well as SFAS No. 112, "Employers' Accounting for Postemployment Benefits" which requires accrual of benefits to be provided to former or inactive employees after employment, but before retirement. In addition, CNA Financial Corporation ("CNA"), an 84% owned subsidiary, changed its method of accounting from reporting ultimate reserves for fixed and determinable claim reserves related to workers' compensation lifetime claims and accident and health disability claims to discounting such reserves consistent with accounting practices on other similar fixed and determinable claims. The cumulative effect as of January 1, 1992 of adopting these accounting changes is as follows:

	In thousands	Per share
Postretirement benefits other than pensions (net of income tax benefit of $102,005)	$(201,131)	$(3.06)
Accounting for income taxes	128,991	1.96
Discounting for certain workers' compensation and disability claims (net of income tax expense of $135,200)	218,132	3.32
Postemployment benefits of CBS Inc. (net of income tax benefit of $94)	(1,281)	(.02)
	$ 144,711	$ 2.20

Investments-Investments in securities, which are held principally by insurance subsidiaries of CNA, are carried as follows:

The Company believes it has the ability to hold all fixed income investments until maturity. However, securities may be sold to take advantage of investment opportunities generated by changing interest rates, prepayments, tax and credit considerations, as part of the Company's asset/liability strategy, or for other similar factors. As a result, the Company considers its fixed maturity securities (bonds and redeemable preferred stocks) and equity securities as available for sale and they are carried at fair value. The amortized cost of debt securities is adjusted for amortization of premiums and accretion of discounts to maturity. Such amortization is included in investment income.

Derivative instruments are generally held for trading purposes and as such, are marked to market and gains or losses are included in realized investment gains or losses.

Mortgage loans are carried at unpaid principal balances, including unamortized premium or discount. Real estate is carried at depreciated cost. Policy loans are carried at unpaid balances. Short-term investments include U.S. government securities, commercial paper and time deposits and are carried at fair value, which approximates amortized cost.

All securities transactions are recorded on the trade date. The cost of securities sold is determined by the identified certificate method. The unrealized gain or loss on investments which are revalued to current market values is net of applicable deferred income taxes and participating policyholders' and minority interests and is reflected as part of shareholders' equity in unrealized (depreciation) appreciation. Investments are written down to estimated fair values and losses are charged to income when a decline in value is considered to be other than temporary.

Securities sold under agreements to repurchase-The Company has a securities lending program where securities are loaned to third parties, primarily major brokerage firms. Borrowers of these securities must deposit cash and/or securities equal to 102% of the market value of the securities, plus interest. Cash deposits from these transactions have been invested in short-term investments (primarily U.S. government securities and commercial paper). The Company continues to receive the interest on the loaned debt securities, as beneficial owner, and accordingly the loaned debt securities are included in fixed maturity securities.

Insurance Operations-Premium revenue-Insurance premiums on property and casualty and health insurance contracts (included in life premiums) are earned ratably over the terms of the policies after provision for estimated adjustments on retrospectively rated policies and deductions for ceded insurance. Revenues on universal life type contracts are comprised of contract charges and fees which are recognized over the coverage period when assessed against the policyholders' account balances. Other life insurance premiums are recognized as revenue when due after deductions for ceded insurance.

Claim and claim expense reserves-Claim and claim expense reserves, except reserves for structured settlements, workers' compensation lifetime claims and accident and health disability claims, are based on (a) case basis estimates for losses reported on direct business, adjusted in the aggregate for ultimate loss expectations, (b) estimates of unreported losses based upon past experience, (c) estimates of assumed insurance, (d) estimates of future expenses to be incurred in settlement of claims, and (e) estimates of claim recoveries. In establishing these estimates, consideration is given to current conditions and trends as well as past company and industry experience.

Structured settlements have been negotiated for claims on certain property and casualty insurance policies. Structured settlements are agreements to provide periodic payments to claimants, which are fixed and determinable as to the amount and time of payment. Certain structured settlements are funded by annuities purchased from CNA's life insurance subsidiary. Related annuity obligations are carried in future policy benefits reserves. Obligations for structured settlements not funded by annuities are carried at discounted values which approximate the alternative cost of annuity purchases. Such reserves, discounted at interest rates ranging from 6.3% to 7.5%, totaled $839,000,000 and $748,900,000 at December 31, 1994 and 1993, respectively.

Workers' compensation lifetime claims and accident and health disability claim reserves are discounted at interest rates ranging from 3.5% to 6.0% with mortality and morbidity assumptions reflecting current industry experience. Such discounted reserves totaled $1,114,900,000 and $969,800,000 at December 31, 1994 and 1993, respectively.

Claim and claim expense reserves are based on estimates and the ultimate liability may vary significantly from such estimates. Any adjustments that are made to the reserves are reflected in operating income in the year such adjustments are made. See Note 10 for a further discussion of claim and claim expense reserves.

Future policy benefits reserves-Reserves for traditional life insurance products are computed based upon net level premium methods using actuarial assumptions as to interest rates, mortality, morbidity, withdrawals and expenses. Actuarial assumptions include a margin for adverse deviations and generally vary by plan, age at issue and policy duration. Interest rates range from 3% to 10.5%, and mortality, morbidity and withdrawal assumptions reflect CNA and industry experience prevailing at the time of issue. Renewal expense estimates include the estimated effects of inflation and expenses beyond the premium paying period.

Involuntary risks-CNA's share of involuntary risks is generally a function of its share of the voluntary market by line of insurance in each state. CNA records the estimated effects of its mandatory participation in residual markets on an accrual basis. These estimates are adjusted as premium, claim and expense activity are received from the residual markets' administrators. CNA records assessments for insolvencies as they are paid rather than on an accrual basis. Such an accrual process would be very difficult, as past experience is not a reliable indicator of future activity. Further, information currently available from all the states' life and property and casualty guarantee funds is fairly limited and would not provide reliable data on which to base an estimated liability.

Many states allow recovery of insolvency assessments by a direct offset to premium taxes or a separate policy surcharge. In addition, some states assess prospectively based on current premiums written.

Reinsurance-CNA assumes and cedes insurance with other insurers and reinsurers and members of various reinsurance pools and associations. CNA utilizes reinsurance arrangements to limit its maximum loss, to provide greater diversification of risk and to minimize exposures on larger risks. The reinsurance coverages are tailored to the specific risk characteristics of each product line with CNA's retained amount varying by type of coverage. Generally, reinsurance coverage for property risks is on excess of loss, per risk basis. Liability coverages are generally reinsured on a quota share basis in excess of CNA's retained risk. Amounts recoverable from reinsurers are estimated in a manner consistent with the claim liability associated with the reinsured policy.

Deferred policy acquisition costs-Costs of acquiring insurance business, which vary with and are primarily related to the production of such business, are deferred. Such costs include commissions, premium taxes, and certain underwriting and policy issuance costs. Property and casualty acquisition costs are amortized ratably over the period the related premiums are recognized. Anticipated investment income is considered in the determination of the recoverability of deferred policy acquisition costs. Life acquisition costs are capitalized and amortized based on assumptions consistent with those used for computing policy benefit reserves. Acquisition costs on ordinary life business are amortized over the assumed premium paying periods. Universal life and investment annuity acquisition costs are amortized in proportion to the present value of estimated gross profits over the products' assumed durations, which are regularly evaluated and adjusted, as appropriate. To the extent that unrealized gains or losses on available for sale securities would result in an adjustment of deferred policy acquisition costs had those gains or losses actually been realized, the related unamortized deferred policy acquisition costs are recorded as an adjustment of the unrealized gains or losses included in shareholders' equity.

Restricted investments-On December 30, 1993, CNA deposited $986,800,000 in an escrow account, pursuant to the Fibreboard Global Settlement Agreement, as discussed in Note 18. The funds are included in short-term investments and are invested in U.S. treasury securities. At December 31, 1994 the escrow account amounted to $1,009,900,000. The escrow account is the prefunding mechanism to the trust fund for future claimants.

Participating business-Participating business represented 0.9%, 1.1% and 1.2% of CNA's gross life insurance in force and 1.0%, 1.1% and 1.2% of life insurance premium income for 1994, 1993 and 1992, respectively. Participating policyholders' equity is determined by allocating 90% of related net income or loss and unrealized investment gains or losses to such business, less dividends determined by CNA's Board of Directors. In the accompanying Statements of Consolidated Income, revenues and benefits and expenses include amounts related to participating policies; the net income or loss allocated to participating policyholders' equity is a component of insurance claims and policyholders' benefits.

Separate Account business-CNA's life insurance subsidiary, Continental Assurance Company ("CAC"), issues certain investment and annuity contracts, the assets and liabilities of which are legally segregated and reflected in the accompanying Consolidated Balance Sheets as assets and liabilities of Separate Account business. CAC guarantees principal and a specified return to the contractholders of approximately 88% of the Separate Account business. Substantially all assets of the Separate Accounts are carried at fair value. Separate Account liabilities are carried at the higher of contract value or the fair value of the underlying assets. Investment income and gains and losses for the Separate Account accrue to the contractholders and are therefore not included in the Statements of Consolidated Income or Cash Flows, except for funding which may be required under the guarantees.

Statutory capital and surplus-Statutory capital and surplus and net income (loss), determined in accordance with accounting practices prescribed or permitted by the Illinois Insurance Department, for property and casualty and life insurance subsidiaries are as follows:

	Statutory Capital and Surplus		Statutory Net Income (Loss)		
	December 31,		Years Ended December 31,		
	1994	1993	1994	1993	1992
	(In thousands)				
Property and casualty	$3,367,294	$3,598,415	$67,339	$120,710	$(1,043,050)
Life	1,054,633	1,021,970	65,102	99	11,831

Statutory Accounting Practices-CNA's insurance affiliates are domiciled in Illinois, California, Connecticut, New York, Pennsylvania and Texas. These affiliates prepare their statutory financial statements in accordance with accounting practices specifically "prescribed" or otherwise "permitted" by the respective state's insurance department. 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. CNA has no material "permitted" accounting practices.

Inventories-Tobacco products-These inventories, aggregating $171,532,000 and $174,377,000 at December 31, 1994 and 1993, respectively, are stated at the lower of cost or market, using the last-in, first-out (LIFO) method.

Watches and other timing devices-These inventories, aggregating $56,961,000 and $52,109,000 at December 31, 1994 and 1993, respectively, are stated at the lower of cost or market, using the first-in, first-out (FIFO) method.

Property, Plant and Equipment-Property, plant and equipment is carried at cost less accumulated depreciation. Depreciation is computed principally by the straight-line method over the estimated useful lives of the various classes of properties. Leaseholds and leasehold improvements are depreciated or amortized over the terms of the related leases (including optional renewal periods where appropriate) or the estimated lives of improvements, if less than the lease term.

The principal service lives used in computing provisions for depreciation are as follows:

	Years
Buildings and building equipment	40
Building fixtures	10 to 20
Machinery and equipment	5 to 12
Hotel equipment	4 to 12
Drilling equipment	10 to 25

Research and Development Costs-Research and development costs are charged to expense as incurred and amounted to $11,751,000, $11,866,000 and $11,521,000 for the years ended December 31, 1994, 1993 and 1992, respectively.

Reclassification-Certain amounts applicable to prior periods have been reclassified to conform to the classifications followed in 1994.

2. Receivables-

	December 31, 1994	December 31, 1993
	(In thousands)	
Reinsurance	$3,754,980	$2,951,664
Other insurance	3,294,142	3,657,048
Security sales	376,932	467,329
Federal income taxes	166,782	96,623
Other	615,185	431,831
Total	8,208,021	7,604,495
Less allowance for doubtful accounts and cash discounts	140,005	129,742
Receivables-net	$8,068,016	$7,474,753

3. Investments-

Investment income consisted of:

	Years Ended December 31, 1994	1993	1992
	(In thousands)		
Investment income:			
Fixed maturities:			
Bonds:			
Tax exempt	$ 333,748	$ 504,896	$ 728,031
Taxable	1,019,094	539,695	622,967
Redeemable preferred stocks	13,523	21,231	11,207
Equity securities	28,198	16,441	19,068
Mortgage loans	6,156	15,410	13,001
Policy loans	10,538	10,413	10,587
Security repurchase transactions	271,210	11,204	24,162
Short-term investments	174,085	276,900	174,997

Other	25,841	12,138	22,586
Total investment income	1,882,393	1,408,328	1,626,606
Investment expenses	24,038	24,789	26,563
Security repurchase transactions	187,101	5,785	15,722
Investment income-net	$1,671,254	$1,377,754	$1,584,321

Realized investment (losses) gains are as follows:

	Years Ended December 31,		
	1994	1993	1992
	(In thousands)		
Fixed maturities	$ (314,840)	$ 765,848	$ 303,622
Equity securities	41,645	92,129	34,315
Guaranteed separate accounts			35,496
Derivative instruments	(14,578)	124	(8,346)
Short-term investments	(164,709)	1,076	16,947
Other	5,502	3,620	25,213
	(446,980)	862,797	407,247
Income tax benefit (expense)	155,278	(300,002)	(132,980)
Allocated to participating policyholders	10,877	(13,142)	(12,140)
Minority interest	25,133	(87,752)	(39,785)
Realized investment (losses) gains-net	$ (255,692)	$ 461,901	$ 222,342

The carrying value of investments (other than equity securities) that have not produced income for the last twelve months is $80,900,000 at December 31, 1994.

Investment gains of $322,364,000 and $1,020,703,000 and losses of $760,268,000 and $161,650,000 were realized on securities available for sale for the years ended December 31, 1994 and 1993, respectively. Total investment gains of $459,000,000 and losses of $155,378,000 were realized on sales of fixed maturities for the year ended December 31, 1992.

The amortized cost and market values of securities available for sale are as follows:

	Amortized Cost	Unrealized Gains	Unrealized Losses	Market Value
	(In thousands)			
	December 31, 1994			
United States government and obligations of government agencies	$11,395,193	$ 15,574	$ 629,091	$10,781,676
Asset-backed	2,693,152	11,192	140,854	2,563,490
States, municipalities and political subdivisions-tax exempt	3,716,711	121,810	68,949	3,769,572
Corporate	1,956,471	19,826	104,681	1,871,616
Other debt	1,459,388	23,366	45,857	1,436,897
Redeemable preferred stocks	423,757	8,261	3,190	428,828
Total fixed maturities	21,644,672	200,029	992,622	20,852,079
Equity securities	1,270,324	228,387	60,571	1,438,140
Short-term investments	8,448,056	1,142	11,581	8,437,617
	$31,363,052	$ 429,558	$ 1,064,774	$30,727,836
	December 31, 1993			
United States government and obligations of government agencies	$ 6,482,814	$ 80,070	$ 8,405	$ 6,554,479
Asset-backed	2,514,596	42,073	9,373	2,547,296
States, municipalities and political subdivisions-tax exempt	4,725,384	316,717	27,260	5,014,841
Corporate	1,800,548	64,042	12,768	1,851,822
Other debt	1,163,454	80,033	2,053	1,241,434
Redeemable preferred stocks	445,290	3,493	799	447,984
Total fixed maturities	17,132,086	586,428	60,658	17,657,856
Equity securities	1,028,733	229,806	18,283	1,240,256
Short-term investments	8,025,623	135	557	8,025,201
	$26,186,442	$ 816,369	$ 79,498	$26,923,313

The amortized cost and market value of fixed maturities at December 31, 1994 and 1993 are shown below by contractual maturity. Actual maturities differ from contractual maturities because securities may be called or prepaid with or without call or prepayment penalties.

	December 31,			
	1994		1993	
	Amortized Cost	Market Value	Amortized Cost	Market Value
	(In thousands)			
Due in one year or less	$ 1,618,863	$ 1,610,765	$ 687,704	$ 702,683
Due after one year through five years	7,483,980	7,083,688	7,500,849	7,597,198
Due after five years through ten years	4,718,157	4,409,223	1,466,050	1,520,597
Due after ten years	5,130,520	5,184,913	4,962,887	5,290,082
Asset-backed securities not due at a single maturity date	2,693,152	2,563,490	2,514,596	2,547,296
	$21,644,672	$20,852,079	$17,132,086	$17,657,856

4. Fair Value of Financial Instruments-

	December 31,			
	1994		1993	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
	(In thousands)			
Financial Assets:				
Investments:				
Mortgage loans and notes receivable	$ 68,004	$ 67,515	$ 74,816	$ 77,914
Policy loans	176,231	155,154	173,606	163,566
Other investments	101,126	102,127	67,891	70,664
Separate Account assets:				
Fixed maturities available for sale	5,250,229	5,250,229	6,234,964	6,234,964
Equity securities available for sale	139,515	139,515	145,663	145,663
Other	690,518	691,761	159,930	168,570
Financial Liabilities:				
Premium deposits and annuity contracts	602,971	593,563	544,669	534,948
Long-term debt	2,132,090	1,957,770	2,182,210	2,284,651
Financial guarantee liabilities	441,800	425,200	352,500	350,300
Separate Account liabilities:				
Guaranteed investment contracts	4,747,882	4,874,603	4,875,440	5,178,817
Deferred annuities	62,527	88,961	66,458	81,433
Variable separate accounts	168,351	168,351	222,780	222,780
Other	658,605	658,605	887,440	887,440

In cases where quoted market prices are not available, fair values may be based on estimates using present value or other valuation techniques. These techniques are significantly affected by the assumptions used, including the discount rates and estimates of future cash flows. Accordingly, the estimates presented herein are subjective in nature and are not necessarily indicative of the amounts that the Company could realize in a current market exchange. The amounts reported in the balance sheet for fixed maturities securities, equity securities, derivative instruments, short-term investments and securities sold under agreements to repurchase are at fair value. As such, these financial instruments are not shown in the table above. See Note 5 for the fair value of derivative instruments. Since the disclosure excludes certain financial instruments and all nonfinancial instruments such as real estate and insurance reserves, the aggregate fair value amounts cannot be summed to determine the underlying economic value of the Company.

The following methods and assumptions were used by the Company in estimating its fair value disclosures for financial instruments:

Fixed maturity securities, equity securities and separate account securities are based on quoted market prices where available. For securities not actively traded, fair values are estimated using values obtained from independent pricing services or quoted market prices of comparable instruments adjusted for differences between the quoted instruments and the instruments being valued.

Fair value for mortgage loans and notes receivable and policy loans are estimated using discounted cash flow analyses, at interest rates currently being offered for similar loans to borrowers with comparable credit ratings. Loans with similar characteristics are aggregated for purposes of the calculations.

Other investments and other Separate Account assets consist of investments in limited partnerships, short term securities and various miscellaneous assets. Valuation techniques to determine fair value consist of discounted cash flows and quoted market prices of (a) the investments, (b) comparable instruments or (c) underlying assets of the investments. The fair value of certain assets contained above approximates their carrying value.

Premium deposits and annuity contracts are valued based on cash surrender values and the outstanding fund balances.

The fair value of the liability for financial guarantee contracts is based on discounted cash flows utilizing interest rates currently being offered for similar contracts and spot interest rates.

Guaranteed investment contracts and deferred annuities of the separate accounts are estimated using discounted cash flow calculations, based on interest rates currently being offered for similar contracts with maturities consistent with those remaining for the contracts being valued. The fair value of the liabilities for variable separate accounts are based on the quoted market values of the underlying assets of each variable separate account. The fair value of other separate account liabilities approximates carrying value.

Fair value of long-term debt traded on securities exchanges is based on quoted market prices. The fair values for other long-term debt are based on quoted market prices of comparable instruments adjusted for differences between the quoted instruments and the instruments being valued or are estimated using discounted cash flow analyses, based on current incremental borrowing rates for similar types of borrowing arrangements.

5. Off-Balance-Sheet and Derivative Financial Instruments-

The Company enters into various transactions involving off-balance-sheet financial instruments through a variety of futures, swaps, options, forwards and other contracts (the "Contracts") as part of its investing activities. These Contracts are commonly referred to as derivative instruments since their underlying values may be linked to interest rates, exchange rates, prices of securities and financial or commodity indexes. The Company uses these Contracts for its asset and liability management activities as well as income enhancements for its portfolio management strategy. Entering into these Contracts involves not only the risk of dealing with counterparties and their ability to meet the terms of the Contracts but also the market risk associated with those positions where the Company does not hold an offsetting security. Exposure to market risk is managed in accordance with risk limits set by senior management by buying or selling instruments or entering into offsetting positions.

The notional amounts of derivatives shown in the following table does not represent amounts exchanged in these transactions and, therefore, are not a measure of the exposure the Company has through its use of derivative instruments. In addition, notional amounts are presented "gross" and do not reflect the net effect of offsetting positions. The amounts exchanged are calculated on the basis of the notional amounts and the other terms of the derivative instruments.

The credit exposure associated with these instruments is generally limited to the positive market value of the instruments and will vary based on changes in market prices. The Company enters into these Contracts with large financial institutions and considers the risk of nonperformance to be remote. In addition, the amounts subject to credit risk are substantially mitigated by many of the Contracts' collateral requirements.

The Company's investments in derivative instruments are as follows:

	December 31, 1994				
		Fair Value Asset (Liability)			
	Contractual/ Notional Value	Year-End	Average for the Year	Estimated Potential Exposure	Recognized Gain (Loss)
			(In thousands)		
Interest rate swaps	$ 75,000	$ 556	$ (1,338)	$ (7,600)(1)	$ (8,892)
Options on equities and equity index	711,989	(1,345)	(566)	(8,200)(1)	32,524
Options on foreign currency	75,000	110	1,385		(2,992)
Financial futures and forwards:					
Foreign currency	586,837	(550)	(14,211)	(5,600)(1)	(3,800)
Equity index and other	78,918	121	141	(7,900)(1)	(25,339)
Commodity:					
Swaps	295,570	(29,024)	(27,022)	(53,300)(2)	(5,760)
Options	208,495	224	5,539		1,391
Futures	9,129	30	196	(500)(3)	103
Forwards					4,487
Purchase obligations	87,990	(16,170)	(13,545)	(14,400)(2)	(6,300)
Total	$2,128,928	$(46,048)	$(49,421)		$(14,578)

	December 31, 1993				
		Fair Value Asset (Liability)			
	Contractual/ Notional Value	Year-End	Average for the Year	Estimated Potential Exposure	Recognized Gain (Loss)
			(In thousands)		
Interest rate swaps	$ 75,000	$(8,005)	$ (2,844)	$ (6,700)(1)	$ (7,962)
Options on equities and equity index	488,562	(21,201)	(17,768)	(15,800)(1)	(3,052)
Financial futures and forwards:					
Foreign currency	513,576	(5,146)	(625)	(37,400)(1)	35,670
Equity index and other	325,503	758	(158)	(30,900)(1)	(1,881)
Commodity:					
Swaps	344,870	(32,277)	(7,077)	(62,500)(2)	(25,193)
Options	203,776	5,897	13,089	(300)(3)	(2,068)
Futures	35,068	980	824	(1,000)(3)	5,127
Forwards	60,687	3,248	402	(12,800)(2)	4,786
Purchase obligations	87,990	(9,870)	(6,440)	(15,600)(2)	(5,470)
Other			173		167

Total	$2,135,032	$(65,616)	$(20,424)		$ 124

Note: The calculation of estimated potential exposure is based on assumed adverse changes in the underlying reference price or index of (1) 10%, (2) 20% or (3) 5%. Adverse changes on options which differ from those presented above would not necessarily result in a proportionate change to the estimated potential exposure.

The notional values presented in the tables above include purchased options of $475,803,000 and $299,584,000 at December 31, 1994 and 1993, respectively.

The Company's measure of exposure represents an estimate of net losses that would be recognized on each class of derivative instrument held by the Company at December 31, assuming immediate adverse market movements of the magnitude described above. The Company believes that the various rates of adverse market movements represent a measure of exposure to loss under assumed adverse conditions considering the remaining maturities of the derivatives and actual market movements in recent past periods. The estimated market exposure does not represent the maximum possible loss nor any expected actual loss, even under adverse conditions, because actual adverse fluctuations would likely differ. In addition, since the Company's investment portfolio is subject to change based on its portfolio management strategy as well as in response to changes in the market, these estimates are not necessarily indicative of the actual results which may occur.

The Company also enters into short sales as part of its portfolio management strategy. These sales resulted in proceeds of $117,924,000 and $76,063,000 with fair value liabilities of $144,507,000 and $75,840,000 at December 31, 1994 and 1993, respectively. At December 31, 1993, the Company had commitments to purchase government and municipal securities at a notional value of $211,000,000 and fair value of $100,000.

Estimated fair values approximate carrying values and are based on quoted market prices, where available. For securities not actively traded, fair values are estimated using values obtained from independent pricing services, quoted market prices of comparable instruments or present value models.

Through August 1, 1989, CNA's property and casualty operations wrote financial guarantee insurance contracts. These contracts primarily represent industrial development bond guarantees and equity guarantees typically extending from ten to thirteen years. For these guarantees, CNA received an advance premium which is recognized over the exposure period and in proportion to the underlying exposure insured.

At December 31, 1994 and 1993, gross exposure of financial guarantee insurance contracts amounted to $630,000,000 and $792,000,000, respectively. The degree of risk attached to this exposure is substantially reduced through reinsurance, collateral requirements and diversification of exposures. At December 31, 1994 and 1993, collateral consisting of letters of credit and debt service reserves amounted to $45,000,000 and $48,000,000, respectively. In addition, security interests in real estate are also obtained. Approximately 38% of the risks were ceded to reinsurers at December 31, 1994 and 1993. Total exposure, net of reinsurance, amounted to $393,000,000 and $492,000,000 at December 31, 1994 and 1993, respectively. Gross unearned premium reserves for financial guarantee contracts were $22,000,000 and $33,000,000 at December 31, 1994 and 1993, respectively. Gross claim and claim expense reserves totaled $420,000,000 and $320,000,000 at December 31, 1994 and 1993, respectively.

6. Investments in Associated Companies-

The Company's investment in associated companies primarily consists of its investment in CBS Inc. ("CBS"). At December 31, 1994, the Company held approximately 18% of the outstanding common shares of CBS and accounts for it on the equity method.

The Company's carrying value for its investment in CBS is $294,346,000 and $473,483,000 (market value of $607,047,000 and $873,975,000) at December 31, 1994 and 1993, respectively.

The Company's equity in the earnings of CBS after giving effect to purchase value adjustments amounted to $45,837,000, $58,990,000 and $27,012,000 before taxes and $30,801,000, $52,641,000 and $24,717,000 after taxes for the years ended December 31, 1994, 1993 and 1992, respectively. Dividends received amounted to $5,227,000, $3,787,000 and $3,029,000 for the respective periods.

On September 1, 1994, CBS completed a cash tender offer at an amount exceeding its net book value per share for repurchase of its common stock aggregating approximately $1,137,500,000, or 22% of its common shares. The Company tendered its shares and received cash amounting to $270,373,000, comprised of $86,382,000 realization of previously undistributed earnings and $183,991,000 representing a return of the Company's investment. As a result of the tender, the Company's ownership in CBS decreased from approximately 20% to 18% and the Company's additional paid-in capital increased by $11,531,000.

In May 1993, $389.6 million of CBS 5% convertible debentures were converted for 1,947,975 shares of common stock. The difference between the amount of debt converted and the average cost of the treasury shares issued, net of unamortized issue costs related to this debt, was credited to additional paid-in capital. As a result, the Company's ownership in CBS decreased from approximately 23% to 20% and the Company's additional paid-in capital increased by $58,942,000.

In 1992, CBS adopted SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," SFAS No. 109, "Accounting for Income Taxes" and SFAS No. 112, "Employers' Accounting for Postemployment Benefits," effective January 1, 1992. The cumulative effect of these accounting changes resulted in recognition by Loews of a charge of $17.4 million, or $.27 per share, in relation to its investment in CBS.

Summarized financial information for CBS is as follows:

	December 31,	
	1994	1993

	(In thousands)	
Current assets	$ 947,900	$1,677,500
Non-current assets	1,212,200	1,741,200
Total assets	2,160,100	3,418,700
Current liabilities	793,000	1,038,900
Long-term debt	507,300	590,300
Other liabilities	582,700	651,500
Total liabilities	1,883,000	2,280,700
Shareholders' equity	$ 277,100	$1,138,000

	Years Ended December 31,		
	1994	1993	1992
	(In thousands)		
Net sales	$3,711,900	$3,510,100	$3,503,000
Cost of sales	$2,823,200	$2,688,800	$2,906,500
Income before cumulative effect of accounting changes	$ 281,600	$ 326,200	$ 162,500
Net income	$ 281,600	$ 326,200	$ 81,000

7. Inventories-

	December 31,	
	1994	1993
	(In thousands)	
Leaf tobacco	$ 140,385	$ 145,259
Manufactured stock	82,902	76,946
Materials, supplies, etc.	21,107	19,082
Total	$ 244,394	$ 241,287

If the average cost method of accounting had been used for tobacco inventories instead of the LIFO method, such inventories would have been $190,719,000 and $211,227,000 higher at December 31, 1994 and 1993, respectively.

8. Property, Plant and Equipment-

	December 31,	
	1994	1993
	(In thousands)	
Land	$ 33,355	$ 33,482
Buildings and building equipment	423,447	395,748
Machinery and equipment	1,317,940	1,189,062
Leaseholds and leasehold improvements	26,994	32,008
Total, at cost	1,801,736	1,650,300
Less accumulated depreciation and amortization	711,868	612,121
Property, plant and equipment-net	$1,089,868	$1,038,179

Depreciation and amortization expense and capital expenditures, by business segment, are as follows:

	Years Ended December 31,					
	1994		1993		1992	
	Depr. & Amort.	Capital Expend.	Depr. & Amort.	Capital Expend.	Depr. & Amort.	Capital Expend.
	(In thousands)					
Property and casualty insurance	$ 49,605	$ 99,316	$ 24,431	$ 84,100	$ 8,030	$ 18,315
Life insurance	16,680	10,218	21,931	5,372	32,644	13,604
Cigarettes	22,504	31,202	21,973	26,996	18,314	23,205
Hotels	17,457	19,923	15,940	18,110	15,479	11,550
Watches and other timing devices	1,827	1,230	2,248	1,310	5,608	3,617
Drilling	49,910	46,146	43,938	70,276	52,550	471,067

Total business segments....	157,983	208,035	130,461	206,164	132,625	541,358
Corporate	2,694	1,057	4,640	1,343	5,745	3,472
Total	$160,677	$209,092	$135,101	$207,507	$138,370	$544,830

9. Purchase of Business-

In January 1992 Diamond Offshore Drilling, Inc., a wholly owned subsidiary, acquired all of the outstanding common stock of Odeco Drilling, Inc. ("Odeco") at a purchase price of $372,242,000 in cash. Odeco owned and operated 40 offshore drilling rigs that were used in drilling oil and gas wells. The acquisition has been accounted for by the purchase method.

10. Liability for Unpaid Claim and Claim Adjustment Expenses-

CNA's property and casualty insurance claim and claim expense reserves represent the estimated amounts necessary to settle all outstanding claims, including claims which are incurred but not reported, as of the reporting date. The Company'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, loss payments, pending levels of unpaid claims and product mix, as well as court decisions, economic conditions and public attitudes. All of these can affect the estimation of reserves. The effects of inflation, which can be significant, are implicitly considered in the reserving process and part of the recorded reserve balance. Reserves are not present valued except in the case of workers' compensation lifetime claims and accident and health disability claims where the reserves are explicitly discounted at rates allowed by insurance regulators that range from 3.5% to 6.0% and structured settlements where such reserves are discounted at interest rates ranging from 6.3% to 7.5%.

Estimating loss reserves is a difficult process as there are many factors that can ultimately affect the final settlement of a claim and, therefore, the reserve that is needed. Changes in the law, results of litigation, medical costs, the cost of repair materials and labor rates can all impact ultimate claim costs. In addition, time can be a critical part of reserving determinations since the longer the span between the incidence of a loss and the payment or settlement of the claim, the more variable the ultimate settlement amount can be. Accordingly, short-tail claims, such as property damage claims, tend to be more reasonably predictable than long-tail claims, such as general liability and professional liability claims.

Changes in reserves for property and casualty claim and claim expense:

	Years Ended December 31,		
	1994	1993	1992
	(In thousands)		
Reserves at beginning of year:			
Gross	$20,812,000	$20,034,000	$17,712,000
Ceded reinsurance	2,491,000	2,867,000	3,297,000
Net.	18,321,000	17,167,000	14,415,000
Net incurred claim and claim expenses:			
Provision for insured events of current year	5,611,000	5,388,000	5,708,000
(Decrease) increase in provision for insured events of prior years (a)	(71,000)	590,000	1,617,000
Amortization of discounts	100,000	94,000	104,000
Total net incurred	5,640,000	6,072,000	7,429,000
Net payments:			
Attributable to current year events	1,388,000	1,202,000	1,260,000
Attributable to prior year events	3,629,000	3,706,000	3,411,000
Amortization of discounts	10,000	10,000	6,000
Total net payments	5,027,000	4,918,000	4,677,000
Net reserves at end of year	$18,934,000	$18,321,000	$17,167,000
Gross reserves at beginning of year	$20,812,000	$20,034,000	$17,712,000
Gross incurred claim and claim expenses:			
Provision for insured events of current year	6,125,000	5,817,000	6,382,000
Increase in provision for insured events of prior years	213,000	305,000	1,487,000
Amortization of discounts	100,000	94,000	104,000
Total gross incurred	6,438,000	6,216,000	7,973,000
Gross payments:			
Attributable to current year events	1,468,000	1,278,000	1,348,000
Attributable to prior year events	4,133,000	4,150,000	4,297,000
Amortization of discounts	10,000	10,000	6,000
Total gross payments	5,611,000	5,438,000	5,651,000

Gross reserves at end of year (b)	$21,639,000	$20,812,000	$20,034,000

(a) Includes $500,000 and $1,500,000 related to Fibreboard for the years ended December 31, 1993 and 1992, respectively.
(b) Excludes life claim and claim expense reserves and intercompany eliminations of $926,000, $858,000 and $699,000 as of December 31, 1994, 1993 and 1992, respectively, included in the Consolidated Balance Sheets.

Environmental Pollution and Asbestos-Potential exposures exist for claims involving environmental pollution, including toxic waste clean-up. Environmental pollution clean-up is the subject of both federal and state regulation. By some estimates, there are thousands of potential waste sites subject to clean-up. The insurance industry is involved in extensive litigation regarding coverage issues. Judicial interpretations in many cases have expanded the scope of coverage and liability beyond the original intent of the policies.

The Comprehensive Environmental Response Compensation and Liability Act of 1980 ("Superfund") and comparable state statutes ("mini-Superfund") govern the clean-up and restoration of abandoned toxic waste sites and formalize the concept of legal liability for clean-up and restoration by "Responsible Parties" ("RP's"). Superfund and the mini-Superfunds (Environmental Clean-up Laws or "ECLs") establishes a mechanism to pay for clean-up of waste sites if RP's fail to do so, and to assign liability to RP's. The extent of liability to be allocated to an RP is dependent on a variety of factors. Further, the number of waste sites subject to clean-up is unknown. To date, approximately 1,300 clean-up sites have been identified by the Environmental Protection Agency on its National Priorities List. On the other hand, the Congressional Budget Office is estimating that there will be 4,500 National Priority List sites, and other estimates project as many as 30,000 sites that will require clean-up under ECLs. Very few sites have been subject to clean-up to date. The extent of clean-up necessary and the assignment of liability has not been established.

CNA and the insurance industry are disputing coverage for many such claims. Key coverage issues include whether Superfund response costs are considered damages under the policies, trigger of coverage, applicability of pollution exclusions, the potential for joint and several liability and definition of an occurrence. Similar coverage issues exist for clean-up of waste sites not covered under Superfund. To date, courts have been inconsistent in their rulings on these issues.

A number of proposals to reform Superfund have been made by various parties, however no reforms were enacted by Congress in 1994. The Superfund taxing authority will expire at the end of 1995 and will, therefore, need to be addressed by the new, 104th Congress. While the next Congress may address this issue, no predictions can be made as to what positions the Congress or the Administration will take and what legislation, if any, will result. If there is legislation, and in some circumstances even if there is no legislation, the federal role in environmental clean-up may be materially reduced in favor of state action. Substantial changes in the federal statute or the activity of the EPA may cause states to reconsider their environmental clean-up statutes and regulations. There can be no meaningful prediction of the pattern of regulation that would result.

Due to the inherent uncertainties described above, including the inconsistency of court decisions, the number of waste sites subject to clean-up, and the standards for clean-up and liability, the exposure to CNA for environmental pollution claims cannot be meaningfully quantified. In 1994 and 1993, CNA allocated approximately $427 and $340 million, respectively, of claim and claim expense reserves for unreported environmental pollution claims in addition to the $79 and $94 million, respectively, of reserves recorded for reported claims. CNA has not attributed any reinsurance to reserves for unreported claims. The reserves for reported claims cited above are net of reinsurance recoverable of $3 and $5 million at December 31, 1994 and 1993, respectively. Claim and claim expense reserves represent management's estimates of ultimate liabilities based on currently available facts and law. However, in addition to the uncertainties previously discussed, additional issues related to, among other things, specific policy provisions, multiple insurers and allocation of liability among insurers, consequences of conduct by the insured, missing policies and proof of coverage make quantification of liabilities exceptionally difficult and subject to later adjustment based on new data.

The number of claims filed for environmental pollution coverage continues to increase. Approximately 1,900 claims were reported in 1994 and approximately 20,000 claims have been reported to date. Pending claims totaled approximately 9,900 and 10,100 at December 31, 1994 and 1993, respectively. Approximately 10,100 claims were closed through December 31, 1994, of which approximately 9,100 claims were settled without payment, except for claim expenses of $26 million. Settlements for the remaining 1,000 claims totaled $129 million, plus claim expenses of $36 million (net of reinsurance recoveries of $34 and $4 million for claim and claim expenses, respectively). Adverse reserve development for environmental claims totaled $180 and $446 million for the years ended December 31, 1994 and 1993, respectively. The foregoing claims statistics represent claims for accident years 1988 and prior, which coincides with CNA's adoption of the Simplified Commercial General Liability coverage form which included an absolute pollution exclusion. In previous filings, such disclosures included claims for all accident years.

The results of operations in future years may continue to be adversely affected by environmental pollution claim and claim expenses. Management will continue to monitor potential liabilities and make further adjustments as warranted.

Most of the unfavorable asbestos-related reserve development is attributable to CNA's on-going litigation with Fibreboard Corporation. A detailed discussion of CNA's litigation with Fibreboard Corporation regarding asbestos-related bodily injury claims can be found in Note 18.

CNA, consistent with sound reserving practices, regularly adjusts its reserve estimates in subsequent reporting periods as new facts and circumstances emerge that indicate the previous estimates need to be modified. The following table summarizes for 1994 and 1993 the net favorable and adverse reserve development, after effect of reinsurance.

	Years Ended December 31, 1994	Years Ended December 31, 1993
	(In thousands)	
Asbestos strengthening (a)	$ (37,000)	$(601,000)
Environmental strengthening	(180,000)	(446,000)
Other reserve releases-net	288,000	457,000
Net reserve release (strengthening)	$ 71,000	$(590,000)

(a) Includes $500,000 related to Fibreboard for the year ended December 31, 1993.

11. Income Taxes-

	Years Ended December 31, 1994	1993	1992
	(In thousands)		
Income taxes (benefits):			
Operations:			
Federal:			
Current	$ 82,142	$ 175,705	$ (67,809)
Deferred	(112,071)	(181,601)	(382,691)
State, city and other, principally current	20,888	52,463	61,809
	(9,041)	46,567	(388,691)
Cumulative effect of accounting changes			118,209
Total	$ (9,041)	$ 46,567	$ (270,482)

Deferred tax assets (liabilities) are as follows-

	December 31, 1994	December 31, 1993	December 31, 1992	January 1, 1992
	(In thousands)			
Insurance reserves:				
Property and casualty claim reserve discounting	$1,027,440	$ 990,206	$ 861,323	$ 714,320
Unearned premium reserves	137,402	125,560	147,874	134,239
Life reserve differences	115,903	144,078	140,120	108,535
Others	10,287	(12,126)	4,747	15,111
Deferred policy acquisition costs	(312,594)	(310,228)	(280,902)	(282,073)
Employee benefits	157,059	144,566	128,127	117,292
Property, plant and equipment	(133,195)	(132,750)	(148,541)	(154,714)
Investments	111,671	143,342	61,280	46,455
Alternative minimum tax credit	239,600	165,200	151,000	
Other-net	60,717	44,371	55,590	38,762
	1,414,290	1,302,219	1,120,618	737,927
Unrealized depreciation (appreciation)	282,423	(257,764)	(15,601)	186
Other-net	(17,541)	29,955	4,515	387
Deferred tax assets-net	$1,679,172	$1,074,410	$1,109,532	$ 738,500

Gross deferred tax assets amounted to $2,290,300,000, $1,895,689,000 and $1,595,083,000 and liabilities amounted to $611,128,000, $821,279,000 and $485,551,000, for the years ended December 31, 1994, 1993 and 1992, respectively.

Total income tax expense (benefit) for the years ended December 31, 1994, 1993 and 1992 was different than the amounts of $93,152,000, $241,275,000 and $(176,278,000), computed by applying the statutory U.S. federal income tax rate of 35%, 35% and 34%, respectively, to income (loss) before income taxes and minority interest for each of the years. The reasons for variances from the statutory rate are as follows:

Percent of Pre-tax Income Years Ended December 31, 1994	1993	1992

Statutory rate	35%	35%	(34)%
(Decrease)increase in income tax rate resulting from:			
Exempt interest and dividends received deduction	(42)	(28)	(44)
State and city income taxes	4	7	8
Tax rate change		(5)	
Special deduction-salvage and subrogation		(2)	(3)
Other			(2)
Effective income tax rate	(3)%	7%	(75)%

Federal, foreign, state and local income tax payments, net of refunds, amounted to approximately $194,947,000, $10,263,000 and $355,853,000 for the years ended December 31, 1994, 1993 and 1992, respectively.

The Tax Reform Act of 1986 enacted a new separate parallel tax system referred to as the Alternative Minimum Tax ("AMT") system. AMT is based on a flat rate applied to a broader tax base. It is calculated separately from the regular federal income tax and the higher of the two taxes is paid. The excess of the AMT over regular tax is a tax credit, which can be carried forward indefinitely to reduce regular tax liabilities of future years. At December 31, 1994 the AMT credit totaled approximately $239,600,000.

The Company has entered into separate tax allocation agreements with Bulova and CNA, majority-owned subsidiaries in which its ownership exceeds 80% (the "Subsidiaries"). Each agreement provides that the Company will (i) pay to the Subsidiary the amount, if any, by which the Company's consolidated federal income tax is reduced by virtue of inclusion of the Subsidiary in the Company's return, or (ii) be paid by the Subsidiary an amount, if any, equal to the federal income tax which would have been payable by the Subsidiary if it had filed a separate consolidated return. Under these agreements, the federal income tax benefit to CNA amounted to approximately $84,000,000, $17,000,000 and $350,000,000 for the years ended December 31, 1994, 1993 and 1992, respectively, and the federal income tax (expense) benefit to Bulova amounted to approximately $(74,000), $2,500,000 and $(3,300,000) for the years ended December 31, 1994, 1993 and 1992, respectively. Each agreement may be cancelled by either of the parties upon thirty days' written notice.

The Company's federal income tax returns have been examined through 1988 and settled through 1983, and the years 1989 and 1990 are currently under examination. While tax liabilities for subsequent years are subject to audit and final determination, in the opinion of management the amount accrued in the consolidated balance sheet is believed to be adequate to cover any additional assessments which may be made by federal, state and local tax authorities and should not have a material effect on the financial condition of the Company,

The Revenue Reconciliation Act of 1990 (the "1990 Act") required property and casualty insurance companies to accrue estimated salvage and subrogation recoverable for tax purposes as of January 1, 1990. Under a transition provision of the 1990 Act, for companies that had anticipated salvage and subrogation in determining loss reserves, 87% of such accrual as of January 1, 1990 was forgiven. This special deduction is to be taken ratably over four taxable years beginning in 1990. CNA recognized a tax benefit of approximately $17,000,000 in each of the years ended December 31, 1993 and 1992, respectively.

In 1993 the Company increased its deferred tax asset by $31,636,000 due to a 1% increase in the corporate tax rate.

12. Long-Term Debt-

	December 31, 1994			
	Principal	Unamortized Discount	Net	Current Maturities
	(In thousands)			
Loews Corporation	$1,192,832	$23,071	$1,169,761	
CNA	918,390	6,577	911,813	$1,632
Other	62,820		62,820	2,758
Total	$2,174,042	$29,648	$2,144,394	$4,390

	December 31,	
	1994	1993
	(In thousands)	
Loews Corporation (Parent Company):		
8.5% notes due 1998 (effective interest rate of 8.6%) (authorized, $125,000) (a)	$ 117,832	$ 117,832
8.3% debentures due 2007 (effective interest rate of 8.4%) (authorized, $200,000) (b)	200,000	200,000
8.9% debentures due 2011 (effective interest rate of 9.0%) (authorized, $175,000)	175,000	175,000
7.6% notes due 2023 (effective interest rate of 7.8%) (authorized, $300,000) (c)	300,000	300,000
7% notes due 2023 (effective interest rate of 7.2%) (authorized, $400,000) (d)	400,000	400,000
Note payable		15,741
CNA Financial Corporation:		
8.6% notes due 1996 (effective interest rate of 8.8%) (authorized, $250,000)	250,000	250,000
8.9% notes due 1998 (effective interest rate of 9.2%) (authorized, $150,000)	150,000	150,000
6.3% notes due 2003 (effective interest rate of 6.4%) (authorized,		

$250,000)	250,000	250,000
7.3% debentures due 2023 (effective interest rate of 7.3%) (authorized, $250,000)	250,000	250,000
Other senior debt (effective interest rates approximate 5.0% and 4.6%)	18,390	20,777
Other senior debt, principally mortgages (effective interest rates approximate 9.3% and 8.9%)	62,820	97,347
	2,174,042	2,226,697
Less unamortized discount	29,648	31,027
Long-term debt, less unamortized discount	$2,144,394	$2,195,670

(a) Net of $7,168 held by the Company.
(b) Redeemable in whole or in part at January 15, 1997 at 104%, and decreasing percentages thereafter.
(c) Redeemable in whole or in part at June 1, 2003 at 104%, and decreasing percentages thereafter.
(d) Redeemable in whole or in part at October 15, 2003 at 102%, and decreasing percentages thereafter.

The aggregate of long-term debt maturing in each of the next five years is approximately as follows: $4,390,000 in 1995, $254,010,000 in 1996, $19,645,000 in 1997, $270,639,000 in 1998 and $29,536,000 in 1999.

The Company paid interest expenses of approximately $168,901,000, $219,099,000 and $127,689,000 for the years ended December 31, 1994, 1993 and 1992, respectively.

Payment of dividends by insurance subsidiaries of CNA without prior regulatory agency approval is limited to certain formula-derived amounts. At December 31, 1994, $2,073,474,000 of retained earnings of subsidiaries was not available for dividends to the Company.

13. Retirement Plans-

Pension Plans-The Company and its subsidiaries have several non-contributory defined benefit plans for eligible employees. The benefits for certain plans which cover salaried employees and certain union employees are based on formulas which include among others, years of service and average pay. The benefits for one plan which covers union workers under various union contracts and certain salaried employees are based on years of service multiplied by a stated amount.

Effective January 1, 1994, a subsidiary of the Company amended its retirement plan to allow for early retirement benefits when years of service and age equals a minimum of 65. This amendment generated an unrecognized prior service cost of $1,600,000.

Pension cost includes the following components:

	Years Ended December 31,		
	1994	1993	1992
	(In thousands)		
Service cost-benefits earned	$ 43,438	$ 37,141	$ 34,292
Interest cost	86,259	81,811	76,814
Return on plan assets-actual	16,582	(54,079)	(55,446)
Net amortization and deferrals	(65,476)	(7,163)	(598)
Net pension cost	$ 80,803	$ 57,710	$ 55,062

The following table sets forth the pension plans' funded status:

	December 31,			
	1994		1993	
	Overfunded Plans	Underfunded Plans	Overfunded Plans	Underfunded Plans
	(In thousands)			
Actuarial present value of benefit obligations:				
Accumulated benefit obligation	$ 421,488	$476,994	$ 450,751	$512,907
Accumulated vested benefit obligation	$ 383,296	$436,339	$ 409,399	$473,030
Projected benefit obligation	$ 644,160	$529,612	$ 619,001	$565,127
Plan assets at fair value	508,825	336,637	483,774	361,285
Projected benefit obligation over plan assets	135,335	192,975	135,227	203,842
Unrecognized prior service cost	(16,100)	(15,269)	(16,273)	(17,587)
Unrecognized net asset (obligation), January 1	17,300	(34,156)	22,330	(39,756)
Unrecognized net loss	(169,306)	(67,249)	(159,594)	(96,156)
Additional minimum liability		78,071		102,343
Net pension (asset) liability recognized in the balance sheet	$ (32,771)	$154,372	$ (18,310)	$152,686

At December 31, 1994 and 1993, the Company's minimum pension liability exceeded its unrecognized prior service cost and net transition obligation by $30,712,000 and $43,095,000, respectively. This excess is recorded as a reduction to shareholders' equity of $19,962,000 and $28,012,000, net of tax benefits of $10,750,000 and $15,083,000, respectively.

The rates used in the actuarial assumptions were:

	Years Ended December 31,		
	1994	1993	1992
Discount rate	8.5% to 8.8%	7.3% to 7.5%	8.3% to 8.5%
Rate of compensation increase	4.0% to 6.3%	4.5% to 5.8%	5.3% to 5.5%
Expected long-term rate of return on assets	7.5% to 8.8%	7.5% to 8.5%	9.0%

The Company's funding policy is to make contributions in accordance with applicable governmental regulatory requirements. The assets of the plans are invested primarily in interest-bearing obligations and for one plan with an insurance subsidiary of the Company, in its Separate Account business.

Other Postretirement Benefit Plans-The Company and its subsidiaries have 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 which can have a maximum of $4,500 per year, with an equal amount for a spouse in the same age grouping.

Benefits for retirees reaching age 65 are generally integrated with Medicare. Benefits for certain retirees are in the form of a company health care account which can have a maximum value of $1,500 per year, with an equal amount for a spouse in the same age grouping. 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.

Effective January 1, 1994, a subsidiary of the Company amended its retirement plan to allow for early retirement when years of service and age equals a minimum of 65. This amendment generated $11,200,000 of unrecognized prior service costs for its postretirement benefit plan.

The Company does not fund any 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 rates used in the actuarial assumptions were:

	December 31,	
	1994	1993
Net periodic postretirement benefit cost	7.3% to 7.5%	8.3% to 8.5%
Accumulated postretirement benefit liability	8.5% to 8.8%	7.3% to 7.5%

The following table sets forth the postretirement benefit plans' status:

	December 31,	
	1994	1993
	(In thousands)	
Accumulated postretirement benefit obligation:		
Retirees	$130,245	$134,502
Fully eligible active plan participants	81,477	57,376
Other active plan participants	89,363	128,992
	301,085	320,870
Unrecognized prior service cost	(10,244)	736
Unrecognized net gain	77,072	21,869
Accrued postretirement benefit liability	$367,913	$343,475

Postretirement benefit cost includes the following components:

	Years Ended December 31,		
	1994	1993	1992
	(In thousands)		
Service costs	$13,662	$10,892	$10,807
Interest costs	24,852	25,238	24,919
Net periodic postretirement benefit cost	$38,514	$36,130	$35,726

For measurement purposes, a trend rate for covered costs of 13.5% to 14% pre-65 and 10.5% post-65, was used. These trend rates are expected to decrease gradually to 5% and 8.3% at rates from 0.5% to 1.0% per annum. An increase of one percentage point in assumed health care cost trend rates would increase the accumulated postretirement benefit obligation by approximately $25,016,000 and the net periodic postretirement benefit cost by approximately $3,811,000.

14. Reinsurance-

The effects of reinsurance on written premiums and earned premiums are as follows:

Written Premiums:

	Direct	Assumed	Ceded	Net
	(In thousands)			
	Year Ended December 31, 1994			
Long Duration Contracts	$ 518,300	$ 118,400	$ 25,900	$ 610,800
Short Duration Contracts	8,344,400	1,398,300	710,600	9,032,100
Total	$8,862,700	$1,516,700	$736,500	$9,642,900
	Year Ended December 31, 1993			
Long Duration Contracts	$ 422,700	$ 141,600	$ 23,000	$ 541,300
Short Duration Contracts	7,654,900	1,168,400	540,100	8,283,200
Total	$8,077,600	$1,310,000	$563,100	$8,824,500
	Year Ended December 31, 1992			
Long Duration Contracts	$ 413,800	$ 146,500	$ 23,200	$ 537,100
Short Duration Contracts	7,325,800	1,367,500	506,500	8,186,800
Total	$7,739,600	$1,514,000	$529,700	$8,723,900

Earned Premiums:

	Direct	Assumed	Ceded	Net
	Year Ended December 31, 1994			
Long Duration Contracts	$ 413,800	$ 118,400	$ 25,900	$ 506,300
Short Duration Contracts	8,273,400	1,397,400	702,700	8,968,100
Total	$8,687,200	$1,515,800	$728,600	$9,474,400
	Year Ended December 31, 1993			
Long Duration Contracts	$ 350,100	$ 140,900	$ 23,000	$ 468,000
Short Duration Contracts	7,603,200	1,142,700	525,100	8,220,800
Total	$7,953,300	$1,283,600	$548,100	$8,688,800
	Year Ended December 31, 1992			
Long Duration Contracts	$ 376,400	$ 146,500	$ 23,200	$ 499,700
Short Duration Contracts	7,570,500	1,203,900	506,100	8,268,300
Total	$7,946,900	$1,350,400	$529,300	$8,768,000

The ceding of insurance does not discharge the primary liability of the original insurer. CNA places reinsurance with other carriers only after careful review of the nature of the contract and a thorough assessment of the reinsurers' credit quality and claim settlement performance. Further, for carriers that are not authorized reinsurers in Illinois, CNA receives collateral primarily in the form of bank letters of credit, securing a large portion of the recoverables. Such collateral totaled approximately $165.0 and $155.0 million at December 31, 1994 and 1993, respectively. CNA's largest recoverable, including prepaid reinsurance premiums was approximately $348.0 and $484.0 million with Lloyd's of London at December 31, 1994 and 1993, respectively. Insurance claims and policyholders' benefits are net of reinsurance recoveries of $827.9, $177.6 and $570.2 million for the years ended December 31, 1994, 1993 and 1992, respectively.

15. Capital Stock and Earnings Per Share-

In addition to its common stock, the Company has authorized 25,000,000 shares of preferred stock, $.10 par value.

Earnings per share, assuming no dilution, are based on the weighted average number of shares outstanding during each year (60,192,000, 64,108,000 and 65,659,000 for the years ended December 31, 1994, 1993 and 1992, respectively). Fully diluted earnings per share assumes conversion of the zero coupon convertible subordinated notes (redeemed in November 1993) and elimination of the related interest charges, net of taxes. Fully diluted earnings per share are not presented for the year ended December 31, 1992 since such dilution is not material.

16. Quarterly Financial Data (Unaudited)-

	1994 Quarters Ended				1993 Quarters Ended			
	Dec. 31	Sept. 30	June 30	March 31	Dec. 31	Sept. 30	June 30	March 31
	(In thousands, except per share data)							
Total revenues	$3,371,400	$3,545,304	$3,393,397	$3,205,100	$3,351,634	$3,416,934	$3,375,079	$3,543,130
Net income (loss) .	79,158	134,215	60,326	(5,865)	138,403	(89,615)	203,643	341,690
Per share	1.34	2.24	1.00	(.10)	2.20	(1.40)	3.16	5.25

17. Leases-

The Company's hotels in some instances are constructed on leased land or are leased. Other leases cover central office facilities, computer equipment and operating service offices. Rent expense amounted to $78,114,000, $84,946,000 and $85,400,000 for the years ended December 31, 1994, 1993 and 1992, respectively. It is expected, in the normal course of business, that leases which expire will be renewed or replaced by leases on other properties; therefore, it is believed that future minimum annual rental commitments will not be less than the amount of rental expense incurred in 1994. At December 31, 1994 future aggregate minimum rental payments approximated $245,615,000.

18. Legal Proceedings and Contingent Liabilities-

Fibreboard Litigation-CNA's primary property and casualty subsidiary, Continental Casualty Company ("Continental"), is party to litigation with Fibreboard Corporation ("Fibreboard") involving coverage for certain asbestos-related claims and defense costs (San Francisco Superior Court, Judicial Council Coordination Proceeding 1072). As described below, Continental, Fibreboard, another insurer (Pacific Indemnity, a subsidiary of the Chubb Corporation), and a negotiating committee of asbestos claimant attorneys have reached a Global Settlement (the "Global Settlement") to resolve all future asbestos-related bodily injury claims involving Fibreboard. Continental, Fibreboard and Pacific Indemnity have also reached an agreement, which is subject to court approval, (the "Trilateral Agreement") on a settlement to resolve the coverage litigation in the event the Global Settlement does not obtain final court approval. The implementation of the Global Settlement or the Trilateral Agreement would have the effect of settling Continental's litigation with Fibreboard.

On July 29, 1994 the United States District Court for the Eastern District of Texas preliminarily approved the Global Settlement agreement. A final fairness hearing, to determine whether to finally approve the Global Settlement agreement, commenced on December 12, 1994. During the hearing various parties presented evidence in opposition to the Global Settlement.

Also pending in the United States District Court for the Eastern District of Texas is litigation over the Trilateral Agreement. Trial on the issues raised by this agreement occurred on February 13, 1995, with evidence submitted to the Court in opposition to final court approval of the Trilateral Agreement.

CNA and the other parties to the Global Settlement agreement and the Trilateral Agreement completed a comprehensive court approved notice program to provide potential claimants information about their rights and possible benefits under the Global Settlement agreement and Trilateral Agreement. Final arguments concerning the Global Settlement agreement occurred on February 27, 1995; the court's rulings are expected in the spring of 1995. No date has been set for final legal arguments for the Trilateral Agreement.

Coverage Litigation-Between 1928 and 1971, Fibreboard manufactured insulation products containing asbestos. Since the 1970's, thousands of claims have been filed against Fibreboard by individuals claiming bodily injury as a result of asbestos exposure.

Continental insured Fibreboard under a comprehensive general liability policy between May 4, 1957 and March 15, 1959. Fibreboard disputed the coverage positions taken by its insurers and, in 1979, Fireman's Fund, another of Fibreboard's insurers, brought suit with respect to coverage for defense and indemnity costs. In January 1990, the San Francisco Superior Court (Judicial Council Coordination Proceeding 1072) rendered a decision against the insurers including Continental and Pacific Indemnity. The court held that the insurers owed a duty to defend and indemnify Fibreboard for certain of the asbestos-related bodily injury claims asserted against Fibreboard (in the case of Continental, for all claims involving exposure to Fibreboard's asbestos products if there was exposure to asbestos at any time prior to 1959 including years prior to 1957, regardless of when the claims were asserted or injuries manifested) and that the policies contained no aggregate limit of liability in relation to such claims. The judgment was appealed.

The Court of Appeal entered an opinion on November 15, 1993, as modified on December 13, 1993, which substantially affirmed the lower court's decisions on scope of coverage and trigger of coverage issues, as described below. The Court of Appeal withheld its ruling on the issues discrete to Continental and Pacific Indemnity pending final court approval of either the Global Settlement or the Trilateral Agreement described below. On January 27, 1994, the California Supreme Court granted a Petition for Review filed by several insurers, including Continental, of, among other things, the trigger and scope of coverage issues. The order granting review has no effect on the Court of Appeal's order severing the issues unique to Continental and Pacific Indemnity. Continental cannot predict the time frame within which the issues before the California Supreme Court may be resolved. If neither the Global Settlement nor the Trilateral Agreement is approved, it is anticipated that Continental and Pacific Indemnity will resume the appeal process. Continental's appeal of the coverage judgment raises many legal issues. Key issues on appeal under the policy are trigger of coverage, scope of coverage, dual coverage requirements and number of occurrences:

- The trial court adopted a continuous trigger of coverage theory under which all insurance policies in effect at any time from first exposure to asbestos until the date of the claim filing or death are triggered. The Court of Appeal endorsed the continuous trigger theory, but modified the ruling to provide that policies are triggered by a claimant's first exposure to the policyholder's products, as opposed to the first exposure to any asbestos product. Therefore, an insurance policy is not triggered if a claimant's first exposure to the policyholder's product took place after the policy period. The court, however, placed the burden on the insurer to prove the claimant was not exposed to its policyholder's product before or during the policy period. The trigger of coverage issue is now on appeal to the California Supreme Court.

Continental's position is that its policy is triggered under California law by manifestation of appreciable harm during the policy period. The bodily injury cannot be said to occur within the meaning of the policy until actual physical symptoms and associated functional impairment manifest themselves. Thus, Continental's position is that if existing California law were applied, there would be no coverage under Continental's policy.

- The scope of coverage decision imposed a form of "joint and several" liability that makes each triggered policy liable in whole for each covered claim, regardless of the length of the period the policy was in effect. This decision was affirmed by the Court of Appeal, and is now on appeal to the California Supreme Court. Continental's position is that liability for asbestos claims should be shared not jointly, but severally and on a pro rata basis between the insurers and insured. Under this theory, Continental would only be liable for that proportion of the bodily injury that occurred during the 22-month period its policy was in force.
- Continental maintains that both the occurrence and the injury resulting therefrom must happen during the policy period for the policy to be triggered. Consequently, if the court holds that the occurrence is exposure to asbestos, Continental's position is that coverage under the Continental policy is restricted to those who actually inhaled Fibreboard asbestos fibers and suffered injury from May 4, 1957 to March 15, 1959. The Court of Appeal withheld ruling on this issue, as noted above.
- Continental's policy had a $1 million per occurrence limit. Continental contends the number of occurrences under California law must be determined by the general cause of the injuries, not the number of claimants, and that the cause of the injury was the continuous sale and manufacture of the product. Because the manufacture and sale proceeded from two locations, Continental maintains that there were only two occurrences and thus only $2 million of coverage under the policy. However, the per occurrence limit was interpreted by the trial court to mean that each claim submitted by each individual constituted a separate occurrence. The Court of Appeal withheld ruling on this issue, as noted above.

Even if Continental were successful on appeal on the dual coverage requirements or the number of occurrences, if the final decision in the coverage case affirms the trial court's decision on the existence of the Pacific Indemnity policy, then Continental would still have obligations under the Continental and Pacific Indemnity Agreement described below.

Under various reinsurance agreements, Continental has asserted a right to reimbursement for a portion of its potential exposure to Fibreboard. The reinsurers have disputed Continental's right to reimbursement and have taken the position that any claim by Continental is subject to arbitration under provisions in the reinsurance agreement. A Federal court has ruled that the dispute must be resolved by arbitration. There can be no assurance that Continental will be successful in obtaining a recovery under its reinsurance agreements.

On April 9, 1993, Continental and Fibreboard entered into an agreement pursuant to which, among other things, the parties agreed to use their best efforts to negotiate and finalize a global class action settlement with asbestos-related bodily injury and death claimants.

Through December 31, 1994, Continental, Fibreboard and plaintiff attorneys had reached settlements with respect to approximately 135,000 claims, subject to resolution of the coverage issues, for a maximum settlement amount of approximately $1.58 billion. If neither the Global Settlement nor the Trilateral Agreement receives final court approval, Continental's obligation to pay under all settlements will be partially subject to the results of the pending appeal in the coverage litigation. Minimum amounts payable under all such agreements, regardless of the outcome of coverage litigation, total approximately $751.8 million, of which $486.6 million was paid through December 31, 1994. Continental may negotiate other agreements with various classes of claimants including groups who may have previously reached agreement with Fibreboard.

Continental will continue to pursue its appeals in respect of the coverage litigation and all other litigation involving Fibreboard if the Global Settlement or the Trilateral Agreement cannot be implemented.

Global Settlement-On August 27, 1993, Continental, Pacific Indemnity, Fibreboard and a negotiating committee of asbestos claimant attorneys reached an agreement in principle for an omnibus settlement to resolve all future asbestos-related bodily injury claims involving Fibreboard. The Global Settlement was executed on December 23, 1993. The agreement calls for contribution by Continental and Pacific Indemnity of an aggregate of $1.525 billion to a trust fund for a class of all future asbestos claimants, defined generally as those persons whose claims against Fibreboard were neither filed nor settled before August 27, 1993. An additional $10 million is to be contributed to the fund by Fibreboard. The Global Settlement is subject to court approval and possible appeals. As noted below, there is limited precedent with settlements which determine the rights of future claimants to seek relief.

Subsequent to the announcement of the agreement in principle, Continental, Fibreboard and Pacific Indemnity entered into the Trilateral Agreement which sets forth the parties' obligations in the event the Global Settlement is not approved by the court. In such case, Continental and Pacific Indemnity would contribute to a settlement fund an aggregate of $2 billion, less certain adjustments. Such fund would be devoted to the payment of Fibreboard's asbestos liabilities other than liabilities in respect of previously settled claims. Continental's share of such fund would be $1.44 billion reduced by a portion of an additional payment of $635 million which Pacific Indemnity has agreed to pay in respect of unsettled present claims and previously settled claims. Continental has agreed that if either the Global Settlement or the Trilateral

Agreement is approved, it will assume responsibility for the claims that had been settled and paid before August 27, 1993. A portion of the additional $635 million to be contributed by Pacific Indemnity would be applied to the payment of such claims as well. As a part of the Global Settlement and the Trilateral Agreement, Continental would be released by Fibreboard from any further liability under the comprehensive general liability policy written for Fibreboard by Continental, including but not limited to liability for asbestos-related claims against Fibreboard. The Trilateral Agreement is subject to court approval and possible appeals.

Continental and Fibreboard have entered into a supplemental agreement (the "Supplemental Agreement") which governs the interim arrangements and obligations between the parties until such time as the Global Settlement is either approved or disapproved by the court and also governs certain obligations between the parties in the event the Global Settlement is approved, including the payment of claims which are not included in the Global Settlement.

In addition, Continental and Pacific Indemnity have entered into an agreement (the "Continental-Pacific Agreement") which sets forth the parties' agreement with respect to the means for allocating among themselves responsibility for payments arising out of the Fibreboard insurance policies whether or not the Global Settlement or the Trilateral Agreement is approved. Under the Continental-Pacific Agreement, Continental and Pacific Indemnity have agreed to pay 64.71% and 35.29%, respectively, of the $1.525 billion plus expenses and interest accrued in escrow to be used to satisfy the claims of future claimants. If neither the Global Settlement nor the Trilateral Agreement is approved, Continental and Pacific Indemnity would share, in the same percentages, most but not all liabilities and costs of either insurer including, but not limited to, liabilities in respect of unsettled present claims and presently settled claims (regardless of whether either such insurer would otherwise have any liability therefor). If either the Trilateral Agreement or the Global Settlement is approved by the court, Pacific Indemnity's share for unsettled present claims and presently settled claims will be $635 million.

Reserves-In the fourth quarter of 1992, Continental increased its reserve with respect to potential exposure to asbestos-related bodily injury cases by $1.5 billion. In connection with the agreement in principle announced on August 27, 1993, Continental added $500 million to such claim reserve. The Fibreboard litigation represents the major portion of Continental's asbestos-related claim exposure.

There are inherent uncertainties in establishing a reserve for complex litigation of this type. Courts have tended to impose joint and several liability, and because the number of manufacturers who remain potentially liable for asbestos-related injuries has diminished on account of bankruptcies, as has the potential number of insurers due to operation of policy limits, the liability of the remaining defendants is difficult to estimate. Further, a recent trend by courts to consolidate like cases into mass tort trials limits the discovery ability of insurers, generally does not allow for individual claim adjudication, restricts the identification of appropriate allocation methods and thereby results in an increasing likelihood for fraud and disproportionate and potentially excessive judgments. Additionally, management believes that recent court decisions would appear to be based on social or other considerations irrespective of the facts and legal issues involved.

The Global Settlement and the Trilateral Agreement are subject to court approval. There is limited precedent with settlements which determine the rights of future claimants to seek relief. It is extremely difficult to assess the magnitude of Continental's potential liability in respect of such future claimants if neither the Global Settlement nor the Trilateral Agreement is approved and upheld, keeping in mind that Continental's potential liability is limited to persons exposed to asbestos prior to the termination of the policy in 1959.

Projections by experts of future trends differ widely, based upon different assumptions with respect to a host of complex variables. Some recently published studies, not specifically related to Fibreboard, conclude that the number of future asbestos-related bodily injury claims against asbestos manufacturers could be several times the number of claims brought to date. Such studies include claims asserted against asbestos manufacturers for all years, including claims filed or projected to be filed in respect of periods after 1959. As indicated above, as of December 31, 1994, Continental, Fibreboard and plaintiff attorneys have reached settlements with respect to approximately 135,000 claims, subject to the resolution of coverage issues. Such amount does not include presently pending or unsettled claims, claims previously dismissed or claims settled pursuant to agreements to which Continental is not a party.

Another aspect of the complexity in establishing a reserve arises from the widely disparate values that have been ascribed to claims by courts and in the context of settlements. Under the terms of a settlement reached with plaintiffs' counsel in August 1993, the expected settlement for approximately 49,500 claims for exposure to asbestos both prior to and after 1959 is currently averaging approximately $13,400 per claim for the before 1959 claims processed through December 31, 1994. Based on reports by Fibreboard, between September 1988 and April 1993, Fibreboard resolved approximately 40,000 claims, approximately 45% of which involved no cost to Fibreboard other than defense costs, with the remaining claims involving the payment of approximately $11,000 per claim. On the other hand, a trial court in Texas in 1990 rendered a verdict in which Fibreboard's liability in respect of 2,300 claims was found to be approximately $310,000 per claim including interest and punitive damages. Fibreboard entered into a settlement of such claims by means of an assignment of its potential proceeds from its policy with Continental. Continental intervened and settled these claims for approximately $77,000 on average, with a portion of the payment contingent on approval of the Global Settlement or the Trilateral Agreement, and if neither is approved, subject to resolution of the coverage appeal.

Continental believes that as a result of the Global Settlement and the Trilateral Agreement it has greatly reduced the uncertainty of its exposure with respect to the Fibreboard matter. However, if neither the Global Settlement, nor the Trilateral Agreement is approved and upheld, in light of the factors discussed herein the range of Continental's potential liability cannot be meaningfully estimated and there can be no assurance that the reserves established would be sufficient to pay all amounts which ultimately could become payable in respect of asbestos-related bodily injury liabilities.

While it is possible that the ultimate outcome of this matter could have a material adverse impact on the equity of the Company, management does not believe that a further loss material to equity is probable. Management will continue to monitor the potential liabilities with respect to asbestos-related bodily injury claims and will make adjustments to the claim reserves if warranted.

Tobacco Litigation-A number of lawsuits have been filed against Lorillard and other manufacturers of tobacco products seeking damages for cancer and other health effects claimed to have resulted from an individual's use of cigarettes or exposure to tobacco smoke. Plaintiffs have asserted claims based on, among other things, theories of negligence, fraud, misrepresentation, strict liability, breach of warranty, enterprise liability, civil conspiracy, intentional infliction of harm, and failure to warn of the allegedly harmful and/or addictive nature of tobacco products. Plaintiffs seek unspecified amounts in compensatory and punitive damages in many cases, and in other cases damages are stated to amount to as much as $100 million in compensatory damages and $600 million in punitive damages. Presently, 54 such cases are pending in the United States federal and state courts against manufacturers of tobacco products generally; Lorillard is a named defendant in 17 of these cases and the Company is a defendant in three of these cases. Twenty of these cases have been commenced since January 1, 1994; Lorillard is a named defendant in six of the cases filed since January 1, 1994.

In addition to cases brought by individuals, five purported class actions are pending against Lorillard and other cigarette manufacturers, and the Company is a defendant in one of these cases. Plaintiffs in four of the purported class actions seek damages for alleged nicotine addiction and health effects claimed to have resulted from the use of cigarettes, and plaintiffs in one of the purported class actions allege health effects from exposure to tobacco smoke. Theories of liability include a broad range of product liability theories, theories based upon consumer protection statutes and fraud and misrepresentation. Four of the purported class actions have been filed since January 1, 1994. These purported class actions are more fully described below.

In Broin v. Philip Morris Companies, Inc., et al. (Circuit Court, Dade County, Florida, filed October 31, 1991), the purported class consists of flight attendants claiming injury as a result of exposure to environmental tobacco smoke in the cabins of aircraft. Plaintiffs seek an unspecified amount in compensatory damages and $5 billion in punitive damages. The trial court granted plaintiffs' motion for class certification on December 12, 1994. Defendants have appealed this ruling to the Florida Court of Appeals.

In Castano v. The American Tobacco Company, et al. (U.S. District Court, Eastern District, Louisiana, filed March 29, 1994), the purported class consists of individuals in the United States who are allegedly nicotine dependent and the estates and heirs of individuals in the United States who were allegedly nicotine dependent. Plaintiffs in this action are represented by a well-funded and coordinated consortium of over 60 law firms from around the United States. Plaintiffs seek unspecified amounts in actual damages and punitive damages. The court issued an order on February 17, 1995 that granted in part plaintiffs' motion for class certification. The time for defendants to request an appeal from the order granting the motion for class certification has not expired.

In Granier v. The American Tobacco Company, et al. (U.S. District Court, Eastern District, Louisiana, filed September 26, 1994), plaintiffs seek certification of a class to be comprised of all residents of the United States who are addicted to nicotine, and of survivors who claim their decedents were addicted to nicotine. Plaintiffs seek unspecified dollar amounts in actual damages and punitive damages and the creation of a medical monitoring fund to monitor the health of individuals allegedly injured by their addiction to nicotine. Plaintiffs' motion to consolidate this action with Castano, above, has not been decided by the court.

In Engle v. R.J. Reynolds Tobacco Co., et al. (Circuit Court, Dade County, Florida, filed May 5, 1994). the purported class consists of citizens and residents of the United States, and the purported survivors of citizens and residents of the United States, who have had, presently have, or have died from diseases and medical conditions allegedly caused by smoking cigarettes containing nicotine. Plaintiffs in this case seek actual and punitive damages in excess of $100 billion each, and the creation of a medical fund to compensate individuals for future health care costs. Plaintiffs' motion for class certification was granted by the court on October 31, 1994. Defendants have appealed this ruling to the Florida Court of Appeal.

In the fifth purported class action, Lacey v. Lorillard Tobacco Company, et al. (U.S. District Court, Northern District, Alabama, filed March 15, 1994), plaintiff alleges that the defendants, Lorillard and two other cigarette

manufacturers, did not disclose to the plaintiff or other cigarette smokers in the State of Alabama the nature, type, extent and identity of additives, additions, or additional substances that the defendants allegely caused or allowed to be made a part of cigarettes or cigarette components. Plaintiff requests injunctive relief requiring defendants to list the additives, additions or additional substances that defendants have caused or allowed to be placed onto or within cigarettes or cigarette components manufactured for sale and sold in the State of Alabama. Plaintiff seeks monetary damages on behalf of his individual claim and on behalf of each member of the purported class arising out of the complaint's allegation not to exceed $48,500 for the individual claim or for any individual member of the class.

In addition to the foregoing cases, four actions have been initiated in which states or state agencies seek recovery of funds expended by the states or state agencies to provide health care to eligible citizens with injuries or other health effects allegedly caused by use of tobacco products or exposure to cigarette smoke. These cases are based on, among other things, equitable claims including indemnity, restitution, unjust enrichment and public nuisance, and claims based on antitrust laws and state consumer protection acts. Lorillard is named as a defendant in each of these four state or state agency actions and the Company is named as a defendant in three of them.

The case of Moore v. The American Tobacco Company, et al. (Chancery Court, Jackson County, Mississippi, filed May 23, 1994), was filed by the Attorney General of Mississippi. The case of McGraw v. The American Tobacco Company, et al. (Circuit Court, Kanawha County, West Virginia, filed on September 20, 1994), was filed by the Attorney General of West Virginia. The case of State of Minnesota v. Philip Morris Incorporated, et al. (District Court, Ramsey County, Minnesota, filed August 17, 1994), was filed by the Attorney General of Minnesota and Blue Cross and Blue Shield of Minnesota.

The case of The State of Florida, et al. v. The American Tobacco Company, et al. (Circuit Court, Palm Beach County, Florida, filed February 22, 1995), was filed by the State of Florida, the Governor of Florida, and two state agencies. Plaintiffs in this case seek reimbursement under a specific Florida statute that permits the state to sue a manufacturer to recover Medicaid costs incurred by the state that are claimed to result from the use of the manufacturer's product. In any such suit, the statute permits causation and damages to be proven by statistical analysis, abrogates all affirmative defenses, adopts a "market share" liability theory, applies joint and several liability and eliminates the statute of repose. An action for declaratory judgment has been commenced in Florida state court by companies and trade associations in several potentially affected industries challenging this statute. Lorillard also understands that elements of the Florida business community have initiated an effort to repeal or modify the statute in a future legislative session. It is impossible at this time to predict the ultimate outcome of this action or such efforts. Lorillard understands that several other states, and the Congress, have considered or are considering legislation similar to that passed in Florida.

In a fifth state, Massachusetts, the Governor on July 10, 1994 signed legislation authorizing that state's attorney general to bring an action against tobacco manufacturers to recover medical assistance payments for which such companies may be liable under existing law. No action has been brought to date by the State of Massachusetts.

The states pursuing the foregoing efforts are doing so at the urging and with the assistance of well known members of the plaintiffs bar and these lawyers have been meeting with attorneys general in other states to encourage them to file similar suits.

In addition to the foregoing cases, one pending case, Cordova v. Liggett Group, Inc., et al. Superior Court San Diego County, California, filed May 12, 1992), alleges that Lorillard and other named defendants, including other manufacturers of tobacco products, engaged in unfair and fraudulent business practices in connection with activities relating to the Council for Tobacco Research-USA, Inc., of which Lorillard is a sponsor, in violation of a California state consumer protection law by misrepresenting to or concealing from the public information concerning the health aspects of smoking. Plaintiff seeks an injunction ordering defendants to undertake a "corrective advertising campaign" in California to warn consumers of the health hazards associated with smoking, to provide restitution to the public for funds "unlawfully, unfairly, or fraudulently" obtained by defendants, and to "disgorge" all revenues and profits acquired as a result of defendants' "unlawful, unfair and/or fraudulent business practices." An adverse development in this case could encourage the filing of additional actions in other states with consumer protection laws similar to California's.

In addition to the foregoing cases, several cases have been filed against Lorillard seeking damages for cancer and other health effects claimed to have resulted from exposure to asbestos fibers which were incorporated, for a limited period of time, almost forty years ago, into the filter material used in one of the brands of cigarettes manufactured by Lorillard. Presently twelve such cases are pending in federal and state courts against Lorillard. The Company is not named as a defendant in any of these cases. Six such cases have been filed since January 1, 1994. Allegations of liability against Lorillard include negligence, strict liability, fraud, misrepresentation and

breach of warranty. Plaintiffs seek unspecified amounts in compensatory and punitive damages in many cases, and in other cases damages are stated to amount to as much as $10 million in compensatory damages and $100 million in punitive damages. Four of these cases are currently set for trial in 1995.

One of the defenses raised by Lorillard in certain cases is preemption by the Federal Cigarette Labeling and Advertising Act (the "Labeling Act"). In the case of Cipollone v. Liggett Group, Inc., et al., the United States Supreme Court, in a plurality opinion issued on June 24, 1992, held that the Labeling Act as enacted in 1965 does not preempt common law damage claims but that the Labeling Act, as amended in 1969, does preempt claims against tobacco companies arising after July 1, 1969, which assert that the tobacco companies failed to adequately warn of the alleged health risks of cigarettes, sought to undermine or neutralize the Labeling Act's mandatory health warnings, or concealed material facts concerning the health effects of smoking in their advertising and promotion of cigarettes. The Supreme Court held that claims against tobacco companies based on fraudulent misrepresentation, breach of express warranty, or conspiracy to misrepresent material facts concerning the alleged health effects of smoking are not preempted by the Labeling Act. The Supreme Court in so holding did not consider whether such common law damage actions were valid under state law. The effect of the Supreme Court's decision on pending and future cases against Lorillard and other tobacco companies will likely be the subject of further legal proceedings. Additional litigation involving claims such as those held to be preempted by the Supreme Court in Cipollone could be encouraged if legislative proposals to eliminate the federal preemption defense, pending in Congress since 1991, are enacted. It is not possible to predict whether any such legislation will be enacted.

In addition to the defenses based on preemption under the Supreme Court decision referred to above, Lorillard believes that it has a number of other valid defenses to pending cases. These defenses, where applicable, include, among others, statutes of limitations or repose, assumption of the risk, comparative fault, the lack of proximate causation, and the lack of any defect in the product alleged by a plaintiff. Lorillard believes, and has been so advised by counsel, that some or all of these defenses may, in any of the pending or anticipated cases, be found by a jury or court to bar recovery by a plaintiff. Application of valid defenses, including those of preemption, are likely to be the subject of further legal proceedings in the class action cases and in the actions brought by states or state agencies.

Smoking and health related litigation has been brought by plaintiffs against Lorillard and other manufacturers of tobacco products for many years. While Lorillard intends to defend vigorously all such actions which may be brought against it, it is not possible to predict the outcome of any of this litigation. Litigation is subject to many uncertainties, and it is possible that some of these actions could be decided unfavorably. An unfavorable outcome of a pending smoking and health case could encourage the commencement of additional similar litigation.

Management is unable to make a meaningful estimate of the amount or range of loss that could result from an unfavorable outcome of pending litigation. It is possible that the Company's results of operations or cash flows in a particular quarterly or annual period or its financial position could be materially affected by an ultimate unfavorable outcome of certain pending litigation. Management believes, however, that the ultimate outcome of pending litigation should not have a material adverse effect on the Company's financial position.

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

19. Business Segment Data-

The Company's subsidiaries are engaged primarily in insurance (property, casualty and life), the production and sale of cigarettes, the operation of hotels and oil and gas drilling rigs, and the distribution and sale of watches and other timing devices. The following table sets forth the major sources of the Company's consolidated revenues, income and assets.

	Years Ended December 31,		
	1994	1993	1992
	(In thousands)		
Revenues (a):			
Property and casualty insurance	$ 8,088,580	$ 8,159,851	$ 7,948,867
Life insurance (b)	2,903,836	2,823,314	2,816,471
Cigarettes	1,915,577	1,908,903	2,185,448
Hotels (c)	217,432	185,268	201,436
Watches and other timing devices	151,452	153,543	181,388
Drilling	303,748	288,251	217,713
Investment income-net (d)	(90,105)	120,000	117,189
Equity in income of CBS Inc.	45,837	58,990	27,012
Other and eliminations-net	(21,156)	(11,343)	(4,070)
	$13,515,201	$13,686,777	$13,691,454
Income contribution (a)(e):			
Property and casualty insurance	$ (107,665)	$ (33,136)	$(1,495,498)
Life insurance	93,238	177,392	159,600
Cigarettes	583,952	592,368	914,973
Hotels (c)	48,932	14,216	19,127
Watches and other timing devices	4,087	6,274	12,470
Drilling	(14,223)	4,866	(48,911)
Investment income-net (d)	(93,529)	116,062	116,076
Equity in income of CBS Inc.	45,837	58,990	27,012
Other	(15,693)	(17,207)	(7,279)
	$ 544,936	$ 919,825	$ (302,430)
Net income (a):			
Property and casualty insurance	$ 38,991	$ 145,757	$ (623,243)
Life insurance	30,588	94,288	85,227
Cigarettes	347,865	340,689	524,546
Hotels (c)	17,018	(1,785)	1,911
Watches and other timing devices	807	2,413	4,366
Drilling	(35,948)	(16,576)	(51,174)
Investment income-net (d)	(60,971)	71,476	75,858
Equity in income of CBS Inc.	30,801	52,641	24,717
Interest expense and other-net (f)	(101,317)	(94,782)	(64,305)
Cumulative effect of accounting changes-net			144,711
	$ 267,834	$ 594,121	$ 122,614
Identifiable assets:			
Property and casualty insurance	$31,915,864	$29,630,328	$27,247,756
Life insurance	12,350,337	12,225,641	12,355,269
Cigarettes	542,239	547,063	623,936
Hotels	182,778	199,288	205,900
Watches and other timing devices	164,835	158,609	166,482
Drilling	527,351	550,622	538,792
Investment income	4,234,073	1,966,655	1,917,614
Investment in CBS Inc.	294,346	473,483	358,500
Other	60,649	56,046	96,013
Corporate	63,504	42,017	45,252
	$50,335,976	$45,849,752	$43,555,514

(a) Realized investment (losses) gains included in Revenues, Income contribution and Net income are as follows:

	Years Ended December 31,		
	1994	1993	1992
Revenues:			
Property and casualty insurance	$(164,131)	$674,452	$262,658
Life insurance	(80,942)	125,813	95,433
Investment income-net	(201,907)	62,532	49,156
	$(446,980)	$862,797	$407,247
Income contribution:			
Property and casualty insurance	$(164,131)	$674,452	$262,658
Life insurance	(70,065)	112,671	83,293
Investment income-net	(201,907)	62,532	49,156
	$(436,103)	$849,655	$395,107
Net income:			
Property and casualty insurance	$ (86,547)	$362,917	$146,466
Life insurance	(37,808)	60,256	44,592
Investment income-net	(131,337)	38,728	31,284
	$(255,692)	$461,901	$222,342

(b) Includes $1,800,000, $1,700,000 and $1,600,000 under contracts covering U.S. government employees and their dependents for the respective periods.
(c) Includes pre-tax and after-tax gain on sale of two hotel leases amounting to $30,250 and $15,400, respectively, for the year ended December 31, 1994.
(d) Consists of investment income of non-insurance operations. Investment income of insurance operations is included in the Revenues, Income contribution and Net income of the related insurance operations.
(e) Consists of income before minority interest, cumulative effect of changes in accounting principles and allocation for financial reporting purposes of interest expense, corporate expense and income taxes.
(f) Includes interest expense, net of tax benefits, of $87,073, $83,127 and $71,499 for the respective periods.

20. Subsequent Event-Proposed Acquisition-

The Continental Corporation-In the fourth quarter of 1994, CNA reached an agreement to purchase the outstanding shares of common stock of The Continental Corporation ("CIC") through a cash merger for approximately $1.1 billion, or $20 a share. The acquisition will be accounted for as a purchase and, accordingly CIC's results of operations will be included in CNA's consolidated results of operations for the period subsequent to the date of acquisition, which is expected in the second quarter of 1995. CNA and CIC are jointly seeking regulatory approvals as quickly as possible. The transaction closing is subject to the approvals of the CIC shareholders and state insurance regulators. Until the acquisition is complete CIC will continue to operate independently.

CNA has reached an agreement in principle with a syndicate of banks to provide initial financing through a revolving loan facility. The revolving loan facility will have a maturity of 5 years without any prepayment restrictions. The loan will allow CNA to consummate the merger expeditiously and facilitate a smooth transition, while providing the needed flexibility to determine the ultimate financing structure following the consummation of the transaction, which is likely to include long-term debt financing or a combination of debt and equity financing.

CIC, headquartered in New York, is the 11th largest U.S. property and casualty insurance company based on 1993 premium volume. The revenues and net loss of CIC and subsidiaries for the year ended December 31, 1994 are approximately $5.1 billion and $602.9 million, respectively. Total assets are approximately $16.0 billion at December 31, 1994.

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

None.

PART III

Information called for by Part III 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

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K.

(a) 1. Financial Statements:

The financial statements appear above 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.

2. Financial Statement Schedules:

	Page Number
Independent Auditors' Report	L-1
Loews Corporation and Subsidiaries:	
Schedule I-Condensed financial information of Registrant for the years ended December 31, 1994, 1993 and 1992	L-2
Schedule II-Valuation and qualifying accounts for the years ended December 31, 1994, 1993 and 1992	L-7
Schedule V-Supplemental information concerning property and casualty insurance operations for the years ended December 31, 1994, 1993 and 1992	L-8

3. Exhibits:

Description	Exhibit Number
(2) Plan of acquisition, reorganization, arrangement, liquidation or succession	
Merger Agreement, dated as of December 6, 1994, by and among CNA Financial Corporation, Chicago Acquisition Corp. and The Continental Corporation is incorporated herein by reference to Exhibit 2 to CNA Financial Corporation's (Commission File Number 1-5823) Report on Form 8-K filed December 9, 1994	2.01
(3) Articles of Incorporation and By-Laws	
Restated Certificate of Incorporation of the Registrant, incorporated herein by reference to Exhibit 3 to Registrant's Report on Form 10-Q for the quarter ended September 30, 1987	3.01
By-Laws of the Registrant as amended through October 18, 1994 is filed herewith	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.	

Description	Exhibit Number
(10) Material Contracts	
Employment Agreement between Registrant and Laurence A. Tisch dated March 1, 1971 as amended through October 22, 1992 is incorporated herein by reference to Exhibit 10.01 to Registrant's Reports on Form 10-K for the years ended December 31, 1981, December 31, 1983, December 31, 1984, December 31, 1985, December 31, 1986, December 31, 1988, December 31, 1989 and December 31, 1992, and an amendment thereto dated October 18, 1994 is filed herewith	10.01*
Employment Agreement dated as of March 1, 1988 between Registrant and Preston R. Tisch as amended through October 22, 1992 is incorporated herein by reference to Exhibit 10.05 to Registrant's Report on Form 10-K for the years ended December 31, 1987, December 31, 1989 and December 31, 1992, and an amendment thereto dated October 18, 1994 is filed herewith	10.02*
Continuing Service Agreement between a subsidiary of Registrant and Edward J. Noha, dated February 27, 1991 incorporated herein by reference to Exhibit 10.04 to Registrant's Report on Form 10-K for the year ended December 31, 1990	10.03
Loews Corporation Benefits Equalization Plan dated January 10, 1994 as amended through December 31, 1993 is incorporated herein by reference to Exhibit 10.04 to Registrant's Report on Form 10-K for the year ended December 31, 1993	10.04
Loews Corporation Deferred Compensation Plan is incorporated herein by reference to Exhibit 10.07 to Registrant's Report on Form 10-K for the year ended December 31, 1988	10.05
Agreement between Fibreboard Corporation and Continental Casualty Company, dated April 9, 1993 is incorporated herein by reference to Exhibit A to Registrant's Report on Form 8-K filed April 12, 1993	10.06
Settlement Agreement entered into on October 12, 1993 by and among Fibreboard Corporation, Continental Casualty Company, CNA Casualty Company of California, Columbia Casualty Company and Pacific Indemnity Company is incorporated herein by reference to	

Exhibit 99.1 to Registrant's Report on Form 10-Q for the quarter ended September 30, 1993	10.07
Continental-Pacific Agreement entered into on October 12, 1993 between Continental Casualty Company and Pacific Indemnity Company is incorporated herein by reference to Exhibit 99.2 to Registrant's Report on Form 10-Q for the quarter ended September 30, 1993	10.08
Global Settlement Agreement among Fibreboard Corporation, Continental Casualty Company, CNA Casualty Company of California, Columbia Casualty Company, Pacific Indemnity Company and the Settlement Class dated December 23, 1993 is incorporated herein by reference to Exhibit 10.09 to Registrant's Report on Form 10-K for the year ended December 31, 1993	10.09
Glossary of Terms in Global Settlement Agreement, Trust Agreement, Trust Distribution Process and Defendant Class Settlement Agreement dated December 23, 1993 is incorporated herein by reference to Exhibit 10.10 to Registrant's Report on Form 10-K for the year ended December 31, 1993	10.10

Description	Exhibit Number
Fibreboard Asbestos Corporation Trust Agreement dated December 23, 1993 is incorporated herein by reference to Exhibit 10.11 to Registrant's Report on Form 10-K for the year ended December 31, 1993	10.11
Trust Distribution Process - Annex A to the Trust Agreement dated December 23, 1993 is incorporated herein by reference to Exhibit 10.12 to Registrant's Report on Form 10-K for the year ended December 31, 1993	10.12
Defendant Class Settlement Agreement dated December 23, 1993 is incorporated herein by reference to Exhibit 10.13 to Registrant's Report on Form 10-K for the year ended December 31, 1993	10.13
Escrow Agreement among Continental Casualty Company, Pacific Indemnity Company and the First National Bank of Chicago dated December 23, 1993 is incorporated herein by reference to Exhibit 10.14 to Registrant's Report on Form 10-K for the year ended December 31, 1993	10.14
(11) Statement Re Computation of Per Share Earnings	
Computation of earnings per share assuming full dilution for the year ended December 31, 1992	11.01*
(21) Subsidiaries of the Registrant	
List of subsidiaries of Registrant	21.01*
(23) Consents of Experts and Counsel	
Consent of Deloitte & Touche LLP	23.01*
(27) Financial Data Schedule	27.01*
(28) Information from Reports furnished to State Insurance Regulatory Authorities	
Reconciliation of Property and Casualty Reserves as shown on Schedule P to Reserves for Unpaid Claim and Claim Expense as shown in the Form 10-K for the year ended December 31, 1994	28.01*
Schedule P of Annual Statements to state regulatory authorities by property and casualty insurance subsidiaries for the year ended December 31, 1994	28.02*

* Filed herewith

(b) Reports on Form 8-K:

In a report on Form 8-K dated December 7, 1994, the Company reported that CNA issued a press release which stated that CNA and The Continental Corporation ("Continental") signed an agreement under which CNA will acquire Continental through a cash merger for $1.1 billion.

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: March 27, 1995 By Roy E. Posner

(Roy E. Posner, 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: March 27, 1995 By Laurence A. Tisch

(Laurence A. Tisch, Co-Chairman of the Board and Principal Executive Officer)

Dated: March 27, 1995 By Roy E. Posner

(Roy E. Posner, Senior Vice President and Chief Financial Officer)

Dated: March 27, 1995 By Guy A. Kwan

(Guy A. Kwan, Controller)

Dated: March 27, 1995 By Charles B. Benenson

(Charles B. Benenson, Director)

Dated: March 27, 1995 By John Brademas

(John Brademas, Director)

By

(Bernard Myerson, Director)

Dated: March 27, 1995 By Edward J. Noha

(Edward J. Noha, Director)

Dated: March 27, 1995 By Lester Pollack

(Lester Pollack, Director)

Dated: March 27, 1995 By Gloria R. Scott

(Gloria R. Scott, Director)

Dated: March 27, 1995 By Andrew H. Tisch

(Andrew H. Tisch, Director)

Dated: March 27, 1995 By James S. Tisch

(James S. Tisch, Director)

Dated: March 27, 1995 By Jonathan M. Tisch

(Jonathan M. Tisch, Director)

Dated: March 27, 1995 By Preston R. Tisch

(Preston R. Tisch, Director)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and
Shareholders of Loews Corporation:

We have audited the accompanying consolidated balance sheets of Loews Corporation and its subsidiaries as of December 31, 1994 and 1993, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 1994. Our audits also included the financial statement schedules listed in the Index at Item 14(a)2. These financial statements and financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and financial statement schedules based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Loews Corporation and its subsidiaries at December 31, 1994 and 1993 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1994 in conformity with generally accepted accounting principles. Also, in our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly in all material respects the information set forth therein.

As discussed in Note 1 to the consolidated financial statements, the Company changed its methods of accounting for reinsurance and certain investments in debt and equity securities in 1993 and its methods of accounting for postretirement benefits, income taxes and certain workers' compensation and disability claims in 1992.

Deloitte & Touche LLP

New York, New York
February 15, 1995

SCHEDULE I

Condensed Financial Information of Registrant

LOEWS CORPORATION

BALANCE SHEETS

ASSETS

	December 31, 1994	December 31, 1993
	(In thousands)	
Current assets, principally investment in U.S. government securities (c)	$3,059,610	$ 956,170
Investments in securities	707,711	782,228
Investments in capital stocks of subsidiaries, at equity	4,888,546	5,356,871
Advances to subsidiaries	329,378	415,114
Other assets	24,763	20,954
Total assets	$9,010,008	$7,531,337

LIABILITIES AND SHAREHOLDERS' EQUITY

	1994	1993
Accounts payable and accrued liabilities	$ 280,830	$ 169,178
Securities sold under agreements to repurchase	2,092,929	
Long-term debt, less current maturities (b)	1,169,761	1,183,792
Deferred income tax	61,174	51,169
Total liabilities	3,604,694	1,404,139
Shareholders' equity (a)	5,405,314	6,127,198
Total liabilities and shareholders' equity	$9,010,008	$7,531,337

SCHEDULE I
(Continued)

Condensed Financial Information of Registrant

LOEWS CORPORATION

STATEMENTS OF INCOME

	Years Ended December 31, 1994	1993	1992
	(In thousands)		

Revenues:			
Equity in income (loss) of subsidiaries (d)	$ 369,348	$585,039	$(63,448)
Realized investment (losses) gains ...	(199,047)	46,184	39,377
Interest and other	122,485	75,341	95,009
Total	292,786	706,564	70,938
Expenses:			
Administrative	7,563	6,163	6,990
Interest	95,502	114,433	101,129
Total	103,065	120,596	108,119
	189,721	585,968	(37,181)
Income tax (benefit) expense (c):			
Federal	(79,206)	(13,853)	(16,464)
State	1,093	5,700	1,380
Total	(78,113)	(8,153)	(15,084)
Income (loss) before cumulative effect of accounting changes	267,834	594,121	(22,097)
Cumulative effect of accounting changes			144,711
Net income	$ 267,834	$594,121	$122,614

Condensed Financial Information of Registrant

LOEWS CORPORATION

STATEMENTS OF CASH FLOWS

	Years Ended December 31,		
	1994	1993	1992
	(In thousands)		
Operating Activities:			
Net income	$ 267,834	$ 594,121	$ 122,614
Adjustments to reconcile net income to net cash provided by operating activities:			
Cumulative effect of accounting changes			(144,711)
Undistributed (earnings) losses of affiliates	(104,051)	(79,300)	617,040
Realized investment losses (gains) .	199,047	(46,184)	(39,377)
Changes in assets and liabilities-net:			
Receivables	(117,091)	(71,829)	3,624
Accounts payable and accrued liabilities	117,257	38,015	3,744
Federal income taxes	(54,701)	204,386	(382,949)
Other-net	1,182	(14,743)	46,799
	309,477	624,466	226,784
Investing Activities:			
Purchases of securities	(424,670)	(263,476)	(142,292)
Proceeds from sales of securities	476,118	262,918	124,032
Investments in and advances to subsidiaries-net	(42,767)	(399,878)	(72,748)
Net (increase) decrease in U.S. government securities	(2,060,871)	(201,086)	440,345
Securities sold under agreements to repurchase	2,092,929	(100,125)	100,125
Change in other investments	(24,201)	39,082	98,444
	16,538	(662,565)	547,906
Financing Activities:			
Dividends paid to shareholders	(60,240)	(64,289)	(65,810)
Purchases of treasury shares	(225,074)	(336,297)	(238,223)
Principal payments on long-term debt .	(15,741)	(739,893)	(17,207)
Issuance of long-term debt		681,250	
	(301,055)	(459,229)	(321,240)
Net change in cash and cash equivalents	24,960	(497,328)	453,450
Cash and cash equivalents, beginning of year	11,140	508,468	55,018
Cash and cash equivalents, end of year .	$ 36,100	$ 11,140	$ 508,468

SCHEDULE I
(Continued)

Condensed Financial Information of Registrant

Notes:

(a) In addition to its common stock, the Company has authorized 25,000,000 shares of preferred stock, $.10 par value.

(b) Long-term debt consisted of:

	December 31, 1994	December 31, 1993
	(In thousands)	
8.5% notes due 1998 (effective interest rate of 8.6%) (authorized, $125,000)	$ 117,832	$ 117,832
8.3% debentures due 2007 (effective interest rate of 8.4%) (authorized, $200,000) (1) ...	200,000	200,000
8.9% debentures due 2011 (effective interest rate of 9.0%) (authorized, $175,000)	175,000	175,000
7.6% notes due 2023 (effective interest rate of 7.8%) (authorized, $300,000) (2)	300,000	300,000
7% notes due 2023 (effective interest rate of 7.2%) (authorized, $400,000) (3)	400,000	400,000
Note payable due 2002		15,741
	1,192,832	1,208,573
Less: unamortized discount	23,071	23,529
current maturities		1,252
	$1,169,761	$1,183,792

(1) Redeemable in whole or in part at January 15, 1997 at 104%, and decreasing percentages thereafter.
(2) Redeemable in whole or in part at June 1, 2003 at 104%, and decreasing percentages thereafter.
(3) Redeemable in whole or in part at October 15, 2003 at 102%, and decreasing percentages thereafter.

The aggregate of long-term debt maturing in the year ending December 31, 1998 is approximately $117,832,000.

(c) The Company is included in a consolidated federal income tax return with certain of its subsidiaries and, accordingly, participates in the allocation of certain components of the consolidated provision for federal income taxes. Such taxes are generally allocated on a separate return bases.

The Company has entered into separate tax allocation agreements with Bulova and CNA, majority-owned subsidiaries in which its ownership exceeds 80% (the "Subsidiaries"). Each agreement provides that the Company will (i) pay to the Subsidiary the amount, if any, by which the Company's consolidated federal income tax is reduced by virtue of inclusion of the Subsidiary in the Company's return, or (ii) be paid by the Subsidiary an amount, if any, equal to the federal income tax which would have been payable by the Subsidiary if it had filed a separate consolidated return. Under these agreements, the federal income tax benefit (expense) to CNA amounted to approximately $84,000,000, $17,000,000 and $350,000,000 for the years ended December 31, 1994, 1993 and 1992, respectively, and the federal income tax benefit (expense) to Bulova amounted to approximately $74,000, $2,500,000 and $(3,300,000) for the years ended December 31, 1994, 1993 and 1992, respectively. Each agreement may be cancelled by either of the parties upon thirty days' written notice. See Note 11 of the Notes to Consolidated Financial Statements of Loews Corporation and subsidiaries.

(d) Cash dividends paid to the Company by affiliates amounted to $265,297,000, $505,739,000 and $553,592,000 for the years ended December 31, 1994, 1993 and 1992, respectively.

SCHEDULE II

LOEWS CORPORATION AND SUBSIDIARIES

Valuation and Qualifying Accounts

Column A	Column B	Column C		Column D	Column E
		Additions			
Description	Balance at Beginning of Period	Charge to Costs and Expenses	Charged to Other Accounts	Deductions	Balance at End of Period

(In thousands)

For the Year Ended December 31, 1994

Deducted from assets:				
Allowance for discounts	$ 2,537	$ 71,889	$72,454(1)	$ 1,972
Allowance for doubtful accounts	127,205	20,685	9,857	138,033
Total	$129,742	$ 92,574	$82,311	$140,005

For the Year Ended December 31, 1993

Deducted from assets:				
Allowance for discounts	$ 5,277	$ 69,754	$72,494(1)	$ 2,537
Allowance for doubtful accounts	126,003	11,137	9,935	127,205
Total	$131,280	$ 80,891	$82,429	$129,742

For the Year Ended December 31, 1992

Deducted from assets:				
Allowance for discounts	$ 5,124	$ 75,546	$75,393(1)	$ 5,277
Allowance for doubtful accounts	112,880	33,179	20,056	126,003
Total	$118,004	$108,725	$95,449	$131,280

Notes:

(1) Discounts allowed.

SCHEDULE V

LOEWS CORPORATION AND SUBSIDIARIES

Supplemental Information Concerning Property/Casualty Insurance Operations

	Consolidated Property/Casualty Entities		
	Years Ended December 31,		
	1994	1993	1992
	(In thousands)		
Deferred policy acquisition costs	$ 592,300	$ 562,000	$ 507,500
Reserves for unpaid claim and claim expense	21,638,600	20,812,000	20,033,600
Discount, if any, deducted above (based on interest rates ranging from 3.5% to 7.5%)	1,951,300	1,886,500	1,787,300
Unearned premiums	2,690,700	2,556,000	2,425,100
Earned premiums	6,838,500	6,275,000	6,353,600
Net investment income	1,240,400	1,059,800	1,224,100
Claim and claim expense related to current year	5,610,800	5,387,900	5,708,200
Claim and claim expense related to prior years	(71,200)	590,000	1,617,400
Amortization of deferred policy acquisition costs	1,328,800	1,172,400	1,032,600
Paid claim and claim expenses	5,026,600	4,916,900	4,676,600
Premiums written	6,964,700	6,382,300	6,286,200

Exhibit 3.02

AS AMENDED THROUGH
OCTOBER 18, 1994

LOEWS CORPORATION

By-Laws

BY-LAWS

OF

LOEWS CORPORATION
(A Delaware Corporation)

ARTICLE 1

Definitions

As used in these By-laws, unless the context otherwise requires, the term:

1.1 "Assistant Secretary" means an Assistant Secretary of the Corporation.

1.2 "Assistant Treasurer" means an Assistant Treasurer of the Corporation.

1.3 "Board" means the Board of Directors of the Corporation.

1.4 "By-laws" means the initial by-laws of the Corporation, as amended from time to time.

1.5 "Certificate of Incorporation" means the initial certificate of incorporation of the Corporation, as amended, supplemented or restated from time to time.

1.6 "Corporation" means Loews Corporation.

1.7 "Directors" means directors of the Corporation.

1.8 "General Corporation Law" means the General Corporation Law of the State of Delaware, as amended from time to time.

1.9 "Office of the Corporation" means the executive office of the Corporation, anything in Section 131 of the General Corporation Law to the contrary notwithstanding.

1.10 "Chairman of the Board" means the Chairman of the Board of Directors of the Corporation.

1.11 "President" means the President of the Corporation.

1.12 "Secretary" means the Secretary of the Corporation.

1.13 "Stockholders" means stockholders of the Corporation.

1.14 "Treasurer" means the Treasurer of the Corporation.

1.15 "Vice President" means a Vice President of the Corporation.

ARTICLE 2

STOCKHOLDERS

2.1 Place of Meetings. Every meeting of the stockholders shall be held at the office of the Corporation or at such other place within or without the State of Delaware as shall be specified or fixed in the notice of such meeting or in the waiver of notice thereof.

2.2 Annual Meeting. A meeting of stockholders shall be held annually for the election of directors and the transaction of other business at such hour as may be designated in the notice of meeting, on the second Tuesday in May in each year (or, if such date falls on a legal holiday, on the first business day thereafter which is not a Saturday, Sunday or legal holiday), or on such other date not later than six months after the end of the fiscal year of the Corporation, as may be fixed by the Board.

2.3 Special Meetings. A special meeting of stockholders, unless otherwise prescribed by statute, may be called at any time by the Board or by the Chairman of the Board and Chief Executive Officer, the President or by the Secretary and shall be called by the Chairman of the Board and Chief Executive Officer, the President or by the Secretary on the written request of holders of a majority or more of the shares of capital stock of the Corporation entitled to vote in an election of directors, which written request shall state the purpose or purposes of such meeting. At any special meeting of stockholders only such business may be transacted which is related to the purpose or purposes of such meeting set forth in the notice thereof given pursuant to Section 2.5 of the By-laws or in any waiver of notice thereof given pursuant to Section 2.4 of the By-laws.

2.4 Fixing Record Date. For the purpose of determining the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or for the purpose of determining stock-

holders entitled to receive payment of any dividend or the allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board may fix, in advance, a date as the record date for any such determination of stockholders. Such date shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action. If no such record date is fixed:

2.4.1 The record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held;

2.4.2 The record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action by the Board is necessary, shall be the day on which the first written consent is expressed;

2.4.3 The record date for determining stockholders for any purpose other than specified in Sections 2.4.1 and 2.4.2 shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

When a determination of stockholders entitled to notice of or to vote at any meeting of stockholders has been made as provided in this Section 2.4 such determination shall apply to any adjournment thereof, unless the Board fixes a new record date for the adjourned meeting.

2.5 Notice of Meetings of Stockholders. Except as otherwise provided in Sections, 2.3 and 2.4 of the By-laws, whenever under the General Corporation Law or the Certificate of Incorporation or the By-laws, stockholders are required or permitted to take any action at a meeting, written notice shall be given stating the place, date and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called. A copy of the notice of any meeting shall be given, personally or by mail not less than ten nor more than fifty days before the date of the meeting, to each stockholder entitled to notice of or to vote at such meeting. If mailed, such notice shall be

deemed to be given when deposited in the United States mail, with postage prepaid, directed to the stockholder at his address as it appears on the records of the Corporation. An affidavit of the Secretary or an Assistant Secretary or of the transfer agent of the Corporation that the notice required by this section has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken, and at the adjourned meeting any business may be transacted that might have been transacted at the meeting as originally called. If, however, the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

2.6 List of Stockholders. The Secretary shall prepare and make, or cause to be prepared and made, at least ten days before every meeting ,of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

2.7 Quorum of Stockholders; Adjournment. The holders of a majority of the shares of stock entitled to vote at any meeting of stockholders, present in person or represented by proxy, shall constitute a quorum for the transaction of any business at such meeting. When a quorum is once present to organize a meeting of stockholders, it is not broken by the subsequent withdrawal of any stockholders. The holders of a majority of the shares of stock present in person or represented by proxy at any meeting of stockholders, including an adjourned meeting, whether or not a quorum is present, may adjourn such meeting to another time and place.

2.8 Voting; Proxies. Unless otherwise provided in the Certificate of Incorporation every stockholder of record shall be entitled at every meeting of stockholders to one vote for each share of capital stock standing in his name on the record of stockholders determined in accordance with Section 2.4 of the By-laws. If the Certificate of Incorporation provides for more or less than one vote for any share, on any matter, every, reference in the By-laws or the General Corporation Law to a majority or other proportion of stock shall refer to such majority or other proportion of the votes of such stock. The provisions of Sections 212 and 217 of the General Corporation Law shall apply in determining whether any shares of capital stock may be voted and the persons, if any, entitled to vote such shares; but the Corporation shall be protected in treating the persons in whose names shares of capital stock stand on the record of stockholders as owners thereof for all purposes. At any meeting of stockholders, a quorum being present, all matters, except as otherwise provided by law or by the Certificate of Incorporation or by the By-laws, shall be decided by a majority of the votes cast at such meeting by the holders of shares present in person or represented by proxy and entitled to vote thereon. All elections of directors shall be by written ballot unless otherwise provided in the Certificate of Incorporation. In voting on any other question on which a vote by ballot is required by law or is demanded by any stockholder entitled to vote, the voting shall be by ballot. Each ballot shall be signed by the stockholder voting or by his proxy, and shall state the number of shares voted. On all other questions, the voting may be viva voce. Every stockholder entitled to vote at a meeting of stockholders or to express consent or dissent without a meeting may authorize another person or persons to act for him by proxy. The validity and enforceability of any proxy shall be determined in accordance with Section 212 of the General Corporation Law.

2.9 Selection and Duties of Inspectors at Meetings of Stockholders. The Board, in advance of any meeting of stockholders, may appoint one or more inspectors to act at the meeting or any adjournment thereof. If inspectors are not so appointed, the person presiding at such meeting may, and on the request of any stockholder entitled to vote thereat shall, appoint one or more inspectors. In case any person appointed fails to appear or act, the vacancy may be filled by appointment made by the Board in advance of the meeting or at the meeting by the person presiding thereat. Each inspector, before entering upon

the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of his ability. The inspector or inspectors shall determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result, and do such acts as are proper to conduct the election or vote with fairness to all stockholders. On request of the person presiding at the meeting or any stockholder entitled to vote thereat, the inspector or inspectors shall make a report in writing of any challenge, question or matter determined by him or them and execute a certificate of any fact found by him or them. Any report or certificate made by the inspector or inspectors shall be prima facie evidence of the facts stated and of the vote as certified by him or them.

2.10 Organization. At every meeting of stockholders, the Chairman of the Board and Chief Executive Officer, or in his absence the President, or in the absence of both of them the Vice Chairman of the Board, or in the absence of all of them the Senior Vice President, or in the absence of all of them the Executive Vice President or in the absence of all of them the most senior Vice President (based on term of service as Vice President) present, shall act as chairman of the meeting. The Secretary, or in his absence one of the Assistant Secretaries, shall act as secretary of the meeting. In case none of the officers above designated to act as chairman or secretary of the meeting, respectively, shall be present a chairman or a secretary of the meeting, as the case may be, shall be chosen by a majority of the votes cast at such meeting by the holders of shares of capital stock present in person or represented by proxy and entitled to vote at the meeting.

2.11 Order of Business. The order of business at all meetings of stockholders shall be as determined by the chairman of the meeting, but the order of business to be followed at any meeting at which a quorum is present may be changed by a majority of the votes cast at such meeting by the holders of shares of capital stock present in person or represented by proxy and entitled to vote at the meeting.

ARTICLE 3

Directors

3.1 General Powers. Except as otherwise provided in the Certi-ficate of Incorporation, the business and affairs of the Corporation shall be managed by the Board. The Board may adopt such rules and regulations, not inconsistent with the Certificate of Incorporation or the By-laws or applicable laws, as it may deem proper for the conduct of its meetings and the management of the Corporation. In addition to the powers expressly conferred by the By-laws, the Board may exercise all powers and perform all acts which are not required, by the By-laws or the Certificate of Incorporation or by law, to be exercised and performed by the stockholders.

3.2 Number; Qualification; Term of Office. The Board shall consist of one or more members. The number of directors shall be fixed initially by the Board and may thereafter be changed from time to time by action of the stockholders or of the Board. Directors need not be stockholders. Each director shall hold office until his successor is elected and qualified or until his earlier death, resignation or removal.

3.3 Election. Directors shall except as otherwise required by law or by the Certificate of Incorporation, be elected by a plurality of the votes cast at a meeting of stockholders by the holders of shares entitled to vote in the election.

3.4 Newly Created Directorships and Vacancies. Unless otherwise provided in the Certificate of Incorporation, newly created directorships resulting from an increase in the number of directors and vacancies occurring in the Board for any reason, including the removal of directors without cause, may be filled by vote of a majority of the directors then in office, although less than a quorum, at any meeting of the Board or may be elected by a plurality of the votes cast by the holders of shares of capital stock entitled to vote in the election at a special meeting of stockholders called for that purpose. A director elected to fill a vacancy shall be elected to hold office until his successor is elected and qualified, or until his earlier death, resignation or removal.

3.5 Resignations. Any director may resign at any time by written notice to the Corporation. Such resignation shall take effect at the time therein specified, and, unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective.

3.6 Removal of Directors. Any or all of the directors may be removed (i) for cause, by vote of the stockholders or by action of the Board, and (ii) without cause, by vote of the stockholders.

3.7 Remuneration. Unless otherwise expressly provided by resolution adopted by the Board, none of the directors or of the members of any committee of the Corporation contemplated by these By-laws or otherwise provided for by resolution of the Board shall as such receive any stated remuneration for his services; but the Board may at any time or from time to time by resolution provide that remuneration shall be paid to, or on behalf of, any director of the Corporation or to any member of any such committee who shall not be in the employ of the Corporation or of any of its subsidiary companies, either as his annual remuneration as such director or member or as remuneration for his attendance at each meeting of the Board or of such committee. The Board may also likewise provide that the Corporation shall reimburse each such director or member of such committee for any expenses paid by him on account of his attendance at any such meeting. Nothing in this Section contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving remuneration therefor.

3.8 Place and Time of Meetings of the Board. Meetings of the Board, regular or special, may be held at any place within or without the State of Delaware. The times and places for holding meetings of the Board may be fixed from time to time by resolution of the Board or (unless contrary to resolution of the Board) in the notice of the meeting.

3.9 Annual Meetings. On the day when and at the place where the annual meeting of stockholders for the election of directors is held, and as soon as practicable thereafter, the Board may hold its annual meeting, without notice of such meeting, for the purposes of organization the election of officers and the transaction of other business. The annual meeting of the Board may be held at any other time and place

specified in a notice given as provided in Section 3.11 of the By-laws for special meetings of the Board or in a waiver of notice thereof.

3.10 Regular Meetings. Regular meetings of the Board may be held at such times and places as may be fixed from time to time by the Board. Unless otherwise required by the Board, regular meetings of the Board may be held without notice. If any day fixed for a regular meeting of the Board shall be a Saturday or Sunday or a legal holiday at the place where such meeting is to be held, then such meeting shall be held at the same hour at the same place on the first business day thereafter which is not a Saturday, Sunday or legal holiday.

3.11 Special Meeting. Special meetings of the Board shall be held whenever called by the Chairman of the Board, the President, the Vice Chairman of the Board or the Secretary or by any two or more directors. Notice of each special meeting of the Board shall, if mailed, be addressed to each director at the address designated by him for that purpose or, if none is designated, at his last known address at least two days before the date on which the meeting is to be held; or such notice shall be sent to each director at such address by telegraph, cable or wireless, or be delivered to him personally, not later than the day before the date on which such meeting is to be held. Every such notice shall state the time and place of the meeting but need not state the purposes of the meeting, except to the extent required by law. If mailed, each notice shall be deemed given when deposited, with postage thereon prepaid, in a post office or official depository under the exclusive care and custody of the United States Post Office Department. Such mailing shall be by first-class mail.

3.12 Adjourned Meetings. A majority of the directors present at any meeting of the Board, including an adjourned meeting, whether or not a quorum is present may adjourn such meeting to another time and place. Notice of any adjourned meeting of the Board need not be given to any director whether or not present at the time of the adjournment. Any business may be transacted at any adjourned meeting that might have been transacted at the meeting as originally called.

3.13 Waiver of Notice. Whenever notice is required to be given to any director or member of a committee of directors under any pro-

vision of the General Corporation Law or of the Certificate of Incorporation or By-laws, a written waiver thereof, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the directors, or members of a committee of directors, need be specified in any written waiver of notice.

3.14 Organization. At each meeting of the Board, the Chairman of the Board, or in the absence of the Chairman of the Board, the President of the Corporation, or in the absence of the Chairman of the Board and the President, the Vice Chairman of the Board, or in the absence of all of them a chairman chosen by the majority of the directors present, shall preside. The Secretary shall act as secretary at each meeting of the Board. In case the Secretary shall be absent from any meeting of the Board, an Assistant Secretary shall perform the duties of secretary at such meeting; and in the absence from any such meeting of the Secretary and Assistant Secretaries, the person presiding at the meeting may appoint any person to act as secretary of the meeting.

3.15 Quorum of Directors. A majority of the directors then in office shall constitute a quorum for the transaction of business or of any specified item of business at any meeting of the Board.

3.16 Action by the Board. All corporate action taken by the Board or any committee thereof shall be taken at a meeting of the Board, or of such committee, as the case may be, except that any action required or permitted to be taken at any meeting of the Board, or of any committee thereof, may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or committee. Members of the Board, or any committee designated by the Board, may participate in a meeting of the Board, or of such committee, as the case may be, by means of conference telephone

or similar communications equipment by means of which all persons participating in the meeting can hear each others and participation in a meeting pursuant to this Section 3.16 shall constitute presence in person at such meeting. Except as otherwise provided by the Certificate of Incorporation or by law, the vote of a majority of the directors present (including those who participate by means of conference telephone or similar communications equipment) at the time of the vote, if a quorum is present at such time, shall be the act of the Board.

ARTICLE 4

COMMITTEES OF THE BOARD

4.1 Executive Committee; Number, Appointment, Term of Office, etc. (a) The Board, by resolution adopted by a majority of the whole Board, may designate an Executive Committee consisting of the Chairman of the Board and Chief Executive Officer and the President and such other directors as it may designate. Each member of the Executive Committee shall continue to be a member thereof only so long as he remains a director and at the pleasure of a majority of the whole Board. Any vacancies on the Executive Committee may be filled by the majority of the whole Board.

(b) The Executive Committee, between meetings of the Board, shall have and may exercise the powers of the Board in the management of the property, business and affairs of the Corporation and may authorize the seal of the Corporation to be affixed to all papers which may require it. Without limiting the foregoing, the Executive Committee shall have the express power and authority to declare a dividend, to authorize the issuance of stock, and to adopt a certificate of ownership and merger pursuant to Section 253 of the General Corporation Law of the State of Delaware.

(c) At each meeting of the Executive Committee, one of the following shall act as chairman of the meeting and preside thereat in the following order of precedence:

(i) the Chairman of the Executive Committee, who shall be appointed from among the members of the Executive Committee by the Board;

(ii) the Vice Chairman of the Executive Committee, who shall be appointed from among the members of the Executive Committee by the Board;

(iii) the Chairman of the Board, if chief executive officer (if he is not the Chairman or the Vice Chairman of the Executive Committee);

(iv) the President (if he is not the Chairman or the Vice Chairman of the Executive Committee);

(v) the Senior Vice President (if he is not the Chairman or the Vice Chairman of the Executive Committee).

The Secretary, or if he shall be absent from such meeting, the person (who shall be an Assistant Secretary, if an Assistant Secretary shall be present thereat) whom the chairman of such meeting shall appoint, shall act as secretary of such meeting and keep the minutes thereof.

(d) Regular meetings of the Executive Committee, of which no notice shall be necessary, shall be held on such days and at such places, within or without the State of Delaware, as shall be fixed by resolution adopted by a majority of the Executive Committee. Special meetings of the Executive Committee shall be held whenever called by the Chairman of the Board, if Chief Executive Officer, the President, the Chairman of the Executive Committee or by the Vice Chairman of the Executive Committee and shall be called by the Secretary of the Corporation on the request of a majority of the Executive Committee. Notice of each special meeting of the Executive Committee shall be given to each member thereof by depositing such notice in the United States mail, in a postage prepaid envelope, directed to him at his residence or usual place of business at least two days before the day on which such meeting is to be held or shall be sent addressed to him at such place by telegraph, cable, wireless or other form of recorded communication or be delivered personally or by telephone a reasonable time in advance of the time at which such meeting is to be held. Notice of any such meeting need not, however, be given to any member of the Executive Committee if he shall be present at such meeting. Any meeting of the Executive Committee shall be a legal meeting without any Notice thereof having been given if all the members of the Executive Committee shall be present thereat. Such notice shall specify the time and place of the meeting, but except as otherwise expressly provided by law, the purposes thereof need not be stated in such notice. Subject to the provisions of these By-laws, the Executive Committee way fix its own rules of procedure, and it shall keep a record of its proceed-

ings and report them to the Board at the next regular or special meeting thereof after such proceedings shall have been taken. All such proceedings shall be subject to revision or alteration by the Board; provided, however, that third parties shall not be prejudiced by any such revision or alteration.

(e) Except as otherwise provided by law, a majority of the Executive Committee then in office shall constitute a quorum for the transaction of business, and the act of a majority of those present at a meeting thereof shall be the act of the Executive Committee. In the absence of a quorum, a majority of the members of the Executive Committee present thereat may adjourn such meeting from time to time until a quorum shall be present thereat. Notice of any adjourned meeting need not be given. The Executive Committee shall act only as a committee, and the individual members shall have no power as such.

(f) Any, member of the Executive Committee may resign therefrom at any time by giving written notice of his resignation to the Chairman of the Board, the President or the Secretary. Any such resignation shall take effect at the time specified therein or, if the time when it shall become effective shall not be specified therein, it shall take effect immediately upon its receipt; and, except as specified therein, the acceptance of such resignation shall not be necessary to make it effective.

(g) In addition to the foregoing, in the absence or disqualification of a member of the Executive Committee, the members present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

4.2 Other Committees of the Board. The Board, by resolution adopted by a majority of the whole Board, may designate one or more other committees, which shall in each case consist of such number of directors, but not less than two, and shall have and may exercise such powers for such periods, as the Board may determine in the resolution designating such committee. A majority of the members of any such committee may fix its rules of procedure, determine its action, fix the time and place, whether within or without the State of Delaware, of its meetings and specify what notice thereof, if any, shall be given, unless the Board shall by resolution adopted by a majority of the whole Board otherwise provide. Each member of any such committee shall continue to be a member thereof only so long as he remains a director and at the pleasure of a majority of the whole Board. Any vacancies on any such committee may be filled by a majority of the whole Board.

4.3 Other Committees. Nothing hereinbefore contained in this Article 4 shall be deemed to preclude the designation by the Chairman of the Board, if Chief Executive Officer, or the President, of committees, other than committees of the Board, which may include officers and employees who are not directors.

ARTICLE 5

OFFICERS

5.1 Officers. The Board shall elect a Chairman of the Board and Chief Executive Officer, a President, a Vice Chairman of the Board, a Chairman of the Executive Committee, a Secretary and a Treasurer, and as many Assistant Secretaries and Assistant Treasurers as the Board may deem necessary, and may elect or appoint one or more Vice Presidents and such other officers as it may determine. The Board may designate one or more Vice Presidents as Senior Vice President, Executive Vice President, and may use descriptive words or phrases to designate the standing, seniority or area of special competence of the Vice Presidents elected or appointed by it. Each officer shall hold his office until his successor is elected and qualified or until his earlier death, resignation or removal in the manner provided in Section 5.2 of the By-laws. Any two or more offices may be held by the same person. The Board may require any officer to give a bond or other security for the faithful performance of his duties, in such amount and with such sureties as the Board may determine. All officers as between themselves and the Corporation shall have such authority and perform such duties in the management of the Corporation as may be provided in the By-laws or as the Board may from time to time determine.

5.2 Removal of Officers. Any officer elected or appointed by the Board may be removed by the Board with or without cause. The removal of an officer without cause shall be without prejudice to his contract rights, if any. The election or appointment of an officer shall not of itself create contract rights.

5.3 Resignations. Any officer may resign at any time in writing by notifying the Board, The Chairman of the Board and Chief Execu-

tive Officer, the President or the Secretary. Such resignation shall take effect at the date of receipt of such notice or at such later time as is therein specified, and, unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective. The resignation of an officer shall be without prejudice to the contract rights of the Corporation, if any.

5.4 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled for the unexpired portion of the term in the manner prescribed in the By-laws for the regular election or appointment to such office.

5.5 Compensation. Salaries or other compensation of the officers may be fixed from time to time by the Board. No officer shall be prevented from receiving a salary or other compensation by reason of the fact that he is also a director.

5.6 Chairman of the Board and Chief Executive Officer. The Chairman of the Board and Chief Executive Officer of the Corporation shall have general supervision over the business of the Corporation, subject, however, to the control of the Board and of any duly authorized committee of directors. The Chairman of the Board and Chief Executive Officer shall, if present, preside at all meetings of the stockholders and at all meetings of the Board. He may, with the Secretary or the Treasurer or an Assistant Secretary or an Assistant Treasurer, sign certificates for shares of capital stock of the Corporation. He may sign and execute in the name of the Corporation deeds, mortgages, bonds, contracts and other instruments, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by the By-laws to some other officer or agent of the Corporation, or shall be required by law otherwise to be signed or executed and, in general, he shall perform all duties incident to the office of Chairman of the Board and Chief Executive Officer and such other duties as from time to time may be assigned to him by the Board. The Board may designate two persons to serve as Co-Chairman of the Board and Co-Chief Executive Officer of the Corporation in which case each reference in these By-Laws to the "Chairman of the Board and Chief Executive Officer" shall mean the "Co-Chairmen of the Board and Co-Chief Executive Officers". Where both individuals holding such office are present, the individual with greater seniority shall exercise the powers of the office, unless otherwise directed by the Board.

5.7 President. At the request of the Chairman of the Board and Chief Executive Officer, or in his absence, at the request of the Board, the President shall perform all of the duties of the Chairman of the Board and Chief Executive Officer and so acting shall have all the

powers, of and be subject to all restrictions upon the Chairman of the Board and Chief Executive Officer. The President may also, with the Secretary or the Treasurer or an Assistant Secretary or an Assistant Treasurer, sign certificates for shares of capital stock of the Corporation; may sign and execute in the name of the Corporation deeds, mortgages, bonds, contracts or other instruments authorized by the Board, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by the By-laws to some other officer or agent of the Corporation, or shall be required by law otherwise to be signed or executed; and shall perform such other duties as from time to time may be assigned to him by the Board or by the Chairman of the Board.

5.8 Vice Chairman of the Board. In the absence of both the Chairman of the Board and Chief Executive Officer and the President, the Vice Chairman shall preside at meetings of the Board; and he shall perform such other duties as from time to time may be assigned to him by the Board, the Chairman of the Board and Chief Executive Officer or the President.

5.9 Chairman of the Executive Committee. The Chairman of the Executive Committee shall have the powers and duties incident to that office and shall have other powers and duties as may be prescribed from time to time by the Board of Directors. He shall be a member of the Executive Committee and shall preside at all meetings of the Executive Committee. In the event of the absence or disability of the Chairman of the Board and Chief Executive Officer and of the President, he shall perform the duties of the Chairman of the Board and Chief Executive Officer and of the President, unless the Board of Directors shall have designated another person to perform such duties.

5.10 Vice Presidents. At the request of the Chairman of the Board and Chief Executive Officer, or in his absence, at the request of the President, or in the absence of both of them, at the request of the Board, the Vice Presidents shall (in such order as may be designated by the Board or in the absence of any such designation in order of seniority based on age) perform all of the duties of the Chairman of the Board and Chief Executive Officer and so acting shall have all the powers of and be subject to all restrictions upon the Chairman of the

Board and Chief Executive Officer. Any Vice President may also, with the Secretary or the Treasurer or an Assistant Secretary or an Assistant Treasurer, sign certificates for shares of capital stock of the Corporation; may sign and execute in the name of the Corporation deeds, mortgages, bonds, contracts or other instruments authorized by the Board, except in cases where the signing and execution thereof than be expressly delegated by the Board or by the By-laws to some other officer or agent of the Corporation, or shall be required by law otherwise to be signed or executed; and shall perform such other duties as from time to time may be assigned to him by the Board or by the Chairman of the Board and Chief Executive Officer or the President.

5.11 Secretary. The Secretary, if present, shall act as secretary of all meetings of the stockholders and of the Board, and shall keep the minutes thereof in the proper book or books to be provided for that purpose; he shall see that all notices required to be given by the Corporation are duly given and served; he may, with the Chairman of the Board and Chief Executive Officer, the President or a Vice President, sign certificates for shares of capital stock of the Corporation; he shall be custodian of the seal of the Corporation and may seal with the seal of the Corporation, or a facsimile thereof, all certificates for shares of capital stock, of the Corporation and all documents the execution of which on behalf of the Corporation under its corporate seal is authorized in accordance with the provisions of the By-laws; he shall have charge of the stock ledger and also of the other books, records and papers of the Corporation relating to its organization and management as a Corporation, and shall see that the reports, statements and other documents required by law are properly kept and filed; and shall, in general, perform all the duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board or by the Chairman of the Board and Chief Executive Officer or by the President.

5.12 Treasurer. The Treasurer shall have charge and custody of, and be responsible for, all funds, securities and notes of the Corporation; receive and give receipts for moneys due and payable to the Corporation from any sources whatsoever; deposit all such moneys in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with these By-laws; against proper

vouchers, cause such funds to be disbursed by checks or drafts on the authorized depositaries of the Corporation signed in such manner as shall be determined in accordance with any provisions of the By-laws, and be responsible for the accuracy of the amounts of all moneys so disbursed; regularly enter or cause to be entered in books to be kept by him or under his direction full and adequate amount of all moneys received or paid by him for the amount of the Corporation; have the right to require, from time to time reports or statements giving such information as he may desire with respect to any and all financial transactions of the Corporation from the officers or agents transacting the same; render to the Chairman of the Board and Chief Executive Officer, the President or the Board, whenever the Chairman of the Board and Chief Executive Officer, the President or the Board, respectively, all require him so to do, an account of the financial condition of the Corporation and of all his transactions as Treasurer; exhibit at all reasonable times his books of account and other records to any of the directors upon application at the office of the Corporation where such books and records are kept; and in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board, the Chairman of the Board and Chief Executive Officer or by the President; and he may sign, with the Chairman of the Board and Chief Executive Officer, the President or a Vice

President, certificates for shares of capital stock of the Corporation.

5.13 Assistant Secretaries and Assistant Treasurers. Assistant Secretaries and Assistant Treasurers shall perform such duties as shall be assigned to them by the Secretary or by the Treasurer, respectively, or by the Board, the Chairman of the Board and Chief Executive Officer, or the President. Assistant Secretaries and Assistant Treasurers may, with the Chairman of the Board and Chief Executive Officer, the President or a Vice President, sign certificates for shares of capital stock of the Corporation.

ARTICLE 6

CONTRACTS, CHECKS, DRAFTS, BANK ACCOUNTS, ETC.

6.1 Execution of Contracts. The Board may authorize any officer, employee or agent, in the name and on behalf of the Corporation, to

enter into any contracts or execute and satisfy any instrument, and any such authority may be general or confined to specific instances, or otherwise limited.

6.2 Loans. The Chairman of the Board and Chief Executive Officer, the President or any other officer, employee or agent authorized by the By-laws or by the Board may effect loans and advances at any time for the Corporation from any bank, trust company or other institutions or from any firm, corporation or individual and for such loan and advances may make, execute and deliver promissory notes, bonds or other certificates or evidences of indebtedness of the Corporation, and when authorized so to do may pledge and hypothecate or transfer any securities or other property of the Corporation as security for any such loans or advances. Such authority conferred by the Board may be general or confined to specific instances or otherwise limited.

6.3 Checks, Drafts, Etc. All checks, drafts and other orders for the payment of money out of the funds of the Corporation and all notes or other evidences of indebtedness of the Corporation shall be signed on behalf of the Corporation in such manner as shall from time to time be determined by resolution of the Board.

6.4 Deposits. The funds of the Corporation not otherwise employed shall be deposited from time to time to the order of the Corporation in such banks, trust companies or other depositories as the Board may select or as may be selected by an officer, employee or agent of the Corporation to whom such power may from time to time be delegated by the Board.

ARTICLE 7

STOCKS AND DIVIDENDS

7.1 Certificates Representing Shares. The shares of capital stock of the Corporation shall be represented by certificates in such form (consistent with the provisions of Section 158 of the General Corporation Law) as shall be approved by the Board. Such certificates shall be signed by the Chairman of the Board and Chief Executive Officer, the President or a Vice President and by the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer, and may be

sealed with the seal of the Corporation or a facsimile thereof. The signatures of the officers upon a certificate may be facsimiles, if the certificate is countersigned by a transfer agent or registrar other than the Corporation itself or its employee. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon any certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, such certificate may, unless otherwise ordered by the Board, be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue.

7.2 Transfer of Shares. Transfers of shares of capital stock of the Corporation shall be made only on the books of the Corporation by the holder thereof or by his duly authorized attorney appointed by a power of attorney duly executed and filed with the Secretary or a transfer agent of the Corporation, and on surrender of the certificate or certificates representing such shares of capital stock properly endorsed for transfer and upon payment of all necessary transfer taxes. Every certificate exchanged, returned or surrendered to the Corporation shall be marked "Cancelled," with the date of cancellation, by the Secretary or an Assistant Secretary or the transfer agent of the Corporation. A person in whose name shares of capital stock shall stand on the books of the Corporation shall be deemed the owner thereof to receive dividends, to vote as such owner and for all other purposes as respects the Corporation. No transfer of shares of capital stock shall be valid as against the Corporation, its stockholders and creditors for any purpose, except to render the transferee liable for the debts of the Corporation to the extent provided by law, until such transfer shall have been entered on the books of the Corporation by an entry showing from and to whom transferred.

7.3 Transfer and Registry Agents. The Corporation may from time to time maintain one or more transfer offices or agents and registry offices or agents at such place or places as may be determined from time to time by the Board.

7.4 Lost, Destroyed, Stolen and Mutilated Certificates. The holder of any shares of capital stock of the Corporation shall immediately notify the Corporation of any loss, destruction, theft or mutilation of the certificate representing such shares, and the Corporation may issue

a new certificate to replace the certificate alleged to have been lost, destroyed, stolen or mutilated. The Board may, in its discretion, as, a condition to the issue of any such new certificate, require the owner of the lost, destroyed, stolen or mutilated certificate, or his legal representatives, to make proof satisfactory to the Board of such loss, destruction, theft or mutilation and to advertise such fact in such manner as the Board may require, and to give the Corporation and its transfer agents and registrars, or such of them as the Board may require, a bond in such form, in such sum and with such surety or sureties as the Board may direct, to indemnify the Corporation and its transfer agents and registrars against any claim that may be made against any of them on account of the continued existence of any such certificate so alleged to have been lost, destroyed, stolen or mutilated and against any expense in connection with such claim.

7.5 Regulations. The Board may make such rules and regulations as it may deem expedient, not inconsistent with the By-laws or with the Certificate of Incorporation, concerning the issue, transfer and registration of certificates representing shares of its capital stock.

7.6 Restriction on Transfer of Stock. A written restriction on the transfer or registration of transfer of capital stock of the Corporation, if permitted by Section 202 of the General Corporation Law and noted conspicuously on the certificate representing such capital stock, may be enforced against the holder of the restricted capital stock or any successor or transferee of the holder including an executor, administrator, trustee, guardian or other fiduciary entrusted with like responsibility for the person or estate of the holder. Unless noted conspicuously on the certificate representing such capital stock, a restriction, even though permitted by Section 202 of the General Corporation Law, shall be ineffective except against a person with actual knowledge of the restriction. A restriction on the transfer or registration of transfer of capital stock of the Corporation may be imposed either by the Certificate of Incorporation or by an agreement among any number of stockholders or among such stockholders and the Corporation. No restriction so imposed shall be binding with respect to capital stock issued prior to the adoption of the restriction unless the holders of such capital stock are parties to an agreement or voted in favor of the restriction.

7.7 Dividends, Surplus, Etc. Subject to the provisions of the Certificate of Incorporation and of law, the Board:

7.7.1 May declare and pay dividends or make other distributions on the outstanding shares of capital stock in such amounts and at such time or times as, in its discretion, the condition of the affairs of the Corporation shall render advisable;

7.7.2 May use and apply, in its discretion, any of the surplus of the Corporation in purchasing or acquiring any shares of capital stock of the Corporation, or purchase warrants therefor, in accordance with law, or any of its bonds, debentures, notes, scrip or other securities or evidences of indebtedness;

7.7.3 May set aside from time to time out of such surplus or net profits such sum or sums as, in its discretion, it may think proper, as a reserve fund to meet contingencies, or for equalizing dividends or for the purpose of maintaining or increasing the property or business of the Corporation, or for any purpose it may think conducive to the best interest of the Corporation.

ARTICLE 8

INDEMNIFICATION

8.1 Indemnification of Officers and Directors. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil criminal, administrative or investigative, by reason of the fact that he is or was a director or an officer of the Corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding to the fullest extent and in the manner set forth in and permitted by the General Corporation Law, and any other applicable law, as from time to time in effect. Such right of indemnification shall not be deemed exclusive of any other rights to which such director or officer may be entitled apart from the foregoing provisions. The foregoing provisions of this Section 8.1 shall be deemed to be a contract between the Corporation and each director and officer who serves in such capacity at any time while this Article 8

and the relevant provisions, of the General Corporation law and other applicable law, if any, are in effect, and any repeal or modification thereof shall not affect any rights or obligations then existing, with respect to any state of facts then or theretofore existing, or any action, suit or proceeding theretofore, or thereafter brought or threatened based in whole or in part upon any such state of facts.

8.2 Indemnification of Other Persons. The Corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he is or was an employee or agent of the Corporation, or is or was, serving at the request of the Corporation, as a director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding to the extent and in the manner set forth in and permitted by the General Corporation Law, and any other applicable law, as from time to time in effect. Such right of indemnification shall not be deemed exclusive of any other rights to which any such person may be entitled apart from the foregoing provisions.

ARTICLE 9

BOOKS AND RECORD

9.1 Books and Records. The Corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of the stockholders, the Board and any committee of the Board. The Corporation shall keep at the office designated in the Certificate of Incorporation or at the office of the transfer agent or registrar of the Corporation in Delaware, a record containing the names and addresses of all stockholders, the number and class of shares held by each and the dates when they respectively became the owners of record thereof.

9.2 Form of Records. Any records maintained by the Corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or be in the form of, punch cards magnetic tape, photographs, microphotographs or any other in-

formation storage device provided that the records so kept can be converted into clearly legible written form within a reasonable time. The Corporation shall so convert any records so kept upon the request of any person entitled to inspect the same.

9.3 Inspection of Books and Records. Except as otherwise provided by law, the Board shall determine from time to time whether, and, if allowed, when and under what conditions and regulations, the accounts, books, minutes and other records of the Corporation, or any of them, shall be open to the inspection of the stockholders.

ARTICLE 10

SEAL

The Board may adopt a corporate seal which shall be in the form of a circle and shall bear the full name of the Corporation, the year of its incorporation and the word "Delaware".

ARTICLE 11

FISCAL YEAR

The fiscal year of the Corporation shall begin on the 1st day of January and shall terminate on the 31st day of December in each year, or such other period as may be fixed by resolution of the Board.

ARTICLE 12

VOTING OF SHARES HELD

Unless otherwise provided by resolution of the Board, the Chairman of the Board and Chief Executive Officer, or the President, or any Vice President, may, from time to time, appoint one or more attorneys or agents of the Corporation, in the name and on behalf of the Corporation, to cast the votes which the Corporation may be entitled to cast as a stockholder or otherwise in any other corporation, any of whose shares or securities may be held by the Corporation, at meetings of the holders of stock or other securities of such other corporation, or to consent, in writing to any action by any such other corporation, and may instruct the person or persons so appointed as to the manner of casting such

votes or giving such consent, and may execute or cause to be executed on behalf of the Corporation and under its corporate seal, or otherwise, such written proxies, consents, waivers or other instruments as he may deem necessary or proper in the premises; or the Chairman of the Board and Chief Executive Officer, or the President, or any Vice-President may himself attend any meeting of the holders of the stock or other securities of any such other corporation and thereat vote or exercise any or all other powers of the Corporation as the holder of such stock or other securities of such other corporation.

ARTICLE 13

BUSINESS COMBINATIONS WITH INTERESTED STOCKHOLDERS

Pursuant to the provisions of Section 203 (a) (2) of the General Corporation Law, the Corporation, by action of the Board, expressly elects not to be governed by Section 203 of the General Corporation Law, dealing with business combinations with interested stockholders. Notwithstanding anything to the contrary in these By-Laws, the provisions of this Article 13 may not be further amended by the Board, except as may be specifically authorized by the General Corporation Law.

ARTICLE 14

AMENDMENTS

The By-Laws may be altered, amended, supplemented or repealed, or new By-Laws may be adopted, by vote of the holders of the shares

entitled to vote in the election of directors. The By-Laws may be altered, amended, supplemented or repealed, or new By-Laws may be adopted, by the Board, provided that the vote of a majority of the entire Board shall be required to change the number of authorized directors. Any By-Laws adopted, altered, amended, or supplemented by the Board may be altered, amended, supplemented or repealed by the stockholders entitled to vote thereon.

ARTICLE 15

OFFICES

The Corporation may have an office or offices at such place or places, within or without the State of Delaware, as the Board of Directors may from time to time designate or the business of the Corporation require.

Exhibit 10.01

LOEWS
CORPORATION

667 Madison Avenue, New York, N.Y. 10021-8087 (212) 545-2000

October 18, 1994

Mr. Laurence A. Tisch
Island Drive
North Manursing Island
Rye, New York 10580

Dear Mr. Tisch:

Reference is made to your Employment Agreement with Loews Corporation (the "Company"), dated March 1, 1971, as amended by agreements dated February 27, 1974, March 1, 1976, May 10, 1977, July 17, 1979, June 16, 1981, May 10, 1983, May 10, 1984, October 15, 1985, February 24, 1987, October 14, 1988, March 1, 1990 and October 22, 1992 (the "Employment Agreement").

This will confirm our agreement that the Employment Agreement is amended as follows:

1. The period of your employment under and pursuant to the Employment Agreement is hereby extended for an additional period through and including October 31, 1996 upon all the terms, conditions and provisions of the Employment Agreement, as hereby amended.

2. You shall be paid a basic salary (the "Basic Salary") for your services under and pursuant to the Employment Agreement, effective November 1, 1994, of $1,750,000 per annum, subject to such increases as the Board of Directors of the Company, in its sole discretion, may from time to time determine. Such Basic Salary shall be exclusive of fees received by you as a director and as a member of Committees of the Boards of Directors of other corporations, including subsidiaries, affiliates and investees of the Company.

3. Effective November 1, 1994, and for so long as you are devoting a principal amount of your time to CBS Inc. ("CBS"), the Basic Salary shall be reduced to the rate of $750,000 per annum.

Except as herein modified or amended, the Employment Agreement shall remain in full force and effect.

If the foregoing is in accordance with your understanding, would you please sign the enclosed duplicate copy of this Letter Agreement at the place indicated below and return the same to us for our records.

Very truly yours,

LOEWS CORPORATION

By:Barry Hirsch

Barry Hirsch
Senior Vice President

ACCEPTED AND AGREED TO:

Laurence A. Tisch

Laurence A. Tisch

Exhibit 10.02

LOEWS
CORPORATION

667 Madison Avenue, New York, N.Y. 10021-8087 (212) 545-2000

October 18, 1994

Mr. Preston R. Tisch
5 Timber Trail
Rye, New York 10580

Dear Mr. Tisch:

Reference is made to your Employment Agreement with Loews Corporation (the "Company"), dated March 1, 1988, as amended by agreements dated March 1, 1990 and October 22, 1992 (the "Employment Agreement").

This will confirm our agreement that the Employment Agreement is amended as follows:

1. The period of your employment under and pursuant to the Employment Agreement is hereby extended for an additional period through and including October 31, 1996 upon all the terms, conditions and provisions of the Employment Agreement, as hereby amended.

2. You shall be paid a basic salary (the "Basic Salary") for your services under and pursuant to the Employment Agreement, effective November 1, 1994, of $1,750,000 per annum, subject to such increases as the Board of Directors of the Company, in its sole discretion, may from time to time determine. Such Basic Salary shall be exclusive of fees received by you as a director and as a member of Committees of the Boards of Directors of other corporations, including subsidiaries, affiliates and investees of the Company.

Except as herein modified or amended, the Employment Agreement shall remain in full force and effect.

If the foregoing is in accordance with your understanding, would you please sign the enclosed duplicate copy of this Letter Agreement at the place indicated below and return the same to us for our records.

Very truly yours,

LOEWS CORPORATION

By:Barry Hirsch

Barry Hirsch
Senior Vice President

ACCEPTED AND AGREED TO:

Preston R. Tisch

Preston R. Tisch

EXHIBIT 11.01

LOEWS CORPORATION AND SUBSIDIARIES

Statement Re Computation of Per Share Earnings Assuming Full Dilution

	Year Ended December 31, 1992 (In thousands, except per share data)
Computation of Fully Diluted Net Income:	
Net income	$122,614
Reduction of interest and debt discount expenses related to notes assumed converted, net of applicable federal income taxes	14,924
Fully diluted net income	$137,538
Computation of Fully Diluted Shares:	
Weighted average shares outstanding	65,659
Add shares assumed to be issued upon conversion of notes	2,154
Fully diluted shares	67,813
Net Income Per Share Assuming Full Dilution	$ 2.03

Exhibit 21.01

LOEWS CORPORATION

Subsidiaries of the Registrant

December 31, 1994

Name of Subsidiary	Organized Under Laws of	Business Names
CNA Financial Corporation	Delaware)	
Continental Casualty Company	Illinois)	
Continental Assurance Company	Illinois)	
National Fire Insurance Company of Hartford	Connecticut)	CNA Insurance
American Casualty Company of Reading, Pennsylvania	Pennsylvania)	
CNA Management Company Limited	Great Britain)	
Lorillard, Inc.	New York)	
Lorillard Tobacco Company	Delaware)	Lorillard

The names of certain subsidiaries which, if considered as a single subsidiary, would not constitute a "significant subsidiary" as defined in Regulation S-X, have been omitted.

EXHIBIT 23.01

INDEPENDENT AUDITOR'S CONSENT

We consent to the incorporation by reference in Registration Statement No. 33-60342 of Loews Corporation on Form S-3 of our report dated February 15, 1995, appearing in this Annual Report on Form 10-K of Loews Corporation for the year ended December 31, 1994.

Deloitte & Touche LLP

New York, New York
March 24, 1995

5
1,000

12-MOS
DEC-31-1994
DEC-31-1994
160,557
30,727,836
8,208,021
140,005
244,394
0
1,801,736
711,868
50,335,976
0
2,144,394
58,965
0
0
5,346,349
50,335,976
2,061,415
13,515,201
929,342
10,619,536
1,532,965
0
174,565
266,148
(9,041)
267,834
0
0
0
267,834
4.45
0

EXHIBIT 28.01

LOEWS CORPORATION AND SUBSIDIARIES

Reconciliation of Property and Casualty Reserves as shown on Schedule P to Reserves for Unpaid Claim and Claim Expenses

December 31, 1994

A reconciliation of property and casualty reserves as shown on Schedule P to reserves for unpaid claim and claim expenses, as shown in the Annual Report on Form 10-K follows. Schedule P is from Continental Casualty Company's 1994 consolidated annual statutory statement provided to state insurance regulatory authorities. Statutory claim and claim expense reserves are presented net of ceded reinsurance. Under generally accepted accounting principles such reserves are recorded "gross" of reinsurance with corresponding ceded reinsurance recoverables recorded as assets.

Property and Casualty Reserve Reconciliation
Statutory Basis to Generally Accepted Accounting Principles

	(In thousands)
Total claim and claim expenses per Schedule P	$18,418,000
Non-domestic affiliates	516,000
Ceded claim and claim expenses	2,705,000
Reserve for claim and claim expenses-generally accepted accounting principles	$21,639,000

Form 2

COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

Notes to Schedule P

(1) The Parts of Schedule P:
- Part 1 - detailed information on losses and loss expenses.
- Part 2 - history of incurred losses and allocated expenses.
- Part 3 - history of loss and allocated expense payments.
- Part 4 - history of bulk and incurred-but-not reported reserves.
- Part 5 - history of claims.
- Part 4 - history of premiums earned.
- Schedule P Interrogatories

(2) Lines of business A through M, R, and S are groupings of the lines of business used on Page 14, the state page.

(3) Reinsurance A, B, C, and D (lines N to Q) are:
- Reinsurance A = nonproportional property (1988 and subsequent)
- Reinsurance B = nonproportional liability (1988 and subsequent)
- Reinsurance C = financial lines (1988 and subsequent)
- Reinsurance D = old Schedule O line 30 (1987 and prior)

SCHEDULE P - PART 1 - SUMMARY

(000 omitted)

1	Premiums Earned			Loss and Loss Expense Payments			
				Loss Payments		Allocated Loss Expense Payments	
Years in Which Premiums Were Earned and Losses Were Incurred	2 Direct and Assumed	3 Ceded	4 Net (2 - 3)	5 Direct and Assumed	6 Ceded	7 Direct and Assumed	8 Ceded
1. Prior	X X X X	X X X X	X X X X	420,726	137,405	121,406	15,903
2. 1985	2,756,886	425,772	2,331,114	2,329,418	605,053	316,547	41,801
3. 1986	4,300,449	550,592	3,749,857	2,154,422	322,105	326,131	34,033
4. 1987	4,915,810	665,280	4,250,529	2,423,657	347,165	289,438	14,346
5. 1988	5,399,645	613,422	4,786,223	2,881,508	349,332	315,744	17,982
6. 1989	5,768,987	549,762	5,219,225	3,567,826	382,535	342,400	23,979
7. 1990	6,595,234	454,185	6,141,049	3,610,848	225,831	351,237	13,704
8. 1991	6,891,720	425,638	6,466,082	3,159,956	167,336	283,412	8,955
9. 1992	6,535,769	434,065	6,101,704	2,741,868	204,385	179,762	8,203
10. 1993	6,404,755	454,555	5,950,200	1,829,177	136,622	85,787	3,799
11. 1994	6,955,762	522,977	6,432,785	1,198,298	73,232	34,920	1,365
12. Totals	X X X X	X X X X	X X X X	26,317,705	2,951,001	2,646,784	184,071

SCHEDULE P - PART 1 - SUMMARY - (CONTINUED)

1 Years in Which Premiums Were Earned and Losses Were Incurred	9 Salvage and Subrogation Received	10 Unallocated Loss Expense Payments	11 Total Net Paid (5 - 6 + 7 - 8 + 10)	12 Number of Claims Reported - Direct and Assumed
1. Prior	7,560	8,967	397,791	X X X X
2. 1985	68,715	92,567	2,091,678	X X X X
3. 1986	71,189	117,002	2,241,416	X X X X
4. 1987	68,016	131,259	2,482,843	X X X X
5. 1988	179,786	155,022	2,984,961	X X X X
6. 1989	160,592	189,876	3,693,589	X X X X
7. 1990	103,235	200,038	3,922,589	X X X X
8. 1991	135,976	208,561	3,475,637	X X X X
9. 1992	83,594	198,448	2,907,490	X X X X
10. 1993	184,768	203,749	1,978,291	X X X X
11. 1994	41,905	171,110	1,329,732	X X X X
12. Totals	1,105,334	1,676,598	27,506,015	X X X X

	Losses Unpaid				Allocated Loss Expenses Unpaid		
	Case Basis		Bulk + IBNR		Case Basis		Bulk
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed
1. Prior	1,132,491	259,584	2,652,462	216,405	0	0	59,049
2. 1985	178,615	29,361	143,619	22,365	0	0	20,664
3. 1986	235,038	25,498	211,903	17,486	0	0	43,250
4. 1987	283,691	31,448	241,087	31,800	0	0	56,878
5. 1988	384,295	28,630	311,956	57,621	0	0	69,646
6. 1989	503,614	30,539	348,465	57,669	0	0	100,200
7. 1990	685,680	43,021	511,269	101,387	0	0	155,363
8. 1991	815,661	38,939	901,583	141,389	0	0	217,169
9. 1992	877,161	28,670	1,249,445	187,160	0	0	294,639
10. 1993	1,021,126	40,832	1,796,084	198,093	0	0	403,118
11. 1994	1,016,791	97,906	2,893,812	266,920	0	0	485,506
12. Totals	7,134,162	654,429	11,261,685	1,298,295	0	0	1,905,482

SCHEDULE P - PART 1 - SUMMARY - (CONTINUED)

	+ IBNR 20 Ceded	21 Salvage and Subrogation Anticipated	22 Unallocated Loss Expenses Unpaid	23 Total Net Losses and Expenses Unpaid	24 Number of Claims Outstanding - Direct and Assumed
1. Prior	11,162	37,717	15,196	3,372,047	X X X X
2. 1985	3,445	7,244	3,111	290,838	X X X X
3. 1986	3,836	12,532	5,178	448,549	X X X X
4. 1987	5,615	12,224	7,840	520,633	X X X X
5. 1988	7,503	17,047	10,084	682,227	X X X X
6. 1989	14,678	28,002	12,334	861,727	X X X X
7. 1990	16,173	40,264	18,397	1,210,128	X X X X
8. 1991	22,910	59,147	27,172	1,758,346	X X X X
9. 1992	25,419	61,090	35,441	2,215,437	X X X X
10. 1993	30,390	65,391	44,990	2,996,003	X X X X
11. 1994	29,865	98,203	60,837	4,062,255	X X X X
12. Totals	170,996	438,862	240,580	18,418,190	X X X X

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Discount Value of
	25 Direct and Assumed	26 Ceded	27 Net	28 Direct and Assumed	29 Ceded	30 Net	31 Loss
1. Prior	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0
2. 1985	3,084,541	702,026	2,382,516	111.9	164.9	102.2	0
3. 1986	3,092,923	402,958	2,689,965	71.9	73.2	71.7	0
4. 1987	3,433,850	430,374	3,003,476	69.9	64.7	70.7	0
5. 1988	4,128,256	461,068	3,667,188	76.5	75.2	76.6	0
6. 1989	5,064,715	509,399	4,555,316	87.8	92.7	87.3	0
7. 1990	5,532,833	400,116	5,132,717	83.9	88.1	83.6	0
8. 1991	5,613,513	379,530	5,233,983	81.5	89.2	80.9	0
9. 1992	5,576,763	453,837	5,122,927	85.3	104.6	84.0	0
10. 1993	5,384,030	409,737	4,974,294	84.1	90.1	83.6	0
11. 1994	5,861,274	469,288	5,391,986	84.3	89.7	83.8	0
12. Totals	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0

SCHEDULE P - PART 1 - SUMMARY - (CONTINUED)

	for Time Money		Net Balance Sheet Reserves After Discount	
	32 Loss Expense	33 Inter-Company Pooling Participation Percentage	34 Losses Unpaid	35 Loss Expenses Unpaid
1. Prior	0	X X X X	3,308,964	63,083
2. 1985	0	0.0	270,508	20,330
3. 1986	0	0.0	403,957	44,592
4. 1987	0	0.0	461,530	59,103
5. 1988	0	0.0	610,000	72,227
6. 1989	0	0.0	763,871	97,856
7. 1990	0	0.0	1,052,541	157,587
8. 1991	0	0.0	1,536,915	221,431
9. 1992	0	0.0	1,910,776	304,661
10. 1993	0	0.0	2,578,285	417,718
11. 1994	0	0.0	3,545,777	516,478
12. Totals	0	X X X X	16,443,124	1,975,066

Form 2

COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 2 - SUMMARY

1 Years in Which Losses Were Incurred	Incurred Losses and Allocated Expenses Reported At Year End (000 omitted)						
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. Prior	2,846,566	3,460,093	3,883,639	4,107,157	4,384,064	4,596,294	4,715,213
2. 1985	2,041,213	2,276,531	2,261,428	2,278,784	2,329,536	2,354,270	2,402,255
3. 1986	X X X X	3,250,167	3,136,758	3,033,926	2,870,346	2,785,435	2,774,734
4. 1987	X X X X	X X X X	3,337,636	3,286,467	3,311,858	3,209,693	3,136,710
5. 1988	X X X X	X X X X	X X X X	4,014,443	3,963,594	3,922,901	3,831,566
6. 1989	X X X X	X X X X	X X X X	X X X X	4,504,258	4,541,570	4,566,683
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	5,309,041	5,202,131
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	5,639,245
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
12. Totals							

SCHEDULE P - PART 2 - SUMMARY - (CONTINUED)

1 Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	Development 12 One Year	13 Two Year
1. Prior	6,435,723	7,482,028	7,728,679	246,651	1,292,956
2. 1985	2,425,753	2,420,430	2,417,089	(3,341)	(8,664)
3. 1986	2,731,675	2,727,061	2,732,353	5,292	678
4. 1987	3,099,763	3,083,390	3,081,200	(2,190)	(18,563)
5. 1988	3,801,750	3,769,013	3,773,096	4,083	(28,654)
6. 1989	4,584,669	4,560,272	4,574,825	14,553	(9,844)
7. 1990	5,163,398	5,170,899	5,105,339	(65,560)	(58,059)
8. 1991	5,557,517	5,276,368	5,141,668	(134,700)	(415,849)
9. 1992	5,392,838	5,227,755	4,980,466	(247,289)	(412,372)
10. 1993	X X X X	4,961,296	4,774,677	(186,619)	X X X X
11. 1994	X X X X	X X X X	5,194,496	X X X X	X X X X
12. Totals				(369,122)	341,628

SCHEDULE P - PART 3 - SUMMARY

1 Years in Which Losses Were Incurred	Cumulative Paid Losses and Allocated Expenses At Year End (000 omitted) 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. Prior	000	579,391	1,113,806	1,594,266	2,032,011	2,389,590	2,780,842
2. 1985	(39,769)	868,516	1,092,877	1,240,564	1,414,678	1,585,980	1,752,074
3. 1986	X X X X	467,087	947,280	1,263,953	1,420,288	1,651,606	1,861,599
4. 1987	X X X X	X X X X	547,999	1,201,193	1,563,459	1,748,920	1,950,264
5. 1988	X X X X	X X X X	X X X X	651,625	1,428,893	1,886,171	2,188,695
6. 1989	X X X X	X X X X	X X X X	X X X X	789,063	1,827,085	2,507,948
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	918,597	2,061,339
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	997,430
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 3 - SUMMARY - (CONTINUED)

1 Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	12 Number of Claims Closed With Loss Payment	13 Number of Claims Closed Without Loss Payment
1. Prior	3,144,267	3,545,589	3,934,413	X X X X	X X X X
2. 1985	1,887,316	1,939,483	1,999,111	X X X X	X X X X
3. 1986	1,963,470	2,068,874	2,124,415	X X X X	X X X X
4. 1987	2,137,487	2,267,927	2,351,584	X X X X	X X X X
5. 1988	2,490,999	2,692,826	2,829,939	X X X X	X X X X
6. 1989	2,925,775	3,277,082	3,503,713	X X X X	X X X X
7. 1990	2,802,747	3,327,500	3,722,551	X X X X	X X X X
8. 1991	2,012,959	2,730,259	3,267,076	X X X X	X X X X
9. 1992	1,004,297	2,040,990	2,709,042	X X X X	X X X X
10. 1993	X X X X	914,648	1,774,542	X X X X	X X X X
11. 1994	X X X X	X X X X	1,158,621	X X X X	X X X X

SCHEDULE P - PART 4 - SUMMARY

Bulk and Incurred But Not Reported Reserves on Losses and Allocated Expenses at Year End (000 omitted)

1 Years in Which Losses Were Incurred		2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1.	Prior	1,076,772	769,739	877,969	771,332	694,796	670,874	525,981
2.	1985	1,610,921	781,359	557,294	437,921	419,052	309,281	244,302
3.	1986	X X X X	2,048,934	1,417,507	1,057,062	771,057	520,491	391,556
4.	1987	X X X X	X X X X	1,964,787	1,207,755	910,368	671,387	500,199
5.	1988	X X X X	X X X X	X X X X	2,335,680	1,457,537	957,892	646,699
6.	1989	X X X X	X X X X	X X X X	X X X X	2,596,516	1,503,792	882,306
7.	1990	X X X X	X X X X	X X X X	X X X X	X X X X	3,239,050	1,746,567
8.	1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	3,428,161
9.	1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10.	1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11.	1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Losses Were Incurred		9 1992	10 1993	11 1994
1.	Prior	1,991,994	2,658,809	2,483,944
2.	1985	202,851	177,562	138,473
3.	1986	305,341	253,492	233,831
4.	1987	368,650	300,587	260,550
5.	1988	469,139	368,139	316,478
6.	1989	602,913	464,946	376,318
7.	1990	1,046,699	737,878	549,072
8.	1991	2,202,455	1,397,244	954,453
9.	1992	3,361,598	2,031,813	1,331,505
10.	1993	X X X X	3,158,737	1,970,719
11.	1994	X X X X	X X X X	3,093,149

/TABLE

Form 2
COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 1A - HOMEOWNERS/FARMOWNERS

(000 omitted)

1	Premiums Earned			Loss and Loss Expense Payments			
				Loss Payments		Allocated Loss Expense Payments	
Years in Which Premiums Were Earned and Losses Were Incurred	2 Direct and Assumed	3 Ceded	4 Net (2 - 3)	5 Direct and Assumed	6 Ceded	7 Direct and Assumed	8 Ceded
1. Prior	X X X X	X X X X	X X X X	138	0	22	0
2. 1985	79,932	5,347	74,585	59,629	0	3,210	0
3. 1986	90,407	970	89,437	54,052	1	2,967	0
4. 1987	110,990	1,029	109,960	65,118	16	4,857	0
5. 1988	147,610	759	146,851	85,860	(16)	4,313	0
6. 1989	169,394	1,244	168,150	125,252	262	6,271	5
7. 1990	188,947	517	188,430	145,912	230	6,667	11
8. 1991	203,426	2,272	201,154	143,282	402	5,739	34
9. 1992	216,699	681	216,018	181,266	10,988	5,626	21
10. 1993	223,351	299	223,053	132,157	189	3,679	0
11. 1994	233,912	2,647	231,266	145,198	345	3,604	10
12. Totals	X X X X	X X X X	X X X X	1,137,863	12,417	46,953	81

SCHEDULE P - PART 1A - HOMEOWNERS/FARMOWNERS - (CONTINUED)

1 Years in Which Premiums Were Earned and Losses Were Incurred	9 Salvage and Subrogation Received	10 Unallocated Loss Expense Payments	11 Total Net Paid (5 - 6 + 7 - 8 + 10)	12 Number of Claims Reported - Direct and Assumed
1. Prior	(2)	2	162	X X X X
2. 1985	922	1,628	64,467	44,843
3. 1986	869	4,377	61,395	38,644
4. 1987	1,392	5,802	75,762	45,371
5. 1988	1,525	6,265	96,452	49,890
6. 1989	1,845	8,092	139,349	68,139
7. 1990	2,747	9,428	161,767	73,027
8. 1991	1,664	12,200	160,785	80,860
9. 1992	1,555	14,152	190,034	82,018
10. 1993	1,395	16,836	152,483	70,349
11. 1994	385	17,903	166,349	75,199
12. Totals	14,297	96,685	1,269,003	X X X X

SCHEDULE P - PART 1A - HOMEOWNERS/FARMOWNERS - (CONTINUED)

	Losses Unpaid				Allocated Loss Expenses Unpaid		
	Case Basis		Bulk + IBNR		Case Basis		Bulk & IBNR
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed
1. Prior	1,451	0	83	0	0	0	0
2. 1985	656	0	276	0	0	0	16
3. 1986	630	0	315	0	0	0	0
4. 1987	1,093	0	993	0	0	0	161
5. 1988	2,409	0	1,150	0	0	0	15
6. 1989	2,228	1	1,609	32	0	0	508
7. 1990	4,261	0	1,499	6	0	0	687
8. 1991	6,321	0	5,333	1,210	0	0	1,735
9. 1992	8,074	74	14,290	93	0	0	2,766
10. 1993	10,100	2	28,330	100	0	0	3,225
11. 1994	27,148	0	77,796	74	0	0	5,589
12. Totals	64,369	77	131,674	1,515	0	0	14,702

	20 Ceded	21 Salvage and Subrogation Anticipated	22 Unallocated Loss Expenses Unpaid	23 Total Net Losses and Expenses Unpaid	24 Number of Claims Outstanding - Direct and Assumed
1. Prior	0	49	2	1,536	62
2. 1985	0	50	4	952	20
3. 1986	0	0	6	951	40
4. 1987	0	10	18	2,265	33
5. 1988	0	59	25	3,599	78
6. 1989	0	239	32	4,344	79
7. 1990	0	540	51	6,492	118
8. 1991	0	522	154	12,332	256
9. 1992	3	905	334	25,294	364
10. 1993	1	1,356	538	42,090	581
11. 1994	2	3,620	1,538	111,995	4,533
12. Totals	6	7,350	2,702	211,849	6,164

SCHEDULE P - PART 1A - HOMEOWNERS/FARMOWNERS - (CONTINUED)

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Discount Value of
	25 Direct and Assumed	26 Ceded	27 Net	28 Direct and Assumed	29 Ceded	30 Net	31 Loss
1. Prior	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0
2. 1985	65,419	0	65,419	81.8	0.0	87.7	0
3. 1986	62,347	1	62,346	69.0	0.1	69.7	0
4. 1987	78,042	15	78,027	70.3	1.5	71.0	0
5. 1988	100,036	(15)	100,051	67.8	(2.0)	68.1	0
6. 1989	143,992	300	143,692	85.0	24.1	85.5	0
7. 1990	168,505	246	168,259	89.2	47.6	89.3	0
8. 1991	174,763	1,646	173,117	85.9	72.4	86.1	0
9. 1992	226,507	11,180	215,327	104.5	1,642.0	99.7	0
10. 1993	194,864	291	194,573	87.2	97.5	87.2	0
11. 1994	278,776	431	278,344	119.2	16.3	120.4	0
12. Totals	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0

	for Time Money	33	Net Balance Sheet Reserves After Discount	
	32 Loss Expense	Inter-Company Pooling Participation Percentage	34 Losses Unpaid	35 Loss Expenses Unpaid
1. Prior	0	X X X X	1,534	2
2. 1985	0	0.0	932	20
3. 1986	0	0.0	945	6
4. 1987	0	0.0	2,086	179
5. 1988	0	0.0	3,559	40
6. 1989	0	0.0	3,804	540
7. 1990	0	0.0	5,754	738
8. 1991	0	0.0	10,443	1,889
9. 1992	0	0.0	22,197	3,097
10. 1993	0	0.0	38,328	3,762
11. 1994	0	0.0	104,870	7,125
12. Totals	0	X X X X	194,451	17,398

Form 2
COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 1B - PRIVATE PASSENGER AUTO LIABILITY/MEDICAL

(000 omitted)

1	Premiums Earned			Loss and Loss Expense Payments			
				Loss Payments		Allocated Loss Expense Payments	
Years in Which Premiums Were Earned and Losses Were Incurred	2 Direct and Assumed	3 Ceded	4 Net (2 - 3)	5 Direct and Assumed	6 Ceded	7 Direct and Assumed	8 Ceded
1. Prior	X X X X	X X X X	X X X X	2,425	287	76	3
2. 1985	146,068	10,748	135,320	137,097	2,775	10,214	37
3. 1986	170,619	6,847	163,772	157,205	8,232	12,066	190
4. 1987	202,239	12,200	190,039	186,580	11,529	13,776	294
5. 1988	260,594	18,142	242,452	215,541	15,164	14,313	544
6. 1989	308,866	19,341	289,524	259,345	16,380	17,191	447
7. 1990	356,704	11,055	345,650	275,090	9,746	18,865	303
8. 1991	378,037	6,068	371,969	270,150	4,904	14,986	143
9. 1992	410,684	6,450	404,233	247,948	5,963	9,765	57
10. 1993	418,598	5,705	412,893	174,894	3,388	4,706	(4)
11. 1994	448,059	5,498	442,561	79,083	1,071	1,510	0
12. Totals	X X X X	X X X X	X X X X	2,005,358	79,438	117,467	2,013

1 Years in Which Premiums Were Earned and Losses Were Incurred	9 Salvage and Subrogation Received	10 Unallocated Loss Expense Payments	11 Total Net Paid (5 - 6 + 7 - 8 + 10)	12 Number of Claims Reported - Direct and Assumed
1. Prior	1	83	2,294	X X X X
2. 1985	5,903	7,763	152,262	62,682
3. 1986	4,282	10,983	171,832	66,608
4. 1987	5,799	11,698	200,232	76,796
5. 1988	6,883	15,671	229,817	84,096
6. 1989	7,561	19,456	279,166	93,101
7. 1990	8,780	18,364	302,269	97,173
8. 1991	6,370	18,884	298,972	95,555
9. 1992	4,865	19,829	271,523	92,957
10. 1993	3,512	22,908	199,124	87,764
11. 1994	1,232	18,816	98,339	72,355
12. Totals	55,188	164,455	2,205,829	X X X X

SCHEDULE P - PART 1B - PRIVATE PASSENGER AUTO LIABILITY/MEDICAL - (CONTINUED)

	Losses Unpaid				Allocated Loss Expenses Unpaid		
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed
1. Prior	6,711	396	7,488	0	0	0	484
2. 1985	4,116	0	2,409	0	0	0	390
3. 1986	7,276	0	2,278	0	0	0	1,264
4. 1987	8,313	85	4,197	0	0	0	1,702
5. 1988	11,552	50	5,166	0	0	0	1,811
6. 1989	21,623	153	10,858	0	0	0	4,137
7. 1990	31,251	301	16,717	0	0	0	5,652
8. 1991	48,163	634	21,520	0	0	0	11,818
9. 1992	67,921	481	61,752	0	0	0	17,162
10. 1993	82,696	693	110,095	659	0	0	17,915
11. 1994	92,622	1,754	131,275	1,615	0	0	16,017
12. Totals	382,244	4,547	373,755	2,274	0	0	78,352

	20 Ceded	21 Salvage and Subrogation Anticipated	22 Unallocated Loss Expenses Unpaid	23 Total Net Losses and Expenses Unpaid	24 Number of Claims Outstanding - Direct and Assumed
1. Prior	0	220	146	14,433	297
2. 1985	0	160	50	6,965	135
3. 1986	0	42	81	10,899	185
4. 1987	0	133	105	14,232	228
5. 1988	0	303	120	18,599	304
6. 1989	0	513	294	36,759	539
7. 1990	0	1,701	525	53,844	881
8. 1991	0	2,087	824	81,690	1,511
9. 1992	0	3,165	1,540	147,894	2,874
10. 1993	1	3,989	1,990	211,343	5,653
11. 1994	1	5,436	3,782	240,326	18,290
12. Totals	2	17,751	9,457	836,985	30,897

SCHEDULE P - PART 1B - PRIVATE PASSENGER AUTO LIABILITY/MEDICAL - (CONTINUED)

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Discount Value of
	25 Direct and Assumed	26 Ceded	27 Net	28 Direct and Assumed	29 Ceded	30 Net	31 Loss
1. Prior	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0
2. 1985	162,039	2,811	159,228	110.9	26.2	117.7	0
3. 1986	191,153	8,422	182,731	112.0	123.0	111.6	0
4. 1987	226,371	11,907	214,464	111.9	97.6	112.9	0
5. 1988	264,173	15,758	248,415	101.4	86.9	102.5	0
6. 1989	332,904	16,979	315,925	107.8	87.8	109.1	0
7. 1990	366,464	10,351	356,113	102.7	93.6	103.0	0
8. 1991	386,344	5,682	380,662	102.2	93.6	102.3	0
9. 1992	425,918	6,501	419,417	103.7	100.8	103.8	0
10. 1993	415,204	4,737	410,467	99.2	83.0	99.4	0
11. 1994	343,105	4,440	338,665	76.6	80.8	76.5	0
12. Totals	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0

	for Time Money	33	Net Balance Sheet Reserves After Discount	
	32 Loss Expense	Inter-Company Pooling Participation Percentage	34 Losses Unpaid	35 Loss Expenses Unpaid
1. Prior	0	X X X X	13,803	630
2. 1985	0	0.0	6,525	440
3. 1986	0	0.0	9,554	1,345
4. 1987	0	0.0	12,425	1,807
5. 1988	0	0.0	16,668	1,931
6. 1989	0	0.0	32,328	4,431
7. 1990	0	0.0	47,667	6,177
8. 1991	0	0.0	69,048	12,642
9. 1992	0	0.0	129,192	18,702
10. 1993	0	0.0	191,439	19,904
11. 1994	0	0.0	220,528	19,798
12. Totals	0	X X X X	749,178	87,807

Form 2
COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 1C - COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL

(000 omitted)

1	Premiums Earned			Loss and Loss Expense Payments			
				Loss Payments		Allocated Loss Expense Payments	
Years in Which Premiums Were Earned and Losses Were Incurred	2 Direct and Assumed	3 Ceded	4 Net (2 - 3)	5 Direct and Assumed	6 Ceded	7 Direct and Assumed	8 Ceded
1. Prior	X X X X	X X X X	X X X X	2,599	(1)	100	0
2. 1985	221,827	39,207	182,619	176,636	28,207	20,012	1,604
3. 1986	403,419	95,375	308,043	240,621	65,251	27,161	569
4. 1987	508,426	139,851	368,576	311,439	95,764	32,795	565
5. 1988	522,888	127,960	394,928	329,184	89,028	34,193	576
6. 1989	523,927	96,218	427,708	342,254	54,849	33,490	496
7. 1990	536,387	63,618	472,769	353,943	34,978	31,819	449
8. 1991	586,500	59,306	527,195	280,657	28,377	24,540	703
9. 1992	546,403	49,741	496,661	213,613	17,123	14,130	430
10. 1993	533,280	38,265	495,015	143,778	9,003	6,282	93
11. 1994	598,177	73,751	524,426	66,682	2,313	1,887	12
12. Totals	X X X X	X X X X	X X X X	2,461,407	424,893	226,408	5,495

1				
Years in Which Premiums Were Earned and Losses Were Incurred	9 Salvage and Subrogation Received	10 Unallocated Loss Expense Payments	11 Total Net Paid (5 - 6 + 7 - 8 + 10)	12 Number of Claims Reported - Direct and Assumed
1. Prior	(113)	39	2,739	X X X X
2. 1985	2,172	7,473	174,310	76,217
3. 1986	1,559	8,939	210,901	95,956
4. 1987	1,986	11,446	259,351	108,080
5. 1988	3,196	12,211	285,983	108,957
6. 1989	2,627	13,279	333,679	107,189
7. 1990	3,236	13,577	363,913	99,548
8. 1991	3,544	14,106	290,224	91,092
9. 1992	2,229	14,782	224,973	76,226
10. 1993	1,615	18,916	159,880	70,501
11. 1994	949	15,683	81,927	63,654
12. Totals	23,000	130,451	2,387,879	X X X X

SCHEDULE P - PART 1C - COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL - (CONTINUED)

	Losses Unpaid				Allocated Loss Expenses Unpaid		
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed
1. Prior	23,529	14	11,238	8	0	0	2,029
2. 1985	12,621	40	3,401	8	0	0	2,175
3. 1986	25,067	414	14,720	331	0	0	3,853
4. 1987	32,422	1,038	5,539	372	0	0	5,990
5. 1988	49,759	1,495	10,599	713	0	0	6,075
6. 1989	46,532	2,714	16,414	1,456	0	0	12,437
7. 1990	49,865	4,118	39,553	604	0	0	17,489
8. 1991	75,815	8,164	91,235	1,521	0	0	22,407
9. 1992	83,289	4,480	135,723	10,523	0	0	30,311
10. 1993	106,380	5,342	162,208	14,145	0	0	36,098
11. 1994	95,964	7,080	295,126	33,562	0	0	39,209
12. Totals	601,243	34,898	785,756	63,243	0	0	178,073

	20 Ceded	21 Salvage and Subrogation Anticipated	22 Unallocated Loss Expenses Unpaid	23 Total Net Losses and Expenses Unpaid	24 Number of Claims Outstanding - Direct and Assumed
1. Prior	0	45	126	36,901	261
2. 1985	0	42	32	18,180	200
3. 1986	0	22	59	42,954	366
4. 1987	0	14	625	43,166	426
5. 1988	0	57	702	64,927	590
6. 1989	2	146	901	72,113	701
7. 1990	0	418	597	102,782	1,007
8. 1991	0	821	1,018	180,790	1,530
9. 1992	353	1,022	690	234,657	2,497
10. 1993	761	1,263	731	285,169	4,663
11. 1994	1,371	2,046	2,064	390,350	14,098
12. Totals	2,487	5,898	7,545	1,471,990	26,339

SCHEDULE P - PART 1C - COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL - (CONTINUED)

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Discount Value of
	25 Direct and Assumed	26 Ceded	27 Net	28 Direct and Assumed	29 Ceded	30 Net	31 Loss
1. Prior	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0
2. 1985	222,349	29,860	192,490	100.2	76.2	105.4	0
3. 1986	320,420	66,564	253,855	79.4	69.8	82.4	0
4. 1987	400,256	97,739	302,518	78.7	69.9	82.1	0
5. 1988	442,722	91,812	350,910	84.7	71.8	88.9	0
6. 1989	465,308	59,516	405,791	88.8	61.9	94.9	0
7. 1990	506,843	40,148	466,695	94.5	63.1	98.7	0
8. 1991	509,778	38,764	471,014	86.9	65.4	89.3	0
9. 1992	492,539	32,908	459,630	90.1	66.2	92.5	0
10. 1993	474,393	29,344	445,049	89.0	76.7	89.9	0
11. 1994	516,615	44,338	472,277	86.4	60.1	90.1	0
12. Totals	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0

	for Time Money	33	Net Balance Sheet Reserves After Discount	
	32 Loss Expense	Inter-Company Pooling Participation Percentage	34 Losses Unpaid	35 Loss Expenses Unpaid
1. Prior	0	X X X X	34,746	2,155
2. 1985	0	0.0	15,973	2,207
3. 1986	0	0.0	39,042	3,912
4. 1987	0	0.0	36,551	6,615
5. 1988	0	0.0	58,150	6,777
6. 1989	0	0.0	58,777	13,336
7. 1990	0	0.0	84,696	18,086
8. 1991	0	0.0	157,365	23,425
9. 1992	0	0.0	204,009	30,648
10. 1993	0	0.0	249,101	36,068
11. 1994	0	0.0	350,448	39,902
12. Totals	0	X X X X	1,288,859	183,131

Form 2
COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 1D - WORKERS' COMPENSATION

(000 omitted)

1	Premiums Earned			Loss and Loss Expense Payments			
				Loss Payments		Allocated Loss Expense Payments	
Years in Which Premiums Were Earned and Losses Were Incurred	2 Direct and Assumed	3 Ceded	4 Net (2 - 3)	5 Direct and Assumed	6 Ceded	7 Direct and Assumed	8 Ceded
1. Prior	X X X X	X X X X	X X X X	39,026	5,793	2,173	13
2. 1985	583,337	68,397	514,940	497,046	48,824	26,918	280
3. 1986	965,342	95,101	870,241	678,919	87,131	35,371	133
4. 1987	1,162,512	134,836	1,027,676	883,906	133,276	44,945	110
5. 1988	1,494,062	111,679	1,382,383	1,113,142	97,283	51,378	153
6. 1989	1,619,759	57,453	1,562,305	1,319,122	25,021	57,396	105
7. 1990	2,256,388	10,031	2,246,356	1,481,743	5,578	64,174	304
8. 1991	2,446,769	22,557	2,424,211	1,148,452	6,032	55,683	286
9. 1992	2,158,130	17,929	2,140,202	785,877	7,562	34,714	207
10. 1993	1,856,803	20,230	1,836,573	448,414	7,150	18,823	199
11. 1994	1,847,065	13,558	1,833,507	159,234	1,428	10,215	67
12. Totals	X X X X	X X X X	X X X X	8,554,881	425,078	401,791	1,857

1 Years in Which Premiums Were Earned and Losses Were Incurred	9 Salvage and Subrogation Received	10 Unallocated Loss Expense Payments	11 Total Net Paid (5 - 6 + 7 - 8 + 10)	12 Number of Claims Reported - Direct and Assumed
1. Prior	265	976	36,369	X X X X
2. 1985	12,351	39,044	513,905	240,051
3. 1986	12,188	49,330	676,355	289,724
4. 1987	19,562	51,422	846,886	311,268
5. 1988	22,174	61,877	1,128,961	342,556
6. 1989	23,914	78,300	1,429,692	333,608
7. 1990	23,487	86,061	1,626,095	350,006
8. 1991	15,010	85,033	1,282,850	319,088
9. 1992	7,271	75,984	888,807	237,830
10. 1993	2,246	56,887	516,776	185,681
11. 1994	299	45,691	213,645	157,511
12. Totals	138,766	630,605	9,160,342	X X X X

SCHEDULE P - PART 1D - WORKERS' COMPENSATION - (CONTINUED)

	Losses Unpaid				Allocated Loss Expenses Unpaid		
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed
1. Prior	279,390	57,342	78,075	8,498	0	0	8,669
2. 1985	52,601	10,435	9,209	3,262	0	0	3,978
3. 1986	78,956	11,410	13,330	4,364	0	0	6,840
4. 1987	110,216	22,426	23,781	8,787	0	0	12,258
5. 1988	157,057	15,979	37,609	9,690	0	0	16,813
6. 1989	186,957	5,196	67,540	4,847	0	0	15,715
7. 1990	256,773	4,690	103,245	7,426	0	0	32,807
8. 1991	303,107	797	363,218	6,683	0	0	45,127
9. 1992	300,975	4,572	450,817	10,822	0	0	60,341
10. 1993	299,047	3,917	587,919	8,411	0	0	74,915
11. 1994	250,317	1,854	873,334	5,944	0	0	52,875
12. Totals	2,275,397	138,618	2,608,077	78,734	0	0	330,338

	20 Ceded	21 Salvage and Subrogation Anticipated	22 Unallocated Loss Expenses Unpaid	23 Total Net Losses and Expenses Unpaid	24 Number of Claims Outstanding - Direct and Assumed
1. Prior	568	16,785	5,930	305,655	5,141
2. 1985	501	3,130	1,475	53,065	1,265
3. 1986	761	3,419	2,289	84,879	1,611
4. 1987	2,727	6,351	3,810	116,125	1,785
5. 1988	1,939	10,165	4,629	188,501	2,691
6. 1989	186	15,895	4,761	264,745	3,835
7. 1990	0	26,077	7,497	388,206	6,017
8. 1991	287	33,201	11,974	715,660	8,870
9. 1992	807	33,580	13,351	809,284	10,779
10. 1993	1,434	30,524	15,125	963,244	12,417
11. 1994	380	31,276	17,452	1,185,800	35,255
12. Totals	9,590	210,404	88,293	5,075,163	89,666

SCHEDULE P - PART 1D - WORKERS' COMPENSATION - (CONTINUED)

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Discount Value of
	25	26	27	28	29	30	31
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss
1. Prior	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0
2. 1985	630,272	63,302	566,970	108.0	92.6	110.1	0
3. 1986	865,034	103,800	761,234	89.6	109.1	87.5	0
4. 1987	1,130,338	167,327	963,011	97.2	124.1	93.7	0
5. 1988	1,442,505	125,044	1,317,461	96.5	112.0	95.3	0
6. 1989	1,729,792	35,355	1,694,437	106.8	61.5	108.5	0
7. 1990	2,032,300	17,998	2,014,302	90.1	179.4	89.7	0
8. 1991	2,012,594	14,085	1,998,509	82.3	62.4	82.4	0
9. 1992	1,722,060	23,969	1,698,091	79.8	133.7	79.3	0
10. 1993	1,501,131	21,111	1,480,020	80.8	104.4	80.6	0
11. 1994	1,409,118	9,673	1,399,446	76.3	71.3	76.3	0
12. Totals	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0

	for Time Money	33	Net Balance Sheet Reserves After Discount	
	32	Inter-Company Pooling Participation Percentage	34	35
	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1. Prior	0	X X X X	291,624	14,031
2. 1985	0	0.0	48,113	4,952
3. 1986	0	0.0	76,511	8,368
4. 1987	0	0.0	102,784	13,341
5. 1988	0	0.0	168,998	19,503
6. 1989	0	0.0	244,455	20,290
7. 1990	0	0.0	347,902	40,304
8. 1991	0	0.0	658,846	56,814
9. 1992	0	0.0	736,399	72,885
10. 1993	0	0.0	874,638	88,606
11. 1994	0	0.0	1,115,853	69,947
12. Totals	0	X X X X	4,666,122	409,041

Form 2
COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 1E - COMMERCIAL MULTIPLE PERIL

(000 omitted)

1	Premiums Earned			Loss and Loss Expense Payments			
				Loss Payments		Allocated Loss Expense Payments	
Years in Which Premiums Were Earned and Losses Were Incurred	2 Direct and Assumed	3 Ceded	4 Net (2 - 3)	5 Direct and Assumed	6 Ceded	7 Direct and Assumed	8 Ceded
1. Prior	X X X X	X X X X	X X X X	13,354	(56)	7,157	1
2. 1985	314,626	21,298	293,328	178,352	3,256	30,320	423
3. 1986	457,243	18,707	438,536	154,724	2,507	37,499	112
4. 1987	542,854	16,282	526,572	185,004	2,696	39,486	129
5. 1988	596,503	15,753	580,749	220,659	2,326	46,744	86
6. 1989	658,911	22,097	636,814	356,508	36,592	55,674	2,267
7. 1990	721,512	23,907	697,605	307,520	5,095	57,818	369
8. 1991	743,264	19,148	724,116	322,388	6,021	48,597	140
9. 1992	722,128	23,724	698,403	369,428	35,158	30,029	435
10. 1993	748,413	20,392	728,021	253,576	17,954	13,059	220
11. 1994	835,952	24,065	811,887	188,612	984	5,317	34
12. Totals	X X X X	X X X X	X X X X	2,550,125	112,532	371,701	4,217

1 Years in Which Premiums Were Earned and Losses Were Incurred	9 Salvage and Subrogation Received	10 Unallocated Loss Expense Payments	11 Total Net Paid (5 - 6 + 7 - 8 + 10)	12 Number of Claims Reported - Direct and Assumed
1. Prior	217	567	21,133	X X X X
2. 1985	3,833	4,773	209,767	56,351
3. 1986	6,709	6,871	196,475	51,877
4. 1987	5,278	13,101	234,766	52,734
5. 1988	5,852	16,595	281,586	63,169
6. 1989	7,638	21,169	394,492	83,647
7. 1990	8,055	21,085	380,959	91,260
8. 1991	9,280	22,004	386,827	92,126
9. 1992	6,278	19,143	383,007	85,205
10. 1993	3,261	26,889	275,351	81,409
11. 1994	2,214	23,435	216,346	72,820
12. Totals	58,614	175,632	2,980,709	X X X X

SCHEDULE P - PART 1E - COMMERCIAL MULTIPLE PERIL - (CONTINUED)

	Losses Unpaid				Allocated Loss Expenses Unpaid		
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed
1. Prior	33,171	452	3,962	747	0	0	683
2. 1985	4,994	0	2,540	0	0	0	190
3. 1986	9,525	0	4,132	364	0	0	536
4. 1987	18,494	0	2,973	203	0	0	233
5. 1988	20,727	0	11,706	0	0	0	1,300
6. 1989	39,490	6	13,880	0	0	0	2,282
7. 1990	59,629	181	26,141	1,130	0	0	10,024
8. 1991	69,659	25	30,899	1,356	0	0	17,344
9. 1992	79,828	402	74,350	7,956	0	0	42,762
10. 1993	81,490	700	189,010	5,130	0	0	66,692
11. 1994	115,757	546	263,183	6,959	0	0	100,343
12. Totals	532,764	2,310	622,776	23,845	0	0	242,389

	20 Ceded	21 Salvage and Subrogation Anticipated	22 Unallocated Loss Expenses Unpaid	23 Total Net Losses and Expenses Unpaid	24 Number of Claims Outstanding - Direct and Assumed
1. Prior	134	628	738	37,221	1,313
2. 1985	0	174	95	7,819	116
3. 1986	9	287	156	13,976	305
4. 1987	8	283	277	21,766	374
5. 1988	0	313	277	34,010	469
6. 1989	0	1,064	616	56,263	937
7. 1990	23	2,376	1,073	95,533	1,534
8. 1991	40	5,085	1,800	118,282	2,401
9. 1992	187	6,584	2,836	191,232	3,178
10. 1993	377	10,567	3,948	334,933	4,786
11. 1994	267	13,386	5,355	476,866	13,571
12. Totals	1,045	40,747	17,171	1,387,900	28,984

SCHEDULE P - PART 1E - COMMERCIAL MULTIPLE PERIL - (CONTINUED)

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Discount Value of
	25 Direct and Assumed	26 Ceded	27 Net	28 Direct and Assumed	29 Ceded	30 Net	31 Loss
1. Prior	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0
2. 1985	221,264	3,679	217,585	70.3	17.3	74.2	0
3. 1986	213,443	2,992	210,452	46.7	16.0	48.0	0
4. 1987	259,568	3,036	256,531	47.8	18.6	48.7	0
5. 1988	318,008	2,412	315,596	53.3	15.3	54.3	0
6. 1989	489,619	38,864	450,755	74.3	175.9	70.8	0
7. 1990	483,291	6,798	476,492	67.0	28.4	68.3	0
8. 1991	512,691	7,582	505,109	69.0	39.6	69.8	0
9. 1992	618,376	44,138	574,239	85.6	186.0	82.2	0
10. 1993	634,664	24,381	610,284	84.8	119.6	83.8	0
11. 1994	702,002	8,790	693,212	84.0	36.5	85.4	0
12. Totals	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0

	for Time Money		Net Balance Sheet Reserves After Discount	
	32 Loss Expense	33 Inter-Company Pooling Participation Percentage	34 Losses Unpaid	35 Loss Expenses Unpaid
1. Prior	0	X X X X	35,934	1,287
2. 1985	0	0.0	7,534	285
3. 1986	0	0.0	13,293	683
4. 1987	0	0.0	21,264	502
5. 1988	0	0.0	32,433	1,577
6. 1989	0	0.0	53,365	2,898
7. 1990	0	0.0	84,459	11,074
8. 1991	0	0.0	99,178	19,104
9. 1992	0	0.0	145,821	45,411
10. 1993	0	0.0	264,670	70,263
11. 1994	0	0.0	371,435	105,431
12. Totals	0	X X X X	1,129,385	258,515

Form 2
COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 1F - SECTION 1 - MEDICAL MALPRACTICE - OCCURRENCE

(000 omitted)

1	Premiums Earned			Loss and Loss Expense Payments			
				Loss Payments		Allocated Loss Expense Payments	
Years in Which Premiums Were Earned and Losses Were Incurred	2 Direct and Assumed	3 Ceded	4 Net (2 - 3)	5 Direct and Assumed	6 Ceded	7 Direct and Assumed	8 Ceded
1. Prior	X X X X	X X X X	X X X X	14,621	5,623	2,777	(43)
2. 1985	142,103	19,829	122,274	73,535	2,812	31,788	(14)
3. 1986	195,700	18,078	177,622	72,663	2,767	28,421	261
4. 1987	151,511	10,257	141,254	31,192	5,599	12,847	479
5. 1988	47,559	10,725	36,834	11,171	1,868	5,789	899
6. 1989	24,074	10,451	13,624	7,595	5,248	4,748	1,356
7. 1990	38,788	10,291	28,497	13,841	1,895	3,928	857
8. 1991	37,194	11,325	25,869	7,427	2,123	2,532	440
9. 1992	34,442	13,049	21,393	7,127	818	1,467	265
10. 1993	40,982	21,238	19,745	723	(1,092)	219	49
11. 1994	53,783	23,628	30,154	6	2	6	1
12. Totals	X X X X	X X X X	X X X X	239,902	27,661	94,521	4,551

1 Years in Which Premiums Were Earned and Losses Were Incurred	9 Salvage and Subrogation Received	10 Unallocated Loss Expense Payments	11 Total Net Paid (5 - 6 + 7 - 8 + 10)	12 Number of Claims Reported - Direct and Assumed
1. Prior	1,457	135	11,953	X X X X
2. 1985	4,142	3,041	105,566	7,442
3. 1986	1,887	3,033	101,089	6,743
4. 1987	575	1,569	39,529	3,364
5. 1988	184	1,918	16,111	1,671
6. 1989	23	709	6,448	1,763
7. 1990	38	630	15,647	2,084
8. 1991	10	507	7,903	1,571
9. 1992	54	568	8,080	1,400
10. 1993	0	2,459	4,445	770
11. 1994	0	4,661	4,670	286
12. Totals	8,371	19,231	321,441	X X X X

SCHEDULE P - PART 1F - SECTION 1 - MEDICAL MALPRACTICE - OCCURRENCE-(CONTINUED)

	Losses Unpaid				Allocated Loss Expenses Unpaid		
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed
1. Prior	74,194	10,896	57,345	24,341	0	0	11,843
2. 1985	14,143	0	10,279	1,771	0	0	4,937
3. 1986	15,731	250	17,973	2,996	0	0	4,480
4. 1987	7,926	845	12,562	735	0	0	4,922
5. 1988	15,376	1,129	26,432	280	0	0	2,609
6. 1989	17,391	2,195	10,454	0	0	0	3,274
7. 1990	22,075	2,329	21,314	2,335	0	0	4,099
8. 1991	10,500	3,005	15,572	3,662	0	0	5,103
9. 1992	7,035	973	27,585	11,121	0	0	6,272
10. 1993	5,623	2,039	24,176	8,326	0	0	6,743
11. 1994	604	98	31,005	12,675	0	0	7,173
12. Totals	190,599	23,759	254,697	68,242	0	0	61,455

	20 Ceded	21 Salvage and Subrogation Anticipated	22 Unallocated Loss Expenses Unpaid	23 Total Net Losses and Expenses Unpaid	24 Number of Claims Outstanding - Direct and Assumed
1. Prior	1,569	2,321	853	107,429	684
2. 1985	336	488	255	27,507	189
3. 1986	410	1,204	360	34,888	175
4. 1987	280	459	226	23,776	88
5. 1988	634	523	105	42,479	86
6. 1989	1,273	617	117	27,768	103
7. 1990	1,698	535	144	41,270	154
8. 1991	2,486	189	214	22,236	261
9. 1992	2,127	346	284	26,955	285
10. 1993	2,939	279	242	23,480	193
11. 1994	3,070	231	281	23,220	136
12. Totals	16,822	7,192	3,081	401,009	2,354

SCHEDULE P - PART 1F - SECTION 1 - MEDICAL MALPRACTICE - OCCURRENCE-(CONTINUED)

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Discount Value of
	25 Direct and Assumed	26 Ceded	27 Net	28 Direct and Assumed	29 Ceded	30 Net	31 Loss
1. Prior	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0
2. 1985	137,979	4,905	133,073	97.1	24.7	108.8	0
3. 1986	142,661	6,684	135,977	72.9	37.0	76.6	0
4. 1987	71,244	7,938	63,306	47.0	77.4	44.8	0
5. 1988	63,400	4,811	58,590	133.3	44.9	159.1	0
6. 1989	44,288	10,072	34,216	184.0	96.4	251.1	0
7. 1990	66,031	9,114	56,918	170.2	88.6	199.7	0
8. 1991	41,854	11,716	30,138	112.5	103.5	116.5	0
9. 1992	50,338	15,303	35,035	146.2	117.3	163.8	0
10. 1993	40,186	12,261	27,925	98.1	57.7	141.4	0
11. 1994	43,736	15,846	27,890	81.3	67.1	92.5	0
12. Totals	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0

	for Time Money	33	Net Balance Sheet Reserves After Discount	
	32 Loss Expense	Inter-Company Pooling Participation Percentage	34 Losses Unpaid	35 Loss Expenses Unpaid
1. Prior	0	X X X X	96,302	11,127
2. 1985	0	0.0	22,651	4,856
3. 1986	0	0.0	30,458	4,430
4. 1987	0	0.0	18,908	4,868
5. 1988	0	0.0	40,399	2,080
6. 1989	0	0.0	25,650	2,118
7. 1990	0	0.0	38,725	2,545
8. 1991	0	0.0	19,405	2,831
9. 1992	0	0.0	22,526	4,429
10. 1993	0	0.0	19,434	4,046
11. 1994	0	0.0	18,836	4,384
12. Totals	0	X X X X	353,295	47,714

Form 2
COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 1F - SECTION 2 - MEDICAL MALPRACTICE - CLAIMS-MADE

(000 omitted)

1	Premiums Earned			Loss and Loss Expense Payments			
				Loss Payments		Allocated Loss Expense Payments	
Years in Which Premiums Were Earned and Losses Were Incurred	2 Direct and Assumed	3 Ceded	4 Net (2 - 3)	5 Direct and Assumed	6 Ceded	7 Direct and Assumed	8 Ceded
1. Prior	X X X X	X X X X	X X X X	0	0	0	0
2. 1985	0	0	0	0	0	0	0
3. 1986	0	0	0	0	0	0	0
4. 1987	77,440	9,388	68,052	33,224	1,245	8,455	76
5. 1988	193,675	17,218	176,457	37,032	5,836	17,557	569
6. 1989	238,793	20,745	218,048	60,906	6,112	25,001	719
7. 1990	243,443	19,349	224,094	61,161	6,498	26,872	870
8. 1991	213,034	17,383	195,652	62,582	761	24,365	161
9. 1992	206,763	17,799	188,965	68,012	2,269	22,839	324
10. 1993	221,483	16,868	204,615	33,049	2,691	10,539	37
11. 1994	246,387	21,214	225,173	2,592	274	1,597	7
12. Totals	X X X X	X X X X	X X X X	358,560	25,686	137,225	2,763

1 Years in Which Premiums Were Earned and Losses Were Incurred	9 Salvage and Subrogation Received	10 Unallocated Loss Expense Payments	11 Total Net Paid (5 - 6 + 7 - 8 + 10)	12 Number of Claims Reported - Direct and Assumed
1. Prior	0	0	0	X X X X
2. 1985	0	0	0	0
3. 1986	0	0	0	0
4. 1987	135	2,341	42,699	1,498
5. 1988	368	2,848	51,032	3,164
6. 1989	789	4,535	83,611	4,607
7. 1990	330	5,047	85,712	4,817
8. 1991	189	4,599	90,624	5,080
9. 1992	582	4,548	92,806	6,219
10. 1993	59	3,527	44,389	6,783
11. 1994	19	1,832	5,740	7,567
12. Totals	2,472	29,277	496,613	X X X X

SCHEDULE P - PART 1F - SECTION 2 - MEDICAL MALPRACTICE - CLAIMS-MADE-(CONTINUED)

	Losses Unpaid				Allocated Loss Expenses Unpaid		
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed
1. Prior	0	0	0	0	0	0	0
2. 1985	0	0	0	0	0	0	0
3. 1986	0	0	0	0	0	0	0
4. 1987	4,893	0	4,070	210	0	0	1,295
5. 1988	12,674	1,105	10,718	1,532	0	0	4,564
6. 1989	24,773	1,346	20,388	5,112	0	0	7,136
7. 1990	19,233	240	25,560	7,312	0	0	13,641
8. 1991	46,174	913	36,730	10,901	0	0	16,383
9. 1992	56,065	2,212	29,989	7,057	0	0	20,189
10. 1993	61,269	48	86,785	10,106	0	0	33,982
11. 1994	38,243	158	161,474	12,239	0	0	47,102
12. Totals	263,324	6,021	375,714	54,469	0	0	144,292

	20 Ceded	21 Salvage and Subrogation Anticipated	22 Unallocated Loss Expenses Unpaid	23 Total Net Losses and Expenses Unpaid	24 Number of Claims Outstanding - Direct and Assumed
1. Prior	0	0	0	0	0
2. 1985	0	0	0	0	0
3. 1986	0	0	0	0	0
4. 1987	15	213	77	10,110	6
5. 1988	346	268	229	25,202	29
6. 1989	1,083	932	427	45,183	84
7. 1990	1,272	514	598	50,208	158
8. 1991	2,514	692	1,099	86,058	351
9. 1992	2,290	1,180	1,266	95,950	729
10. 1993	2,660	1,980	2,284	171,506	1,405
11. 1994	2,626	2,292	3,009	234,805	3,996
12. Totals	12,806	8,071	8,989	719,023	6,758

SCHEDULE P - PART 1F - SECTION 2 - MEDICAL MALPRACTICE - CLAIMS-MADE-(CONTINUED)

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Discount Value of
	25 Direct and Assumed	26 Ceded	27 Net	28 Direct and Assumed	29 Ceded	30 Net	31 Loss
1. Prior	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0
2. 1985	0	0	0	0.0	0.0	0.0	0
3. 1986	0	0	0	0.0	0.0	0.0	0
4. 1987	54,355	1,546	52,809	70.2	16.5	77.6	0
5. 1988	85,622	9,388	76,235	44.2	54.5	43.2	0
6. 1989	143,166	14,372	128,794	60.0	69.3	59.1	0
7. 1990	152,113	16,193	135,920	62.5	83.7	60.7	0
8. 1991	191,932	15,250	176,682	90.1	87.7	90.3	0
9. 1992	202,908	14,152	188,756	98.1	79.5	99.9	0
10. 1993	231,435	15,541	215,895	104.5	92.1	105.5	0
11. 1994	255,849	15,304	240,545	103.8	72.1	106.8	0
12. Totals	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0

	for Time Money	33	Net Balance Sheet Reserves After Discount	
	32 Loss Expense	Inter-Company Pooling Participation Percentage	34 Losses Unpaid	35 Loss Expenses Unpaid
1. Prior	0	X X X X	0	0
2. 1985	0	0.0	0	0
3. 1986	0	0.0	0	0
4. 1987	0	0.0	8,753	1,357
5. 1988	0	0.0	20,755	4,447
6. 1989	0	0.0	38,703	6,480
7. 1990	0	0.0	37,241	12,967
8. 1991	0	0.0	71,090	14,968
9. 1992	0	0.0	76,785	19,165
10. 1993	0	0.0	137,900	33,606
11. 1994	0	0.0	187,320	47,485
12. Totals	0	X X X X	578,548	140,475

Form 2
COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 1G - SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT (ALL PERILS), BOILER AND MACHINERY)

(000 omitted)

1	Premiums Earned			Loss and Loss Expense Payments			
				Loss Payments		Allocated Loss Expense Payments	
Years in Which Premiums Were Earned and Losses Were Incurred	2 Direct and Assumed	3 Ceded	4 Net (2 - 3)	5 Direct and Assumed	6 Ceded	7 Direct and Assumed	8 Ceded
1. Prior	X X X X	X X X X	X X X X	211	5	90	64
2. 1985	29,949	20,650	9,299	13,131	9,381	1,516	837
3. 1986	46,208	29,411	16,797	20,816	9,788	1,545	923
4. 1987	59,993	33,400	26,592	17,747	9,843	1,698	1,115
5. 1988	46,236	25,138	21,097	11,548	2,918	3,246	2,471
6. 1989	37,990	19,020	18,970	28,339	17,485	2,608	1,740
7. 1990	25,046	15,403	9,643	26,389	14,770	2,875	2,040
8. 1991	28,231	12,396	15,835	27,312	17,211	2,035	1,592
9. 1992	29,224	13,155	16,069	21,543	12,735	1,730	1,070
10. 1993	38,887	18,715	20,173	21,444	12,420	957	586
11. 1994	58,913	30,025	28,888	11,332	8,056	416	304
12. Totals	X X X X	X X X X	X X X X	199,812	114,614	18,717	12,743

1 Years in Which Premiums Were Earned and Losses Were Incurred	9 Salvage and Subrogation Received	10 Unallocated Loss Expense Payments	11 Total Net Paid (5 - 6 + 7 - 8 + 10)	12 Number of Claims Reported - Direct and Assumed
1. Prior	0	0	232	X X X X
2. 1985	71	91	4,519	X X X X
3. 1986	59	136	11,786	X X X X
4. 1987	36	222	8,710	X X X X
5. 1988	114	157	9,562	X X X X
6. 1989	86	164	11,886	X X X X
7. 1990	137	209	12,663	X X X X
8. 1991	102	191	10,735	X X X X
9. 1992	105	232	9,701	X X X X
10. 1993	36	341	9,736	X X X X
11. 1994	15	365	3,752	X X X X
12. Totals	760	2,109	93,281	X X X X

SCHEDULE P - PART 1G - SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT (ALL PERILS), BOILER AND MACHINERY) - (CONTINUED)

	Losses Unpaid				Allocated Loss Expenses Unpaid		
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed
1. Prior	1,194	726	409	399	0	0	0
2. 1985	129	56	700	700	0	0	0
3. 1986	106	64	2,075	2,075	0	0	1
4. 1987	309	155	3,683	3,683	0	0	6
5. 1988	1,436	106	13,706	13,485	0	0	9
6. 1989	1,125	591	3,966	3,780	0	0	57
7. 1990	2,601	1,968	6,715	6,495	0	0	8
8. 1991	977	372	10,637	10,361	0	0	303
9. 1992	2,464	768	4,145	3,808	0	0	607
10. 1993	6,346	2,640	7,419	4,917	0	0	2,115
11. 1994	28,870	23,243	28,387	650	0	0	182
12. Totals	45,558	30,691	81,842	50,353	0	0	3,288

	20 Ceded	21 Salvage and Subrogation Anticipated	22 Unallocated Loss Expenses Unpaid	23 Total Net Losses and Expenses Unpaid	24 Number of Claims Outstanding - Direct and Assumed
1. Prior	0	0	0	478	74
2. 1985	0	0	0	73	14
3. 1986	0	0	0	43	11
4. 1987	0	0	0	160	17
5. 1988	0	0	0	1,560	35
6. 1989	0	2	0	777	55
7. 1990	0	9	0	861	66
8. 1991	0	15	1	1,185	64
9. 1992	120	34	6	2,526	87
10. 1993	1,432	155	13	6,903	153
11. 1994	63	525	32	33,515	183
12. Totals	1,615	740	52	48,081	759

SCHEDULE P - PART 1G - SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT (ALL PERILS), BOILER AND MACHINERY) - (CONTINUED)

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Discount Value of
	25	26	27	28	29	30	31
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss
1. Prior	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0
2. 1985	15,567	10,975	4,592	52.0	53.1	49.4	0
3. 1986	24,679	12,850	11,829	53.4	43.7	70.4	0
4. 1987	23,666	14,797	8,869	39.4	44.3	33.4	0
5. 1988	30,103	18,981	11,122	65.1	75.5	52.7	0
6. 1989	36,259	23,596	12,663	95.4	124.1	66.8	0
7. 1990	38,797	25,273	13,524	154.9	164.1	140.2	0
8. 1991	41,456	29,537	11,920	146.8	238.3	75.3	0
9. 1992	30,728	18,501	12,227	105.1	140.6	76.1	0
10. 1993	38,635	21,995	16,640	99.4	117.5	82.5	0
11. 1994	69,583	32,316	37,267	118.1	107.6	129.0	0
12. Totals	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0

	for Time Money	33	Net Balance Sheet Reserves After Discount	
	32	Inter-Company Pooling Participation Percentage	34	35
	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1. Prior	0	X X X X	478	0
2. 1985	0	0.0	73	0
3. 1986	0	0.0	42	1
4. 1987	0	0.0	154	6
5. 1988	0	0.0	1,551	9
6. 1989	0	0.0	720	57
7. 1990	0	0.0	853	8
8. 1991	0	0.0	881	304
9. 1992	0	0.0	2,033	493
10. 1993	0	0.0	6,207	696
11. 1994	0	0.0	33,364	151
12. Totals	0	X X X X	46,356	1,725

Form 2
COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 1H - SECTION 1 - OTHER LIABILITY - OCCURRENCE

(000 omitted)

1	Premiums Earned			Loss and Loss Expense Payments			
				Loss Payments		Allocated Loss Expense Payments	
Years in Which Premiums Were Earned and Losses Were Incurred	2 Direct and Assumed	3 Ceded	4 Net (2 - 3)	5 Direct and Assumed	6 Ceded	7 Direct and Assumed	8 Ceded
1. Prior	X X X X	X X X X	X X X X	305,822	74,419	114,573	9,544
2. 1985	442,435	107,492	334,943	713,118	435,121	138,094	29,855
3. 1986	846,355	133,251	713,104	348,896	93,861	123,118	27,785
4. 1987	493,711	28,380	465,331	146,380	5,658	48,385	1,212
5. 1988	464,192	36,984	427,208	159,333	9,637	54,973	1,331
6. 1989	407,460	48,217	359,243	164,645	17,138	57,066	997
7. 1990	464,249	44,621	419,628	166,924	20,679	57,980	598
8. 1991	408,354	46,989	361,365	133,265	15,088	39,348	1,099
9. 1992	386,504	60,883	325,621	66,385	7,490	17,104	1,557
10. 1993	417,556	72,961	344,595	50,096	7,677	5,282	434
11. 1994	475,073	82,507	392,566	13,105	116	1,143	30
12. Totals	X X X X	X X X X	X X X X	2,267,969	686,885	657,068	74,441

1 Years in Which Premiums Were Earned and Losses Were Incurred	9 Salvage and Subrogation Received	10 Unallocated Loss Expense Payments	11 Total Net Paid (5 - 6 + 7 - 8 + 10)	12 Number of Claims Reported - Direct and Assumed
1. Prior	4,443	6,725	343,158	X X X X
2. 1985	13,641	13,508	399,744	38,315
3. 1986	9,544	11,019	361,388	47,510
4. 1987	2,383	7,935	195,830	40,794
5. 1988	1,779	10,366	213,704	41,866
6. 1989	2,383	10,463	214,039	43,526
7. 1990	1,713	9,459	213,086	50,312
8. 1991	2,317	10,439	166,863	44,776
9. 1992	490	8,364	82,806	33,698
10. 1993	286	15,001	62,268	32,381
11. 1994	98	13,935	28,038	23,429
12. Totals	39,077	117,214	2,280,924	X X X X

SCHEDULE P - PART 1H - SECTION 1 - OTHER LIABILITY - OCCURRENCE - (CONTINUED)

	Losses Unpaid				Allocated Loss Expenses Unpaid		
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed
1. Prior	510,165	172,638	2,438,133	176,331	0	0	29,348
2. 1985	45,717	17,510	47,816	12,405	0	0	7,116
3. 1986	58,695	12,843	45,004	5,295	0	0	20,868
4. 1987	25,558	184	42,270	4,934	0	0	16,969
5. 1988	33,023	129	75,363	12,595	0	0	15,545
6. 1989	50,258	2,258	78,211	13,341	0	0	19,441
7. 1990	65,760	760	95,865	16,234	0	0	27,653
8. 1991	66,324	3,781	137,929	30,886	0	0	41,510
9. 1992	65,342	8,338	190,926	40,643	0	0	48,155
10. 1993	60,596	8,884	219,368	43,460	0	0	53,039
11. 1994	48,216	11,199	314,426	58,921	0	0	63,932
12. Totals	1,029,654	238,525	3,685,311	415,045	0	0	343,576

	20 Ceded	21 Salvage and Subrogation Anticipated	22 Unallocated Loss Expenses Unpaid	23 Total Net Losses and Expenses Unpaid	24 Number of Claims Outstanding - Direct and Assumed
1. Prior	7,551	13,864	6,120	2,627,246	14,793
2. 1985	1,973	2,148	908	69,669	751
3. 1986	2,319	6,417	1,668	105,777	988
4. 1987	76	3,164	1,535	81,138	598
5. 1988	197	3,706	2,584	113,593	581
6. 1989	613	3,704	3,216	134,913	873
7. 1990	1,173	5,550	5,047	176,158	1,439
8. 1991	1,161	10,365	6,102	216,038	1,881
9. 1992	3,379	7,933	9,187	261,250	2,498
10. 1993	3,684	7,357	11,338	288,313	3,551
11. 1994	4,797	8,304	10,520	362,178	6,566
12. Totals	26,923	72,512	58,225	4,436,274	34,519

SCHEDULE P - PART 1H - SECTION 1 - OTHER LIABILITY - OCCURRENCE - (CONTINUED)

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Discount Value of
	25	26	27	28	29	30	31
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss
1. Prior	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0
2. 1985	966,278	496,864	469,413	218.4	462.2	140.1	0
3. 1986	609,269	142,103	467,165	72.0	106.6	65.5	0
4. 1987	289,032	12,064	276,968	58.5	42.5	59.5	0
5. 1988	351,187	23,890	327,297	75.7	64.6	76.6	0
6. 1989	383,300	34,348	348,953	94.1	71.2	97.1	0
7. 1990	428,688	39,444	389,244	92.3	88.4	92.8	0
8. 1991	434,916	52,015	382,901	106.5	110.7	106.0	0
9. 1992	405,463	61,407	344,057	104.9	100.9	105.7	0
10. 1993	414,719	64,139	350,581	99.3	87.9	101.7	0
11. 1994	465,278	75,062	390,216	97.9	91.0	99.4	0
12. Totals	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0

	for Time Money	33	Net Balance Sheet Reserves After Discount	
	32	Inter-Company	34	35
	Loss Expense	Pooling Participation Percentage	Losses Unpaid	Loss Expenses Unpaid
1. Prior	0	X X X X	2,599,329	27,917
2. 1985	0	0.0	63,618	6,051
3. 1986	0	0.0	85,560	20,217
4. 1987	0	0.0	62,710	18,428
5. 1988	0	0.0	95,661	17,932
6. 1989	0	0.0	112,869	22,044
7. 1990	0	0.0	144,631	31,527
8. 1991	0	0.0	169,587	46,451
9. 1992	0	0.0	207,287	53,963
10. 1993	0	0.0	227,620	60,693
11. 1994	0	0.0	292,523	69,655
12. Totals	0	X X X X	4,061,396	374,878

SCHEDULE P - PART 1H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE

(000 omitted)

1	Premiums Earned			Loss and Loss Expense Payments			
				Loss Payments		Allocated Loss Expense Payments	
Years in Which Premiums Were Earned and Losses Were Incurred	2 Direct and Assumed	3 Ceded	4 Net (2 - 3)	5 Direct and Assumed	6 Ceded	7 Direct and Assumed	8 Ceded
1. Prior	X X X X	X X X X	X X X X	0	0	0	0
2. 1985	0	0	0	0	0	0	0
3. 1986	0	0	0	0	0	0	0
4. 1987	485,410	119,663	365,747	121,458	30,073	48,637	5,445
5. 1988	500,957	115,402	385,555	132,163	33,371	47,747	5,579
6. 1989	534,973	113,421	421,552	234,022	96,827	51,340	11,007
7. 1990	455,514	109,190	346,325	163,522	46,647	54,501	6,049
8. 1991	481,319	90,083	391,236	117,569	19,414	42,378	805
9. 1992	430,720	87,991	342,729	56,046	1,538	27,685	1,254
10. 1993	431,502	103,639	327,863	29,259	829	13,575	621
11. 1994	557,083	116,160	440,923	6,731	80	2,639	55
12. Totals	X X X X	X X X X	X X X X	860,770	228,779	288,502	30,816

1 Years in Which Premiums Were Earned and Losses Were Incurred	9 Salvage and Subrogation Received	10 Unallocated Loss Expense Payments	11 Total Net Paid (5 - 6 + 7 - 8 + 10)	12 Number of Claims Reported - Direct and Assumed
1. Prior	0	0	0	X X X X
2. 1985	0	0	0	0
3. 1986	0	0	0	0
4. 1987	1,772	5,076	139,652	4,379
5. 1988	1,727	3,653	144,612	4,545
6. 1989	484	4,239	181,767	4,502
7. 1990	530	4,077	169,404	5,177
8. 1991	420	4,287	144,015	5,724
9. 1992	465	3,802	84,740	6,023
10. 1993	132	2,599	43,983	6,998
11. 1994	13	1,511	10,747	8,440
12. Totals	5,543	29,243	918,920	X X X X

SCHEDULE P - PART 1H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE - (CONTINUED)

	Losses Unpaid				Allocated Loss Expenses Unpaid		
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed
1. Prior	0	0	0	0	0	0	0
2. 1985	0	0	0	0	0	0	0
3. 1986	0	0	0	0	0	0	0
4. 1987	13,296	2,798	18,780	8,225	0	0	6,919
5. 1988	27,481	7,437	28,786	15,491	0	0	14,107
6. 1989	30,740	10,773	34,483	19,272	0	0	23,187
7. 1990	72,191	24,337	74,907	43,875	0	0	33,542
8. 1991	78,447	18,183	95,597	53,538	0	0	42,521
9. 1992	75,252	2,471	124,484	64,413	0	0	51,218
10. 1993	86,187	3,377	178,837	65,930	0	0	90,102
11. 1994	54,146	242	321,100	98,433	0	0	122,853
12. Totals	437,740	69,617	876,974	369,177	0	0	384,449

	20 Ceded	21 Salvage and Subrogation Anticipated	22 Unallocated Loss Expenses Unpaid	23 Total Net Losses and Expenses Unpaid	24 Number of Claims Outstanding - Direct and Assumed
1. Prior	0	0	0	0	0
2. 1985	0	0	0	0	0
3. 1986	0	0	0	0	0
4. 1987	2,203	2	472	26,241	59
5. 1988	3,527	68	492	44,411	149
6. 1989	10,404	49	723	48,685	184
7. 1990	10,520	31	1,348	103,255	434
8. 1991	15,042	159	1,641	131,443	729
9. 1992	12,944	273	2,122	173,247	1,202
10. 1993	15,521	1,884	1,872	272,170	2,281
11. 1994	15,610	3,127	1,849	385,663	5,347
12. Totals	85,771	5,593	10,519	1,185,117	10,385

SCHEDULE P - PART 1H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE - (CONTINUED)

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Discount Value of
	25 Direct and Assumed	26 Ceded	27 Net	28 Direct and Assumed	29 Ceded	30 Net	31 Loss
1. Prior	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0
2. 1985	0	0	0	0.0	0.0	0.0	0
3. 1986	0	0	0	0.0	0.0	0.0	0
4. 1987	214,638	48,744	165,894	44.2	40.7	45.4	0
5. 1988	254,428	65,405	189,023	50.8	56.7	49.0	0
6. 1989	378,734	148,283	230,451	70.8	130.7	54.7	0
7. 1990	404,088	131,429	272,660	88.7	120.4	78.7	0
8. 1991	382,440	106,982	275,458	79.5	118.8	70.4	0
9. 1992	340,608	82,621	257,988	79.1	93.9	75.3	0
10. 1993	402,431	86,278	316,153	93.3	83.2	96.4	0
11. 1994	510,829	114,419	396,410	91.7	98.5	89.9	0
12. Totals	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0

	for Time Money		Net Balance Sheet Reserves After Discount	
	32 Loss Expense	33 Inter-Company Pooling Participation Percentage	34 Losses Unpaid	35 Loss Expenses Unpaid
1. Prior	0	X X X X	0	0
2. 1985	0	0.0	0	0
3. 1986	0	0.0	0	0
4. 1987	0	0.0	21,053	5,188
5. 1988	0	0.0	33,339	11,072
6. 1989	0	0.0	35,179	13,506
7. 1990	0	0.0	78,885	24,370
8. 1991	0	0.0	102,323	29,120
9. 1992	0	0.0	132,851	40,396
10. 1993	0	0.0	195,717	76,453
11. 1994	0	0.0	276,571	109,092
12. Totals	0	X X X X	875,920	309,197

Form 2
COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 1I - SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, GLASS, BURGLARY AND THEFT)

(000 omitted)

1	Premiums Earned			Loss and Loss Expense Payments			
				Loss Payments		Allocated Loss Expense Payments	
Years in Which Premiums Were Earned and Losses Were Incurred	2 Direct and Assumed	3 Ceded	4 Net (2 - 3)	5 Direct and Assumed	6 Ceded	7 Direct and Assumed	8 Ceded
1. Prior	X X X X	X X X X	X X X X	19,810	4,627	1,711	332
2. 1993	193,799	71,866	121,933	107,356	42,788	2,941	1,233
3. 1994	223,632	63,479	160,153	130,589	35,317	3,511	828
4. Totals	X X X X	X X X X	X X X X	257,755	82,732	8,163	2,393

1				
Years in Which Premiums Were Earned and Losses Were Incurred	9 Salvage and Subrogation Received	10 Unallocated Loss Expense Payments	11 Total Net Paid (5 - 6 + 7 - 8 + 10)	12 Number of Claims Reported - Direct and Assumed
1. Prior	682	126	16,687	X X X X
2. 1993	(249)	3,402	69,678	X X X X
3. 1994	220	2,325	100,280	X X X X
4. Totals	654	5,852	186,645	X X X X

	Losses Unpaid				Allocated Loss Expenses Unpaid		
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed
1. Prior	13,079	1,621	64,105	49,367	0	0	8,671
2. 1993	19,627	3,360	35,566	24,632	0	0	3,507
3. 1994	81,855	42,651	46,006	8,831	0	0	1,625
4. Totals	114,561	47,632	145,677	82,830	0	0	13,803

SCHEDULE P - PART 1I - SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, GLASS, BURGLARY AND THEFT) - (CONTINUED)

	20 Ceded	21 Salvage and Subrogation Anticipated	22 Unallocated Loss Expenses Unpaid	23 Total Net Losses and Expenses Unpaid	24 Number of Claims Outstanding - Direct and Assumed
1. Prior	1,558	1,575	170	33,479	824
2. 1993	759	1,995	189	30,138	407
3. 1994	461	2,711	241	77,784	1,219
4. Totals	2,778	6,282	600	141,401	2,450

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Discount Value of
	25 Direct and Assumed	26 Ceded	27 Net	28 Direct and Assumed	29 Ceded	30 Net	31 Loss
1. Prior	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0
2. 1993	172,588	72,771	99,816	89.1	101.3	81.9	0
3. 1994	266,152	88,088	178,064	119.0	138.8	111.2	0
4. Totals	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0

	for Time Money	33	Net Balance Sheet Reserves After Discount	
	32 Loss Expense	Inter-Company Pooling Participation Percentage	34 Losses Unpaid	35 Loss Expenses Unpaid
1. Prior	0	X X X X	26,196	7,283
2. 1993	0	0.0	27,201	2,937
3. 1994	0	0.0	76,379	1,405
4. Totals	0	X X X X	129,776	11,625

Form 2
COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 1J - AUTO PHYSICAL DAMAGE

(000 omitted)

1	Premiums Earned			Loss and Loss Expense Payments			
				Loss Payments		Allocated Loss Expense Payments	
Years in Which Premiums Were Earned and Losses Were Incurred	2 Direct and Assumed	3 Ceded	4 Net (2 - 3)	5 Direct and Assumed	6 Ceded	7 Direct and Assumed	8 Ceded
1. Prior	X X X X	X X X X	X X X X	(240)	(76)	1,366	64
2. 1993	362,501	6,771	355,730	183,458	3,634	2,791	16
3. 1994	373,670	6,453	367,216	173,455	3,240	2,079	7
4. Totals	X X X X	X X X X	X X X X	356,673	6,798	6,236	87

1 Years in Which Premiums Were Earned and Losses Were Incurred	9 Salvage and Subrogation Received	10 Unallocated Loss Expense Payments	11 Total Net Paid (5 - 6 + 7 - 8 + 10)	12 Number of Claims Reported - Direct and Assumed
1. Prior	3,035	(124)	1,012	2,342,549
2. 1993	32,753	18,080	200,680	177,693
3. 1994	19,029	17,190	189,477	165,126
4. Totals	54,816	35,146	391,170	X X X X

	Losses Unpaid				Allocated Loss Expenses Unpaid		
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed
1. Prior	2,250	106	18,343	1,814	0	0	2,087
2. 1993	1,506	46	16,644	2,088	0	0	3,743
3. 1994	13,189	219	25,167	1,481	0	0	12,204
4. Totals	16,944	370	60,154	5,383	0	0	18,034

SCHEDULE P - PART 1J - AUTO PHYSICAL DAMAGE - (CONTINUED)

	20 Ceded	21 Salvage and Subrogation Anticipated	22 Unallocated Loss Expenses Unpaid	23 Total Net Losses and Expenses Unpaid	24 Number of Claims Outstanding - Direct and Assumed
1. Prior	27	3,875	443	21,176	309
2. 1993	85	3,425	620	20,294	153
3. 1994	46	19,229	1,546	50,360	7,004
4. Totals	158	26,530	2,609	91,830	7,466

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Discount Value of
	25 Direct and Assumed	26 Ceded	27 Net	28 Direct and Assumed	29 Ceded	30 Net	31 Loss
1. Prior	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0
2. 1993	226,843	5,869	220,974	62.6	86.7	62.1	0
3. 1994	244,829	4,992	239,837	65.5	77.4	65.3	0
4. Totals	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0

	for Time Money	33	Net Balance Sheet Reserves After Discount	
	32 Loss Expense	Inter-Company Pooling Participation Percentage	34 Losses Unpaid	35 Loss Expenses Unpaid
1. Prior	0	X X X X	18,673	2,503
2. 1993	0	0.0	16,016	4,278
3. 1994	0	0.0	36,656	13,704
4. Totals	0	X X X X	71,345	20,485

/TABLE

Form 2
COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 1K - FIDELITY/SURETY

(000 omitted)

1	Premiums Earned			Loss and Loss Expense Payments			
				Loss Payments		Allocated Loss Expense Payments	
Years in Which Premiums Were Earned and Losses Were Incurred	2 Direct and Assumed	3 Ceded	4 Net (2 - 3)	5 Direct and Assumed	6 Ceded	7 Direct and Assumed	8 Ceded
1. Prior	X X X X	X X X X	X X X X	6,257	2,692	2,251	511
2. 1993	108,036	15,293	92,743	26,230	13,155	1,204	148
3. 1994	117,185	19,545	97,640	12,754	7,122	50	5
4. Totals	X X X X	X X X X	X X X X	45,241	22,969	3,505	664

1 Years in Which Premiums Were Earned and Losses Were Incurred	9 Salvage and Subrogation Received	10 Unallocated Loss Expense Payments	11 Total Net Paid (5 - 6 + 7 - 8 + 10)	12 Number of Claims Reported - Direct and Assumed
1. Prior	1,727	412	5,717	X X X X
2. 1993	6,221	555	14,686	X X X X
3. 1994	505	510	6,188	X X X X
4. Totals	8,453	1,478	26,591	X X X X

	Losses Unpaid				Allocated Loss Expenses Unpaid		
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed
1. Prior	13,006	10,399	49,831	11,106	0	0	15,327
2. 1993	3,203	937	13,526	2,858	0	0	3,428
3. 1994	2,023	293	30,829	5,531	0	0	5,879
4. Totals	18,233	11,629	94,186	19,495	0	0	24,634

SCHEDULE P - PART 1K - FIDELITY/SURETY - (CONTINUED)

	20 Ceded	21 Salvage and Subrogation Anticipated	22 Unallocated Loss Expenses Unpaid	23 Total Net Losses and Expenses Unpaid	24 Number of Claims Outstanding - Direct and Assumed
1. Prior	4,620	11,710	765	52,805	679
2. 1993	359	0	211	16,215	254
3. 1994	621	4,629	283	32,568	205
4. Totals	5,600	16,339	1,259	101,588	1,138

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Discount Value of
	25 Direct and Assumed	26 Ceded	27 Net	28 Direct and Assumed	29 Ceded	30 Net	31 Loss
1. Prior	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0
2. 1993	48,358	17,457	30,901	44.8	114.2	33.3	0
3. 1994	52,328	13,572	38,756	44.7	69.4	39.7	0
4. Totals	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0

	for Time Money		Net Balance Sheet Reserves After Discount	
	32 Loss Expense	33 Inter-Company Pooling Participation Percentage	34 Losses Unpaid	35 Loss Expenses Unpaid
1. Prior	0	X X X X	41,333	11,472
2. 1993	0	0.0	12,935	3,280
3. 1994	0	0.0	27,027	5,541
4. Totals	0	X X X X	81,295	20,293

/TABLE

Form 2
COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 1L - OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)

(000 omitted)

1	Premiums Earned			Loss and Loss Expense Payments			
				Loss Payments		Allocated Loss Expense Payments	
Years in Which Premiums Were Earned and Losses Were Incurred	2 Direct and Assumed	3 Ceded	4 Net (2 - 3)	5 Direct and Assumed	6 Ceded	7 Direct and Assumed	8 Ceded
1. Prior	X X X X	X X X X	X X X X	83,586	4,343	1	0
2. 1993	512,288	13,503	498,785	208,237	6,604	0	0
3. 1994	635,851	15,105	620,746	134,405	4,111	0	0
4. Totals	X X X X	X X X X	X X X X	426,227	15,058	1	0

1 Years in Which Premiums Were Earned and Losses Were Incurred	9 Salvage and Subrogation Received	10 Unallocated Loss Expense Payments	11 Total Net Paid (5 - 6 + 7 - 8 + 10)	12 Number of Claims Reported - Direct and Assumed
1. Prior	0	2,899	82,143	X X X X
2. 1993	0	10,693	212,326	X X X X
3. 1994	0	8,593	138,886	X X X X
4. Totals	1	22,185	433,355	X X X X

	Losses Unpaid				Allocated Loss Expenses Unpaid		
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed
1. Prior	328,598	4,136	2,743	454	0	0	545
2. 1993	121,712	1,136	3,072	723	0	0	47
3. 1994	127,356	3,011	131,621	4,714	0	0	66
4. Totals	577,666	8,284	137,436	5,891	0	0	658

SCHEDULE P - PART 1L - OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)-(CONTINUED)

	20 Ceded	21 Salvage and Subrogation Anticipated	22 Unallocated Loss Expenses Unpaid	23 Total Net Losses and Expenses Unpaid	24 Number of Claims Outstanding - Direct and Assumed
1. Prior	251	0	6,845	333,890	16
2. 1993	4	0	5,018	127,986	3
3. 1994	41	0	12,102	263,379	18
4. Totals	296	0	23,965	725,254	37

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Discount Value of
	25 Direct and Assumed	26 Ceded	27 Net	28 Direct and Assumed	29 Ceded	30 Net	31 Loss
1. Prior	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0
2. 1993	348,778	8,467	340,311	68.1	62.7	68.2	0
3. 1994	414,142	11,877	402,265	65.1	78.6	64.8	0
4. Totals	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0

	for Time Money		Net Balance Sheet Reserves After Discount	
	32 Loss Expense	33 Inter-Company Pooling Participation Percentage	34 Losses Unpaid	35 Loss Expenses Unpaid
1. Prior	0	X X X X	326,751	7,139
2. 1993	0	0.0	122,925	5,061
3. 1994	0	0.0	251,252	12,127
4. Totals	0	X X X X	700,927	24,327

/TABLE

Form 2
COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 1M - INTERNATIONAL

(000 omitted)

1	Premiums Earned			Loss and Loss Expense Payments			
				Loss Payments		Allocated Loss Expense Payments	
Years in Which Premiums Were Earned and Losses Were Incurred	2 Direct and Assumed	3 Ceded	4 Net (2 - 3)	5 Direct and Assumed	6 Ceded	7 Direct and Assumed	8 Ceded
1. Prior	X X X X	X X X X	X X X X	0	0	0	0
2. 1985	0	(131)	131	0	0	0	0
3. 1986	0	(131)	131	0	0	0	0
4. 1987	0	0	0	0	0	0	0
5. 1988	0	0	0	0	0	0	0
6. 1989	0	0	0	0	0	0	0
7. 1990	0	0	0	0	0	0	0
8. 1991	0	0	0	0	0	0	0
9. 1992	0	0	0	0	0	0	0
10. 1993	183	0	183	0	0	0	0
11. 1994	(183)	0	(183)	0	0	0	0
12. Totals	X X X X	X X X X	X X X X	0	0	0	0

1 Years in Which Premiums Were Earned and Losses Were Incurred	9 Salvage and Subrogation Received	10 Unallocated Loss Expense Payments	11 Total Net Paid (5 - 6 + 7 - 8 + 10)	12 Number of Claims Reported - Direct and Assumed
1. Prior	0	0	0	X X X X
2. 1985	0	0	0	X X X X
3. 1986	0	0	0	X X X X
4. 1987	0	0	0	X X X X
5. 1988	0	0	0	X X X X
6. 1989	0	0	0	X X X X
7. 1990	0	0	0	X X X X
8. 1991	0	0	0	X X X X
9. 1992	0	0	0	X X X X
10. 1993	0	0	0	X X X X
11. 1994	0	0	0	X X X X
12. Totals	0	0	0	X X X X

SCHEDULE P - PART 1M - INTERNATIONAL - (CONTINUED)

	Losses Unpaid				Allocated Loss Expenses Unpaid		
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed
1. Prior	0	0	0	0	0	0	0
2. 1985	0	0	0	0	0	0	0
3. 1986	0	0	0	0	0	0	0
4. 1987	0	0	0	0	0	0	0
5. 1988	0	0	0	0	0	0	0
6. 1989	0	0	0	0	0	0	0
7. 1990	0	0	0	0	0	0	0
8. 1991	0	0	0	0	0	0	0
9. 1992	0	0	0	0	0	0	0
10. 1993	0	0	0	0	0	0	0
11. 1994	0	0	0	0	0	0	0
12. Totals	0	0	0	0	0	0	0

	20 Ceded	21 Salvage and Subrogation Anticipated	22 Unallocated Loss Expenses Unpaid	23 Total Net Losses and Expenses Unpaid	24 Number of Claims Outstanding - Direct and Assumed
1. Prior	0	0	0	0	0
2. 1985	0	0	0	0	0
3. 1986	0	0	0	0	0
4. 1987	0	0	0	0	0
5. 1988	0	0	0	0	0
6. 1989	0	0	0	0	0
7. 1990	0	0	0	0	0
8. 1991	0	0	0	0	0
9. 1992	0	0	0	0	0
10. 1993	0	0	0	0	0
11. 1994	0	0	0	0	0
12. Totals	0	0	0	0	0

SCHEDULE P - PART 1M - INTERNATIONAL - (CONTINUED)

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Discount Value of
	25	26	27	28	29	30	31
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss
1. Prior	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0
2. 1985	0	0	0	0.0	0.0	0.0	0
3. 1986	0	0	0	0.0	0.0	0.0	0
4. 1987	0	0	0	0.0	0.0	0.0	0
5. 1988	0	0	0	0.0	0.0	0.0	0
6. 1989	0	0	0	0.0	0.0	0.0	0
7. 1990	0	0	0	0.0	0.0	0.0	0
8. 1991	0	0	0	0.0	0.0	0.0	0
9. 1992	0	0	0	0.0	0.0	0.0	0
10. 1993	0	0	0	0.0	0.0	0.0	0
11. 1994	0	0	0	0.0	0.0	0.0	0
12. Totals	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0

	for Time Money	33	Net Balance Sheet Reserves After Discount	
	32	Inter-Company	34	35
	Loss Expense	Pooling Participation Percentage	Losses Unpaid	Loss Expenses Unpaid
1. Prior	0	X X X X	0	0
2. 1985	0	0.0	0	0
3. 1986	0	0.0	0	0
4. 1987	0	0.0	0	0
5. 1988	0	0.0	0	0
6. 1989	0	0.0	0	0
7. 1990	0	0.0	0	0
8. 1991	0	0.0	0	0
9. 1992	0	0.0	0	0
10. 1993	0	0.0	0	0
11. 1994	0	0.0	0	0
12. Totals	0	X X X X	0	0

/TABLE

Form 2

COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 1N - REINSURANCE A

(000 omitted)

1	Premiums Earned			Loss and Loss Expense Payments			
				Loss Payments		Allocated Loss Expense Payments	
Years in Which Premiums Were Earned and Losses Were Incurred	2 Direct and Assumed	3 Ceded	4 Net (2 - 3)	5 Direct and Assumed	6 Ceded	7 Direct and Assumed	8 Ceded
1. 1988	18,107	2,084	16,022	(6,917)	113	282	2
2. 1989	30,323	5,188	25,136	78,490	29,506	205	1
3. 1990	52,398	8,887	43,511	40,717	12,825	141	0
4. 1991	53,594	8,599	44,995	38,663	3,372	313	5
5. 1992	71,214	6,982	64,231	141,178	20,434	205	81
6. 1993	88,237	7,979	80,258	12,666	394	90	0
7. 1994	92,264	7,679	84,585	13,766	1,494	52	1
8. Totals	X X X X	X X X X	X X X X	318,563	68,138	1,287	91

1 Years in Which Premiums Were Earned and Losses Were Incurred	9 Salvage and Subrogation Received	10 Unallocated Loss Expense Payments	11 Total Net Paid (5 - 6 + 7 - 8 + 10)	12 Number of Claims Reported - Direct and Assumed
1. 1988	0	(1)	(6,751)	X X X X
2. 1989	0	1	49,189	X X X X
3. 1990	0	2	28,035	X X X X
4. 1991	0	5	35,603	X X X X
5. 1992	0	19	120,887	X X X X
6. 1993	0	162	12,524	X X X X
7. 1994	0	85	12,409	X X X X
8. Totals	0	274	251,895	X X X X

SCHEDULE P - PART 1N - REINSURANCE A - (CONTINUED)

	Losses Unpaid				Allocated Loss Expenses Unpaid		
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed
1. 1988	4,496	0	11,637	0	0	0	0
2. 1989	9,253	2,308	8,671	3,548	0	0	0
3. 1990	9,931	397	10,117	710	0	0	0
4. 1991	3,293	100	4,481	1,900	0	0	0
5. 1992	8,206	1,442	4,346	1,461	0	0	0
6. 1993	4,961	91	57,209	4,062	0	0	2
7. 1994	24,018	405	34,351	3,389	0	0	45
8. Totals	64,158	4,743	130,812	15,070	0	0	47

	20 Ceded	21 Salvage and Subrogation Anticipated	22 Unallocated Loss Expenses Unpaid	23 Total Net Losses and Expenses Unpaid	24 Number of Claims Outstanding - Direct and Assumed
1. 1988	0	0	0	16,133	X X X X
2. 1989	0	0	0	12,068	X X X X
3. 1990	0	0	0	18,941	X X X X
4. 1991	0	0	0	5,774	X X X X
5. 1992	0	0	0	9,649	X X X X
6. 1993	2	0	0	58,016	X X X X
7. 1994	45	0	0	54,575	X X X X
8. Totals	47	0	0	175,156	X X X X

SCHEDULE P - PART 1N - REINSURANCE A - (CONTINUED)

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Discount Value of
	25	26	27	28	29	30	31
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss
1. 1988	9,497	116	9,381	52.5	5.6	58.6	0
2. 1989	96,620	35,363	61,257	318.6	681.7	243.7	0
3. 1990	60,908	13,932	46,976	116.2	156.8	108.0	0
4. 1991	46,755	5,377	41,377	87.2	62.5	92.0	0
5. 1992	153,954	23,417	130,536	216.2	335.4	203.2	0
6. 1993	75,089	4,549	70,540	85.1	57.0	87.9	0
7. 1994	72,317	5,333	66,984	78.4	69.5	79.2	0
8. Totals	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0

SCHEDULE P - PART 1N - REINSURANCE A - (CONTINUED)

	for Time Money		Net Balance Sheet Reserves After Discount	
	32 Loss Expense	33 Inter-Company Pooling Participation Percentage	34 Losses Unpaid	35 Loss Expenses Unpaid
1. 1988	0	0.0	16,133	0
2. 1989	0	0.0	12,068	0
3. 1990	0	0.0	18,941	0
4. 1991	0	0.0	5,774	0
5. 1992	0	0.0	9,649	0
6. 1993	0	0.0	58,016	0
7. 1994	0	0.0	54,575	0
8. Totals	0	X X X X	175,156	0

Form 2

COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 1O - REINSURANCE B

(000 omitted)

1	Premiums Earned			Loss and Loss Expense Payments			
				Loss Payments		Allocated Loss Expense Payments	
Years in Which Premiums Were Earned and Losses Were Incurred	2 Direct and Assumed	3 Ceded	4 Net (2 - 3)	5 Direct and Assumed	6 Ceded	7 Direct and Assumed	8 Ceded
1. 1988	68,483	(3,131)	71,614	8,236	143	545	8
2. 1989	112,647	743	111,904	21,357	144	684	4
3. 1990	105,662	626	105,037	18,357	394	823	3
4. 1991	115,392	734	114,657	42,277	383	1,073	13
5. 1992	107,906	1,450	106,456	16,807	1,707	408	64
6. 1993	111,104	138	110,966	10,975	37	184	27
7. 1994	72,008	471	71,537	1,942	0	11	0
8. Totals	X X X X	X X X X	X X X X	119,951	2,807	3,729	120

SCHEDULE P - PART 1O - REINSURANCE B - (CONTINUED)

1 Years in Which Premiums Were Earned and Losses Were Incurred	9 Salvage and Subrogation Received	10 Unallocated Loss Expense Payments	11 Total Net Paid (5 - 6 + 7 - 8 + 10)	12 Number of Claims Reported - Direct and Assumed
1. 1988	0	1	8,632	X X X X
2. 1989	0	8	21,901	X X X X
3. 1990	0	16	18,800	X X X X
4. 1991	0	28	42,981	X X X X
5. 1992	0	21	15,465	X X X X
6. 1993	0	32	11,126	X X X X
7. 1994	0	132	2,084	X X X X
8. Totals	0	237	120,990	X X X X

	Losses Unpaid				Allocated Loss Expenses Unpaid		
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed
1. 1988	9,410	1	43,908	0	0	0	0
2. 1989	17,483	43	37,074	0	0	0	0
3. 1990	24,435	7	37,355	49	0	0	0
4. 1991	20,349	130	23,401	98	0	0	0
5. 1992	24,904	40	36,051	677	0	0	0
6. 1993	29,090	179	31,918	68	0	0	0
7. 1994	8,630	18	61,705	138	0	0	7
8. Totals	134,300	418	271,412	1,030	0	0	7

SCHEDULE P - PART 1O - REINSURANCE B - (CONTINUED)

	20 Ceded	21 Salvage and Subrogation Anticipated	22 Unallocated Loss Expenses Unpaid	23 Total Net Losses and Expenses Unpaid	24 Number of Claims Outstanding - Direct and Assumed
1. 1988	0	0	0	53,317	X X X X
2. 1989	0	0	0	54,514	X X X X
3. 1990	0	0	0	61,734	X X X X
4. 1991	0	0	0	43,521	X X X X
5. 1992	0	0	0	60,238	X X X X
6. 1993	0	0	0	60,761	X X X X
7. 1994	7	0	0	70,179	X X X X
8. Totals	7	0	0	404,264	X X X X

SCHEDULE P - PART 1O - REINSURANCE B - (CONTINUED)

	Total Losses and Loss Expenses Incurred 25 Direct and Assumed	26 Ceded	27 Net	Loss and Loss Expense Percentage (Incurred/Premiums Earned) 28 Direct and Assumed	29 Ceded	30 Net	Discount Value of 31 Loss
1. 1988	62,100	151	61,949	90.7	(4.8)	86.5	0
2. 1989	76,606	191	76,415	68.0	25.7	68.3	0
3. 1990	80,986	452	80,534	76.6	72.3	76.7	0
4. 1991	87,127	625	86,503	75.5	85.0	75.4	0
5. 1992	78,191	2,488	75,703	72.5	171.5	71.1	0
6. 1993	72,199	312	71,887	65.0	226.0	64.8	0
7. 1994	72,427	163	72,264	100.6	34.7	101.0	0
8. Totals	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0

	for Time Money 32 Loss Expense	33 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount 34 Losses Unpaid	35 Loss Expenses Unpaid
1. 1988	0	0.0	53,317	0
2. 1989	0	0.0	54,514	0
3. 1990	0	0.0	61,734	0
4. 1991	0	0.0	43,521	0
5. 1992	0	0.0	60,238	0
6. 1993	0	0.0	60,761	0
7. 1994	0	0.0	70,179	0
8. Totals	0	X X X X	404,264	0

Form 2

COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 1P - REINSURANCE C

(000 omitted)

1	Premiums Earned			Loss and Loss Expense Payments			
				Loss Payments		Allocated Loss Expense Payments	
Years in Which Premiums Were Earned and Losses Were Incurred	2 Direct and Assumed	3 Ceded	4 Net (2 - 3)	5 Direct and Assumed	6 Ceded	7 Direct and Assumed	8 Ceded
1. 1988	7,954	107	7,847	61,723	0	14	0
2. 1989	13,214	0	13,214	38,535	0	46	0
3. 1990	11,353	0	11,353	34,880	0	43	0
4. 1991	8,416	0	8,416	2,099	0	60	0
5. 1992	3,283	0	3,283	101	0	0	0
6. 1993	2,923	0	2,923	199	0	0	0
7. 1994	1,891	0	1,891	0	0	0	0
8. Totals	X X X X	X X X X	X X X X	137,538	0	163	0

1				
Years in Which Premiums Were Earned and Losses Were Incurred	9 Salvage and Subrogation Received	10 Unallocated Loss Expense Payments	11 Total Net Paid (5 - 6 + 7 - 8 + 10)	12 Number of Claims Reported - Direct and Assumed
1. 1988	0	0	61,737	X X X X
2. 1989	7,940	1	38,581	X X X X
3. 1990	0	1	34,925	X X X X
4. 1991	0	3	2,161	X X X X
5. 1992	0	0	101	X X X X
6. 1993	0	1	201	X X X X
7. 1994	0	4	4	X X X X
8. Totals	7,940	10	137,710	X X X X

SCHEDULE P - PART 1P - REINSURANCE C - (CONTINUED)

	Losses Unpaid				Allocated Loss Expenses Unpaid		
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed
1. 1988	600	0	0	0	0	0	0
2. 1989	272	0	0	0	0	0	0
3. 1990	224	0	0	0	0	0	0
4. 1991	1,188	0	0	0	0	0	0
5. 1992	0	0	0	0	0	0	0
6. 1993	130	0	0	0	0	0	0
7. 1994	133	0	504	0	0	0	0
8. Totals	2,547	0	504	0	0	0	0

	20 Ceded	21 Salvage and Subrogation Anticipated	22 Unallocated Loss Expenses Unpaid	23 Total Net Losses and Expenses Unpaid	24 Number of Claims Outstanding - Direct and Assumed
1. 1988	0	0	0	600	X X X X
2. 1989	0	0	0	272	X X X X
3. 1990	0	0	0	224	X X X X
4. 1991	0	0	0	1,188	X X X X
5. 1992	0	0	0	0	X X X X
6. 1993	0	0	0	130	X X X X
7. 1994	0	0	0	637	X X X X
8. Totals	0	0	0	3,051	X X X X

SCHEDULE P - PART 1P - REINSURANCE C - (CONTINUED)

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Discount Value of
	25	26	27	28	29	30	31
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss
1. 1988	62,337	0	62,337	783.7	0.0	794.4	0
2. 1989	38,853	0	38,853	294.0	0.0	294.0	0
3. 1990	35,149	0	35,149	309.6	0.0	309.6	0
4. 1991	3,349	0	3,349	39.8	0.0	39.8	0
5. 1992	102	0	102	3.1	0.0	3.1	0
6. 1993	331	0	331	11.3	0.0	11.3	0
7. 1994	641	0	641	33.9	0.0	33.9	0
8. Totals	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0

	for Time Money	33	Net Balance Sheet Reserves After Discount	
	32	Inter-Company Pooling Participation Percentage	34	35
	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1. 1988	0	0.0	600	0
2. 1989	0	0.0	272	0
3. 1990	0	0.0	224	0
4. 1991	0	0.0	1,188	0
5. 1992	0	0.0	0	0
6. 1993	0	0.0	130	0
7. 1994	0	0.0	637	0
8. Totals	0	X X X X	3,051	0

Form 2

COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 1Q - REINSURANCE D

(000 omitted)

1	Premiums Earned			Loss and Loss Expense Payments			
				Loss Payments		Allocated Loss Expense Payments	
Years in Which Premiums Were Earned and Losses Were Incurred	2 Direct and Assumed	3 Ceded	4 Net (2 - 3)	5 Direct and Assumed	6 Ceded	7 Direct and Assumed	8 Ceded
1. Prior	X X X X	X X X X	X X X X	27,772	1,208	510	95
2. 1985	123,179	5,941	117,239	69,691	5,083	699	12
3. 1986	212,988	9,139	203,849	28,119	917	878	0
4. 1987	170,335	7,926	162,408	59,543	2,126	912	1
5. Totals	X X X X	X X X X	X X X X	185,125	9,336	2,999	108

1 Years in Which Premiums Were Earned and Losses Were Incurred	9 Salvage and Subrogation Received	10 Unallocated Loss Expense Payments	11 Total Net Paid (5 - 6 + 7 - 8 + 10)	12 Number of Claims Reported - Direct and Assumed
1. Prior	0	38	27,017	X X X X
2. 1985	0	114	65,409	X X X X
3. 1986	0	52	28,131	X X X X
4. 1987	0	20	58,347	X X X X
5. Totals	0	223	178,904	X X X X

SCHEDULE P - PART 1Q - REINSURANCE D - (CONTINUED)

	Losses Unpaid				Allocated Loss Expenses Unpaid		
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed
1. Prior	115,686	4,006	18,044	1,275	0	0	0
2. 1985	22,683	378	43,910	791	0	0	0
3. 1986	14,962	0	83,532	0	0	0	0
4. 1987	26,500	48	87,539	0	0	0	0
5. Totals	179,831	4,432	233,025	2,066	0	0	0

	20 Ceded	21 Salvage and Subrogation Anticipated	22 Unallocated Loss Expenses Unpaid	23 Total Net Losses and Expenses Unpaid	24 Number of Claims Outstanding - Direct and Assumed
1. Prior	0	0	0	128,449	X X X X
2. 1985	0	0	0	65,424	X X X X
3. 1986	0	0	0	98,494	X X X X
4. 1987	0	0	0	113,991	X X X X
5. Totals	0	0	0	406,358	X X X X

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Discount Value of
	25 Direct and Assumed	26 Ceded	27 Net	28 Direct and Assumed	29 Ceded	30 Net	31 Loss
1. Prior	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0
2. 1985	137,097	6,264	130,833	111.3	105.4	111.6	0
3. 1986	127,542	917	126,625	59.9	10.0	62.1	0
4. 1987	174,514	2,176	172,338	102.5	27.5	106.1	0
5. Totals	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0

SCHEDULE P - PART 1Q - REINSURANCE D - (CONTINUED)

	for Time Money		Net Balance Sheet Reserves After Discount	
	32 Loss Expense	33 Inter-Company Pooling Participation Percentage	34 Losses Unpaid	35 Loss Expenses Unpaid
1. Prior	0	X X X X	128,449	0
2. 1985	0	0.0	65,424	0
3. 1986	0	0.0	98,494	0
4. 1987	0	0.0	113,991	0
5. Totals	0	X X X X	406,358	0

Form 2

COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 1R - SECTION 1 - PRODUCTS LIABILITY - OCCURRENCE

(000 omitted)

1	Premiums Earned			Loss and Loss Expense Payments			
				Loss Payments		Allocated Loss Expense Payments	
Years in Which Premiums Were Earned and Losses Were Incurred	2 Direct and Assumed	3 Ceded	4 Net (2 - 3)	5 Direct and Assumed	6 Ceded	7 Direct and Assumed	8 Ceded
1. Prior	X X X X	X X X X	X X X X	5,066	48,636	(6,377)	6,204
2. 1985	80,190	10,391	69,798	55,532	8,909	39,168	2,154
3. 1986	174,766	11,465	163,301	71,309	976	45,023	556
4. 1987	163,036	4,451	158,585	39,935	6,080	20,599	1,148
5. 1988	153,691	12,764	140,928	40,897	5,029	15,841	848
6. 1989	131,729	9,675	122,054	29,639	3,487	14,413	452
7. 1990	119,042	18,024	101,018	32,897	4,882	13,973	503
8. 1991	106,109	16,836	89,273	29,277	2,548	10,458	312
9. 1992	74,984	13,886	61,098	15,161	972	4,561	473
10. 1993	75,698	15,677	60,020	5,956	416	1,455	141
11. 1994	74,933	14,738	60,195	2,201	1	882	5
12. Totals	X X X X	X X X X	X X X X	327,867	81,936	159,997	12,794

SCHEDULE P - PART 1R - SECTION 1 - PRODUCTS LIABILITY - OCCURRENCE-(CONTINUED)

1 Years in Which Premiums Were Earned and Losses Were Incurred	9 Salvage and Subrogation Received	10 Unallocated Loss Expense Payments	11 Total Net Paid (5 - 6 + 7 - 8 + 10)	12 Number of Claims Reported - Direct and Assumed
1. Prior	1,121	36	(56,115)	X X X X
2. 1985	1,384	3,462	87,098	12,735
3. 1986	477	1,998	116,798	10,010
4. 1987	1,552	2,303	55,609	9,492
5. 1988	536	1,958	52,819	9,350
6. 1989	655	1,618	41,731	8,180
7. 1990	368	1,541	43,026	8,771
8. 1991	111	1,598	38,472	6,831
9. 1992	214	1,700	19,977	5,992
10. 1993	180	1,356	8,210	5,829
11. 1994	6	1,120	4,197	3,913
12. Totals	6,603	18,690	411,823	X X X X

	Losses Unpaid				Allocated Loss Expenses Unpaid		
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed
1. Prior	33,327	9,052	28,251	4,288	0	0	5,360
2. 1985	9,507	629	19,301	1,278	0	0	894
3. 1986	8,306	9	26,634	1,179	0	0	3,387
4. 1987	12,151	152	27,903	457	0	0	4,068
5. 1988	13,010	220	22,014	874	0	0	3,931
6. 1989	14,848	292	25,932	421	0	0	8,691
7. 1990	18,577	1,939	29,419	120	0	0	6,129
8. 1991	11,902	835	35,243	676	0	0	7,464
9. 1992	12,335	205	25,925	1,146	0	0	6,641
10. 1993	9,596	516	35,444	1,876	0	0	7,481
11. 1994	6,929	94	52,364	11,338	0	0	9,359
12. Totals	150,488	13,943	328,430	23,653	0	0	63,405

SCHEDULE P - PART 1R - SECTION 1 - PRODUCTS LIABILITY - OCCURRENCE-(CONTINUED)

	20 Ceded	21 Salvage and Subrogation Anticipated	22 Unallocated Loss Expenses Unpaid	23 Total Net Losses and Expenses Unpaid	24 Number of Claims Outstanding - Direct and Assumed
1. Prior	1,123	1,002	394	52,869	2,118
2. 1985	356	556	115	27,554	625
3. 1986	8	321	325	37,456	422
4. 1987	0	1,217	389	43,902	421
5. 1988	0	598	474	38,335	267
6. 1989	0	930	653	49,411	859
7. 1990	0	906	700	52,765	1,300
8. 1991	0	421	743	53,841	389
9. 1992	37	817	645	44,158	439
10. 1993	287	616	849	50,691	487
11. 1994	410	813	778	57,588	1,117
12. Totals	2,221	8,196	6,065	508,571	8,444

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Discount Value of
	25 Direct and Assumed	26 Ceded	27 Net	28 Direct and Assumed	29 Ceded	30 Net	31 Loss
1. Prior	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0
2. 1985	127,978	13,326	114,652	159.6	128.2	164.3	0
3. 1986	156,981	2,727	154,254	89.8	23.8	94.5	0
4. 1987	107,348	7,836	99,511	65.8	176.1	62.7	0
5. 1988	98,125	6,971	91,154	63.8	54.6	64.7	0
6. 1989	95,794	4,652	91,142	72.7	48.1	74.7	0
7. 1990	103,236	7,445	95,791	86.7	41.3	94.8	0
8. 1991	96,684	4,370	92,314	91.1	26.0	103.4	0
9. 1992	66,968	2,833	64,135	89.3	20.4	105.0	0
10. 1993	62,137	3,236	58,901	82.1	20.6	98.1	0
11. 1994	73,632	11,848	61,785	98.3	80.4	102.6	0
12. Totals	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0

SCHEDULE P - PART 1R - SECTION 1 - PRODUCTS LIABILITY - OCCURRENCE-(CONTINUED)

	for Time Money		Net Balance Sheet Reserves After Discount	
	32 Loss Expense	33 Inter-Company Pooling Participation Percentage	34 Losses Unpaid	35 Loss Expenses Unpaid
1. Prior	0	X X X X	48,238	4,631
2. 1985	0	0.0	26,901	653
3. 1986	0	0.0	33,752	3,704
4. 1987	0	0.0	39,445	4,457
5. 1988	0	0.0	33,930	4,405
6. 1989	0	0.0	40,067	9,344
7. 1990	0	0.0	45,936	6,829
8. 1991	0	0.0	45,634	8,207
9. 1992	0	0.0	36,909	7,249
10. 1993	0	0.0	42,648	8,043
11. 1994	0	0.0	47,861	9,727
12. Totals	0	X X X X	441,322	67,249

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COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 1R - SECTION 2 - PRODUCTS LIABILITY - CLAIMS-MADE

(000 omitted)

1	Premiums Earned			Loss and Loss Expense Payments			
				Loss Payments		Allocated Loss Expense Payments	
Years in Which Premiums Were Earned and Losses Were Incurred	2 Direct and Assumed	3 Ceded	4 Net (2 - 3)	5 Direct and Assumed	6 Ceded	7 Direct and Assumed	8 Ceded
1. Prior	X X X X	X X X X	X X X X	0	0	0	0
2. 1985	0	0	0	0	0	0	0
3. 1986	0	0	0	0	0	0	0
4. 1987	1,893	94	1,799	0	0	1	0
5. 1988	1,027	47	980	3	0	0	0
6. 1989	803	16	786	0	0	0	0
7. 1990	333	2	332	7	0	0	0
8. 1991	199	2	197	15	0	0	0
9. 1992	121	4	117	0	0	0	0
10. 1993	51	6	45	0	0	0	0
11. 1994	8	0	8	0	0	0	0
12. Totals	X X X X	X X X X	X X X X	24	0	1	0

SCHEDULE P - PART 1R - SECTION 2 - PRODUCTS LIABILITY - CLAIMS-MADE-(CONTINUED)

1 Years in Which Premiums Were Earned and Losses Were Incurred	9 Salvage and Subrogation Received	10 Unallocated Loss Expense Payments	11 Total Net Paid (5 - 6 + 7 - 8 + 10)	12 Number of Claims Reported - Direct and Assumed
1. Prior	0	0	0	X X X X
2. 1985	0	0	0	0
3. 1986	0	0	0	0
4. 1987	0	0	1	148
5. 1988	0	6	9	3
6. 1989	0	6	6	3
7. 1990	0	13	20	0
8. 1991	0	13	28	2
9. 1992	0	2	2	1
10. 1993	0	1	2	1
11. 1994	0	0	0	0
12. Totals	0	42	67	X X X X

	Losses Unpaid				Allocated Loss Expenses Unpaid		
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed
1. Prior	0	0	0	0	0	0	0
2. 1985	0	0	0	0	0	0	0
3. 1986	0	0	0	0	0	0	0
4. 1987	0	0	2	0	0	0	96
5. 1988	0	0	479	0	0	0	28
6. 1989	0	0	502	0	0	0	29
7. 1990	0	0	111	0	0	0	6
8. 1991	0	0	3	0	0	0	0
9. 1992	0	0	3	0	0	0	0
10. 1993	0	0	3	0	0	0	0
11. 1994	0	0	0	0	0	0	0
12. Totals	0	0	1,103	0	0	0	159

SCHEDULE P - PART 1R - SECTION 2 - PRODUCTS LIABILITY - CLAIMS-MADE-(CONTINUED)

	20 Ceded	21 Salvage and Subrogation Anticipated	22 Unallocated Loss Expenses Unpaid	23 Total Net Losses and Expenses Unpaid	24 Number of Claims Outstanding - Direct and Assumed
1. Prior	0	0	0	0	0
2. 1985	0	0	0	0	0
3. 1986	0	0	0	0	0
4. 1987	0	0	0	98	1
5. 1988	0	9	2	509	0
6. 1989	0	12	2	533	0
7. 1990	0	2	0	117	0
8. 1991	0	0	0	3	0
9. 1992	0	0	0	3	0
10. 1993	0	0	0	3	0
11. 1994	0	0	0	0	0
12. Totals	0	23	4	1,266	1

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Discount Value of
	25 Direct and Assumed	26 Ceded	27 Net	28 Direct and Assumed	29 Ceded	30 Net	31 Loss
1. Prior	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0
2. 1985	0	0	0	0.0	0.0	0.0	0
3. 1986	0	0	0	0.0	0.0	0.0	0
4. 1987	99	0	99	5.2	0.0	5.5	0
5. 1988	517	0	517	50.4	0.0	52.8	0
6. 1989	539	0	539	67.1	0.0	68.5	0
7. 1990	137	0	137	41.0	0.0	41.3	0
8. 1991	31	0	31	15.6	0.0	15.7	0
9. 1992	5	0	5	4.3	0.0	4.4	0
10. 1993	5	0	5	9.2	0.0	10.5	0
11. 1994	0	0	0	0.0	0.0	0.0	0
12. Totals	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0

SCHEDULE P - PART 1R - SECTION 2 - PRODUCTS LIABILITY - CLAIMS-MADE-(CONTINUED)

	for Time Money		Net Balance Sheet Reserves After Discount	
	32 Loss Expense	33 Inter-Company Pooling Participation Percentage	34 Losses Unpaid	35 Loss Expenses Unpaid
1. Prior	0	X X X X	0	0
2. 1985	0	0.0	0	0
3. 1986	0	0.0	0	0
4. 1987	0	0.0	2	96
5. 1988	0	0.0	479	30
6. 1989	0	0.0	502	31
7. 1990	0	0.0	111	6
8. 1991	0	0.0	3	0
9. 1992	0	0.0	3	0
10. 1993	0	0.0	3	0
11. 1994	0	0.0	0	0
12. Totals	0	X X X X	1,103	163

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COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 1S - FINANCIAL GUARANTY/MORTGAGE GUARANTY

(000 omitted)

1	Premiums Earned			Loss and Loss Expense Payments			
				Loss Payments		Allocated Loss Expense Payments	
Years in Which Premiums Were Earned and Losses Were Incurred	2 Direct and Assumed	3 Ceded	4 Net (2 - 3)	5 Direct and Assumed	6 Ceded	7 Direct and Assumed	8 Ceded
1. Prior	X X X X	X X X X	X X X X	2,741	(14,393)	2	425
2. 1993	19,082	5,011	14,070	(13,292)	9,386	0	0
3. 1994	10,100	2,455	7,645	56,612	7,279	0	0
4. Totals	X X X X	X X X X	X X X X	46,061	2,273	2	425

SCHEDULE P - PART 1S - FINANCIAL GUARANTY/MORTGAGE GUARANTY - (CONTINUED)

1 Years in Which Premiums Were Earned and Losses Were Incurred	9 Salvage and Subrogation Received	10 Unallocated Loss Expense Payments	11 Total Net Paid (5 - 6 + 7 - 8 + 10)	12 Number of Claims Reported - Direct and Assumed
1. Prior	15,900	11	16,722	1,050
2. 1993	133,321	3,101	(19,577)	77
3. 1994	16,921	(2,680)	46,653	27
4. Totals	166,142	433	43,798	X X X X

	Losses Unpaid				Allocated Loss Expenses Unpaid		
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed
1. Prior	20,203	1,948	39,656	14,952	0	0	2,691
2. 1993	31,569	6,926	8,555	602	0	0	84
3. 1994	772	5,042	14,159	426	0	0	1,046
4. Totals	52,544	13,916	62,370	15,980	0	0	3,821

	20 Ceded	21 Salvage and Subrogation Anticipated	22 Unallocated Loss Expenses Unpaid	23 Total Net Losses and Expenses Unpaid	24 Number of Claims Outstanding - Direct and Assumed
1. Prior	2,691	4,657	17	42,976	164
2. 1993	84	0	22	32,618	71
3. 1994	47	578	5	10,467	24
4. Totals	2,822	5,235	44	86,061	259

SCHEDULE P - PART 1S - FINANCIAL GUARANTY/MORTGAGE GUARANTY - (CONTINUED)

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Discount Value of
	25 Direct and Assumed	26 Ceded	27 Net	28 Direct and Assumed	29 Ceded	30 Net	31 Loss
1. Prior	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0
2. 1993	30,040	16,998	13,042	157.4	339.2	92.7	0
3. 1994	69,914	12,794	57,120	692.2	521.2	747.2	0
4. Totals	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0

	for Time Money	33	Net Balance Sheet Reserves After Discount	
	32 Loss Expense	Inter-Company Pooling Participation Percentage	34 Losses Unpaid	35 Loss Expenses Unpaid
1. Prior	0	X X X X	42,959	17
2. 1993	0	0.0	32,596	22
3. 1994	0	0.0	9,463	1,004
4. Totals	0	X X X X	85,018	1,043

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COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 2A - HOMEOWNERS/FARMOWNERS

1	Incurred Losses and Allocated Expenses Reported at Year End (000 omitted)						
Years in Which Losses Were Incurred	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. Prior	11,911	13,937	15,824	15,931	18,336	17,430	17,121
2. 1985	62,117	63,601	63,108	62,948	64,542	63,821	63,877
3. 1986	X X X X	65,861	59,216	59,239	59,561	58,228	57,611
4. 1987	X X X X	X X X X	69,251	67,769	69,956	69,965	69,807
5. 1988	X X X X	X X X X	X X X X	94,222	92,355	92,878	93,222
6. 1989	X X X X	X X X X	X X X X	X X X X	122,775	138,215	140,213
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	144,120	159,585
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	158,891
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1				Development	
Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	12 One Year	13 Two Year
1. Prior	17,216	17,367	17,511	144	294
2. 1985	65,100	64,446	64,521	75	(579)
3. 1986	58,137	58,185	58,313	128	176
4. 1987	70,918	73,430	73,565	135	2,647
5. 1988	94,761	95,635	95,652	17	891
6. 1989	140,828	140,843	141,239	396	412
7. 1990	160,399	163,381	163,582	201	3,183
8. 1991	160,544	163,645	164,343	697	3,798
9. 1992	218,332	202,077	203,316	1,239	(15,016)
10. 1993	X X X X	173,256	177,437	4,181	X X X X
11. 1994	X X X X	X X X X	258,983	X X X X	X X X X
		12. Totals		7,212	(4,193)

SCHEDULE P - PART 2B - PRIVATE PASSENGER AUTO LIABILITY/MEDICAL

1	Incurred Losses and Allocated Expenses Reported at Year End (000 omitted)						
Years in Which Losses Were Incurred	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. Prior	115,304	121,108	125,149	132,319	145,308	144,714	148,977
2. 1985	123,125	128,381	135,851	144,477	155,848	153,959	155,274
3. 1986	X X X X	160,846	157,516	165,684	178,927	180,734	180,892
4. 1987	X X X X	X X X X	181,557	180,742	195,274	208,843	211,659
5. 1988	X X X X	X X X X	X X X X	243,691	245,004	249,305	253,318
6. 1989	X X X X	X X X X	X X X X	X X X X	298,808	295,550	318,589
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	337,161	370,954
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	389,033
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 2B - PRIVATE PASSENGER AUTO LIABILITY/MEDICAL - (CONTINUED)

1 Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	Development 12 One Year	13 Two Year
1. Prior	150,805	152,465	154,375	1,910	3,570
2. 1985	154,699	155,436	155,495	59	796
3. 1986	182,687	185,039	186,550	1,511	3,863
4. 1987	212,977	213,436	214,250	814	1,273
5. 1988	251,493	247,503	247,451	(52)	(4,043)
6. 1989	319,310	318,672	318,700	28	(610)
7. 1990	364,892	360,391	350,830	(9,562)	(14,062)
8. 1991	395,472	383,970	375,499	(8,470)	(19,972)
9. 1992	408,674	413,255	404,515	(8,740)	(4,159)
10. 1993	X X X X	389,603	392,184	2,581	X X X X
11. 1994	X X X X	X X X X	316,238	X X X X	X X X X
			12. Totals	(19,921)	(33,344)

SCHEDULE P - PART 2C - COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL

1 Years in Which Losses Were Incurred	Incurred Losses and Allocated Expenses Reported at Year End (000 omitted) 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. Prior	179,140	245,708	265,763	273,016	284,169	289,516	289,567
2. 1985	157,128	192,233	186,236	197,506	206,518	211,012	215,122
3. 1986	X X X X	287,529	289,397	288,155	279,301	288,799	289,138
4. 1987	X X X X	X X X X	347,425	340,956	345,629	362,987	367,845
5. 1988	X X X X	X X X X	X X X X	456,537	459,415	462,279	461,410
6. 1989	X X X X	X X X X	X X X X	X X X X	459,118	456,419	460,309
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	489,325	489,765
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	523,913
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 2C - COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL - (CONTINUED)

1 Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	Development 12 One Year	13 Two Year
1. Prior	281,978	281,651	284,207	2,556	2,229
2. 1985	210,804	211,940	211,218	(722)	414
3. 1986	283,660	285,298	287,181	1,883	3,521
4. 1987	367,511	366,225	368,471	2,245	959
5. 1988	458,048	456,039	459,189	3,151	1,142
6. 1989	451,992	448,681	450,955	2,275	(1,037)
7. 1990	480,575	475,959	481,953	5,993	1,378
8. 1991	517,895	498,676	481,019	(17,657)	(36,875)
9. 1992	507,847	500,547	467,708	(32,839)	(40,139)
10. 1993	X X X X	439,138	428,794	(10,344)	X X X X
11. 1994	X X X X	X X X X	454,541	X X X X	X X X X
			12. Totals	(43,459)	(68,409)

SCHEDULE P - PART 2D - WORKERS' COMPENSATION

1 Years in Which Losses Were Incurred	Incurred Losses and Allocated Expenses Reported at Year End (000 omitted) 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. Prior	850,890	900,057	868,922	903,147	914,481	920,660	919,932
2. 1985	466,667	477,936	482,631	485,265	499,871	503,575	542,041
3. 1986	X X X X	811,265	758,853	750,274	730,091	729,085	725,374
4. 1987	X X X X	X X X X	890,468	895,621	932,301	940,542	936,894
5. 1988	X X X X	X X X X	X X X X	1,257,294	1,260,320	1,270,917	1,288,737
6. 1989	X X X X	X X X X	X X X X	X X X X	1,489,382	1,522,011	1,580,307
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	2,037,615	1,983,616
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	2,187,916
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 2D - WORKERS' COMPENSATION - (CONTINUED)

1				Development	
Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	12 One Year	13 Two Year
1. Prior	923,745	941,658	927,272	(14,387)	3,526
2. 1985	547,171	548,560	543,547	(5,013)	(3,624)
3. 1986	728,238	728,547	731,544	2,997	3,305
4. 1987	940,284	939,638	938,412	(1,226)	(1,871)
5. 1988	1,297,348	1,299,514	1,291,229	(8,284)	(6,119)
6. 1989	1,630,568	1,661,567	1,658,454	(3,113)	27,886
7. 1990	2,001,939	1,990,077	1,968,808	(21,269)	(33,132)
8. 1991	2,189,188	2,046,381	1,948,481	(97,901)	(240,708)
9. 1992	1,856,951	1,811,113	1,633,360	(177,754)	(223,591)
10. 1993	X X X X	1,478,078	1,420,839	(57,239)	X X X X
11. 1994	X X X X	X X X X	1,343,786	X X X X	X X X X
			12. Totals	(383,187)	(474,327)

SCHEDULE P - PART 2E - COMMERCIAL MULTIPLE PERIL

1	Incurred Losses and Allocated Expenses Reported at Year End (000 omitted)						
Years in Which Losses Were Incurred	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. Prior	121,269	183,614	232,424	246,982	257,227	260,373	266,277
2. 1985	216,990	225,348	200,680	193,785	200,433	204,962	210,756
3. 1986	X X X X	233,973	223,069	222,859	211,938	204,773	209,693
4. 1987	X X X X	X X X X	239,746	240,058	235,978	239,217	249,257
5. 1988	X X X X	X X X X	X X X X	308,265	301,816	291,731	294,338
6. 1989	X X X X	X X X X	X X X X	X X X X	386,483	407,317	414,193
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	461,215	457,079
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	521,350
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 2E - COMMERCIAL MULTIPLE PERIL - (CONTINUED)

1 Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	Development 12 One Year	13 Two Year
1. Prior	274,021	277,801	301,587	23,786	27,566
2. 1985	214,794	216,087	218,138	2,051	3,344
3. 1986	203,517	208,796	212,715	3,919	9,198
4. 1987	249,500	252,745	255,694	2,949	6,193
5. 1988	293,852	297,965	306,790	8,826	12,939
6. 1989	416,772	428,718	436,928	8,210	20,156
7. 1990	454,210	456,113	469,196	13,083	14,986
8. 1991	510,718	501,847	488,647	(13,199)	(22,070)
9. 1992	547,757	554,254	553,526	(728)	5,769
10. 1993	X X X X	586,911	579,904	(7,007)	X X X X
11. 1994	X X X X	X X X X	664,443	X X X X	X X X X
			12. Totals	41,889	78,079

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COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 2F - SECTION 1 - MEDICAL MALPRACTICE - OCCURRENCE

1	Incurred Losses and Allocated Expenses Reported at Year End (000 omitted)						
Years in Which Losses Were Incurred	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. Prior	293,889	496,618	586,437	585,795	605,854	607,998	609,355
2. 1985	150,292	212,370	209,270	203,446	176,981	170,307	162,155
3. 1986	X X X X	295,137	286,746	268,982	211,478	182,871	178,095
4. 1987	X X X X	X X X X	131,467	119,819	106,835	76,688	79,978
5. 1988	X X X X	X X X X	X X X X	45,428	46,929	46,820	74,078
6. 1989	X X X X	X X X X	X X X X	X X X X	32,140	31,857	31,774
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	31,123	37,193
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	31,562
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 2F - SECTION 1 - MEDICAL MALPRACTICE - OCCURRENCE-(CONTINUED)

1 Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	Development 12 One Year	Development 13 Two Year
1. Prior	604,491	603,818	608,758	4,940	4,266
2. 1985	165,500	156,929	158,800	1,871	(6,700)
3. 1986	171,285	166,971	166,790	(181)	(4,495)
4. 1987	74,745	69,234	66,869	(2,365)	(7,876)
5. 1988	67,241	57,465	65,388	7,924	(1,852)
6. 1989	42,595	29,071	37,585	8,514	(5,009)
7. 1990	29,146	44,204	56,937	12,733	27,791
8. 1991	40,886	29,347	30,782	1,435	(10,104)
9. 1992	34,469	31,173	34,654	3,481	185
10. 1993	X X X X	25,533	25,278	(255)	X X X X
11. 1994	X X X X	X X X X	22,948	X X X X	X X X X
			12. Totals	38,096	(3,794)

SCHEDULE P - PART 2F - SECTION 2 - MEDICAL MALPRACTICE - CLAIMS-MADE

1 Years in Which Losses Were Incurred	Incurred Losses and Allocated Expenses Reported at Year End (000 omitted) 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. Prior	0	0	0	0	0	0	0
2. 1985	0	0	0	0	0	0	0
3. 1986	X X X X	0	0	0	0	0	0
4. 1987	X X X X	X X X X	62,766	72,238	73,350	62,129	58,733
5. 1988	X X X X	X X X X	X X X X	184,382	181,269	147,034	103,581
6. 1989	X X X X	X X X X	X X X X	X X X X	222,289	206,253	187,452
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	208,940	189,252
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	211,674
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 2F - SECTION 2 - MEDICAL MALPRACTICE - CLAIMS-MADE-(CONTINUED)

1				Development	
Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	12 One Year	13 Two Year
1. Prior	0	0	0	0	0
2. 1985	0	0	0	0	0
3. 1986	0	0	0	0	0
4. 1987	59,316	57,492	57,876	384	(1,441)
5. 1988	104,357	105,469	97,527	(7,942)	(6,830)
6. 1989	162,713	163,139	152,649	(10,490)	(10,065)
7. 1990	185,243	154,774	139,723	(15,051)	(45,520)
8. 1991	201,205	182,895	184,038	1,143	(17,167)
9. 1992	205,724	185,386	189,732	4,346	(15,992)
10. 1993	X X X X	221,304	214,158	(7,146)	X X X X
11. 1994	X X X X	X X X X	235,713	X X X X	X X X X
			12. Totals	(34,757)	(97,015)

SCHEDULE P - PART 2G - SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT (ALL PERILS), BOILER AND MACHINERY)

1	Incurred Losses and Allocated Expenses Reported at Year End (000 omitted)						
Years in Which Losses Were Incurred	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. Prior	4,251	4,254	3,877	5,294	6,438	6,927	7,843
2. 1985	4,496	4,201	4,185	4,280	4,449	4,602	4,572
3. 1986	X X X X	12,063	11,799	11,888	11,676	11,729	11,755
4. 1987	X X X X	X X X X	10,779	10,451	10,108	9,391	8,715
5. 1988	X X X X	X X X X	X X X X	15,801	14,417	13,140	12,334
6. 1989	X X X X	X X X X	X X X X	X X X X	14,036	12,982	13,563
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	13,671	12,193
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	16,204
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 2G - SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT (ALL PERILS), BOILER AND MACHINERY) - (CONTINUE)

1				Development	
Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	12 One Year	13 Two Year
1. Prior	9,040	9,883	10,152	269	1,111
2. 1985	4,487	4,473	4,502	28	15
3. 1986	11,750	11,720	11,693	(26)	(57)
4. 1987	8,726	8,579	8,665	87	(61)
5. 1988	11,286	11,311	10,974	(338)	(312)
6. 1989	13,251	12,774	12,499	(276)	(753)
7. 1990	14,926	13,642	13,316	(326)	(1,610)
8. 1991	12,980	11,980	11,728	(252)	(1,253)
9. 1992	13,689	12,402	11,988	(414)	(1,700)
10. 1993	X X X X	14,015	16,285	2,270	X X X X
11. 1994	X X X X	X X X X	36,870	X X X X	X X X X
			12. Totals	1,022	(4,619)

SCHEDULE P - PART 2H - SECTION 1 - OTHER LIABILITY - OCCURRENCE

1	Incurred Losses and Allocated Expenses Reported at Year End (000 omitted)						
Years in Which Losses Were Incurred	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. Prior	681,040	898,567	1,047,471	1,170,120	1,327,697	1,461,200	1,502,266
2. 1985	348,677	411,243	421,981	416,138	432,679	464,201	462,357
3. 1986	X X X X	686,537	678,712	632,112	571,822	518,440	511,436
4. 1987	X X X X	X X X X	402,135	429,954	371,141	352,200	325,872
5. 1988	X X X X	X X X X	X X X X	382,412	358,552	353,163	346,676
6. 1989	X X X X	X X X X	X X X X	X X X X	325,461	321,129	331,119
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	411,284	404,873
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	392,904
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 2H - SECTION 1 - OTHER LIABILITY - OCCURRENCE - (CONTINUED)

1				Development	
Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	12 One Year	13 Two Year
1. Prior	3,217,772	4,238,314	4,504,662	266,348	1,286,890
2. 1985	479,547	487,962	494,599	6,636	15,052
3. 1986	491,316	486,138	484,736	(1,402)	(6,581)
4. 1987	309,632	307,772	304,553	(3,219)	(5,080)
5. 1988	337,481	340,798	345,862	5,064	8,381
6. 1989	342,347	357,189	363,176	5,988	20,829
7. 1990	398,316	395,998	400,488	4,490	2,171
8. 1991	379,856	357,926	377,362	19,437	(2,494)
9. 1992	333,516	348,891	335,205	(13,686)	1,689
10. 1993	X X X X	354,091	325,709	(28,382)	X X X X
11. 1994	X X X X	X X X X	365,764	X X X X	X X X X
			12. Totals	261,274	1,320,859

SCHEDULE P - PART 2H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE

1	Incurred Losses and Allocated Expenses Reported at Year End (000 omitted)						
Years in Which Losses Were Incurred	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. Prior	0	0	0	0	0	0	0
2. 1985	0	0	0	0	0	0	0
3. 1986	X X X X	0	0	0	0	0	0
4. 1987	X X X X	X X X X	279,392	246,181	301,423	223,083	199,276
5. 1988	X X X X	X X X X	X X X X	278,919	302,250	300,613	219,999
6. 1989	X X X X	X X X X	X X X X	X X X X	294,493	295,699	249,121
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	304,875	273,631
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	301,017
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 2H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE - (CONTINUED)

1				Development	
Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	12 One Year	13 Two Year
1. Prior	0	0	0	0	0
2. 1985	0	0	0	0	0
3. 1986	0	0	0	0	0
4. 1987	185,349	177,146	173,668	(3,478)	(11,681)
5. 1988	209,331	193,022	189,327	(3,695)	(20,004)
6. 1989	234,873	237,434	227,492	(9,941)	(7,381)
7. 1990	273,334	280,647	273,999	(6,648)	665
8. 1991	293,319	291,634	272,919	(18,715)	(20,400)
9. 1992	304,114	263,061	252,466	(10,595)	(51,647)
10. 1993	X X X X	302,565	311,764	9,199	X X X X
11. 1994	X X X X	X X X X	393,052	X X X X	X X X X
			12. Totals	(43,874)	(110,448)

Form 2

COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 2I - SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, GLASS, BURGLARY AND THEFT)

1	Incurred Losses and Allocated Expenses Reported at Year End (000 omitted)						
Years in Which Losses Were Incurred	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. Prior	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
2. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
3. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 2I - SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, GLASS, BURGLARY AND THEFT) - (CONTINUED)

1				Development	
Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	12 One Year	13 Two Year
1. Prior	123,150	105,853	99,937	(5,916)	(23,213)
2. 1993	X X X X	76,909	96,225	19,316	X X X X
3. 1994	X X X X	X X X X	175,499	X X X X	X X X X
			4. Totals	13,400	(23,213)

SCHEDULE P - PART 2J - AUTO PHYSICAL DAMAGE

1	Incurred Losses and Allocated Expenses Reported at Year End (000 omitted)						
Years in Which Losses Were Incurred	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. Prior	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
2. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
3. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1				Development	
Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	12 One Year	13 Two Year
1. Prior	111,638	68,310	54,685	(13,626)	(56,953)
2. 1993	X X X X	213,757	202,274	(11,483)	X X X X
3. 1994	X X X X	X X X X	221,101	X X X X	X X X X
			4. Totals	(25,109)	(56,953)

SCHEDULE P - PART 2K - FIDELITY/SURETY

1 Years in Which Losses Were Incurred	Incurred Losses and Allocated Expenses Reported at Year End (000 omitted)						
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. Prior	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
2. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
3. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Losses Were Incurred				Development	
	9 1992	10 1993	11 1994	12 One Year	13 Two Year
1. Prior	75,413	74,968	72,980	(1,988)	(2,433)
2. 1993	X X X X	32,527	30,134	(2,393)	X X X X
3. 1994	X X X X	X X X X	37,963	X X X X	X X X X
			4. Totals	(4,381)	(2,433)

SCHEDULE P - PART 2L - OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)

1 Years in Which Losses Were Incurred	Incurred Losses and Allocated Expenses Reported at Year End (000 omitted) 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. Prior	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
2. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
3. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	Development 12 One Year	13 Two Year
1. Prior	675,946	652,804	662,553	9,749	(13,393)
2. 1993	X X X X	363,407	344,459	(18,948)	X X X X
3. 1994	X X X X	X X X X	408,246	X X X X	X X X X
			4. Totals	(9,200)	(13,393)

SCHEDULE P - PART 2M - INTERNATIONAL

1 Years in Which Losses Were Incurred	Incurred Losses and Allocated Expenses Reported at Year End (000 omitted) 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. Prior	4,286	3,922	3,675	3,284	558	980	2,438
2. 1985	0	0	0	0	0	0	0
3. 1986	X X X X	0	0	0	0	0	0
4. 1987	X X X X	X X X X	0	0	0	0	0
5. 1988	X X X X	X X X X	X X X X	0	0	0	0
6. 1989	X X X X	X X X X	X X X X	X X X X	0	0	0
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	0	0
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 2M - INTERNATIONAL - (CONTINUED)

1 Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	Development 12 One Year	13 Two Year
1. Prior	2,438	2,438	2,438	0	0
2. 1985	0	0	0	0	0
3. 1986	0	0	0	0	0
4. 1987	0	0	0	0	0
5. 1988	0	0	0	0	0
6. 1989	0	0	0	0	0
7. 1990	0	0	0	0	0
8. 1991	0	0	0	0	0
9. 1992	0	0	0	0	0
10. 1993	X X X X	0	0	0	X X X X
11. 1994	X X X X	X X X X	0	X X X X	X X X X
			12. Totals	0	0

Form 2

COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 2N - REINSURANCE A

1	Incurred Losses and Allocated Expenses Reported at Year End (000 omitted)						
Years in Which Losses Were Incurred	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. 1988	X X X X	X X X X	X X X X	7,276	9,524	9,000	7,790
2. 1989	X X X X	X X X X	X X X X	X X X X	54,263	53,955	61,097
3. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	40,349	51,076
4. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	14,527
5. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
6. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
7. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 2N - REINSURANCE A - (CONTINUED)

1 Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	Development 12 One Year	13 Two Year
1. 1988	7,789	7,789	9,382	1,593	1,593
2. 1989	60,659	62,102	61,256	(846)	597
3. 1990	44,339	44,640	46,973	2,334	2,634
4. 1991	35,744	38,261	41,373	3,111	5,628
5. 1992	109,945	127,314	130,517	3,203	20,572
6. 1993	X X X X	61,988	70,378	8,390	X X X X
7. 1994	X X X X	X X X X	66,898	X X X X	X X X X
			8. Totals	17,784	31,025

SCHEDULE P - PART 2O - REINSURANCE B

1 Years in Which Losses Were Incurred	Incurred Losses and Allocated Expenses Reported at Year End (000 omitted) 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. 1988	X X X X	X X X X	X X X X	77,448	70,694	68,842	68,497
2. 1989	X X X X	X X X X	X X X X	X X X X	127,264	126,567	127,463
3. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	123,160	104,462
4. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	128,753
5. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
6. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
7. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	Development 12 One Year	13 Two Year
1. 1988	67,897	65,856	61,949	(3,908)	(5,948)
2. 1989	127,631	64,160	76,407	12,246	(51,225)
3. 1990	104,953	134,430	80,518	(53,912)	(24,435)
4. 1991	122,384	105,641	86,475	(19,167)	(35,910)
5. 1992	116,932	91,528	75,683	(15,845)	(41,249)
6. 1993	X X X X	129,876	71,855	(58,021)	X X X X
7. 1994	X X X X	X X X X	72,132	X X X X	X X X X
			8. Totals	(138,607)	(158,767)

SCHEDULE P - PART 2P - REINSURANCE C

1 Years in Which Losses Were Incurred	Incurred Losses and Allocated Expenses Reported at Year End (000 omitted) 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. 1988	X X X X	X X X X	X X X X	62,139	62,443	62,436	62,425
2. 1989	X X X X	X X X X	X X X X	X X X X	36,570	37,120	37,608
3. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	27,174	27,670
4. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	15,730
5. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
6. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
7. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	Development 12 One Year	13 Two Year
1. 1988	62,416	62,334	62,337	3	(79)
2. 1989	38,646	38,785	38,852	68	206
3. 1990	35,516	35,715	35,147	(568)	(369)
4. 1991	2,978	3,291	3,347	56	368
5. 1992	0	101	102	1	102
6. 1993	X X X X	120	329	209	X X X X
7. 1994	X X X X	X X X X	637	X X X X	X X X X
			8. Totals	(231)	228

SCHEDULE P - PART 2Q - REINSURANCE D

1 Years in Which Losses Were Incurred	Incurred Losses and Allocated Expenses Reported at Year End (000 omitted) 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. Prior	137,305	161,169	301,037	329,118	358,470	385,944	391,337
2. 1985	90,501	123,307	125,726	143,396	148,112	146,763	144,326
3. 1986	X X X X	137,803	120,160	125,653	133,461	134,775	133,908
4. 1987	X X X X	X X X X	169,683	164,244	164,324	171,622	170,773

SCHEDULE P - PART 2Q - REINSURANCE D - (CONTINUED)

1 Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	Development 12 One Year	Development 13 Two Year
1. Prior	390,840	391,973	403,237	11,265	12,397
2. 1985	143,726	139,592	130,720	(8,872)	(13,006)
3. 1986	131,141	125,739	126,573	834	(4,568)
4. 1987	170,816	168,878	172,318	3,440	1,503
			5. Totals	6,667	(3,674)

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COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 2R - SECTION 1 - PRODUCTS LIABILITY - OCCURRENCE

1	Incurred Losses and Allocated Expenses Reported at Year End (000 omitted)						
Years in Which Losses Were Incurred	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. Prior	150,439	164,723	190,327	201,727	223,484	258,432	321,588
2. 1985	104,073	108,056	102,600	100,242	109,749	104,644	118,739
3. 1986	X X X X	159,567	157,186	155,570	149,125	151,397	157,776
4. 1987	X X X X	X X X X	134,907	136,255	139,310	133,401	116,321
5. 1988	X X X X	X X X X	X X X X	103,761	103,139	104,337	99,043
6. 1989	X X X X	X X X X	X X X X	X X X X	98,645	98,193	98,024
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	109,828	108,021
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	79,401
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 2R - SECTION 1 - PRODUCTS LIABILITY - OCCURRENCE -(CONTINUED)

1 Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	Development** 12 One Year	13 Two Year
1. Prior	326,400	324,082	267,349	(56,732)	(59,050)
2. 1985	121,609	114,867	114,238	(629)	(7,371)
3. 1986	158,949	159,526	157,222	(2,304)	(1,726)
4. 1987	112,420	111,354	109,711	(1,642)	(2,708)
5. 1988	95,801	92,699	94,619	1,920	(1,182)
6. 1989	94,225	87,447	94,040	6,593	(185)
7. 1990	102,108	113,025	115,696	2,670	13,588
8. 1991	79,434	83,569	90,493	6,924	11,059
9. 1992	53,115	56,515	61,812	5,297	8,697
10. 1993	X X X X	55,947	56,751	804	X X X X
11. 1994	X X X X	X X X X	59,887	X X X X	X X X X
			12. Totals	(37,099)	(38,880)

SCHEDULE P - PART 2R - SECTION 2 - PRODUCTS LIABILITY - CLAIMS-MADE

1 Years in Which Losses Were Incurred	Incurred Losses and Allocated Expenses Reported at Year End (000 omitted) 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. Prior	0	0	0	0	0	0	0
2. 1985	0	0	0	0	0	0	0
3. 1986	X X X X	0	0	0	0	0	0
4. 1987	X X X X	X X X X	1,515	1,514	136	137	137
5. 1988	X X X X	X X X X	X X X X	704	553	552	553
6. 1989	X X X X	X X X X	X X X X	X X X X	649	649	649
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	293	300
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	168
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 2R - SECTION 2 - PRODUCTS LIABILITY- CLAIMS-MADE -(CONTINUED)

1 Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	Development** 12 One Year	13 Two Year
1. Prior	0	0	0	0	0
2. 1985	0	0	0	0	0
3. 1986	0	0	0	0	0
4. 1987	98	99	99	0	1
5. 1988	510	510	509	(1)	(1)
6. 1989	531	531	531	0	0
7. 1990	124	124	124	0	0
8. 1991	18	18	18	0	0
9. 1992	3	3	3	0	0
10. 1993	X X X X	4	3	(1)	X X X X
11. 1994	X X X X	X X X X	0	X X X X	X X X X
			12. Totals	(1)	1

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COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 3A - HOMEOWNERS/FARMOWNERS

1 Years in Which Losses Were Incurred	Cumulative Paid Losses and Allocated Expenses at Year End (000 omitted) 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. Prior	000	2,831	6,199	8,998	10,429	11,648	12,011
2. 1985	38,850	54,569	57,593	59,318	60,356	61,456	62,351
3. 1986	X X X X	35,945	50,355	52,895	54,023	55,416	56,125
4. 1987	X X X X	X X X X	38,122	58,523	61,501	64,193	65,451
5. 1988	X X X X	X X X X	X X X X	49,210	79,587	83,370	85,844
6. 1989	X X X X	X X X X	X X X X	X X X X	71,302	120,691	124,932
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	92,035	138,853
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	97,832
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 3A - HOMEOWNERS/FARMOWNERS - (CONTINUED)

1 Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	12 Number of Claims Closed With Loss Payment	13 Number of Claims Closed Without Loss Payment
1. Prior	12,800	13,167	13,326	289,258	66,286
2. 1985	63,416	62,735	62,839	35,303	9,520
3. 1986	56,730	56,875	57,018	29,370	9,234
4. 1987	67,081	70,167	69,959	34,349	10,989
5. 1988	88,104	89,176	90,187	37,199	12,613
6. 1989	128,887	129,480	131,256	50,210	17,850
7. 1990	143,714	149,898	152,338	53,983	18,926
8. 1991	134,371	142,751	148,585	60,026	20,578
9. 1992	129,003	168,493	175,882	61,697	19,957
10. 1993	X X X X	101,293	135,647	50,959	18,809
11. 1994	X X X X	X X X X	148,446	52,455	18,211

SCHEDULE P - PART 3B - PRIVATE PASSENGER AUTO LIABILITY/MEDICAL

1 Years in Which Losses Were Incurred	Cumulative Paid Losses and Allocated Expenses at Year End (000 omitted) 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. Prior	000	44,939	81,656	100,536	113,910	119,708	124,540
2. 1985	30,986	71,312	99,847	118,525	129,168	135,247	139,937
3. 1986	X X X X	38,033	74,470	104,091	124,955	138,387	146,954
4. 1987	X X X X	X X X X	38,663	93,343	126,301	151,680	170,872
5. 1988	X X X X	X X X X	X X X X	48,594	110,584	148,320	179,846
6. 1989	X X X X	X X X X	X X X X	X X X X	57,250	134,406	184,596
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	71,789	161,442
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	73,978
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 3B - PRIVATE PASSENGER AUTO LIABILITY/MEDICAL - (CONTINUED)

1 Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	12 Number of Claims Closed With Loss Payment	13 Number of Claims Closed Without Loss Payment
1. Prior	128,469	131,593	133,804	374,084	147,792
2. 1985	142,048	143,623	144,499	43,822	18,725
3. 1986	153,406	158,299	160,849	45,423	21,000
4. 1987	178,800	186,002	188,534	51,131	25,437
5. 1988	199,535	209,426	214,146	56,252	27,540
6. 1989	221,341	245,940	259,710	63,089	29,473
7. 1990	217,595	261,424	283,905	67,088	29,204
8. 1991	164,746	231,995	280,088	64,617	29,427
9. 1992	77,634	179,661	251,693	62,252	27,831
10. 1993	X X X X	77,278	176,216	55,511	26,600
11. 1994	X X X X	X X X X	79,523	34,725	19,340

SCHEDULE P - PART 3C - COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL

1 Years in Which Losses Were Incurred	Cumulative Paid Losses and Allocated Expenses at Year End (000 omitted)						
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. Prior	000	52,363	98,862	135,506	162,761	176,458	180,975
2. 1985	25,494	57,863	86,635	114,824	136,757	147,710	157,751
3. 1986	X X X X	28,865	67,871	108,474	138,398	163,230	177,484
4. 1987	X X X X	X X X X	35,077	86,537	137,055	179,958	206,231
5. 1988	X X X X	X X X X	X X X X	41,639	104,428	152,393	205,255
6. 1989	X X X X	X X X X	X X X X	X X X X	51,661	123,580	197,448
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	57,761	139,716
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	55,749
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 3C - COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL - (CONTINUED)

1 Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	12 Number of Claims Closed With Loss Payment	13 Number of Claims Closed Without Loss Payment
1. Prior	186,189	189,436	192,136	321,526	164,454
2. 1985	163,097	165,423	166,837	45,376	30,641
3. 1986	189,218	197,410	201,962	53,970	41,620
4. 1987	229,240	240,135	247,905	60,982	46,672
5. 1988	236,984	261,747	273,773	62,831	45,536
6. 1989	252,179	299,738	320,399	63,478	43,010
7. 1990	219,887	298,318	350,336	60,392	38,149
8. 1991	134,908	222,786	276,118	55,474	34,088
9. 1992	53,990	127,122	210,191	46,552	27,177
10. 1993	X X X X	57,166	140,964	42,983	22,855
11. 1994	X X X X	X X X X	66,244	33,053	16,503

SCHEDULE P - PART 3D - WORKERS' COMPENSATION

1 Years in Which Losses Were Incurred	Cumulative Paid Losses and Allocated Expenses at Year End (000 omitted) 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. Prior	000	130,258	220,791	298,250	356,702	396,095	441,656
2. 1985	95,510	223,323	270,977	326,674	357,985	382,358	439,472
3. 1986	X X X X	125,153	295,782	406,227	474,499	525,496	568,625
4. 1987	X X X X	X X X X	166,427	425,814	563,615	664,174	695,431
5. 1988	X X X X	X X X X	X X X X	184,350	515,900	728,120	883,556
6. 1989	X X X X	X X X X	X X X X	X X X X	237,431	681,258	987,095
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	282,541	849,350
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	306,367
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 3D - WORKERS' COMPENSATION - (CONTINUED)

1 Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	12 Number of Claims Closed With Loss Payment	13 Number of Claims Closed Without Loss Payment
1. Prior	475,576	513,438	548,831	1,596,492	307,843
2. 1985	456,711	466,711	474,861	192,326	46,460
3. 1986	593,079	613,628	627,025	225,047	63,066
4. 1987	743,294	774,176	795,464	238,997	70,486
5. 1988	979,513	1,034,925	1,067,084	259,531	80,334
6. 1989	1,172,124	1,284,156	1,351,392	257,456	72,317
7. 1990	1,202,027	1,422,272	1,540,035	263,304	80,685
8. 1991	750,209	1,030,896	1,197,817	240,882	69,336
9. 1992	214,419	603,867	812,823	166,800	60,251
10. 1993	X X X X	172,708	459,889	125,589	47,675
11. 1994	X X X X	X X X X	167,955	82,378	39,878

SCHEDULE P - PART 3E - COMMERCIAL MULTIPLE PERIL

1	Cumulative Paid Losses and Allocated Expenses at Year End (000 omitted)						
Years in Which Losses Were Incurred	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. Prior	000	49,951	97,276	130,933	156,055	170,422	185,707
2. 1985	65,936	113,791	127,453	148,032	164,470	175,050	186,778
3. 1986	X X X X	50,003	92,785	114,133	134,888	152,121	167,334
4. 1987	X X X X	X X X X	56,710	110,117	134,803	155,903	178,898
5. 1988	X X X X	X X X X	X X X X	77,257	144,592	170,123	187,635
6. 1989	X X X X	X X X X	X X X X	X X X X	105,545	223,811	263,275
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	117,597	208,883
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	149,903
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 3E - COMMERCIAL MULTIPLE PERIL - (CONTINUED)

1 Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	12 Number of Claims Closed With Loss Payment	13 Number of Claims Closed Without Loss Payment
1. Prior	198,336	205,967	226,534	350,485	116,523
2. 1985	198,246	201,297	204,994	37,501	18,734
3. 1986	175,696	184,490	189,604	30,619	20,953
4. 1987	200,640	212,529	221,665	32,645	19,715
5. 1988	219,599	242,073	264,991	38,657	24,043
6. 1989	300,297	344,097	373,323	50,698	32,012
7. 1990	259,705	312,246	359,874	55,327	34,399
8. 1991	238,435	301,173	364,823	54,492	35,233
9. 1992	183,122	292,320	363,864	49,639	32,388
10. 1993	X X X X	144,538	248,462	45,770	30,853
11. 1994	X X X X	X X X X	192,911	35,428	23,821

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SCHEDULE P - PART 3F - SECTION 1 - MEDICAL MALPRACTICE - OCCURRENCE

1 Years in Which Losses Were Incurred	Cumulative Paid Losses and Allocated Expenses at Year End (000 omitted)						
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. Prior	000	50,117	123,878	197,092	251,997	301,005	328,261
2. 1985	189	3,678	12,259	30,484	50,073	65,357	76,675
3. 1986	X X X X	296	3,698	14,042	32,768	49,317	67,987
4. 1987	X X X X	X X X X	232	3,364	7,364	16,494	24,992
5. 1988	X X X X	X X X X	X X X X	130	830	(1,722)	42
6. 1989	X X X X	X X X X	X X X X	X X X X	(3)	(1,912)	(1,234)
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	(292)	566
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	(145)
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 3F - SECTION 1 - MEDICAL MALPRACTICE - OCCURRENCE - (CONTINUED)

1 Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	12 Number of Claims Closed With Loss Payment	13 Number of Claims Closed Without Loss Payment
1. Prior	353,923	373,852	385,670	8,279	16,391
2. 1985	86,952	95,017	102,525	2,230	5,023
3. 1986	76,694	92,762	98,056	1,801	4,767
4. 1987	29,397	32,744	37,961	859	2,417
5. 1988	4,088	7,050	14,192	300	1,285
6. 1989	(1,407)	2,565	5,739	310	1,350
7. 1990	(998)	7,665	15,017	429	1,501
8. 1991	(1,132)	1,452	7,396	136	1,174
9. 1992	157	851	7,512	108	1,007
10. 1993	X X X X	40	1,986	44	533
11. 1994	X X X X	X X X X	9	11	139

SCHEDULE P - PART 3F - SECTION 2 - MEDICAL MALPRACTICE - CLAIMS-MADE

1 Years in Which Losses Were Incurred	Cumulative Paid Losses and Allocated Expenses at Year End (000 omitted) 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. Prior	000	0	0	0	0	0	0
2. 1985	0	0	0	0	0	0	0
3. 1986	X X X X	0	0	0	0	0	0
4. 1987	X X X X	X X X X	141	4,361	13,814	22,206	27,542
5. 1988	X X X X	X X X X	X X X X	652	7,662	26,536	15,303
6. 1989	X X X X	X X X X	X X X X	X X X X	1,674	19,158	55,452
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	1,909	22,915
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	2,410
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 3F - SECTION 2 - MEDICAL MALPRACTICE - CLAIMS-MADE - (CONTINUED)

1 Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	12 Number of Claims Closed With Loss Payment	13 Number of Claims Closed Without Loss Payment
1. Prior	0	0	0	0	0
2. 1985	0	0	0	0	0
3. 1986	0	0	0	0	0
4. 1987	33,950	39,841	40,358	341	1,151
5. 1988	33,432	46,278	48,184	779	2,356
6. 1989	58,889	71,881	79,076	1,140	3,383
7. 1990	64,105	70,021	80,665	1,155	3,504
8. 1991	29,967	60,231	86,025	1,061	3,668
9. 1992	3,537	35,448	88,258	1,143	4,347
10. 1993	X X X X	5,758	40,861	910	4,468
11. 1994	X X X X	X X X X	3,908	438	3,133

SCHEDULE P - PART 3G - SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT (ALL PERILS), BOILER AND MACHINERY)

1	Cumulative Paid Losses and Allocated Expenses at Year End (000 omitted)						
Years in Which Losses Were Incurred	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. Prior	000	705	2,022	3,642	5,190	6,143	7,255
2. 1985	2,669	3,368	2,427	3,121	3,588	4,062	4,356
3. 1986	X X X X	5,566	8,425	9,337	10,581	11,133	11,392
4. 1987	X X X X	X X X X	2,135	4,297	5,990	7,947	8,124
5. 1988	X X X X	X X X X	X X X X	3,442	7,276	9,305	8,856
6. 1989	X X X X	X X X X	X X X X	X X X X	4,371	7,529	9,792
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	4,315	8,458
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	5,161
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 3G - SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT (ALL PERILS), BOILER AND MACHINERY) - (CONTINUED)

1 Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	12 Number of Claims Closed With Loss Payment	13 Number of Claims Closed Without Loss Payment
1. Prior	8,730	9,417	9,649	X X X X	X X X X
2. 1985	4,345	4,364	4,428	X X X X	X X X X
3. 1986	11,671	11,633	11,650	X X X X	X X X X
4. 1987	8,356	8,369	8,487	X X X X	X X X X
5. 1988	9,107	9,364	9,405	X X X X	X X X X
6. 1989	10,637	11,368	11,722	X X X X	X X X X
7. 1990	10,228	11,465	12,454	X X X X	X X X X
8. 1991	8,900	10,278	10,544	X X X X	X X X X
9. 1992	3,408	7,752	9,468	X X X X	X X X X
10. 1993	X X X X	3,578	9,395	X X X X	X X X X
11. 1994	X X X X	X X X X	3,387	X X X X	X X X X

SCHEDULE P - PART 3H - SECTION 1 - OTHER LIABILITY - OCCURRENCE

1 Years in Which Losses Were Incurred	Cumulative Paid Losses and Allocated Expenses at Year End (000 omitted)						
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. Prior	000	189,094	358,059	507,174	658,379	820,687	956,685
2. 1985	6,584	31,822	76,786	137,156	172,455	251,689	279,472
3. 1986	X X X X	9,737	44,232	112,549	179,865	234,993	297,911
4. 1987	X X X X	X X X X	8,977	32,146	67,525	98,873	128,037
5. 1988	X X X X	X X X X	X X X X	14,952	41,835	75,968	104,161
6. 1989	X X X X	X X X X	X X X X	X X X X	2,484	38,769	83,475
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	14,073	42,770
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	15,796
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 3H - SECTION 1 - OTHER LIABILITY - OCCURRENCE -(CONTINUED)

1 Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	12 Number of Claims Closed With Loss Payment	13 Number of Claims Closed Without Loss Payment
1. Prior	1,152,383	1,445,792	1,782,225	176,698	356,783
2. 1985	338,157	362,044	386,236	15,038	22,526
3. 1986	308,938	335,860	350,369	19,148	27,374
4. 1987	159,283	179,049	187,895	18,844	21,352
5. 1988	146,917	181,696	203,337	19,581	21,704
6. 1989	127,503	172,789	203,577	19,399	23,254
7. 1990	95,172	152,605	203,627	22,787	26,086
8. 1991	45,774	93,765	156,425	19,266	23,629
9. 1992	11,346	33,757	74,442	13,058	18,142
10. 1993	X X X X	14,561	47,267	12,227	16,603
11. 1994	X X X X	X X X X	14,103	7,449	9,414

SCHEDULE P - PART 3H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE

1 Years in Which Losses Were Incurred	Cumulative Paid Losses and Allocated Expenses at Year End (000 omitted) 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. Prior	000	0	0	0	0	0	0
2. 1985	0	0	0	0	0	0	0
3. 1986	X X X X	0	0	0	0	0	0
4. 1987	X X X X	X X X X	2,523	19,930	44,977	73,564	99,594
5. 1988	X X X X	X X X X	X X X X	3,497	22,762	59,139	91,611
6. 1989	X X X X	X X X X	X X X X	X X X X	16,108	27,492	71,569
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	3,721	39,912
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	4,268
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 3H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE - (CONTINUED)

1 Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	12 Number of Claims Closed With Loss Payment	13 Number of Claims Closed Without Loss Payment
1. Prior	0	0	0	0	0
2. 1985	0	0	0	0	0
3. 1986	0	0	0	0	0
4. 1987	115,106	124,240	134,577	913	3,407
5. 1988	116,850	134,867	140,959	958	3,438
6. 1989	113,938	141,500	177,528	1,001	3,317
7. 1990	81,786	123,306	165,327	1,121	3,622
8. 1991	34,254	101,348	139,727	1,069	3,926
9. 1992	4,176	32,282	80,939	823	3,998
10. 1993	X X X X	4,689	41,384	629	4,088
11. 1994	X X X X	X X X X	9,236	223	2,870

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SCHEDULE P - PART 3I - SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, GLASS, BURGLARY AND THEFT)

1	Cumulative Paid Losses and Allocated Expenses at Year End (000 omitted)						
Years in Which Losses Were Incurred	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. Prior	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
2. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
3. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 3I - SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, GLASS, BURGLARY AND THEFT) - (CONTINUED)

1 Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	12 Number of Claims Closed With Loss Payment	13 Number of Claims Closed Without Loss Payment
1. Prior	000	492,901	509,463	X X X X	X X X X
2. 1993	X X X X	20,484	66,276	X X X X	X X X X
3. 1994	X X X X	X X X X	97,955	X X X X	X X X X

SCHEDULE P - PART 3J - AUTO PHYSICAL DAMAGE

1 Years in Which Losses Were Incurred	Cumulative Paid Losses and Allocated Expenses at Year End (000 omitted) 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. Prior	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
2. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
3. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	12 Number of Claims Closed With Loss Payment	13 Number of Claims Closed Without Loss Payment
1. Prior	000	1,290,597	1,291,734	1,911,593	430,647
2. 1993	X X X X	158,420	182,600	137,056	40,484
3. 1994	X X X X	X X X X	172,287	123,050	35,072

SCHEDULE P - PART 3K - FIDELITY/SURETY

1 Years in Which Losses Were Incurred	Cumulative Paid Losses and Allocated Expenses at Year End (000 omitted) 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. Prior	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
2. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
3. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	12 Number of Claims Closed With Loss Payment	13 Number of Claims Closed Without Loss Payment
1. Prior	000	103,693	108,999	X X X X	X X X X
2. 1993	X X X X	8,833	14,131	X X X X	X X X X
3. 1994	X X X X	X X X X	5,677	X X X X	X X X X

SCHEDULE P - PART 3L - OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)

1 Years in Which Losses Were Incurred	Cumulative Paid Losses and Allocated Expenses at Year End (000 omitted) 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. Prior	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
2. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
3. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 3L - OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)-(CONTINUED)

1 Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	12 Number of Claims Closed With Loss Payment	13 Number of Claims Closed Without Loss Payment
1. Prior	000	1,747,239	1,826,483	X X X X	X X X X
2. 1993	X X X X	100,135	201,633	X X X X	X X X X
3. 1994	X X X X	X X X X	130,294	X X X X	X X X X

SCHEDULE P - PART 3M - INTERNATIONAL

1 Years in Which Losses Were Incurred	Cumulative Paid Losses and Allocated Expenses at Year End (000 omitted) 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. Prior	000	(10)	(346)	(601)	558	980	2,438
2. 1985	0	0	0	0	0	0	0
3. 1986	X X X X	0	0	0	0	0	0
4. 1987	X X X X	X X X X	0	0	0	0	0
5. 1988	X X X X	X X X X	X X X X	0	0	0	0
6. 1989	X X X X	X X X X	X X X X	X X X X	0	0	0
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	0	0
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	0
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 3M - INTERNATIONAL - (CONTINUED)

1 Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	12 Number of Claims Closed With Loss Payment	13 Number of Claims Closed Without Loss Payment
1. Prior	2,438	2,438	2,438	X X X X	X X X X
2. 1985	0	0	0	X X X X	X X X X
3. 1986	0	0	0	X X X X	X X X X
4. 1987	0	0	0	X X X X	X X X X
5. 1988	0	0	0	X X X X	X X X X
6. 1989	0	0	0	X X X X	X X X X
7. 1990	0	0	0	X X X X	X X X X
8. 1991	0	0	0	X X X X	X X X X
9. 1992	0	0	0	X X X X	X X X X
10. 1993	X X X X	0	0	X X X X	X X X X
11. 1994	X X X X	X X X X	0	X X X X	X X X X

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SCHEDULE P - PART 3N - REINSURANCE A

1 Years in Which Losses Were Incurred	Cumulative Paid Losses and Allocated Expenses at Year End (000 Omitted)						
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. 1988	0	X X X X	X X X X	1,351	4,676	6,088	(12,114)
2. 1989	X X X X	X X X X	X X X X	X X X X	9,939	49,095	55,813
3. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	12,324	36,445
4. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	5,353
5. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
6. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
7. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 3N - REINSURANCE A - (CONTINUED)

1 Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	12 Number of Claims Closed With Loss Payment	13 Number of Claims Closed Without Loss Payment
1. 1988	(9,735)	(8,391)	(6,750)	X X X X	X X X X
2. 1989	45,587	49,241	49,188	X X X X	X X X X
3. 1990	40,990	25,640	28,032	X X X X	X X X X
4. 1991	27,310	32,971	35,599	X X X X	X X X X
5. 1992	45,295	112,078	120,868	X X X X	X X X X
6. 1993	X X X X	5,307	12,362	X X X X	X X X X
7. 1994	X X X X	X X X X	12,324	X X X X	X X X X

SCHEDULE P - PART 3O - REINSURANCE B

1 Years in Which Losses Were Incurred	Cumulative Paid Losses and Allocated Expenses at Year End (000 Omitted) 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. 1988	0	X X X X	X X X X	367	5,194	13,574	(7,642)
2. 1989	X X X X	X X X X	X X X X	X X X X	589	6,342	17,806
3. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	986	7,608
4. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	1,061
5. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
6. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
7. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	12 Number of Claims Closed With Loss Payment	13 Number of Claims Closed Without Loss Payment
1. 1988	341	5,549	8,632	X X X X	X X X X
2. 1989	6,118	14,566	21,893	X X X X	X X X X
3. 1990	23,114	8,671	18,784	X X X X	X X X X
4. 1991	15,093	29,924	42,953	X X X X	X X X X
5. 1992	864	5,262	15,444	X X X X	X X X X
6. 1993	X X X X	1,477	11,094	X X X X	X X X X
7. 1994	X X X X	X X X X	1,952	X X X X	X X X X

SCHEDULE P - PART 3P - REINSURANCE C

1 Years in Which Losses Were Incurred	Cumulative Paid Losses and Allocated Expenses at Year End (000 Omitted) 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. 1988	0	X X X X	X X X X	28,164	60,996	61,230	61,766
2. 1989	X X X X	X X X X	X X X X	X X X X	1,846	29,081	37,001
3. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	619	9,392
4. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	465
5. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
6. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
7. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	12 Number of Claims Closed With Loss Payment	13 Number of Claims Closed Without Loss Payment
1. 1988	61,771	61,738	61,737	X X X X	X X X X
2. 1989	38,227	38,538	38,581	X X X X	X X X X
3. 1990	34,727	34,801	34,923	X X X X	X X X X
4. 1991	1,495	1,884	2,159	X X X X	X X X X
5. 1992	0	101	101	X X X X	X X X X
6. 1993	X X X X	120	199	X X X X	X X X X
7. 1994	X X X X	X X X X	0	X X X X	X X X X

SCHEDULE P - PART 3Q - REINSURANCE D

1 Years in Which Losses Were Incurred	Cumulative Paid Losses and Allocated Expenses at Year End (000 Omitted) 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. Prior	000	(17,222)	(6,318)	33,056	84,095	130,500	165,388
2. 1985	6,384	72,889	94,508	3,261	24,638	36,042	44,862
3. 1986	X X X X	16,090	64,669	74,825	(11,950)	(1,347)	6,318
4. 1987	X X X X	X X X X	27,929	93,493	103,039	3,271	21,961

SCHEDULE P - PART 3Q - REINSURANCE D - (CONTINUED)

1 Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	12 Number of Claims Closed With Loss Payment	13 Number of Claims Closed Without Loss Payment
1. Prior	225,048	247,809	274,788	X X X X	X X X X
2. 1985	57,479	57,401	65,295	X X X X	X X X X
3. 1986	17,557	24,264	28,079	X X X X	X X X X
4. 1987	35,356	48,660	58,327	X X X X	X X X X

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SCHEDULE P - PART 3R - SECTION 1 - PRODUCTS LIABILITY - OCCURRENCE

1 Years in Which Losses Were Incurred	Cumulative Paid Losses and Allocated Expenses at Year End (000 Omitted)						
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. Prior	000	31,837	65,423	90,777	122,471	130,291	237,044
2. 1985	799	3,541	7,992	19,976	28,760	39,173	66,699
3. 1986	X X X X	922	4,467	10,761	21,762	55,363	91,480
4. 1987	X X X X	X X X X	962	5,907	12,738	18,758	28,521
5. 1988	X X X X	X X X X	X X X X	1,150	4,301	9,483	17,114
6. 1989	X X X X	X X X X	X X X X	X X X X	1,060	3,128	12,679
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	899	5,417
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	1,216
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 3R - SECTION 1 - PRODUCTS LIABILITY - OCCURRENCE - (CONTINUED)

1 Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	12 Number of Claims Closed With Loss Payment	13 Number of Claims Closed Without Loss Payment
1. Prior	249,054	248,664	192,513	14,356	36,768
2. 1985	82,460	82,260	83,637	3,400	8,710
3. 1986	103,493	111,539	114,800	2,666	6,922
4. 1987	37,945	48,777	53,306	2,675	6,396
5. 1988	27,563	41,627	50,861	2,967	6,116
6. 1989	21,292	30,363	40,113	2,260	5,061
7. 1990	7,978	26,539	41,484	1,978	5,493
8. 1991	6,355	17,360	36,875	2,045	4,397
9. 1992	1,453	5,569	18,277	1,722	3,831
10. 1993	X X X X	3,060	6,855	1,374	3,968
11. 1994	X X X X	X X X X	3,077	851	1,945

SCHEDULE P - PART 3R - SECTION 2 - PRODUCTS LIABILITY - CLAIMS-MADE

1 Years in Which Losses Were Incurred	Cumulative Paid Losses and Allocated Expenses at Year End (000 Omitted) 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. Prior	000	0	0	0	0	0	0
2. 1985	0	0	0	0	0	0	0
3. 1986	X X X X	0	0	0	0	0	0
4. 1987	X X X X	X X X X	0	0	0	1	1
5. 1988	X X X X	X X X X	X X X X	1	3	3	3
6. 1989	X X X X	X X X X	X X X X	X X X X	0	0	0
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	7	7
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	15
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 3R - SECTION 2 - PRODUCTS LIABILITY - CLAIMS-MADE-(CONTINUED)

1 Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	12 Number of Claims Closed With Loss Payment	13 Number of Claims Closed Without Loss Payment
1. Prior	0	0	0	0	0
2. 1985	0	0	0	0	0
3. 1986	0	0	0	0	0
4. 1987	1	1	1	1	146
5. 1988	3	3	3	1	2
6. 1989	0	0	0	0	3
7. 1990	7	7	7	0	0
8. 1991	15	15	15	1	1
9. 1992	0	0	0	0	1
10. 1993	X X X X	0	0	0	1
11. 1994	X X X X	X X X X	0	0	0

SCHEDULE P - PART 3S - FINANCIAL GUARANTY/MORTGAGE GUARANTY

1 Years in Which Losses Were Incurred	Cumulative Paid Losses and Allocated Expenses at Year End (000 Omitted)						
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990	8 1991
1. Prior	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
2. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
3. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 3S - FINANCIAL GUARANTY/MORTGAGE GUARANTY - (CONTINUED)

1 Years in Which Losses Were Incurred	9 1992	10 1993	11 1994	12 Number of Claims Closed With Loss Payment	13 Number of Claims Closed Without Loss Payment
1. Prior	000	48,056	64,767	X X X X	324
2. 1993	X X X X	35,205	(22,678)	X X X X	0
3. 1994	X X X X	X X X X	49,333	X X X X	0

Form 2

COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 4A - HOMEOWNERS/FARMOWNERS

1	BULK AND INCURRED BUT NOT REPORTED RESERVES ON LOSSES AND ALLOCATED EXPENSES AT YEAR END					
Years in Which Losses Were Incurred	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	2,922	1,116	573	348	2,320	877
2. 1985	9,931	3,129	801	561	1,488	499
3. 1986	X X X X	18,344	4,820	3,140	3,285	1,347
4. 1987	X X X X	X X X X	11,603	3,666	3,247	1,403
5. 1988	X X X X	X X X X	X X X X	26,713	4,633	3,192
6. 1989	X X X X	X X X X	X X X X	X X X X	27,311	4,425
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	25,184
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 4A - HOMEOWNERS/FARMOWNERS - (CONTINUED)

1 Years in Which Losses Were Incurred	(000 OMITTED) 8 1991	9 1992	10 1993	11 1994
1. Prior	593	144	98	83
2. 1985	73	275	293	292
3. 1986	179	344	300	315
4. 1987	628	824	511	1,154
5. 1988	1,629	1,300	1,484	1,165
6. 1989	2,983	754	1,701	2,085
7. 1990	5,985	2,880	2,375	2,180
8. 1991	34,653	9,981	8,205	5,858
9. 1992	X X X X	62,510	20,346	16,960
10. 1993	X X X X	X X X X	50,046	31,454
11. 1994	X X X X	X X X X	X X X X	83,309

SCHEDULE P - PART 4B - PRIVATE PASSENGER AUTO LIABILITY/MEDICAL

1 Years in Which Losses Were Incurred	BULK AND INCURRED BUT NOT REPORTED RESERVES ON LOSSES AND ALLOCATED EXPENSES AT YEAR END 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	47,298	22,746	7,656	6,453	12,940	9,173
2. 1985	56,635	18,192	4,845	3,823	10,805	5,638
3. 1986	X X X X	65,156	22,367	11,497	12,746	9,029
4. 1987	X X X X	X X X X	79,343	21,932	16,527	17,396
5. 1988	X X X X	X X X X	X X X X	119,671	59,979	35,928
6. 1989	X X X X	X X X X	X X X X	X X X X	144,253	58,913
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	156,719
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 4B - PRIVATE PASSENGER AUTO LIABILITY/MEDICAL - (CONTINUED)

1 Years in Which Losses Were Incurred	(000 OMITTED) 8 1991	9 1992	10 1993	11 1994
1. Prior	9,777	9,023	8,632	7,972
2. 1985	5,117	3,807	3,380	2,799
3. 1986	5,956	4,763	3,645	3,542
4. 1987	12,437	10,498	6,253	5,899
5. 1988	24,224	16,266	9,105	6,977
6. 1989	49,513	30,402	20,183	14,995
7. 1990	98,339	64,747	39,067	22,369
8. 1991	198,799	115,598	67,646	33,338
9. 1992	X X X X	225,555	125,881	78,914
10. 1993	X X X X	X X X X	215,507	127,350
11. 1994	X X X X	X X X X	X X X X	145,676

SCHEDULE P - PART 4C - COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL

1 Years in Which Losses Were Incurred	BULK AND INCURRED BUT NOT REPORTED RESERVES ON LOSSES AND ALLOCATED EXPENSES AT YEAR END 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	89,261	49,963	43,340	27,900	27,896	28,629
2. 1985	98,069	54,689	21,291	17,667	16,179	17,404
3. 1986	X X X X	160,017	102,501	70,056	45,676	40,076
4. 1987	X X X X	X X X X	161,138	84,923	46,877	37,879
5. 1988	X X X X	X X X X	X X X X	199,029	112,791	71,375
6. 1989	X X X X	X X X X	X X X X	X X X X	253,493	153,915
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	299,904
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 4C - COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL - (CONTINUED)

1 Years in Which Losses Were Incurred	(000 OMITTED) 8 1991	9 1992	10 1993	11 1994
1. Prior	25,484	15,726	12,852	13,259
2. 1985	14,503	7,711	7,667	5,568
3. 1986	32,281	21,937	18,930	18,242
4. 1987	29,982	17,965	13,099	11,157
5. 1988	41,740	24,720	18,645	15,961
6. 1989	94,921	57,768	30,610	27,393
7. 1990	194,173	118,082	72,140	56,438
8. 1991	346,530	229,729	159,668	112,121
9. 1992	X X X X	342,458	231,321	155,158
10. 1993	X X X X	X X X X	297,909	183,400
11. 1994	X X X X	X X X X	X X X X	299,402

SCHEDULE P - PART 4D - WORKERS' COMPENSATION

1 Years in Which Losses Were Incurred	BULK AND INCURRED BUT NOT REPORTED RESERVES ON LOSSES AND ALLOCATED EXPENSES AT YEAR END 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	207,301	175,453	94,532	105,486	83,882	87,483
2. 1985	219,540	93,591	50,185	19,118	12,178	14,427
3. 1986	X X X X	477,026	245,433	146,978	76,427	42,884
4. 1987	X X X X	X X X X	482,389	185,683	99,711	40,660
5. 1988	X X X X	X X X X	X X X X	744,642	396,217	182,232
6. 1989	X X X X	X X X X	X X X X	X X X X	876,687	417,418
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	1,320,243
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 4D - WORKERS' COMPENSATION - (CONTINUED)

1 Years in Which Losses Were Incurred	(000 OMITTED) 8 1991	9 1992	10 1993	11 1994
1. Prior	54,787	99,699	110,231	77,678
2. 1985	10,400	11,086	11,192	9,424
3. 1986	20,619	16,703	15,965	15,045
4. 1987	43,608	33,145	31,862	24,525
5. 1988	91,953	59,408	52,351	42,793
6. 1989	143,733	82,244	87,549	78,222
7. 1990	559,345	264,872	172,915	128,626
8. 1991	1,389,314	886,087	572,269	401,375
9. 1992	X X X X	1,283,531	799,851	499,529
10. 1993	X X X X	X X X X	1,021,938	652,989
11. 1994	X X X X	X X X X	X X X X	919,885

SCHEDULE P - PART 4E - COMMERCIAL MULTIPLE PERIL

1 Years in Which Losses Were Incurred	BULK AND INCURRED BUT NOT REPORTED RESERVES ON LOSSES AND ALLOCATED EXPENSES AT YEAR END 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	38,338	7,679	25,522	20,217	16,035	11,184
2. 1985	113,278	67,134	32,751	15,542	11,197	6,859
3. 1986	X X X X	129,407	83,127	61,287	33,598	15,220
4. 1987	X X X X	X X X X	118,319	74,507	44,829	26,692
5. 1988	X X X X	X X X X	X X X X	162,476	105,203	67,959
6. 1989	X X X X	X X X X	X X X X	X X X X	195,789	113,809
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	248,715
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 4E - COMMERCIAL MULTIPLE PERIL - (CONTINUED)

1 Years in Which Losses Were Incurred		(000 OMITTED) 8 1991	9 1992	10 1993	11 1994
1.	Prior	8,831	8,356	6,944	3,764
2.	1985	3,214	3,468	3,182	2,730
3.	1986	13,421	5,571	4,133	4,295
4.	1987	17,977	8,985	5,808	2,995
5.	1988	46,342	25,694	17,906	13,006
6.	1989	74,344	33,557	18,379	16,162
7.	1990	155,523	85,815	50,620	35,012
8.	1991	269,066	174,744	101,609	46,847
9.	1992	X X X X	268,504	178,559	108,969
10.	1993	X X X X	X X X X	353,817	250,195
11.	1994	X X X X	X X X X	X X X X	356,300

Form 2

COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 4F - SECTION 1 - MEDICAL MALPRACTICE - OCCURRENCE

1 Years in Which Losses Were Incurred		BULK AND INCURRED BUT NOT REPORTED RESERVES ON LOSSES AND ALLOCATED EXPENSES AT YEAR END 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1.	Prior	200,874	170,705	196,443	145,912	127,216	96,552
2.	1985	145,132	157,223	132,929	102,888	63,740	46,075
3.	1986	X X X X	246,636	226,500	189,186	108,263	60,255
4.	1987	X X X X	X X X X	117,615	98,427	81,483	39,293
5.	1988	X X X X	X X X X	X X X X	30,709	29,796	28,459
6.	1989	X X X X	X X X X	X X X X	X X X X	24,250	23,048
7.	1990	X X X X	X X X X	X X X X	X X X X	X X X X	28,026
8.	1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9.	1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10.	1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11.	1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 4F - SECTION 1 - MEDICAL MALPRACTICE - OCCURRENCE-(CONTINUED)

1 Years in Which Losses Were Incurred	(000 OMITTED) 8 1991	9 1992	10 1993	11 1994
1. Prior	83,975	64,432	45,680	43,278
2. 1985	30,999	30,805	16,695	13,109
3. 1986	49,510	36,439	22,388	19,047
4. 1987	36,835	27,826	18,168	16,469
5. 1988	43,486	38,298	33,091	28,127
6. 1989	21,201	19,927	16,058	12,455
7. 1990	26,520	19,277	27,788	21,380
8. 1991	28,796	27,191	15,208	14,527
9. 1992	X X X X	31,879	23,993	20,609
10. 1993	X X X X	X X X X	24,460	19,654
11. 1994	X X X X	X X X X	X X X X	22,433

SCHEDULE P - PART 4F - SECTION 2 - MEDICAL MALPRACTICE - CLAIMS-MADE

1 Years in Which Losses Were Incurred	BULK AND INCURRED BUT NOT REPORTED RESERVES ON LOSSES AND ALLOCATED EXPENSES AT YEAR END 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	0	0	0	0	0	0
2. 1985	0	0	0	0	0	0
3. 1986	X X X X	0	0	0	0	0
4. 1987	X X X X	X X X X	50,452	48,317	37,888	17,661
5. 1988	X X X X	X X X X	X X X X	144,035	120,186	62,929
6. 1989	X X X X	X X X X	X X X X	X X X X	162,559	116,661
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	170,308
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 4F - SECTION 2 - MEDICAL MALPRACTICE - CLAIMS-MADE-(CONTINUED)

1 Years in Which Losses Were Incurred	(000 OMITTED) 8 1991	9 1992	10 1993	11 1994
1. Prior	0	0	0	0
2. 1985	0	0	0	0
3. 1986	0	0	0	0
4. 1987	11,407	7,792	6,926	5,140
5. 1988	38,491	23,919	12,966	13,404
6. 1989	62,955	37,946	23,052	21,329
7. 1990	110,402	65,105	34,797	30,617
8. 1991	167,276	116,492	58,935	39,698
9. 1992	X X X X	161,405	80,418	40,831
10. 1993	X X X X	X X X X	172,859	108,001
11. 1994	X X X X	X X X X	X X X X	193,711

SCHEDULE P - PART 4G - SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT (ALL PERILS), BOILER AND MACHINERY)

1 Years in Which Losses Were Incurred	BULK AND INCURRED BUT NOT REPORTED RESERVES ON LOSSES AND ALLOCATED EXPENSES AT YEAR END 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	1,392	1,416	587	506	164	0
2. 1985	262	186	146	57	39	1
3. 1986	X X X X	3,700	957	645	93	17
4. 1987	X X X X	X X X X	6,631	2,286	335	297
5. 1988	X X X X	X X X X	X X X X	10,786	2,394	1,044
6. 1989	X X X X	X X X X	X X X X	X X X X	6,297	1,032
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	6,812
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 4G - SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT (ALL PERILS), BOILER AND MACHINERY) - (CONTINUED)

1 Years in Which Losses Were Incurred		(000 OMITTED) 8 1991	9 1992	10 1993	11 1994
1.	Prior	0	0	0	10
2.	1985	1	1	0	0
3.	1986	10	8	1	1
4.	1987	81	97	6	6
5.	1988	1,151	297	293	230
6.	1989	85	790	374	243
7.	1990	1,867	922	531	228
8.	1991	5,786	1,464	631	579
9.	1992	X X X X	9,032	1,975	824
10.	1993	X X X X	X X X X	8,717	3,185
11.	1994	X X X X	X X X X	X X X X	27,856

SCHEDULE P - PART 4H - SECTION 1 - OTHER LIABILITY - OCCURRENCE

1 Years in Which Losses Were Incurred		BULK AND INCURRED BUT NOT REPORTED RESERVES ON LOSSES AND ALLOCATED EXPENSES AT YEAR END 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1.	Prior	320,821	217,172	278,385	256,477	267,363	228,892
2.	1985	300,140	252,140	205,429	146,972	137,899	96,467
3.	1986	X X X X	575,896	501,867	384,193	253,586	157,193
4.	1987	X X X X	X X X X	290,459	269,578	205,003	159,750
5.	1988	X X X X	X X X X	X X X X	263,306	210,880	172,663
6.	1989	X X X X	X X X X	X X X X	X X X X	241,874	192,073
7.	1990	X X X X	X X X X	X X X X	X X X X	X X X X	318,101
8.	1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9.	1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10.	1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11.	1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 4H - SECTION 1 - OTHER LIABILITY - OCCURRENCE - (CONTINUED)

1 Years in Which Losses Were Incurred	(000 OMITTED) 8 1991	9 1992	10 1993	11 1994
1. Prior	196,097	1,723,653	2,409,798	2,283,599
2. 1985	77,109	56,805	49,814	40,554
3. 1986	109,007	87,813	67,417	58,258
4. 1987	110,490	75,270	63,536	54,229
5. 1988	134,071	98,231	87,630	78,116
6. 1989	145,297	100,265	87,817	83,698
7. 1990	256,053	181,935	132,762	106,111
8. 1991	315,263	248,543	183,829	147,392
9. 1992	X X X X	276,614	253,028	195,059
10. 1993	X X X X	X X X X	300,486	225,263
11. 1994	X X X X	X X X X	X X X X	314,640

SCHEDULE P - PART 4H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE

1 Years in Which Losses Were Incurred	BULK AND INCURRED BUT NOT REPORTED RESERVES ON LOSSES AND ALLOCATED EXPENSES AT YEAR END 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	0	0	0	0	0	0
2. 1985	0	0	0	0	0	0
3. 1986	X X X X	0	0	0	0	0
4. 1987	X X X X	X X X X	260,767	210,148	202,979	99,830
5. 1988	X X X X	X X X X	X X X X	268,635	231,499	185,773
6. 1989	X X X X	X X X X	X X X X	X X X X	248,142	195,276
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	257,110
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 4H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE - (CONTINUED)

1 Years in Which Losses Were Incurred	(000 OMITTED) 8 1991	9 1992	10 1993	11 1994
3. 1986	0	0	0	0
4. 1987	57,338	32,649	22,204	15,271
5. 1988	81,132	55,800	29,183	23,875
6. 1989	109,869	65,639	48,746	27,994
7. 1990	150,949	107,326	86,623	54,054
8. 1991	247,097	171,078	102,596	69,538
9. 1992	X X X X	267,154	159,048	98,345
10. 1993	X X X X	X X X X	254,002	187,488
11. 1994	X X X X	X X X X	X X X X	329,910

Form 2

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SCHEDULE P - PART 4I - SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, GLASS, BURGLARY AND THEFT)

1 Years in Which Losses Were Incurred	BULK AND INCURRED BUT NOT REPORTED RESERVES ON LOSSES AND ALLOCATED EXPENSES AT YEAR END					
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
2 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
3. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 4I - SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, GLASS, BURGLARY AND THEFT) - (CONTINUED)

1 Years in Which Losses Were Incurred	(000 OMITTED) 8 1991	9 1992	10 1993	11 1994
1. Prior	X X X X	72,531	32,000	21,851
2 1993	X X X X	X X X X	24,104	13,682
3. 1994	X X X X	X X X X	X X X X	38,339

SCHEDULE P - PART 4J - AUTO PHYSICAL DAMAGE

1	BULK AND INCURRED BUT NOT REPORTED RESERVES ON LOSSES AND ALLOCATED EXPENSES AT YEAR END					
Years in Which Losses Were Incurred	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
2 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
3. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Losses Were Incurred	(000 OMITTED) 8 1991	9 1992	10 1993	11 1994
1. Prior	X X X X	98,805	32,226	18,589
2 1993	X X X X	X X X X	44,552	18,214
3. 1994	X X X X	X X X X	X X X X	35,844

SCHEDULE P - PART 4K - FIDELITY/SURETY

1 Years in Which Losses Were Incurred	BULK AND INCURRED BUT NOT REPORTED RESERVES ON LOSSES AND ALLOCATED EXPENSES AT YEAR END 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
2 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
3. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Losses Were Incurred	(000 OMITTED) 8 1991	9 1992	10 1993	11 1994
1. Prior	X X X X	62,675	54,101	49,432
2 1993	X X X X	X X X X	23,258	13,737
3. 1994	X X X X	X X X X	X X X X	30,556

SCHEDULE P - PART 4L - OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)

1 Years in Which Losses Were Incurred	BULK AND INCURRED BUT NOT REPORTED RESERVES ON LOSSES AND ALLOCATED EXPENSES AT YEAR END 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
2 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
3. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 4L - OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)-(CONTINUED)

1 Years in Which Losses Were Incurred	(000 OMITTED) 8 1991	9 1992	10 1993	11 1994
1. Prior	X X X X	145,643	4,358	2,583
2 1993	X X X X	X X X X	144,216	2,392
3. 1994	X X X X	X X X X	X X X X	137,548

SCHEDULE P - PART 4M - INTERNATIONAL

1 Years in Which Losses Were Incurred	BULK AND INCURRED BUT NOT REPORTED RESERVES ON LOSSES AND ALLOCATED EXPENSES AT YEAR END 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	0	0	0	0	0	0
2. 1985	0	0	0	0	0	0
3. 1986	X X X X	0	0	0	0	0
4. 1987	X X X X	X X X X	0	0	0	0
5. 1988	X X X X	X X X X	X X X X	0	0	0
6. 1989	X X X X	X X X X	X X X X	X X X X	0	0
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	0
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 4M - INTERNATIONAL - (CONTINUED)

1 Years in Which Losses Were Incurred	(000 OMITTED) 8 1991	9 1992	10 1993	11 1994
1. Prior	0	0	0	0
2. 1985	0	0	0	0
3. 1986	0	0	0	0
4. 1987	0	0	0	0
5. 1988	0	0	0	0
6. 1989	0	0	0	0
7. 1990	0	0	0	0
8. 1991	0	0	0	0
9. 1992	X X X X	0	0	0
10. 1993	X X X X	X X X X	0	0
11. 1994	X X X X	X X X X	X X X X	0

Form 2

COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 4N - REINSURANCE A

1 Years in Which Losses Were Incurred	BULK AND INCURRED BUT NOT REPORTED RESERVES ON LOSSES AND ALLOCATED EXPENSES AT YEAR END 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. 1988	X X X X	X X X X	X X X X	3,295	2,189	913
2. 1989	X X X X	X X X X	X X X X	X X X X	11,205	767
3. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	15,745
4. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
5. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
6. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
7. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 4N - REINSURANCE A - (CONTINUED)

1 Years in Which Losses Were Incurred	(000 OMITTED) 8 1991	9 1992	10 1993	11 1994
1. 1988	13,507	11,896	11,202	11,637
2. 1989	724	5,646	4,501	5,123
3. 1990	8,459	440	8,732	9,407
4. 1991	5,095	2,048	597	2,581
5. 1992	X X X X	18,850	1,113	2,885
6. 1993	X X X X	X X X X	50,498	53,147
7. 1994	X X X X	X X X X	X X X X	30,962

SCHEDULE P - PART 4O - REINSURANCE B

1 Years in Which Losses Were Incurred	BULK AND INCURRED BUT NOT REPORTED RESERVES ON LOSSES AND ALLOCATED EXPENSES AT YEAR END 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. 1988	X X X X	X X X X	X X X X	74,506	54,980	42,582
2. 1989	X X X X	X X X X	X X X X	X X X X	122,650	99,076
3. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	114,300
4. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
5. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
6. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
7. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 4O - REINSURANCE B - (CONTINUED)

1 Years in Which Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
	(000 OMITTED)			
1. 1988	57,628	52,034	48,808	43,908
2. 1989	89,563	95,112	71,667	37,074
3. 1990	74,675	61,537	51,663	37,306
4. 1991	118,175	83,979	49,645	23,303
5. 1992	X X X X	107,597	58,271	35,374
6. 1993	X X X X	X X X X	117,543	31,850
7. 1994	X X X X	X X X X	X X X X	61,567

SCHEDULE P - PART 4P - REINSURANCE C

1 Years in Which Losses Were Incurred	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
	BULK AND INCURRED BUT NOT REPORTED RESERVES ON LOSSES AND ALLOCATED EXPENSES AT YEAR END					
1. 1988	X X X X	X X X X	X X X X	1,265	1,207	883
2. 1989	X X X X	X X X X	X X X X	X X X X	3,382	0
3. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	18,570
4. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
5. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
6. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
7. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
	(000 OMITTED)			
1. 1988	180	142	0	0
2. 1989	0	0	0	0
3. 1990	3,520	0	0	0
4. 1991	14,237	0	0	0
5. 1992	X X X X	0	0	0
6. 1993	X X X X	X X X X	0	0
7. 1994	X X X X	X X X X	X X X X	504

SCHEDULE P - PART 4Q - REINSURANCE D

1 Years in Which Losses Were Incurred	BULK AND INCURRED BUT NOT REPORTED RESERVES ON LOSSES AND ALLOCATED EXPENSES AT YEAR END 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	34,755	44,536	162,311	152,226	111,732	133,172
2. 1985	51,844	25,004	20,894	62,099	102,514	68,640
3. 1986	X X X X	79,735	36,231	31,640	114,155	110,295
4. 1987	X X X X	X X X X	109,091	57,319	49,775	132,893

1 Years in Which Losses Were Incurred	(000 OMITTED) 8 1991	9 1992	10 1993	11 1994
1. Prior	108,305	41,582	31,044	16,769
2. 1985	61,793	61,510	62,392	43,119
3. 1986	105,004	94,635	84,574	83,532
4. 1987	115,479	105,147	91,596	87,539

Form 2

COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 4R - SECTION 1 - PRODUCTS LIABILITY - OCCURRENCE

1	BULK AND INCURRED BUT NOT REPORTED RESERVES ON LOSSES AND ALLOCATED EXPENSES AT YEAR END					
Years in Which Losses Were Incurred	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	104,767	58,511	52,756	43,603	39,248	69,454
2. 1985	98,573	88,885	72,805	57,864	52,672	41,969
3. 1986	X X X X	143,872	132,778	118,569	97,107	65,001
4. 1987	X X X X	X X X X	111,395	102,259	94,609	77,333
5. 1988	X X X X	X X X X	X X X X	86,920	77,482	70,445
6. 1989	X X X X	X X X X	X X X X	X X X X	84,384	76,860
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	79,415
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 4R - SECTION 1 - PRODUCTS LIABILITY - OCCURRENCE -(CONTINUED)

1	(000 OMITTED)			
Years in Which Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	30,240	25,252	28,715	28,200
2. 1985	33,600	22,758	19,176	18,561
3. 1986	38,471	30,856	31,345	28,834
4. 1987	53,534	41,167	34,301	31,514
5. 1988	51,821	41,637	28,935	25,071
6. 1989	62,919	50,754	37,078	34,202
7. 1990	66,673	53,966	43,705	35,428
8. 1991	73,479	62,252	52,540	42,031
9. 1992	X X X X	48,765	41,606	31,383
10. 1993	X X X X	X X X X	48,610	40,762
11. 1994	X X X X	X X X X	X X X X	49,975

SCHEDULE P - PART 4R - SECTION 2 - PRODUCTS LIABILITY - CLAIMS-MADE

1	BULK AND INCURRED BUT NOT REPORTED RESERVES ON LOSSES AND ALLOCATED EXPENSES AT YEAR END					
Years in Which Losses Were Incurred	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	0	0	0	0	0	0
2. 1985	0	0	0	0	0	0
3. 1986	X X X X	0	0	0	0	0
4. 1987	X X X X	X X X X	1,515	1,514	136	136
5. 1988	X X X X	X X X X	X X X X	704	550	550
6. 1989	X X X X	X X X X	X X X X	X X X X	649	649
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	286
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

SCHEDULE P - PART 4R - SECTION 2 - PRODUCTS LIABILITY- CLAIMS-MADE -(CONTINUED)

1 Years in Which Losses Were Incurred	8 1991 (000 OMITTED)	9 1992	10 1993	11 1994
1. Prior	0	0	0	0
2. 1985	0	0	0	0
3. 1986	0	0	0	0
4. 1987	136	97	98	98
5. 1988	545	507	507	507
6. 1989	649	531	531	531
7. 1990	293	117	117	117
8. 1991	153	3	3	3
9. 1992	X X X X	3	3	3
10. 1993	X X X X	X X X X	3	3
11. 1994	X X X X	X X X X	X X X X	0

SCHEDULE P - PART 4S - FINANCIAL GUARANTY/MORTGAGE GUARANTY

1 Years in Which Losses Were Incurred	BULK AND INCURRED BUT NOT REPORTED RESERVES ON LOSSES AND ALLOCATED EXPENSES AT YEAR END					
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
2. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
3. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Losses Were Incurred	8 1991 (000 OMITTED)	9 1992	10 1993	11 1994
1. Prior	X X X X	33,811	23,953	24,704
2. 1993	X X X X	X X X X	6,211	7,953
3. 1994	X X X X	X X X X	X X X X	14,732

Form 2

COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 5A - HOMEOWNERS/FARMOWNERS

SECTION 1

CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END

1 Years in Which Premiums Were Earned and Losses Were Incurred	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	289,092	289,162
2. 1985	0	0	0	0	35,165	35,204
3. 1986	X X X X	0	0	0	29,208	29,262
4. 1987	X X X X	X X X X	0	0	34,048	34,168
5. 1988	X X X X	X X X X	X X X X	0	36,023	36,395
6. 1989	X X X X	X X X X	X X X X	X X X X	34,830	48,163
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	41,032
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	289,135	289,143	289,224	289,258
2. 1985	35,205	35,210	35,272	35,303
3. 1986	29,267	29,279	29,339	29,370
4. 1987	34,199	34,242	34,308	34,349
5. 1988	36,505	36,704	37,110	37,199
6. 1989	48,920	49,643	50,062	50,210
7. 1990	52,413	53,257	53,795	53,983
8. 1991	48,718	59,003	59,726	60,026
9. 1992	X X X X	47,135	60,926	61,697
10. 1993	X X X X	X X X X	43,270	50,959
11. 1994	X X X X	X X X X	X X X X	52,455

SCHEDULE P - PART 5A - HOMEOWNERS/FARMOWNERS - (CONTINUED)

SECTION 2

1 Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END					
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	93	45
2. 1985	0	0	0	0	55	27
3. 1986	X X X X	0	0	0	112	69
4. 1987	X X X X	X X X X	0	0	234	136
5. 1988	X X X X	X X X X	X X X X	0	417	214
6. 1989	X X X X	X X X X	X X X X	X X X X	4,854	510
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	5,171
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	80	69	60	62
2. 1985	29	23	24	20
3. 1986	57	44	48	40
4. 1987	97	52	44	33
5. 1988	140	90	74	78
6. 1989	292	172	141	79
7. 1990	487	272	185	118
8. 1991	5,188	575	363	256
9. 1992	X X X X	5,246	634	364
10. 1993	X X X X	X X X X	3,995	581
11. 1994	X X X X	X X X X	X X X X	4,533

SCHEDULE P - PART 5A - HOMEOWNERS/FARMOWNERS - (CONTINUED)

SECTION 3

CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END

1 Years in Which Premiums Were Earned and Losses Were Incurred	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	355,165	355,258
2. 1985	0	0	0	0	44,517	44,553
3. 1986	X X X X	0	0	0	38,213	38,277
4. 1987	X X X X	X X X X	0	0	44,800	44,934
5. 1988	X X X X	X X X X	X X X X	0	47,860	48,239
6. 1989	X X X X	X X X X	X X X X	X X X X	51,488	64,289
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	59,313
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	355,309	355,312	355,425	355,606
2. 1985	44,582	44,590	44,723	44,843
3. 1986	38,315	38,328	38,493	38,644
4. 1987	45,007	45,029	45,207	45,371
5. 1988	48,421	48,827	49,533	49,890
6. 1989	65,535	66,787	67,666	68,139
7. 1990	70,072	71,467	72,518	73,027
8. 1991	69,863	79,000	80,164	80,860
9. 1992	X X X X	67,426	80,675	82,018
10. 1993	X X X X	X X X X	62,644	70,349
11. 1994	X X X X	X X X X	X X X X	75,199

Form 2
COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 5B - PRIVATE PASSENGER AUTO LIABILITY/MEDICAL
SECTION 1

1 Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	2	3	4	5	6	7	8	9	10	11
	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
1. Prior	000	0	0	0	372,714	373,203	373,298	373,543	374,145	374,084
2. 1985	0	0	0	0	43,177	43,462	43,527	43,645	43,758	43,822
3. 1986	X X X X	0	0	0	43,973	44,690	44,943	45,177	45,361	45,423
4. 1987	X X X X	X X X X	0	0	48,301	49,770	50,398	50,717	51,010	51,131
5. 1988	X X X X	X X X X	X X X X	0	49,560	53,292	54,851	55,603	56,060	56,252
6. 1989	X X X X	X X X X	X X X X	X X X X	35,017	55,722	59,980	61,836	62,688	63,089
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	38,296	60,217	64,539	66,305	67,088
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	38,632	58,732	62,911	64,617
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	37,842	57,891	62,252
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	35,522	55,511
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	34,725

SCHEDULE P - PART 5B - PRIVATE PASSENGER AUTO LIABILITY/MEDICAL - (CONTINUED)

SECTION 2

NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END

1 Years in Which Premiums Were Earned and Losses Were Incurred	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	549	309
2. 1985	0	0	0	0	456	236
3. 1986	X X X X	0	0	0	1,153	578
4. 1987	X X X X	X X X X	0	0	2,220	1,125
5. 1988	X X X X	X X X X	X X X X	0	5,303	2,625
6. 1989	X X X X	X X X X	X X X X	X X X X	17,340	6,301
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	19,995
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	448	402	382	297
2. 1985	231	168	162	135
3. 1986	398	238	203	185
4. 1987	616	378	292	228
5. 1988	1,339	680	427	304
6. 1989	2,965	1,476	830	539
7. 1990	6,679	3,040	1,588	881
8. 1991	19,554	6,440	2,948	1,511
9. 1992	X X X X	19,932	6,702	2,874
10. 1993	X X X X	X X X X	17,675	5,653
11. 1994	X X X X	X X X X	X X X X	18,290

SCHEDULE P - PART 5B - PRIVATE PASSENGER AUTO LIABILITY/MEDICAL - (CONTINUED)

SECTION 3

1 Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END					
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	515,066	516,920
2. 1985	0	0	0	0	61,021	61,437
3. 1986	X X X X	0	0	0	64,012	64,674
4. 1987	X X X X	X X X X	0	0	73,037	74,138
5. 1988	X X X X	X X X X	X X X X	0	78,524	80,569
6. 1989	X X X X	X X X X	X X X X	X X X X	71,714	87,397
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	78,466
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	518,904	520,299	521,800	522,173
2. 1985	61,844	62,184	62,476	62,682
3. 1986	65,350	65,904	66,346	66,608
4. 1987	75,067	75,742	76,373	76,796
5. 1988	81,970	82,863	83,608	84,096
6. 1989	90,042	91,488	92,432	93,101
7. 1990	93,366	95,442	96,504	97,173
8. 1991	79,467	92,439	94,297	95,555
9. 1992	X X X X	78,386	91,082	92,957
10. 1993	X X X X	X X X X	73,448	87,764
11. 1994	X X X X	X X X X	X X X X	72,355

Form 2

COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 5C - COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL

SECTION 1

1 Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END					
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	320,024	320,584
2. 1985	0	0	0	0	43,854	44,425
3. 1986	X X X X	0	0	0	50,560	51,937
4. 1987	X X X X	X X X X	0	0	55,105	57,706
5. 1988	X X X X	X X X X	X X X X	0	53,314	57,836
6. 1989	X X X X	X X X X	X X X X	X X X X	37,075	54,239
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	36,115
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	320,795	321,036	321,409	321,526
2. 1985	44,752	45,039	45,242	45,376
3. 1986	52,611	53,201	53,637	53,970
4. 1987	59,041	59,966	60,550	60,982
5. 1988	60,072	61,446	62,290	62,831
6. 1989	58,560	61,243	62,638	63,478
7. 1990	52,507	56,872	59,213	60,392
8. 1991	34,547	49,162	53,326	55,474
9. 1992	X X X X	30,025	43,315	46,552
10. 1993	X X X X	X X X X	30,093	42,983
11. 1994	X X X X	X X X X	X X X X	33,053

SCHEDULE P - PART 5C - COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL - (CONTINUED)
SECTION 2

1 Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END					
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	490	259
2. 1985	0	0	0	0	626	320
3. 1986	X X X X	0	0	0	1,657	814
4. 1987	X X X X	X X X X	0	0	3,568	1,779
5. 1988	X X X X	X X X X	X X X X	0	6,065	3,315
6. 1989	X X X X	X X X X	X X X X	X X X X	15,048	5,859
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	14,549
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	326	269	290	261
2. 1985	288	188	220	200
3. 1986	638	526	462	366
4. 1987	1,093	641	532	426
5. 1988	1,946	1,080	790	590
6. 1989	3,124	1,658	1,113	701
7. 1990	5,700	3,104	1,766	1,007
8. 1991	13,991	5,137	2,748	1,530
9. 1992	X X X X	12,093	4,614	2,497
10. 1993	X X X X	X X X X	12,538	4,663
11. 1994	X X X X	X X X X	X X X X	14,098

SCHEDULE P - PART 5C - COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL - (CONTINUED)
SECTION 3

1 Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END					
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	479,271	481,373
2. 1985	0	0	0	0	69,355	71,140
3. 1986	X X X X	0	0	0	82,671	85,892
4. 1987	X X X X	X X X X	0	0	91,106	95,258
5. 1988	X X X X	X X X X	X X X X	0	88,732	94,065
6. 1989	X X X X	X X X X	X X X X	X X X X	72,629	88,610
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	69,215
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	483,178	484,365	485,642	486,241
2. 1985	72,990	74,367	75,412	76,217
3. 1986	89,344	92,183	94,315	95,956
4. 1987	99,629	103,195	105,889	108,080
5. 1988	99,083	103,159	106,357	108,957
6. 1989	94,773	100,146	104,111	107,189
7. 1990	84,794	91,260	95,966	99,548
8. 1991	66,148	79,752	86,128	91,092
9. 1992	X X X X	57,631	70,291	76,226
10. 1993	X X X X	X X X X	58,173	70,501
11. 1994	X X X X	X X X X	X X X X	63,654

Form 2

COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 5D - WORKERS' COMPENSATION

SECTION 1

1 Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END					
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	1,581,998	1,585,240
2. 1985	0	0	0	0	190,221	191,065
3. 1986	X X X X	0	0	0	221,047	222,608
4. 1987	X X X X	X X X X	0	0	230,741	234,334
5. 1988	X X X X	X X X X	X X X X	0	241,161	250,431
6. 1989	X X X X	X X X X	X X X X	X X X X	173,168	238,382
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	178,078
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	1,587,025	1,589,756	1,593,357	1,596,492
2. 1985	191,154	191,662	192,122	192,326
3. 1986	223,312	223,844	224,588	225,047
4. 1987	236,288	237,509	238,438	238,997
5. 1988	254,757	257,080	258,545	259,531
6. 1989	248,462	253,218	255,939	257,456
7. 1990	243,601	254,579	260,145	263,304
8. 1991	175,714	225,154	235,785	240,882
9. 1992	X X X X	118,548	161,513	166,800
10. 1993	X X X X	X X X X	89,248	125,589
11. 1994	X X X X	X X X X	X X X X	82,378

SCHEDULE P - PART 5D - WORKERS' COMPENSATION - (CONTINUED)
SECTION 2

1 Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	6,197	5,239
2. 1985	0	0	0	0	2,141	1,491
3. 1986	X X X X	0	0	0	4,082	2,751
4. 1987	X X X X	X X X X	0	0	8,034	4,853
5. 1988	X X X X	X X X X	X X X X	0	17,346	9,534
6. 1989	X X X X	X X X X	X X X X	X X X X	57,383	18,408
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	55,263
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	6,195	5,834	5,751	5,141
2. 1985	1,654	1,358	1,278	1,265
3. 1986	2,342	2,046	1,783	1,611
4. 1987	3,264	2,429	2,137	1,785
5. 1988	5,959	4,084	3,443	2,691
6. 1989	10,482	6,609	5,101	3,835
7. 1990	21,200	12,358	8,815	6,017
8. 1991	61,395	21,347	13,607	8,870
9. 1992	X X X X	40,761	17,062	10,779
10. 1993	X X X X	X X X X	35,232	12,417
11. 1994	X X X X	X X X X	X X X X	35,255

SCHEDULE P - PART 5D - WORKERS' COMPENSATION - (CONTINUED)
SECTION 3

1 Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	1,859,033	1,869,359
2. 1985	0	0	0	0	232,889	234,567
3. 1986	X X X X	0	0	0	276,607	280,141
4. 1987	X X X X	X X X X	0	0	290,756	297,036
5. 1988	X X X X	X X X X	X X X X	0	310,726	319,852
6. 1989	X X X X	X X X X	X X X X	X X X X	263,554	300,074
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	271,126
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	1,879,548	1,889,067	1,898,941	1,909,476
2. 1985	236,066	237,387	238,693	240,051
3. 1986	283,080	285,414	287,543	289,724
4. 1987	301,842	305,394	308,420	311,268
5. 1988	328,167	333,889	338,399	342,556
6. 1989	310,731	320,727	327,656	333,608
7. 1990	313,750	329,980	341,179	350,006
8. 1991	277,915	300,151	310,462	319,088
9. 1992	X X X X	197,753	226,698	237,830
10. 1993	X X X X	X X X X	162,316	185,681
11. 1994	X X X X	X X X X	X X X X	157,511

Form 2

COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 5E - COMMERCIAL MULTIPLE PERIL

SECTION 1

1 Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END					
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	349,667	349,991
2. 1985	0	0	0	0	36,833	37,148
3. 1986	X X X X	0	0	0	29,421	30,018
4. 1987	X X X X	X X X X	0	0	30,566	31,413
5. 1988	X X X X	X X X X	X X X X	0	34,203	35,889
6. 1989	X X X X	X X X X	X X X X	X X X X	28,075	44,434
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	33,019
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	350,015	350,153	350,305	350,485
2. 1985	37,250	37,353	37,449	37,501
3. 1986	30,251	30,410	30,538	30,619
4. 1987	31,921	32,246	32,495	32,645
5. 1988	36,867	37,630	38,329	38,657
6. 1989	47,159	48,989	50,086	50,698
7. 1990	49,622	52,608	54,368	55,327
8. 1991	35,754	50,412	53,091	54,492
9. 1992	X X X X	32,613	46,946	49,639
10. 1993	X X X X	X X X X	33,071	45,770
11. 1994	X X X X	X X X X	X X X X	35,428

SCHEDULE P - PART 5E - COMMERCIAL MULTIPLE PERIL - (CONTINUED)
SECTION 2

1 Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END					
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	2,363	2,463
2. 1985	0	0	0	0	847	453
3. 1986	X X X X	0	0	0	3,994	4,257
4. 1987	X X X X	X X X X	0	0	2,866	1,626
5. 1988	X X X X	X X X X	X X X X	0	4,265	3,242
6. 1989	X X X X	X X X X	X X X X	X X X X	11,830	4,508
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	12,838
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	2,730	2,671	1,984	1,313
2. 1985	340	233	164	116
3. 1986	4,400	519	366	305
4. 1987	1,157	719	512	374
5. 1988	2,573	1,136	735	469
6. 1989	3,018	2,139	1,433	937
7. 1990	5,164	3,523	2,372	1,534
8. 1991	13,433	5,161	3,551	2,401
9. 1992	X X X X	12,320	4,826	3,178
10. 1993	X X X X	X X X X	12,289	4,786
11. 1994	X X X X	X X X X	X X X X	13,571

SCHEDULE P - PART 5E - COMMERCIAL MULTIPLE PERIL - (CONTINUED)
SECTION 3

1 Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END					
	2	3	4	5	6	7
	1985	1986	1987	1988	1989	1990
1. Prior	000	0	0	0	464,272	465,473
2. 1985	0	0	0	0	55,783	55,899
3. 1986	X X X X	0	0	0	49,394	50,744
4. 1987	X X X X	X X X X	0	0	50,935	51,593
5. 1988	X X X X	X X X X	X X X X	0	57,808	59,708
6. 1989	X X X X	X X X X	X X X X	X X X X	56,837	75,100
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	65,830
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8	9	10	11
	1991	1992	1993	1994
1. Prior	466,080	467,112	467,599	468,321
2. 1985	55,986	56,061	56,237	56,351
3. 1986	51,446	51,552	51,734	51,877
4. 1987	52,030	52,213	52,539	52,734
5. 1988	60,755	61,593	62,624	63,169
6. 1989	78,426	81,085	82,689	83,647
7. 1990	84,310	87,984	90,119	91,260
8. 1991	71,617	87,052	90,458	92,126
9. 1992	X X X X	65,535	81,742	85,205
10. 1993	X X X X	X X X X	67,326	81,409
11. 1994	X X X X	X X X X	X X X X	72,820

Form 2

COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 5F - MEDICAL MALPRACTICE - OCCURRENCE

SECTION 1A

1 Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	7,326	7,804
2. 1985	0	0	0	0	1,698	1,960
3. 1986	X X X X	0	0	0	1,195	1,436
4. 1987	X X X X	X X X X	0	0	434	581
5. 1988	X X X X	X X X X	X X X X	0	82	122
6. 1989	X X X X	X X X X	X X X X	X X X X	48	44
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	42
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	7,805	8,015	8,163	8,279
2. 1985	2,024	2,111	2,172	2,230
3. 1986	1,569	1,681	1,751	1,801
4. 1987	666	753	827	859
5. 1988	115	167	292	300
6. 1989	59	187	280	310
7. 1990	75	263	362	429
8. 1991	17	27	76	136
9. 1992	X X X X	9	36	108
10. 1993	X X X X	X X X X	10	44
11. 1994	X X X X	X X X X	X X X X	11

SCHEDULE P - PART 5F - MEDICAL MALPRACTICE - OCCURRENCE - (CONTINUED)
SECTION 2A

NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END

1 Years in Which Premiums Were Earned and Losses Were Incurred	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	1,681	1,097
2. 1985	0	0	0	0	919	559
3. 1986	X X X X	0	0	0	1,012	681
4. 1987	X X X X	X X X X	0	0	653	516
5. 1988	X X X X	X X X X	X X X X	0	224	308
6. 1989	X X X X	X X X X	X X X X	X X X X	153	206
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	145
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	1,051	877	772	684
2. 1985	418	314	258	189
3. 1986	478	318	236	175
4. 1987	346	276	162	88
5. 1988	307	234	124	86
6. 1989	298	264	159	103
7. 1990	202	323	230	154
8. 1991	131	239	321	261
9. 1992	X X X X	120	215	285
10. 1993	X X X X	X X X X	99	193
11. 1994	X X X X	X X X X	X X X X	136

SCHEDULE P - PART 5F - MEDICAL MALPRACTICE - OCCURRENCE - (CONTINUED)
SECTION 3A

1 Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END					
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	23,965	24,340
2. 1985	0	0	0	0	6,605	6,876
3. 1986	X X X X	0	0	0	5,782	6,130
4. 1987	X X X X	X X X X	0	0	2,389	2,761
5. 1988	X X X X	X X X X	X X X X	0	661	1,008
6. 1989	X X X X	X X X X	X X X X	X X X X	264	537
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	274
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	24,556	24,792	24,966	25,354
2. 1985	7,049	7,158	7,330	7,442
3. 1986	6,403	6,494	6,626	6,743
4. 1987	2,957	3,183	3,300	3,364
5. 1988	1,233	1,464	1,606	1,671
6. 1989	952	1,390	1,640	1,763
7. 1990	687	1,456	1,867	2,084
8. 1991	257	727	1,230	1,571
9. 1992	X X X X	266	795	1,400
10. 1993	X X X X	X X X X	274	770
11. 1994	X X X X	X X X X	X X X X	286

Form 2

COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 5F - MEDICAL MALPRACTICE - CLAIMS-MADE

SECTION 1B

1 Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END					
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	0	0
2. 1985	0	0	0	0	0	0
3. 1986	X X X X	0	0	0	0	0
4. 1987	X X X X	X X X X	0	0	233	286
5. 1988	X X X X	X X X X	X X X X	0	422	564
6. 1989	X X X X	X X X X	X X X X	X X X X	266	622
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	268
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	0	0	0	0
2. 1985	0	0	0	0
3. 1986	0	0	0	0
4. 1987	308	325	334	341
5. 1988	661	725	760	779
6. 1989	865	1,021	1,101	1,140
7. 1990	635	932	1,064	1,155
8. 1991	297	689	929	1,061
9. 1992	X X X X	362	836	1,143
10. 1993	X X X X	X X X X	404	910
11. 1994	X X X X	X X X X	X X X X	438

SCHEDULE P - PART 5F - MEDICAL MALPRACTICE - CLAIMS-MADE - (CONTINUED)
SECTION 2B

1 Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END					
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	0	0
2. 1985	0	0	0	0	0	0
3. 1986	X X X X	0	0	0	0	0
4. 1987	X X X X	X X X X	0	0	219	118
5. 1988	X X X X	X X X X	X X X X	0	678	386
6. 1989	X X X X	X X X X	X X X X	X X X X	2,137	1,021
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	2,530
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	0	0	0	0
2. 1985	0	0	0	0
3. 1986	0	0	0	0
4. 1987	64	33	13	6
5. 1988	213	119	60	29
6. 1989	560	288	140	84
7. 1990	1,131	565	309	158
8. 1991	2,513	1,070	620	351
9. 1992	X X X X	3,065	1,285	729
10. 1993	X X X X	X X X X	3,047	1,405
11. 1994	X X X X	X X X X	X X X X	3,996

SCHEDULE P - PART 5F - MEDICAL MALPRACTICE - CLAIMS-MADE - (CONTINUED)
SECTION 3B

1 Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END					
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	0	0
2. 1985	0	0	0	0	0	0
3. 1986	X X X X	0	0	0	0	0
4. 1987	X X X X	X X X X	0	0	1,493	1,495
5. 1988	X X X X	X X X X	X X X X	0	3,129	3,149
6. 1989	X X X X	X X X X	X X X X	X X X X	4,148	4,578
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	4,492
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	0	0	0	0
2. 1985	0	0	0	0
3. 1986	0	0	0	0
4. 1987	1,497	1,498	1,498	1,498
5. 1988	3,158	3,161	3,163	3,164
6. 1989	4,592	4,600	4,603	4,607
7. 1990	4,791	4,804	4,814	4,817
8. 1991	4,669	5,045	5,060	5,080
9. 1992	X X X X	5,825	6,185	6,219
10. 1993	X X X X	X X X X	6,026	6,783
11. 1994	X X X X	X X X X	X X X X	7,567

Form 2

COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 5H - OTHER LIABILITY - OCCURRENCE

SECTION 1A

1 Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	168,681	169,945
2. 1985	0	0	0	0	13,816	14,416
3. 1986	X X X X	0	0	0	17,065	18,027
4. 1987	X X X X	X X X X	0	0	17,243	18,366
5. 1988	X X X X	X X X X	X X X X	0	15,205	16,989
6. 1989	X X X X	X X X X	X X X X	X X X X	9,092	14,843
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	12,273
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	170,833	171,727	172,404	176,698
2. 1985	14,569	14,765	14,932	15,038
3. 1986	18,398	18,753	18,999	19,148
4. 1987	18,864	18,381	18,663	18,844
5. 1988	18,072	18,931	19,385	19,581
6. 1989	16,814	18,108	18,916	19,399
7. 1990	18,581	20,698	22,017	22,787
8. 1991	10,241	15,983	17,998	19,266
9. 1992	X X X X	7,374	11,666	13,058
10. 1993	X X X X	X X X X	7,677	12,227
11. 1994	X X X X	X X X X	X X X X	7,449

SCHEDULE P - PART 5H - OTHER LIABILITY - OCCURRENCE - (CONTINUED)
SECTION 2A

1 Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	33,864	54,168
2. 1985	0	0	0	0	2,654	1,718
3. 1986	X X X X	0	0	0	4,024	2,510
4. 1987	X X X X	X X X X	0	0	3,465	2,258
5. 1988	X X X X	X X X X	X X X X	0	4,611	3,372
6. 1989	X X X X	X X X X	X X X X	X X X X	8,324	5,236
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	9,109
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	26,694	21,348	15,594	14,793
2. 1985	1,509	1,299	1,030	751
3. 1986	1,863	1,699	1,221	988
4. 1987	1,562	1,087	786	598
5. 1988	2,169	1,359	818	581
6. 1989	3,512	2,301	1,386	873
7. 1990	5,106	3,662	2,369	1,439
8. 1991	8,031	4,690	3,261	1,881
9. 1992	X X X X	5,581	3,507	2,498
10. 1993	X X X X	X X X X	6,022	3,551
11. 1994	X X X X	X X X X	X X X X	6,566

SCHEDULE P - PART 5H - OTHER LIABILITY - OCCURRENCE - (CONTINUED)
SECTION 3A

1 Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	524,016	551,016
2. 1985	0	0	0	0	36,046	36,635
3. 1986	X X X X	0	0	0	44,414	45,136
4. 1987	X X X X	X X X X	0	0	37,852	38,847
5. 1988	X X X X	X X X X	X X X X	0	37,116	39,041
6. 1989	X X X X	X X X X	X X X X	X X X X	28,622	38,295
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	35,536
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	528,610	530,948	538,133	548,274
2. 1985	37,141	37,490	37,914	38,315
3. 1986	45,632	46,332	46,963	47,510
4. 1987	39,332	39,724	40,265	40,794
5. 1988	39,970	40,643	41,282	41,866
6. 1989	40,424	41,558	42,613	43,526
7. 1990	45,322	47,637	49,108	50,312
8. 1991	31,960	40,611	43,139	44,776
9. 1992	X X X X	23,690	31,216	33,698
10. 1993	X X X X	X X X X	24,982	32,381
11. 1994	X X X X	X X X X	X X X X	23,429

Form 2

COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 5H - OTHER LIABILITY - CLAIMS-MADE

SECTION 1B

1 Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END					
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	0	0
2. 1985	0	0	0	0	0	0
3. 1986	X X X X	0	0	0	0	0
4. 1987	X X X X	X X X X	0	0	514	665
5. 1988	X X X X	X X X X	X X X X	0	380	596
6. 1989	X X X X	X X X X	X X X X	X X X X	159	396
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	181
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	0	0	0	0
2. 1985	0	0	0	0
3. 1986	0	0	0	0
4. 1987	783	850	890	913
5. 1988	739	858	930	958
6. 1989	641	801	925	1,001
7. 1990	496	779	988	1,121
8. 1991	134	479	821	1,069
9. 1992	X X X X	148	489	823
10. 1993	X X X X	X X X X	163	629
11. 1994	X X X X	X X X X	X X X X	223

SCHEDULE P - PART 5H - OTHER LIABILITY - CLAIMS-MADE - (CONTINUED)
SECTION 2B

1 Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	0	0
2. 1985	0	0	0	0	0	0
3. 1986	X X X X	0	0	0	0	0
4. 1987	X X X X	X X X X	0	0	1,024	600
5. 1988	X X X X	X X X X	X X X X	0	1,700	990
6. 1989	X X X X	X X X X	X X X X	X X X X	2,721	1,677
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	3,272
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	0	0	0	0
2. 1985	0	0	0	0
3. 1986	0	0	0	0
4. 1987	350	204	116	59
5. 1988	632	393	226	149
6. 1989	961	576	347	184
7. 1990	1,984	1,150	680	434
8. 1991	3,595	2,165	1,246	729
9. 1992	X X X X	3,630	2,039	1,202
10. 1993	X X X X	X X X X	4,099	2,281
11. 1994	X X X X	X X X X	X X X X	5,347

SCHEDULE P - PART 5H - OTHER LIABILITY - CLAIMS-MADE - (CONTINUED)
SECTION 3B

1 Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	0	0
2. 1985	0	0	0	0	0	0
3. 1986	X X X X	0	0	0	0	0
4. 1987	X X X X	X X X X	0	0	4,361	4,373
5. 1988	X X X X	X X X X	X X X X	0	4,496	4,510
6. 1989	X X X X	X X X X	X X X X	X X X X	3,970	4,457
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	4,626
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	0	0	0	0
2. 1985	0	0	0	0
3. 1986	0	0	0	0
4. 1987	4,376	4,376	4,378	4,379
5. 1988	4,529	4,541	4,543	4,545
6. 1989	4,474	4,485	4,501	4,502
7. 1990	5,131	5,153	5,170	5,177
8. 1991	5,114	5,690	5,715	5,724
9. 1992	X X X X	5,501	6,004	6,023
10. 1993	X X X X	X X X X	6,249	6,998
11. 1994	X X X X	X X X X	X X X X	8,440

Form 2

COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 5R - PRODUCTS LIABILITY - OCCURRENCE

SECTION 1A

1 Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END					
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	13,835	14,028
2. 1985	0	0	0	0	3,072	3,191
3. 1986	X X X X	0	0	0	2,171	2,334
4. 1987	X X X X	X X X X	0	0	1,992	2,211
5. 1988	X X X X	X X X X	X X X X	0	2,037	2,290
6. 1989	X X X X	X X X X	X X X X	X X X X	929	1,548
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	804
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	14,150	14,254	14,322	14,356
2. 1985	3,277	3,332	3,378	3,400
3. 1986	2,492	2,575	2,629	2,666
4. 1987	2,414	2,526	2,615	2,675
5. 1988	2,507	2,707	2,868	2,967
6. 1989	1,739	1,922	2,099	2,260
7. 1990	1,394	1,604	1,782	1,978
8. 1991	993	1,608	1,825	2,045
9. 1992	X X X X	899	1,506	1,722
10. 1993	X X X X	X X X X	883	1,374
11. 1994	X X X X	X X X X	X X X X	851

SCHEDULE P - PART 5R - PRODUCTS LIABILITY - OCCURRENCE - (CONTINUED)
SECTION 2A

1 Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END					
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	3,947	3,548
2. 1985	0	0	0	0	951	956
3. 1986	X X X X	0	0	0	1,634	1,572
4. 1987	X X X X	X X X X	0	0	1,211	1,179
5. 1988	X X X X	X X X X	X X X X	0	1,076	1,015
6. 1989	X X X X	X X X X	X X X X	X X X X	887	639
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	1,123
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	3,673	3,928	3,431	2,118
2. 1985	902	2,035	764	625
3. 1986	1,737	1,581	498	422
4. 1987	907	762	542	421
5. 1988	776	564	421	267
6. 1989	1,123	1,044	1,032	859
7. 1990	1,481	2,003	1,529	1,300
8. 1991	1,075	601	607	389
9. 1992	X X X X	620	521	439
10. 1993	X X X X	X X X X	689	487
11. 1994	X X X X	X X X X	X X X X	1,117

SCHEDULE P - PART 5R - PRODUCTS LIABILITY - OCCURRENCE - (CONTINUED)
SECTION 3A

1 Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	45,548	46,487
2. 1985	0	0	0	0	8,701	9,201
3. 1986	X X X X	0	0	0	7,973	8,525
4. 1987	X X X X	X X X X	0	0	7,806	8,436
5. 1988	X X X X	X X X X	X X X X	0	6,899	7,634
6. 1989	X X X X	X X X X	X X X X	X X X X	3,554	5,491
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	3,436
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	47,421	49,420	51,569	53,242
2. 1985	9,471	11,184	12,494	12,735
3. 1986	9,167	9,596	9,804	10,010
4. 1987	8,709	8,980	9,237	9,492
5. 1988	8,151	8,471	8,900	9,350
6. 1989	6,510	6,969	7,622	8,180
7. 1990	6,104	7,272	8,015	8,771
8. 1991	3,881	5,408	6,145	6,831
9. 1992	X X X X	3,486	5,247	5,992
10. 1993	X X X X	X X X X	4,488	5,829
11. 1994	X X X X	X X X X	X X X X	3,913

Form 2

COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 5R - PRODUCTS LIABILITY - CLAIMS-MADE

SECTION 1B

1 Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END					
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	0	0
2. 1985	0	0	0	0	0	0
3. 1986	X X X X	0	0	0	0	0
4. 1987	X X X X	X X X X	0	0	1	1
5. 1988	X X X X	X X X X	X X X X	0	1	1
6. 1989	X X X X	X X X X	X X X X	X X X X	0	0
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	0
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	0	0	0	0
2. 1985	0	0	0	0
3. 1986	0	0	0	0
4. 1987	1	1	1	1
5. 1988	1	1	1	1
6. 1989	0	0	0	0
7. 1990	0	0	0	0
8. 1991	1	1	1	1
9. 1992	X X X X	0	0	0
10. 1993	X X X X	X X X X	0	0
11. 1994	X X X X	X X X X	X X X X	0

SCHEDULE P - PART 5R - PRODUCTS LIABILITY - CLAIMS-MADE - (CONTINUED)
SECTION 2B

1 Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END					
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	0	0
2. 1985	0	0	0	0	0	0
3. 1986	X X X X	0	0	0	0	0
4. 1987	X X X X	X X X X	0	0	58	118
5. 1988	X X X X	X X X X	X X X X	0	3	1
6. 1989	X X X X	X X X X	X X X X	X X X X	1	3
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	0
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	0	0	0	0
2. 1985	0	0	0	0
3. 1986	0	0	0	0
4. 1987	20	5	3	1
5. 1988	1	1	0	0
6. 1989	3	2	0	0
7. 1990	0	0	0	0
8. 1991	0	0	0	0
9. 1992	X X X X	0	0	0
10. 1993	X X X X	X X X X	1	0
11. 1994	X X X X	X X X X	X X X X	0

SCHEDULE P - PART 5R - PRODUCTS LIABILITY - CLAIMS-MADE - (CONTINUED)
SECTION 3B

1 Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END					
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	0	0
2. 1985	0	0	0	0	0	0
3. 1986	X X X X	0	0	0	0	0
4. 1987	X X X X	X X X X	0	0	62	145
5. 1988	X X X X	X X X X	X X X X	0	4	2
6. 1989	X X X X	X X X X	X X X X	X X X X	1	3
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	0
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	0	0	0	0
2. 1985	0	0	0	0
3. 1986	0	0	0	0
4. 1987	148	148	148	148
5. 1988	3	3	3	3
6. 1989	3	3	3	3
7. 1990	0	0	0	0
8. 1991	2	2	2	2
9. 1992	X X X X	1	1	1
10. 1993	X X X X	X X X X	1	1
11. 1994	X X X X	X X X X	X X X X	0

Form 2

COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 6C - COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL

SECTION 1

1 Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (000 OMITTED)					
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	0	0
2. 1985	0	0	0	0	0	0
3. 1986	X X X X	0	0	0	0	0
4. 1987	X X X X	X X X X	0	0	0	0
5. 1988	X X X X	X X X X	X X X X	0	0	0
6. 1989	X X X X	X X X X	X X X X	X X X X	0	0
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	0
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	0	0	0	0
2. 1985	0	0	0	0
3. 1986	0	0	0	0
4. 1987	0	0	0	0
5. 1988	0	0	0	0
6. 1989	0	0	0	0
7. 1990	0	0	0	0
8. 1991	0	0	0	0
9. 1992	X X X X	0	0	0
10. 1993	X X X X	X X X X	539,161	552,911
11. 1994	X X X X	X X X X	X X X X	583,820

SCHEDULE P - PART 6C - COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL - (CONTINUED)
SECTION 2

1 Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (000 OMITTED)					
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	0	0
2. 1985	0	0	0	0	0	0
3. 1986	X X X X	0	0	0	0	0
4. 1987	X X X X	X X X X	0	0	0	0
5. 1988	X X X X	X X X X	X X X X	0	0	0
6. 1989	X X X X	X X X X	X X X X	X X X X	0	0
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	0
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	0	0	0	0
2. 1985	0	0	0	0
3. 1986	0	0	0	0
4. 1987	0	0	0	0
5. 1988	0	0	0	0
6. 1989	0	0	0	0
7. 1990	0	0	0	0
8. 1991	0	0	0	0
9. 1992	X X X X	0	0	0
10. 1993	X X X X	X X X X	32,429	45,666
11. 1994	X X X X	X X X X	X X X X	54,288

SCHEDULE P - PART 6D - WORKERS' COMPENSATION

SECTION 1

1 Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (000 OMITTED)					
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	0	0
2. 1985	0	0	0	0	0	0
3. 1986	X X X X	0	0	0	0	0
4. 1987	X X X X	X X X X	0	0	0	0
5. 1988	X X X X	X X X X	X X X X	0	0	0
6. 1989	X X X X	X X X X	X X X X	X X X X	0	0
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	0
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	0	0	0	0
2. 1985	0	0	0	0
3. 1986	0	0	0	0
4. 1987	0	0	0	0
5. 1988	0	0	0	0
6. 1989	0	0	0	0
7. 1990	0	0	0	0
8. 1991	0	0	0	0
9. 1992	X X X X	0	0	0
10. 1993	X X X X	X X X X	1,393,961	1,404,832
11. 1994	X X X X	X X X X	X X X X	1,835,640

SCHEDULE P - PART 6D - WORKERS' COMPENSATION - (CONTINUED)
SECTION 2

1 Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (000 OMITTED) 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	0	0
2. 1985	0	0	0	0	0	0
3. 1986	X X X X	0	0	0	0	0
4. 1987	X X X X	X X X X	0	0	0	0
5. 1988	X X X X	X X X X	X X X X	0	0	0
6. 1989	X X X X	X X X X	X X X X	X X X X	0	0
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	0
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	0	0	0	0
2. 1985	0	0	0	0
3. 1986	0	0	0	0
4. 1987	0	0	0	0
5. 1988	0	0	0	0
6. 1989	0	0	0	0
7. 1990	0	0	0	0
8. 1991	0	0	0	0
9. 1992	X X X X	0	0	0
10. 1993	X X X X	X X X X	15,247	17,561
11. 1994	X X X X	X X X X	X X X X	12,614

Form 2

COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 6E - COMMERCIAL MULTIPLE PERIL

SECTION 1

1 Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (000 OMITTED)					
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	0	0
2. 1985	0	0	0	0	0	0
3. 1986	X X X X	0	0	0	0	0
4. 1987	X X X X	X X X X	0	0	0	0
5. 1988	X X X X	X X X X	X X X X	0	0	0
6. 1989	X X X X	X X X X	X X X X	X X X X	0	0
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	0
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred				
	8 1991	9 1992	10 1993	11 1994
1. Prior	0	0	0	0
2. 1985	0	0	0	0
3. 1986	0	0	0	0
4. 1987	0	0	0	0
5. 1988	0	0	0	0
6. 1989	0	0	0	0
7. 1990	0	0	0	0
8. 1991	0	0	0	0
9. 1992	X X X X	0	0	0
10. 1993	X X X X	X X X X	751,604	768,568
11. 1994	X X X X	X X X X	X X X X	824,554

SCHEDULE P - PART 6E - COMMERCIAL MULTIPLE PERIL - (CONTINUED)
SECTION 2

1 Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (000 OMITTED)					
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	0	0
2. 1985	0	0	0	0	0	0
3. 1986	X X X X	0	0	0	0	0
4. 1987	X X X X	X X X X	0	0	0	0
5. 1988	X X X X	X X X X	X X X X	0	0	0
6. 1989	X X X X	X X X X	X X X X	X X X X	0	0
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	0
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	0	0	0	0
2. 1985	0	0	0	0
3. 1986	0	0	0	0
4. 1987	0	0	0	0
5. 1988	0	0	0	0
6. 1989	0	0	0	0
7. 1990	0	0	0	0
8. 1991	0	0	0	0
9. 1992	X X X X	0	0	0
10. 1993	X X X X	X X X X	18,127	23,652
11. 1994	X X X X	X X X X	X X X X	14,690

SCHEDULE P - PART 6H - OTHER LIABILITY - OCCURRENCE

SECTION 1A

1 Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (000 OMITTED) 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	0	0
2. 1985	0	0	0	0	0	0
3. 1986	X X X X	0	0	0	0	0
4. 1987	X X X X	X X X X	0	0	0	0
5. 1988	X X X X	X X X X	X X X X	0	0	0
6. 1989	X X X X	X X X X	X X X X	X X X X	0	0
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	0
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	0	0	0	0
2. 1985	0	0	0	0
3. 1986	0	0	0	0
4. 1987	0	0	0	0
5. 1988	0	0	0	0
6. 1989	0	0	0	0
7. 1990	0	0	0	0
8. 1991	0	0	0	0
9. 1992	X X X X	0	0	0
10. 1993	X X X X	X X X X	233,957	235,765
11. 1994	X X X X	X X X X	X X X X	480,112

SCHEDULE P - PART 6H - OTHER LIABILITY - OCCURRENCE - (CONTINUED)

SECTION 2A

1 Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (000 OMITTED) 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	0	0
2. 1985	0	0	0	0	0	0
3. 1986	X X X X	0	0	0	0	0
4. 1987	X X X X	X X X X	0	0	0	0
5. 1988	X X X X	X X X X	X X X X	0	0	0
6. 1989	X X X X	X X X X	X X X X	X X X X	0	0
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	0
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	0	0	0	0
2. 1985	0	0	0	0
3. 1986	0	0	0	0
4. 1987	0	0	0	0
5. 1988	0	0	0	0
6. 1989	0	0	0	0
7. 1990	0	0	0	0
8. 1991	0	0	0	0
9. 1992	X X X X	0	0	0
10. 1993	X X X X	X X X X	59,694	60,159
11. 1994	X X X X	X X X X	X X X X	91,046

Form 2

COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 6H - OTHER LIABILITY - CLAIMS-MADE

SECTION 1B

1 Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (000 OMITTED)					
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	0	0
2. 1985	0	0	0	0	0	0
3. 1986	X X X X	0	0	0	0	0
4. 1987	X X X X	X X X X	0	0	0	0
5. 1988	X X X X	X X X X	X X X X	0	0	0
6. 1989	X X X X	X X X X	X X X X	X X X X	0	0
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	0
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	0	0	0	0
2. 1985	0	0	0	0
3. 1986	0	0	0	0
4. 1987	0	0	0	0
5. 1988	0	0	0	0
6. 1989	0	0	0	0
7. 1990	0	0	0	0
8. 1991	0	0	0	0
9. 1992	X X X X	0	0	0
10. 1993	X X X X	X X X X	509,439	517,596
11. 1994	X X X X	X X X X	X X X X	546,015

SCHEDULE P - PART 6H - OTHER LIABILITY - CLAIMS-MADE - (CONTINUED)
SECTION 2B

1 Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (000 OMITTED)					
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	0	0
2. 1985	0	0	0	0	0	0
3. 1986	X X X X	0	0	0	0	0
4. 1987	X X X X	X X X X	0	0	0	0
5. 1988	X X X X	X X X X	X X X X	0	0	0
6. 1989	X X X X	X X X X	X X X X	X X X X	0	0
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	0
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	0	0	0	0
2. 1985	0	0	0	0
3. 1986	0	0	0	0
4. 1987	0	0	0	0
5. 1988	0	0	0	0
6. 1989	0	0	0	0
7. 1990	0	0	0	0
8. 1991	0	0	0	0
9. 1992	X X X X	0	0	0
10. 1993	X X X X	X X X X	94,671	98,050
11. 1994	X X X X	X X X X	X X X X	109,972

SCHEDULE P - PART 6M - INTERNATIONAL

SECTION 1

1 Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (000 OMITTED)					
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	0	0
2. 1985	0	0	0	0	0	0
3. 1986	X X X X	0	0	0	0	0
4. 1987	X X X X	X X X X	0	0	0	0
5. 1988	X X X X	X X X X	X X X X	0	0	0
6. 1989	X X X X	X X X X	X X X X	X X X X	0	0
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	0
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	0	0	0	0
2. 1985	0	0	0	0
3. 1986	0	0	0	0
4. 1987	0	0	0	0
5. 1988	0	0	0	0
6. 1989	0	0	0	0
7. 1990	0	0	0	0
8. 1991	0	0	0	0
9. 1992	X X X X	0	0	0
10. 1993	X X X X	X X X X	183	0
11. 1994	X X X X	X X X X	X X X X	0

SCHEDULE P - PART 6M - INTERNATIONAL - (CONTINUED)
SECTION 2

1 Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (000 OMITTED)					
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	0	0
2. 1985	0	0	0	0	0	0
3. 1986	X X X X	0	0	0	0	0
4. 1987	X X X X	X X X X	0	0	0	0
5. 1988	X X X X	X X X X	X X X X	0	0	0
6. 1989	X X X X	X X X X	X X X X	X X X X	0	0
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	0
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	0	0	0	0
2. 1985	0	0	0	0
3. 1986	0	0	0	0
4. 1987	0	0	0	0
5. 1988	0	0	0	0
6. 1989	0	0	0	0
7. 1990	0	0	0	0
8. 1991	0	0	0	0
9. 1992	X X X X	0	0	0
10. 1993	X X X X	X X X X	0	0
11. 1994	X X X X	X X X X	X X X X	0

Form 2
COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 6N - REINSURANCE A

SECTION 1

1	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (000 OMITTED)					
Years in Which Premiums Were Earned and Losses Were Incurred	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. 1988	X X X X	X X X X	X X X X	0	0	0
2. 1989	X X X X	X X X X	X X X X	X X X X	0	0
3. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	0
4. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
5. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
6. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
7. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. 1988	0	0	0	0
2. 1989	0	0	0	0
3. 1990	0	0	0	0
4. 1991	0	0	0	0
5. 1992	X X X X	0	0	0
6. 1993	X X X X	X X X X	88,217	96,578
7. 1994	X X X X	X X X X	X X X X	81,695

SCHEDULE P - PART 6N - REINSURANCE A - (CONTINUED)

SECTION 2

1 Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (000 OMITTED) 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. 1988	X X X X	X X X X	X X X X	0	0	0
2. 1989	X X X X	X X X X	X X X X	X X X X	0	0
3. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	0
4. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
5. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
6. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
7. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. 1988	0	0	0	0
2. 1989	0	0	0	0
3. 1990	0	0	0	0
4. 1991	0	0	0	0
5. 1992	X X X X	0	0	0
6. 1993	X X X X	X X X X	3,796	4,130
7. 1994	X X X X	X X X X	X X X X	6,188

SCHEDULE P - PART 6O - REINSURANCE B

SECTION 1

1 Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (000 OMITTED) 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. 1988	X X X X	X X X X	X X X X	0	0	0
2. 1989	X X X X	X X X X	X X X X	X X X X	0	0
3. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	0
4. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
5. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
6. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
7. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. 1988	0	0	0	0
2. 1989	0	0	0	0
3. 1990	0	0	0	0
4. 1991	0	0	0	0
5. 1992	X X X X	0	0	0
6. 1993	X X X X	X X X X	109,584	103,906
7. 1994	X X X X	X X X X	X X X X	80,343

SCHEDULE P - PART 6O - REINSURANCE B - (CONTINUED)
SECTION 2

1 Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (000 OMITTED)					
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. 1988	X X X X	X X X X	X X X X	0	0	0
2. 1989	X X X X	X X X X	X X X X	X X X X	0	0
3. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	0
4. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
5. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
6. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
7. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. 1988	0	0	0	0
2. 1989	0	0	0	0
3. 1990	0	0	0	0
4. 1991	0	0	0	0
5. 1992	X X X X	0	0	0
6. 1993	X X X X	X X X X	119	276
7. 1994	X X X X	X X X X	X X X X	184

Form 2

COMBINED ANNUAL STATEMENT FOR THE YEAR 1994 OF THE CONTINENTAL CASUALTY COMPANY

SCHEDULE P - PART 6R - PRODUCTS LIABILITY - OCCURRENCE

SECTION 1A

1 Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (000 OMITTED)					
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	0	0
2. 1985	0	0	0	0	0	0
3. 1986	X X X X	0	0	0	0	0
4. 1987	X X X X	X X X X	0	0	0	0
5. 1988	X X X X	X X X X	X X X X	0	0	0
6. 1989	X X X X	X X X X	X X X X	X X X X	0	0
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	0
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	0	0	0	0
2. 1985	0	0	0	0
3. 1986	0	0	0	0
4. 1987	0	0	0	0
5. 1988	0	0	0	0
6. 1989	0	0	0	0
7. 1990	0	0	0	0
8. 1991	0	0	0	0
9. 1992	X X X X	0	0	0
10. 1993	X X X X	X X X X	72,468	76,127
11. 1994	X X X X	X X X X	X X X X	71,170

SCHEDULE P - PART 6R - PRODUCTS LIABILITY - OCCURRENCE - (CONTINUED)

SECTION 2A

CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (000 OMITTED)

1 Years in Which Premiums Were Earned and Losses Were Incurred	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	0	0
2. 1985	0	0	0	0	0	0
3. 1986	X X X X	0	0	0	0	0
4. 1987	X X X X	X X X X	0	0	0	0
5. 1988	X X X X	X X X X	X X X X	0	0	0
6. 1989	X X X X	X X X X	X X X X	X X X X	0	0
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	0
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	0	0	0	0
2. 1985	0	0	0	0
3. 1986	0	0	0	0
4. 1987	0	0	0	0
5. 1988	0	0	0	0
6. 1989	0	0	0	0
7. 1990	0	0	0	0
8. 1991	0	0	0	0
9. 1992	X X X X	0	0	0
10. 1993	X X X X	X X X X	12,126	13,887
11. 1994	X X X X	X X X X	X X X X	13,105

SCHEDULE P - PART 6R - PRODUCTS LIABILITY - CLAIMS-MADE
SECTION 1B

1 Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (000 OMITTED)					
	2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	0	0
2. 1985	0	0	0	0	0	0
3. 1986	X X X X	0	0	0	0	0
4. 1987	X X X X	X X X X	0	0	0	0
5. 1988	X X X X	X X X X	X X X X	0	0	0
6. 1989	X X X X	X X X X	X X X X	X X X X	0	0
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	0
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	0	0	0	0
2. 1985	0	0	0	0
3. 1986	0	0	0	0
4. 1987	0	0	0	0
5. 1988	0	0	0	0
6. 1989	0	0	0	0
7. 1990	0	0	0	0
8. 1991	0	0	0	0
9. 1992	X X X X	0	0	0
10. 1993	X X X X	X X X X	114	123
11. 1994	X X X X	X X X X	X X X X	71

SCHEDULE P - PART 6R - PRODUCTS LIABILITY - CLAIMS-MADE - (CONTINUED)

SECTION 2B

1 Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (000 OMITTED) 2 1985	3 1986	4 1987	5 1988	6 1989	7 1990
1. Prior	000	0	0	0	0	0
2. 1985	0	0	0	0	0	0
3. 1986	X X X X	0	0	0	0	0
4. 1987	X X X X	X X X X	0	0	0	0
5. 1988	X X X X	X X X X	X X X X	0	0	0
6. 1989	X X X X	X X X X	X X X X	X X X X	0	0
7. 1990	X X X X	X X X X	X X X X	X X X X	X X X X	0
8. 1991	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
9. 1992	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
10. 1993	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
11. 1994	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

1 Years in Which Premiums Were Earned and Losses Were Incurred	8 1991	9 1992	10 1993	11 1994
1. Prior	0	0	0	0
2. 1985	0	0	0	0
3. 1986	0	0	0	0
4. 1987	0	0	0	0
5. 1988	0	0	0	0
6. 1989	0	0	0	0
7. 1990	0	0	0	0
8. 1991	0	0	0	0
9. 1992	X X X X	0	0	0
10. 1993	X X X X	X X X X	18	20
11. 1994	X X X X	X X X X	X X X X	13