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FOR IMMEDIATE RELEASE

**LOEWS CORPORATION PURCHASES \$750 MILLION OF
NEW PREFERRED STOCK OF CNA FINANCIAL CORPORATION**

NEW YORK, NY, December 19, 2002—Loews Corporation (NYSE:LTR) reported today that it has completed its previously announced plan to purchase \$750 million of a new issue of preferred stock, called Series H Cumulative Preferred Stock, from CNA Financial Corporation, a 90% owned subsidiary of the Company. The terms of the new Series H Cumulative Preferred Stock have been approved by a special committee of independent members of CNA's Board of Directors. The principal terms of the Series H Cumulative Preferred Stock are as follows:

- The new preferred stock will accrue cumulative dividends at an initial rate of 8% per year. The dividend rate will be adjusted quarterly to a rate equal to 400 basis points above the ten year U. S. Treasury rate, beginning with the quarterly dividend after the first to occur of the following two events: (i) an increase by two intermediate ratings levels of the financial strength rating of CNA's principal insurance subsidiary, Continental Casualty Company, from its current rating by any of A. M. Best Company, Standard & Poor's or Moody's Investor Services; or (ii) one year following an increase by one intermediate ratings level of the financial strength rating of Continental Casualty by any one of such three rating agencies.
- Accrued but unpaid cumulative dividends cannot be paid on the Series H Preferred Stock unless and until Continental Casualty's financial strength rating has been increased by two intermediate rating levels, or one year after Continental Casualty's financial strength rating has been increased by one intermediate rating level, if earlier, as described above. However beginning with the quarter following an increase of one intermediate rating level in Continental Casualty's financial strength rating, current quarterly dividends (but not accrued cumulative dividends) can be paid.
- The Series H Cumulative Preferred Stock will not be convertible into any other securities of CNA and will be non-voting. The preferred stock may be redeemed only upon the mutual agreement of CNA and a majority of the holders of the new preferred stock.

- The new preferred stock will rank senior to CNA's common stock as to the payment of dividends and amounts payable upon liquidation, dissolution or winding up. No dividends may be declared on CNA's common stock until all cumulative preferred dividends have been paid in full. CNA may not issue any equity securities ranking senior to or on par with the new preferred stock without the consent of a majority of the holders of the Series H Cumulative Preferred Stock.

CNA has advised the Company that it intends to use the \$750 million of proceeds from the preferred stock to repay debt, including prepayment of \$250 million in bank debt prior to December 31, 2002, to improve Continental Casualty Company's statutory surplus and for other corporate purposes.

Statements in this press release that contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 include, but are not limited to, statements using the words "believes", "expects", "plans", "intends" and similar expressions. Such statements are inherently subject to a variety of risks and uncertainties that could cause actual results to differ materially from those projected. A discussion of the risk factors that could impact these areas and the Company's overall business and financial performance can be found in the Company's reports filed with the Securities and Exchange Commission. Given these concerns, investors and analysts should not place undue reliance on forward-looking statements. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any forward-looking statement is based.

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