

Edgar Filing: CNA FINANCIAL CORP - Form 10-Q

CNA FINANCIAL CORP

Form 10-Q

April 29, 2019

31000000003808500000037940000000false--12-31Q120190000021175falseLarge Accelerated FilerCNA  
FINANCIAL

CORPfalse2160000002140000002.502.505000000005000000002730402432730402432714569782715275100.120.010.030.05

0000021175 2019-01-01 2019-03-31 0000021175 2019-04-25 0000021175 2018-01-01 2018-03-31 0000021175

us-gaap:OtherInvestmentsMember 2019-01-01 2019-03-31 0000021175

cna:InvestmentsWithOtherThanTemporaryImpairmentsMember 2018-01-01 2018-03-31 0000021175

cna:InvestmentsWithOtherThanTemporaryImpairmentsMember 2019-01-01 2019-03-31 0000021175

us-gaap:OtherInvestmentsMember 2018-01-01 2018-03-31 0000021175 2018-12-31 0000021175 2019-03-31

0000021175 2018-03-31 0000021175 2017-12-31 0000021175 us-gaap:RetainedEarningsMember 2019-01-01

2019-03-31 0000021175 us-gaap:AccumulatedOtherComprehensiveIncomeMember 2017-12-31 0000021175

us-gaap:AdditionalPaidInCapitalMember 2018-12-31 0000021175 us-gaap:RetainedEarningsMember 2018-01-01

2018-03-31 0000021175 us-gaap:AccumulatedOtherComprehensiveIncomeMember 2018-12-31 0000021175

us-gaap:AdditionalPaidInCapitalMember 2018-01-01 2018-03-31 0000021175 us-gaap:TreasuryStockMember

2018-01-01 2018-03-31 0000021175 us-gaap:RetainedEarningsMember 2017-12-31 0000021175

us-gaap:AdditionalPaidInCapitalMember 2019-01-01 2019-03-31 0000021175 us-gaap:RetainedEarningsMember

2019-03-31 0000021175 us-gaap:CommonStockMember 2018-12-31 0000021175 us-gaap:TreasuryStockMember

2019-01-01 2019-03-31 0000021175 us-gaap:AccumulatedOtherComprehensiveIncomeMember 2018-01-01

2018-03-31 0000021175 us-gaap:AdditionalPaidInCapitalMember 2018-03-31 0000021175

us-gaap:TreasuryStockMember 2017-12-31 0000021175 us-gaap:AdditionalPaidInCapitalMember 2017-12-31

0000021175 us-gaap:AdditionalPaidInCapitalMember 2019-03-31 0000021175

us-gaap:AccumulatedOtherComprehensiveIncomeMember 2019-03-31 0000021175

us-gaap:AccumulatedOtherComprehensiveIncomeMember 2019-01-01 2019-03-31 0000021175

us-gaap:TreasuryStockMember 2018-03-31 0000021175 us-gaap:RetainedEarningsMember 2018-12-31 0000021175

us-gaap:RetainedEarningsMember 2018-03-31 0000021175 us-gaap:CommonStockMember 2019-03-31 0000021175

us-gaap:CommonStockMember 2018-03-31 0000021175 us-gaap:AccumulatedOtherComprehensiveIncomeMember

2018-03-31 0000021175 us-gaap:CommonStockMember 2017-12-31 0000021175 us-gaap:TreasuryStockMember

2019-03-31 0000021175 us-gaap:TreasuryStockMember 2018-12-31 0000021175 2019-01-01 0000021175

us-gaap:AccountingStandardsUpdate201602Member 2019-01-01 0000021175 cna:LoewsMember

cna:CNAFConsolidatedMember 2019-03-31 0000021175 us-gaap:AccountingStandardsUpdate201602Member

2019-03-31 0000021175 2018-01-01 2018-12-31 0000021175 us-gaap:USStatesAndPoliticalSubdivisionsMember

2018-12-31 0000021175 us-gaap:USTreasuryAndGovernmentMember 2018-12-31 0000021175

us-gaap:RedeemablePreferredStockMember 2018-12-31 0000021175 us-gaap:CorporateDebtSecuritiesMember

2018-12-31 0000021175 us-gaap:ForeignGovernmentDebtSecuritiesMember 2018-12-31 0000021175

us-gaap:AssetBackedSecuritiesSecuritizedLoansAndReceivablesMember 2018-12-31 0000021175

us-gaap:AssetBackedSecuritiesMember 2018-12-31 0000021175 us-gaap:FixedIncomeSecuritiesMember 2018-12-31

0000021175 us-gaap:ResidentialMortgageBackedSecuritiesMember 2018-12-31 0000021175

us-gaap:CommercialMortgageBackedSecuritiesMember 2018-12-31 0000021175 us-gaap:FixedMaturitiesMember

2018-12-31 0000021175 us-gaap:ResidentialMortgageBackedSecuritiesMember 2019-03-31 0000021175

us-gaap:AssetBackedSecuritiesMember 2019-03-31 0000021175

us-gaap:CommercialMortgageBackedSecuritiesMember 2019-03-31 0000021175

us-gaap:ForeignGovernmentDebtSecuritiesMember 2019-03-31 0000021175

us-gaap:USStatesAndPoliticalSubdivisionsMember 2019-03-31 0000021175

us-gaap:CorporateDebtSecuritiesMember 2019-03-31 0000021175

us-gaap:AssetBackedSecuritiesSecuritizedLoansAndReceivablesMember 2019-03-31 0000021175

us-gaap:USTreasuryAndGovernmentMember 2019-03-31 0000021175 us-gaap:RedeemablePreferredStockMember

2019-03-31 0000021175 us-gaap:FixedMaturitiesMember 2019-03-31 0000021175

us-gaap:FixedIncomeSecuritiesMember 2019-03-31 0000021175 us-gaap:CorporateDebtSecuritiesMember

2018-01-01 2018-03-31 0000021175 us-gaap:AssetBackedSecuritiesMember 2019-01-01 2019-03-31 0000021175

Edgar Filing: CNA FINANCIAL CORP - Form 10-Q

us-gaap:AssetBackedSecuritiesMember 2018-01-01 2018-03-31 0000021175  
us-gaap:CorporateDebtSecuritiesMember 2019-01-01 2019-03-31 0000021175 us-gaap:PreferredStockMember  
2019-01-01 2019-03-31 0000021175 us-gaap:PreferredStockMember 2018-01-01 2018-03-31 0000021175  
us-gaap:CommonStockMember 2019-01-01 2019-03-31 0000021175 us-gaap:CommonStockMember 2018-01-01  
2018-03-31 0000021175 us-gaap:MortgagesMember 2018-01-01 2018-03-31 0000021175  
us-gaap:LimitedPartnerMember 2019-01-01 2019-03-31 0000021175 us-gaap:ShortTermInvestmentsMember  
2019-01-01 2019-03-31 0000021175 us-gaap:EquitySecuritiesMember 2019-01-01 2019-03-31 0000021175  
us-gaap:FixedIncomeSecuritiesMember 2018-01-01 2018-03-31 0000021175 us-gaap:LimitedPartnerMember  
2018-01-01 2018-03-31 0000021175 us-gaap:ShortTermInvestmentsMember 2018-01-01 2018-03-31 0000021175  
cna:TradingPortfolioSecuritiesMember 2018-01-01 2018-03-31 0000021175 us-gaap:EquitySecuritiesMember  
2018-01-01 2018-03-31 0000021175 us-gaap:MortgagesMember 2019-01-01 2019-03-31 0000021175  
cna:TradingPortfolioSecuritiesMember 2019-01-01 2019-03-31 0000021175 us-gaap:FixedIncomeSecuritiesMember  
2019-01-01 2019-03-31 0000021175 cna:OtherInvestmentIncomeMember 2018-01-01 2018-03-31 0000021175  
cna:OtherInvestmentIncomeMember 2019-01-01 2019-03-31 0000021175 us-gaap:FairValueInputsLevel2Member  
us-gaap:PreferredStockMember 2019-03-31 0000021175 us-gaap:PreferredStockMember 2019-03-31 0000021175  
us-gaap:FairValueInputsLevel3Member us-gaap:USStatesAndPoliticalSubdivisionsMember 2019-03-31 0000021175  
us-gaap:FairValueInputsLevel2Member 2019-03-31 0000021175 us-gaap:FairValueInputsLevel1Member 2019-03-31  
0000021175 us-gaap:FairValueInputsLevel2Member us-gaap:USStatesAndPoliticalSubdivisionsMember 2019-03-31  
0000021175 us-gaap:FairValueInputsLevel2Member us-gaap:CorporateDebtSecuritiesMember 2019-03-31  
0000021175 us-gaap:FairValueInputsLevel3Member 2019-03-31 0000021175  
us-gaap:FairValueInputsLevel3Member us-gaap:PreferredStockMember 2019-03-31 0000021175  
us-gaap:FairValueInputsLevel1Member us-gaap:AssetBackedSecuritiesMember 2019-03-31 0000021175  
us-gaap:FairValueInputsLevel2Member us-gaap:CommonStockMember 2019-03-31 0000021175  
us-gaap:FairValueInputsLevel1Member us-gaap:CorporateDebtSecuritiesMember 2019-03-31 0000021175  
us-gaap:FairValueInputsLevel3Member us-gaap:CommonStockMember 2019-03-31 0000021175  
us-gaap:FairValueInputsLevel1Member us-gaap:CommonStockMember 2019-03-31 0000021175  
us-gaap:FairValueInputsLevel1Member us-gaap:USStatesAndPoliticalSubdivisionsMember 2019-03-31 0000021175  
us-gaap:CommonStockMember 2019-03-31 0000021175 us-gaap:FairValueInputsLevel2Member  
us-gaap:AssetBackedSecuritiesMember 2019-03-31 0000021175 us-gaap:FairValueInputsLevel3Member  
us-gaap:AssetBackedSecuritiesMember 2019-03-31 0000021175 us-gaap:FairValueInputsLevel3Member  
us-gaap:CorporateDebtSecuritiesMember 2019-03-31 0000021175 us-gaap:FairValueInputsLevel1Member  
us-gaap:PreferredStockMember 2019-03-31 0000021175 us-gaap:FairValueInputsLevel1Member 2018-12-31  
0000021175 us-gaap:FairValueInputsLevel3Member 2018-12-31 0000021175  
us-gaap:FairValueInputsLevel3Member us-gaap:USStatesAndPoliticalSubdivisionsMember 2018-12-31 0000021175  
us-gaap:FairValueInputsLevel3Member us-gaap:CorporateDebtSecuritiesMember 2018-12-31 0000021175  
us-gaap:FairValueInputsLevel1Member us-gaap:CorporateDebtSecuritiesMember 2018-12-31 0000021175  
us-gaap:FairValueInputsLevel2Member 2018-12-31 0000021175 us-gaap:FairValueInputsLevel1Member  
us-gaap:AssetBackedSecuritiesMember 2018-12-31 0000021175 us-gaap:FairValueInputsLevel3Member  
us-gaap:AssetBackedSecuritiesMember 2018-12-31 0000021175 us-gaap:FairValueInputsLevel1Member  
us-gaap:PreferredStockMember 2018-12-31 0000021175 us-gaap:FairValueInputsLevel2Member  
us-gaap:AssetBackedSecuritiesMember 2018-12-31 0000021175 us-gaap:FairValueInputsLevel1Member  
us-gaap:CommonStockMember 2018-12-31 0000021175 us-gaap:FairValueInputsLevel3Member  
us-gaap:CommonStockMember 2018-12-31 0000021175 us-gaap:FairValueInputsLevel2Member  
us-gaap:PreferredStockMember 2018-12-31 0000021175 us-gaap:FairValueInputsLevel3Member  
us-gaap:PreferredStockMember 2018-12-31 0000021175 us-gaap:FairValueInputsLevel1Member  
us-gaap:USStatesAndPoliticalSubdivisionsMember 2018-12-31 0000021175 us-gaap:FairValueInputsLevel2Member  
us-gaap:USStatesAndPoliticalSubdivisionsMember 2018-12-31 0000021175 us-gaap:PreferredStockMember  
2018-12-31 0000021175 us-gaap:FairValueInputsLevel2Member us-gaap:CorporateDebtSecuritiesMember  
2018-12-31 0000021175 us-gaap:FairValueInputsLevel2Member us-gaap:CommonStockMember 2018-12-31  
0000021175 us-gaap:CommonStockMember 2018-12-31 0000021175 us-gaap:EquitySecuritiesMember 2018-01-01  
2018-03-31 0000021175 us-gaap:CorporateDebtSecuritiesMember 2018-01-01 2018-03-31 0000021175

Edgar Filing: CNA FINANCIAL CORP - Form 10-Q

us-gaap:USStatesAndPoliticalSubdivisionsMember 2018-01-01 2018-03-31 0000021175  
us-gaap:AssetBackedSecuritiesMember 2018-01-01 2018-03-31 0000021175  
us-gaap:USStatesAndPoliticalSubdivisionsMember cna:NetRealizedInvestmentGainLossesMember 2018-01-01  
2018-03-31 0000021175 us-gaap:EquitySecuritiesMember 2017-12-31 0000021175  
us-gaap:CorporateDebtSecuritiesMember cna:NetRealizedInvestmentGainLossesMember 2018-01-01 2018-03-31  
0000021175 cna:NetRealizedInvestmentGainLossesMember 2018-01-01 2018-03-31 0000021175  
us-gaap:AssetBackedSecuritiesMember 2017-12-31 0000021175 us-gaap:CorporateDebtSecuritiesMember  
2017-12-31 0000021175 us-gaap:EquitySecuritiesMember cna:NetRealizedInvestmentGainLossesMember  
2018-01-01 2018-03-31 0000021175 us-gaap:AssetBackedSecuritiesMember 2018-03-31 0000021175  
us-gaap:USStatesAndPoliticalSubdivisionsMember 2017-12-31 0000021175  
us-gaap:CorporateDebtSecuritiesMember 2018-03-31 0000021175 us-gaap:EquitySecuritiesMember 2018-03-31  
0000021175 us-gaap:USStatesAndPoliticalSubdivisionsMember 2018-03-31 0000021175  
us-gaap:AssetBackedSecuritiesMember cna:NetRealizedInvestmentGainLossesMember 2018-01-01 2018-03-31  
0000021175 us-gaap:AssetBackedSecuritiesMember 2019-03-31 0000021175  
us-gaap:CorporateDebtSecuritiesMember 2019-01-01 2019-03-31 0000021175  
us-gaap:AssetBackedSecuritiesMember 2019-01-01 2019-03-31 0000021175  
us-gaap:USStatesAndPoliticalSubdivisionsMember 2019-01-01 2019-03-31 0000021175  
us-gaap:EquitySecuritiesMember 2018-12-31 0000021175 us-gaap:CorporateDebtSecuritiesMember 2019-03-31  
0000021175 us-gaap:AssetBackedSecuritiesMember cna:NetRealizedInvestmentGainLossesMember 2019-01-01  
2019-03-31 0000021175 us-gaap:EquitySecuritiesMember 2019-01-01 2019-03-31 0000021175  
cna:NetRealizedInvestmentGainLossesMember 2019-01-01 2019-03-31 0000021175  
us-gaap:USStatesAndPoliticalSubdivisionsMember cna:NetRealizedInvestmentGainLossesMember 2019-01-01  
2019-03-31 0000021175 us-gaap:USStatesAndPoliticalSubdivisionsMember 2018-12-31 0000021175  
us-gaap:CorporateDebtSecuritiesMember cna:NetRealizedInvestmentGainLossesMember 2019-01-01 2019-03-31  
0000021175 us-gaap:CorporateDebtSecuritiesMember 2018-12-31 0000021175  
us-gaap:AssetBackedSecuritiesMember 2018-12-31 0000021175 us-gaap:EquitySecuritiesMember  
cna:NetRealizedInvestmentGainLossesMember 2019-01-01 2019-03-31 0000021175  
us-gaap:EquitySecuritiesMember 2019-03-31 0000021175 cna:SpecialtyMember 2019-01-01 2019-03-31  
0000021175 cna:CommercialMember 2019-01-01 2019-03-31 0000021175 cna:InternationalMember 2019-01-01  
2019-03-31 0000021175 cna:CNAFConsolidatedMember 2019-01-01 2019-03-31 0000021175  
us-gaap:USStatesAndPoliticalSubdivisionsMember 2019-03-31 0000021175  
us-gaap:CarryingReportedAmountFairValueDisclosureMember 2018-12-31 0000021175  
us-gaap:EstimateOfFairValueFairValueDisclosureMember 2018-12-31 0000021175  
us-gaap:FairValueInputsLevel2Member us-gaap:EstimateOfFairValueFairValueDisclosureMember 2018-12-31  
0000021175 us-gaap:FairValueInputsLevel3Member us-gaap:EstimateOfFairValueFairValueDisclosureMember  
2018-12-31 0000021175 us-gaap:FairValueInputsLevel1Member  
us-gaap:EstimateOfFairValueFairValueDisclosureMember 2018-12-31 0000021175  
us-gaap:FixedIncomeSecuritiesMember us-gaap:ValuationTechniqueDiscountedCashFlowMember 2018-12-31  
0000021175 us-gaap:FairValueInputsLevel1Member us-gaap:EstimateOfFairValueFairValueDisclosureMember  
2019-03-31 0000021175 us-gaap:EstimateOfFairValueFairValueDisclosureMember 2019-03-31 0000021175  
us-gaap:FairValueInputsLevel2Member us-gaap:EstimateOfFairValueFairValueDisclosureMember 2019-03-31  
0000021175 us-gaap:CarryingReportedAmountFairValueDisclosureMember 2019-03-31 0000021175  
us-gaap:FairValueInputsLevel3Member us-gaap:EstimateOfFairValueFairValueDisclosureMember 2019-03-31  
0000021175 us-gaap:FixedIncomeSecuritiesMember us-gaap:ValuationTechniqueDiscountedCashFlowMember  
2019-03-31 0000021175 srt:MaximumMember us-gaap:MeasurementInputCreditSpreadMember  
us-gaap:ValuationTechniqueDiscountedCashFlowMember 2018-12-31 0000021175 srt:MinimumMember  
us-gaap:MeasurementInputCreditSpreadMember us-gaap:ValuationTechniqueDiscountedCashFlowMember  
2018-12-31 0000021175 srt:WeightedAverageMember us-gaap:MeasurementInputCreditSpreadMember  
us-gaap:ValuationTechniqueDiscountedCashFlowMember 2018-12-31 0000021175 srt:MaximumMember  
us-gaap:MeasurementInputCreditSpreadMember us-gaap:ValuationTechniqueDiscountedCashFlowMember  
2019-03-31 0000021175 srt:MinimumMember us-gaap:MeasurementInputCreditSpreadMember

Edgar Filing: CNA FINANCIAL CORP - Form 10-Q

us-gaap:ValuationTechniqueDiscountedCashFlowMember 2019-03-31 0000021175 srt:WeightedAverageMember  
us-gaap:MeasurementInputCreditSpreadMember us-gaap:ValuationTechniqueDiscountedCashFlowMember  
2019-03-31 0000021175 cna:CommercialMember 2018-01-01 2018-03-31 0000021175  
us-gaap:CorporateAndOtherMember 2018-01-01 2018-03-31 0000021175 cna:SpecialtyMember 2018-01-01  
2018-03-31 0000021175 cna:InternationalMember 2018-01-01 2018-03-31 0000021175  
us-gaap:CorporateAndOtherMember 2019-01-01 2019-03-31 0000021175  
cna:AsbestosandEnvironmentalReservesMember 2019-03-31 0000021175  
cna:AsbestosandEnvironmentalReservesMember 2018-12-31 0000021175  
cna:AsbestosandEnvironmentalReservesMember 2010-12-31 0000021175  
cna:AsbestosandEnvironmentalReservesMember 2018-01-01 2018-03-31 0000021175  
cna:AsbestosandEnvironmentalReservesMember 2019-01-01 2019-03-31 0000021175  
us-gaap:GuaranteeObligationsMember 2019-03-31 0000021175 cna:GuaranteeagreementMember 2019-03-31  
0000021175 us-gaap:IndemnificationGuaranteeMember 2019-03-31 0000021175  
cna:GuaranteeandIndemnificationMember 2019-03-31 0000021175 cna:GuaranteeandIndemnificationMember  
2018-12-31 0000021175 us-gaap:OtherExpenseMember us-gaap:PensionPlansDefinedBenefitMember 2018-01-01  
2018-03-31 0000021175 cna:InsuranceClaimsandPolicyholdersBenefitsIncludingPolicyholdersDividendsMember  
us-gaap:PensionPlansDefinedBenefitMember 2018-01-01 2018-03-31 0000021175  
cna:InsuranceClaimsandPolicyholdersBenefitsIncludingPolicyholdersDividendsMember  
us-gaap:PensionPlansDefinedBenefitMember 2019-01-01 2019-03-31 0000021175 us-gaap:OtherExpenseMember  
us-gaap:PensionPlansDefinedBenefitMember 2019-01-01 2019-03-31 0000021175  
us-gaap:PensionPlansDefinedBenefitMember 2019-01-01 2019-03-31 0000021175  
us-gaap:PensionPlansDefinedBenefitMember 2018-01-01 2018-03-31 0000021175  
us-gaap:AccumulatedNetUnrealizedInvestmentGainLossMember 2019-01-01 2019-03-31 0000021175  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2018-12-31 0000021175  
us-gaap:AccumulatedTranslationAdjustmentMember 2018-12-31 0000021175  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2019-01-01 2019-03-31 0000021175  
us-gaap:AccumulatedNetUnrealizedInvestmentGainLossMember 2018-12-31 0000021175  
us-gaap:AccumulatedTranslationAdjustmentMember 2019-01-01 2019-03-31 0000021175  
us-gaap:AccumulatedOtherThanTemporaryImpairmentMember 2018-12-31 0000021175  
us-gaap:AccumulatedOtherThanTemporaryImpairmentMember 2019-01-01 2019-03-31 0000021175  
us-gaap:AccumulatedOtherThanTemporaryImpairmentMember 2019-03-31 0000021175  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2019-03-31 0000021175  
us-gaap:AccumulatedNetUnrealizedInvestmentGainLossMember 2019-03-31 0000021175  
us-gaap:AccumulatedTranslationAdjustmentMember 2019-03-31 0000021175  
us-gaap:AccumulatedOtherThanTemporaryImpairmentMember 2018-01-01 2018-03-31 0000021175  
us-gaap:AccumulatedNetUnrealizedInvestmentGainLossMember 2017-12-31 0000021175  
us-gaap:AccumulatedNetUnrealizedInvestmentGainLossMember 2018-01-01 2018-03-31 0000021175  
us-gaap:AccumulatedTranslationAdjustmentMember 2018-01-01 2018-03-31 0000021175  
us-gaap:AccumulatedOtherThanTemporaryImpairmentMember 2018-03-31 0000021175  
us-gaap:AccumulatedNetUnrealizedInvestmentGainLossMember 2018-03-31 0000021175  
us-gaap:AccumulatedOtherThanTemporaryImpairmentMember 2017-12-31 0000021175  
us-gaap:AccumulatedTranslationAdjustmentMember 2018-03-31 0000021175  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2017-12-31 0000021175  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2018-01-01 2018-03-31 0000021175  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2018-03-31 0000021175  
us-gaap:AccumulatedTranslationAdjustmentMember 2017-12-31 0000021175  
cna:CoreSegmentsSpecialtyCommercialandInternationalMember 2019-01-01 2019-03-31 0000021175  
cna:NonCoreSegmentsLifeGroupNonCoreandCorporateandOtherNonCoreMember 2019-01-01 2019-03-31  
0000021175 us-gaap:IntersegmentEliminationMember 2018-12-31 0000021175 us-gaap:OperatingSegmentsMember  
cna:LifeAndGroupNonCoreMember 2018-12-31 0000021175 us-gaap:OperatingSegmentsMember  
cna:CommercialMember 2018-12-31 0000021175 us-gaap:OperatingSegmentsMember cna:InternationalMember

Edgar Filing: CNA FINANCIAL CORP - Form 10-Q

2018-12-31 0000021175 us-gaap:OperatingSegmentsMember cna:SpecialtyMember 2018-12-31 0000021175  
us-gaap:OperatingSegmentsMember us-gaap:CorporateAndOtherMember 2018-12-31 0000021175  
us-gaap:OperatingSegmentsMember cna:CommercialMember 2018-01-01 2018-03-31 0000021175  
us-gaap:OperatingSegmentsMember cna:InternationalMember 2018-01-01 2018-03-31 0000021175  
us-gaap:OperatingSegmentsMember cna:LifeAndGroupNonCoreMember 2018-01-01 2018-03-31 0000021175  
us-gaap:OperatingSegmentsMember us-gaap:CorporateAndOtherMember 2018-01-01 2018-03-31 0000021175  
us-gaap:IntersegmentEliminationMember 2018-01-01 2018-03-31 0000021175 us-gaap:OperatingSegmentsMember  
cna:SpecialtyMember 2018-01-01 2018-03-31 0000021175 us-gaap:OperatingSegmentsMember  
us-gaap:CorporateAndOtherMember 2019-03-31 0000021175 us-gaap:OperatingSegmentsMember  
cna:CommercialMember 2019-03-31 0000021175 us-gaap:OperatingSegmentsMember cna:InternationalMember  
2019-03-31 0000021175 us-gaap:OperatingSegmentsMember cna:SpecialtyMember 2019-03-31 0000021175  
us-gaap:OperatingSegmentsMember cna:LifeAndGroupNonCoreMember 2019-03-31 0000021175  
us-gaap:IntersegmentEliminationMember 2019-03-31 0000021175 us-gaap:OperatingSegmentsMember  
cna:LifeAndGroupNonCoreMember 2019-01-01 2019-03-31 0000021175 us-gaap:OperatingSegmentsMember  
cna:CommercialMember 2019-01-01 2019-03-31 0000021175 us-gaap:OperatingSegmentsMember  
cna:InternationalMember 2019-01-01 2019-03-31 0000021175 us-gaap:IntersegmentEliminationMember 2019-01-01  
2019-03-31 0000021175 us-gaap:OperatingSegmentsMember us-gaap:CorporateAndOtherMember 2019-01-01  
2019-03-31 0000021175 us-gaap:OperatingSegmentsMember cna:SpecialtyMember 2019-01-01 2019-03-31  
0000021175 us-gaap:OperatingSegmentsMember cna:CanadaMember cna:InternationalMember 2018-01-01  
2018-03-31 0000021175 us-gaap:OperatingSegmentsMember cna:MiddleMarketsMember cna:CommercialMember  
2018-01-01 2018-03-31 0000021175 us-gaap:OperatingSegmentsMember cna:SuretyMember cna:SpecialtyMember  
2019-01-01 2019-03-31 0000021175 us-gaap:OperatingSegmentsMember cna:CNAEuropeMember  
cna:InternationalMember 2018-01-01 2018-03-31 0000021175 us-gaap:OperatingSegmentsMember  
cna:OtherCommercialInsuranceMember cna:CommercialMember 2018-01-01 2018-03-31 0000021175  
us-gaap:OperatingSegmentsMember cna:CanadaMember cna:InternationalMember 2019-01-01 2019-03-31  
0000021175 us-gaap:OperatingSegmentsMember cna:OtherCommercialInsuranceMember cna:CommercialMember  
2019-01-01 2019-03-31 0000021175  
cna:OperatingSegmentsAndEliminationsExcludingSegmentReconcilingItemsMember 2018-01-01 2018-03-31  
0000021175 us-gaap:OperatingSegmentsMember cna:SmallBusinessMember cna:CommercialMember 2019-01-01  
2019-03-31 0000021175 us-gaap:OperatingSegmentsMember cna:SmallBusinessMember cna:CommercialMember  
2018-01-01 2018-03-31 0000021175 us-gaap:OperatingSegmentsMember cna:WarrantyAlternativeRisksMember  
cna:SpecialtyMember 2019-01-01 2019-03-31 0000021175 us-gaap:OperatingSegmentsMember cna:HardyMember  
cna:InternationalMember 2018-01-01 2018-03-31 0000021175 us-gaap:OperatingSegmentsMember  
cna:MiddleMarketsMember cna:CommercialMember 2019-01-01 2019-03-31 0000021175  
us-gaap:OperatingSegmentsMember cna:ManagementandProfessionalLiabilityMember cna:SpecialtyMember  
2019-01-01 2019-03-31 0000021175 us-gaap:OperatingSegmentsMember cna:WarrantyAlternativeRisksMember  
cna:SpecialtyMember 2018-01-01 2018-03-31 0000021175 us-gaap:OperatingSegmentsMember  
cna:CNAEuropeMember cna:InternationalMember 2019-01-01 2019-03-31 0000021175  
us-gaap:OperatingSegmentsMember cna:SuretyMember cna:SpecialtyMember 2018-01-01 2018-03-31 0000021175  
cna:OperatingSegmentsAndEliminationsExcludingSegmentReconcilingItemsMember 2019-01-01 2019-03-31  
0000021175 us-gaap:OperatingSegmentsMember cna:HardyMember cna:InternationalMember 2019-01-01  
2019-03-31 0000021175 us-gaap:OperatingSegmentsMember cna:ManagementandProfessionalLiabilityMember  
cna:SpecialtyMember 2018-01-01 2018-03-31 0000021175 2022-01-01 2019-03-31 0000021175 2021-01-01  
2019-03-31 0000021175 2020-01-01 2019-03-31 0000021175 2019-04-01 2019-03-31 iso4217:USD xbrli:shares  
iso4217:USD xbrli:shares xbrli:pure cna:segments

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

**FORM 10-Q**

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

For the quarterly period ended March 31, 2019 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 1-5823**

**CNA FINANCIAL CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware** **36-6169860**  
(State or other jurisdiction of (I.R.S. Employer incorporation or organization) Identification No.)

**151 N. Franklin** **60606**  
**Chicago, Illinois**  
(Address of principal executive offices) (Zip Code)

**(312) 822-5000**  
(Registrant's telephone number, including area code)

**Not Applicable**

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

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

Yes  No

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

Yes  No

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

Large Accelerated filer Non-accelerated Smaller reporting Emerging growth  
accelerated    company  company

Edgar Filing: GNA FINANCIAL CORP - Form 10-Q

filer  filer  (Do not check if a smaller reporting company)

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at April 25, 2019
Common Stock, Par value \$2.50	271,539,570

Item Number		Page Number
	<b><u>PART I</u></b>	
1.	<u>Condensed Consolidated Financial Statements:</u>	
	<u>Condensed Consolidated Statements of Operations for the three months ended March 31, 2019 and 2018 (Unaudited)</u>	<u>3</u>
	<u>Condensed Consolidated Statements of Comprehensive Income (Loss) for the three months ended March 31, 2019 and 2018 (Unaudited)</u>	<u>4</u>
	<u>Condensed Consolidated Balance Sheets as of March 31, 2019 (Unaudited) and December 31, 2018</u>	<u>5</u>
	<u>Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2019 and 2018 (Unaudited)</u>	<u>6</u>
	<u>Condensed Consolidated Statements of Stockholders' Equity for the three months ended March 31, 2019 and 2018 (Unaudited)</u>	<u>7</u>
	<u>Notes to Condensed Consolidated Financial Statements (Unaudited)</u>	<u>8</u>
2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>37</u>
3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>53</u>
4.	<u>Controls and Procedures</u>	<u>53</u>
	<b><u>PART II</u></b>	
1.	<u>Legal Proceedings</u>	<u>54</u>
2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>54</u>
6.	<u>Exhibits</u>	<u>54</u>
2		

---



Table of Contents**PART I****Item 1. Condensed Consolidated Financial Statements****CNA Financial Corporation****Condensed Consolidated Statements of Operations (Unaudited)****Three months ended March 31**

(In millions, except per share data)

	<b>2019</b>	<b>2018</b>
<b>Revenues</b>		
Net earned premiums	\$ 1,803	\$ 1,785
Net investment income	571	490
Net investment gains:		
Other-than-temporary impairment losses	(14 )	(6 )
Other net investment gains	45	18
Net investment gains	31	12
Non-insurance warranty revenue	281	238
Other revenues	9	10
Total revenues	2,695	2,535
<b>Claims, Benefits and Expenses</b>		
Insurance claims and policyholders' benefits	1,357	1,339
Amortization of deferred acquisition costs	342	296
Non-insurance warranty expense	260	216
Other operating expenses	283	303
Interest	34	35
Total claims, benefits and expenses	2,276	2,189
Income before income tax	419	346
Income tax expense	(77 )	(55 )
<b>Net income</b>	<b>\$ 342</b>	<b>\$ 291</b>
<b>Basic earnings per share</b>	<b>\$ 1.26</b>	<b>\$ 1.07</b>
<b>Diluted earnings per share</b>	<b>\$ 1.25</b>	<b>\$ 1.07</b>
<b>Dividends declared per share</b>	<b>\$ 2.35</b>	<b>\$ 2.30</b>
<b>Weighted Average Outstanding Common Stock and Common Stock Equivalents</b>		
Basic	271.6	271.4
Diluted	272.6	272.4

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements (Unaudited).

Table of Contents**CNA Financial Corporation**  
**Condensed Consolidated Statements of Comprehensive Income (Loss) (Unaudited)**

Three months ended March 31

(In millions)	2019	2018
<b>Comprehensive Income (Loss)</b>		
Net income	\$ 342	\$ 291
<b>Other Comprehensive Income (Loss), Net of Tax</b>		
Changes in:		
Net unrealized gains on investments with other-than-temporary impairments	4	(9 )
Net unrealized gains on other investments	526	(429 )
Net unrealized gains on investments	530	(438 )
Foreign currency translation adjustment	17	12
Pension and postretirement benefits	7	10
Other comprehensive income (loss), net of tax	554	(416 )
<b>Total comprehensive income (loss)</b>	<b>\$ 896</b>	<b>\$(125 )</b>

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements (Unaudited).

Table of Contents**CNA Financial Corporation  
Condensed Consolidated Balance Sheets**

(In millions, except share data)	<b>March 31, 2019 (Unaudited)</b>	<b>December 31, 2018</b>
<b>Assets</b>		
Investments:		
Fixed maturity securities at fair value (amortized cost of \$37,940 and \$38,085)	\$ 40,553	\$ 39,546
Equity securities at fair value (cost of \$812 and \$844)	814	780
Limited partnership investments	1,876	1,982
Other invested assets	59	53
Mortgage loans	863	839
Short term investments	1,474	1,286
Total investments	45,639	44,486
Cash	223	310
Reinsurance receivables (less allowance for uncollectible receivables of \$29 and \$29)	4,277	4,426
Insurance receivables (less allowance for uncollectible receivables of \$41 and \$42)	2,435	2,323
Accrued investment income	406	391
Deferred acquisition costs	664	633
Deferred income taxes	217	392
Property and equipment at cost (less accumulated depreciation of \$214 and \$216)	314	324
Goodwill	147	146
Deferred non-insurance warranty acquisition expense	2,576	2,513
Other assets (includes \$- and \$8 due from Loews Corporation)	1,579	1,208
<b>Total assets</b>	<b>\$ 58,477</b>	<b>\$ 57,152</b>
<b>Liabilities</b>		
Insurance reserves:		
Claim and claim adjustment expenses	\$ 21,836	\$ 21,984
Unearned premiums	4,422	4,183
Future policy benefits	11,078	10,597
Long term debt	2,681	2,680
Deferred non-insurance warranty revenue	3,472	3,402
Other liabilities (includes \$31 and \$23 due to Loews Corporation)	3,533	3,089
<b>Total liabilities</b>	<b>47,022</b>	<b>45,935</b>
Commitments and contingencies (Notes C and F)		
<b>Stockholders' Equity</b>		
Common stock (\$2.50 par value; 500,000,000 shares authorized; 273,040,243 shares issued; 271,527,510 and 271,456,978 shares outstanding)	683	683
Additional paid-in capital	2,184	2,192
Retained earnings	8,976	9,277
Accumulated other comprehensive income (loss)	(324 )	(878 )
Treasury stock (1,512,733 and 1,583,265 shares), at cost	(64 )	(57 )
<b>Total stockholders' equity</b>	<b>11,455</b>	<b>11,217</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 58,477</b>	<b>\$ 57,152</b>

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements (Unaudited).

Table of Contents**CNA Financial Corporation  
Condensed Consolidated Statements of Cash Flows (Unaudited)**

Three months ended March 31

(In millions)	2019	2018
<b>Cash Flows from Operating Activities</b>		
Net income	\$ 342	\$ 291
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Deferred income tax expense	32	29
Trading portfolio activity	(3 )	(1 )
Net investment (gains)	(31 )	(12 )
Equity method investees	14	(2 )
Net amortization of investments	(25 )	(15 )
Depreciation and amortization	19	20
Changes in:		
Receivables, net	44	(215 )
Accrued investment income	(15 )	(3 )
Deferred acquisition costs	(30 )	(29 )
Insurance reserves	57	311
Other, net	(117 )	(156 )
<b>Net cash flows provided by operating activities</b>	<b>287</b>	<b>218</b>
<b>Cash Flows from Investing Activities</b>		
Dispositions:		
Fixed maturity securities - sales	2,259	2,576
Fixed maturity securities - maturities, calls and redemptions	576	531
Equity securities	64	7
Limited partnerships	186	69
Mortgage loans	35	11
Purchases:		
Fixed maturity securities	(2,447)	(2,690)
Equity securities	(36 )	(98 )
Limited partnerships	(114 )	(62 )
Mortgage loans	(59 )	(36 )
Change in other investments	(6 )	(4 )
Change in short term investments	(177 )	208
Purchases of property and equipment	(8 )	(38 )
Other, net	16	15
<b>Net cash flows provided by investing activities</b>	<b>289</b>	<b>489</b>
<b>Cash Flows from Financing Activities</b>		
Dividends paid to common stockholders	(643 )	(624 )
Repayment of debt	—	(150 )
Purchase of treasury stock	(14 )	—
Other, net	(8 )	(7 )
<b>Net cash flows used by financing activities</b>	<b>(665 )</b>	<b>(781 )</b>
Effect of foreign exchange rate changes on cash	2	1
Net change in cash	(87 )	(73 )
<b>Cash, beginning of year</b>	<b>310</b>	<b>355</b>
<b>Cash, end of period</b>	<b>\$ 223</b>	<b>\$ 282</b>

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements (Unaudited).



Table of Contents**CNA Financial Corporation**  
**Condensed Consolidated Statements of Stockholders' Equity (Unaudited)**

Three months ended March 31

(In millions)	2019	2018
<b>Common Stock</b>		
Balance, beginning of period	\$ 683	\$ 683
Balance, end of period	683	683
<b>Additional Paid-in Capital</b>		
Balance, beginning of period	2,192	2,175
Stock-based compensation	(8 )	(2 )
Balance, end of period	2,184	2,173
<b>Retained Earnings</b>		
Balance, beginning of period	9,277	9,364
Dividends to common stockholders (\$2.35 and \$2.30 per share)	(643 )	(627 )
Net income	342	291
Balance, end of period	8,976	9,028
<b>Accumulated Other Comprehensive Income (Loss)</b>		
Balance, beginning of period	(878 )	16
Other comprehensive income (loss)	554	(416 )
Balance, end of period	(324 )	(400 )
<b>Treasury Stock</b>		
Balance, beginning of period	(57 )	(60 )
Stock-based compensation	7	1
Purchase of treasury stock	(14 )	—
Balance, end of period	(64 )	(59 )
<b>Total stockholders' equity</b>	<b>\$ 11,455</b>	<b>\$ 11,425</b>

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements (Unaudited).

Table of Contents**CNA Financial Corporation****Notes to Condensed Consolidated Financial Statements (Unaudited)****Note A. General*****Basis of Presentation***

The Condensed Consolidated Financial Statements include the accounts of CNA Financial Corporation (CNAF) and its subsidiaries. Collectively, CNAF and its subsidiaries are referred to as CNA or the Company. Loews Corporation (Loews) owned approximately 89% of the outstanding common stock of CNAF as of March 31, 2019.

The accompanying Condensed Consolidated Financial Statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). Intercompany amounts have been eliminated. Certain financial information that is normally included in annual financial statements prepared in accordance with GAAP, including certain financial statement notes, is not required for interim reporting purposes and has been condensed or omitted. These statements should be read in conjunction with the Consolidated Financial Statements and notes thereto included in CNAF's Annual Report on Form 10-K filed with the Securities and Exchange Commission for the year ended December 31, 2018, including the summary of significant accounting policies in Note A. The preparation of Condensed Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the Condensed Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

The interim financial data as of March 31, 2019 and for the three months ended March 31, 2019 and 2018 is unaudited. However, in the opinion of management, the interim data includes all adjustments, including normal recurring adjustments, necessary for a fair statement of the Company's results for the interim periods. The results of operations for the interim periods are not necessarily indicative of the results to be expected for the full year.

***Recently Adopted Accounting Standards Updates (ASU)***

**ASU 2016-02:** In February 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-02, *Leases (Topic 842): Accounting for Leases*. The updated accounting guidance requires lessees to recognize on the balance sheet assets and liabilities for the rights and obligations created by the majority of leases, including those historically accounted for as operating leases. On January 1, 2019, the Company adopted the updated guidance using a modified retrospective method. Prior period amounts have not been adjusted and continue to be reported in accordance with the previous accounting guidance. The Company utilized the package of practical expedients allowing the Company to not reassess whether a contract is or contains a lease, lease classification and initial direct costs. The Company also utilized the practical expedient to not separate lease and non-lease components for all leases. Adoption of the updated guidance resulted in the following changes to the Condensed Consolidated Balance Sheet on January 1, 2019:

(In millions)	<b>Balance as of December 31, 2018</b>	<b>Adjustments Due to Adoption of Topic 842</b>	<b>Balance as of January 1, 2019</b>
Property and equipment at cost (less accumulated depreciation)	\$ 324	\$ 2	\$ 326
Other assets	1,208	237	1,445
Other liabilities	3,089	239	3,328

Operating lease right-of-use (ROU) assets, included within Other assets, were reduced by accrued rent and lease incentives of \$75 million previously classified as Other liabilities. The updated guidance did not impact the Condensed Consolidated Statements of Operations. See Note K to the Condensed Consolidated Financial Statements for additional information regarding leases.

Table of Contents

***Accounting Standards Pending Adoption***

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The updated accounting guidance requires changes to the recognition of credit losses on financial instruments not accounted for at fair value through net income. The guidance is effective for interim and annual periods beginning after December 15, 2019. The guidance will be applied using a modified retrospective approach with the cumulative effect recognized as an adjustment to retained earnings. A prospective transition approach is required for debt securities that have recognized an other-than-temporary impairment prior to the effective date. The Company is currently evaluating the effect the guidance will have on the Company's financial statements, but expects the primary changes to be the use of the expected credit loss model for its mortgage loan portfolio, reinsurance and insurance receivables and other financing receivables and the use of the allowance method rather than the write-down method for credit losses within the available-for-sale fixed maturities portfolio. The expected credit loss model will require a financial asset to be presented at the net amount expected to be collected. The allowance method for available-for-sale debt securities will allow the Company to record reversals of credit losses if the estimate of credit losses declines.

In August 2018, the FASB issued ASU 2018-12, *Financial Services-Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts*. The updated accounting guidance requires changes to the measurement and disclosure of long-duration contracts. The guidance requires entities to annually update cash flow assumptions, including morbidity and persistency, and update discount rate assumptions quarterly using an upper-medium grade fixed-income instrument yield. The effect of changes in cash flow assumptions will be recorded in Net income and the effect of changes in discount rate assumptions will be recorded in Other comprehensive income. This guidance is effective for interim and annual periods beginning after December 15, 2020, and requires restatement of the prior periods presented. Early adoption is permitted. The Company is currently evaluating the method and timing of adoption and the effect the updated guidance will have on its financial statements. The annual updating of cash flow assumptions is expected to increase income statement volatility. The quarterly change in discount rate is expected to increase volatility in the Company's stockholders' equity, but that will be somewhat mitigated because Shadow Adjustments are eliminated under the new guidance. While the requirements of the new guidance represent a material change from existing GAAP, the underlying economics of the business and related cash flows are unchanged.



Table of Contents

**Note B. Earnings (Loss) Per Share**

Earnings (loss) per share is based on the weighted average number of outstanding common shares. Basic earnings (loss) per share excludes the impact of dilutive securities and is computed by dividing Net income (loss) by the weighted average number of common shares outstanding for the period. Diluted earnings (loss) per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock.

For the three months ended March 31, 2019 and 2018, approximately 971 thousand and 1,009 thousand potential shares attributable to exercises or conversions into common stock under stock-based employee compensation plans were included in the calculation of diluted earnings per share. For the three months ended March 31, 2018 approximately 9 thousand potential shares attributable to exercises or conversions into common stock under stock-based employee compensation plans were not included in the calculation of diluted earnings per share, because the effect would have been antidilutive. For the three months ended March 31, 2019 there were no antidilutive shares. The Company repurchased 317,508 shares of CNA Financial Corporation common stock at an aggregate cost of \$14 million during the three months ended March 31, 2019. No repurchases were made during 2018.

Table of Contents**Note C. Investments**

The significant components of Net investment income are presented in the following table.

**Three months ended March 31**

(In millions)	2019	2018
Fixed maturity securities	\$455	\$446
Equity securities	30	10
Limited partnership investments	76	30
Mortgage loans	12	11
Short term investments	10	6
Trading portfolio	2	2
Other	2	—
Gross investment income	587	505
Investment expense	(16 )	(15 )
<b>Net investment income</b>	<b>\$571</b>	<b>\$490</b>

During the three months ended March 31, 2019 and 2018, \$17 million and less than \$1 million of Net investment income was recognized due to the change in fair value of common stock still held as of March 31, 2019 and 2018. Net investment gains (losses) are presented in the following table.

**Three months ended March 31**

(In millions)	2019	2018
Net investment gains (losses):		
Fixed maturity securities:		
Gross gains	\$36	\$69
Gross losses	(42 )	(51 )
Net investment gains (losses) on fixed maturity securities	(6 )	18
Equity securities	42	(15 )
Derivatives	(5 )	5
Short term investments and other	—	4
<b>Net investment gains (losses)</b>	<b>\$31</b>	<b>\$12</b>

During the three months ended March 31, 2019 and 2018, \$42 million of Net investment gains and \$15 million of Net investment losses were recognized due to the change in fair value of non-redeemable preferred stock still held as of March 31, 2019 and 2018.

The components of Other-than-temporary impairment (OTTI) losses recognized in earnings by asset type are presented in the following table.

**Three months ended March 31**

(In millions)	2019	2018
Fixed maturity securities available-for-sale:		
Corporate and other bonds	\$6	\$5
Asset-backed	8	1
<b>OTTI losses recognized in earnings</b>	<b>\$14</b>	<b>\$6</b>

Table of Contents

The following tables present a summary of fixed maturity securities.

**March 31, 2019**

(In millions)	<b>Cost or Amortized Cost</b>	<b>Gross Unrealized Gains</b>	<b>Gross Unrealized Losses</b>	<b>Estimated Fair Value</b>	<b>Unrealized OTTI Losses (Gains)</b>
Fixed maturity securities available-for-sale:					
Corporate and other bonds	\$ 19,296	\$ 1,269	\$ 99	\$ 20,466	\$ —
States, municipalities and political subdivisions	9,279	1,299	—	10,578	—
Asset-backed:					
Residential mortgage-backed	4,760	92	20	4,832	(22 )
Commercial mortgage-backed	2,026	53	7	2,072	—
Other asset-backed	1,877	25	12	1,890	(3 )
Total asset-backed	8,663	170	39	8,794	(25 )
U.S. Treasury and obligations of government-sponsored enterprises	162	3	1	164	—
Foreign government	502	12	1	513	—
Redeemable preferred stock	10	—	—	10	—
Total fixed maturity securities available-for-sale	37,912				