

Loews Corporation Reports Net Income Of \$932 Million For 2019

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NEW YORK, Feb. 10, 2020 - Loews Corporation (NYSE: L) today reported net income for the year ended December 31, 2019 of \$932 million, or \$3.07 per share, compared to \$636 million, or \$1.99 per share, in 2018. For the three months ended December 31, 2019, Loews reported net income of \$217 million, or \$0.73 per share, compared to a net loss of \$165 million, or \$0.53 per share for the same year period.

Net income for the year ended December 31, 2019 increased due to higher earnings at CNA Financial Corporation and Boardwalk Pipelines, as well as higher parent company net investment income. These increases were partially offset by lower results at [Offshore Drilling Inc.](#) and Loews Hotels & Co. Results for the three months ended December 31, 2019 improved mainly due to increased net investment income at CNA and the parent company, partially offset by lower results at Boardwalk Pipelines and Loews Hotels & Co. The loss during the three months ended December 31, 2018 was driven by catastrophe losses at CNA, and lower results at both CNA and the parent company, and operating results at Diamond Offshore.

Book value per share increased to \$65.71 at December 31, 2019 from \$59.34 at December 31, 2018. Book value per share including accumulated other comprehensive income (AOCI) increased to \$65.94 at December 31, 2019 from \$62.16 at December 31, 2018.

CONSOLIDATED HIGHLIGHTS

(In millions, except per share data)	December 31,			
	Three Months		Years Ended	
	2019	2018	2019	2018
Income (loss) before net investment gains (losses)	\$ 211	\$ (110)	\$ 899	\$ 674
Net investment gains (losses)	6	(55)	33	(38)
Net income (loss) attributable to Loews Corporation	\$ 217	\$ (165)	\$ 932	\$ 636
Net income (loss) per share	\$ 0.73	\$ (0.53)	\$ 3.07	\$ 1.99
	December 31, 2019		December 31, 2018	
Book value per share	\$ 65.71		\$ 59.34	
Book value per share excluding AOCI	65.94		62.16	
Shares outstanding	291.0		312.1	

Three Months Ended December 31, 2019 Compared to 2018

CNA's earnings increased primarily due to higher net investment income and net investment gains and higher current year underwriting income driven mainly by lower catastrophe losses for the Property & Casualty ("P&C") business. Earnings were also offset by a higher net retroactive reinsurance charge recorded under the 2010 loss portfolio transfer with National Indemnity compared with 2018. The P&C business generated gross written premium growth of 8% and net written premium growth of 10%.

Diamond Offshore's net loss improved primarily due to higher contract drilling revenues as a result of a contractual margin increase from a customer, significantly offset by higher rig operating expenses including contract preparation and rig activation costs.

increased depreciation expense.

Boardwalk Pipelines' operations benefited from higher firm transportation revenues from growth projects recently placed, partially offset by the net impact of contract restructurings, expirations and renewals. Boardwalk Pipelines' net income was the result of a favorable tax adjustment recorded in 2018.

Loews Hotels & Co's results decreased due to impairment charges totaling \$89 million (\$69 million after tax) related to the carrying value of hotel properties. Excluding these charges, earnings benefited from improved results at the Orlando JV property and owned hotels.

Income generated by the parent company investment portfolio increased primarily due to higher returns on equity securities.

Year Ended December 31, 2019 Compared to 2018

CNA's earnings increased from higher net investment income driven by improved returns on limited partnership investments and higher net investment gains. In addition, earnings in 2019 benefited from a lower net retroactive reinsurance charge recorded in the 2010 loss portfolio transfer with National Indemnity as compared with 2018 and a higher reduction of claim reserves from the annual long term care claim experience study as compared with 2018. These increases were partially offset by a charge of \$151 million (\$151 million after tax and noncontrolling interests) resulting from the recognition of an active life reserve premium for long term care.

Diamond Offshore's results declined due to compressed contract drilling margins. Results in 2019 benefited from the reversal of a \$10 million rig impairment charge and an \$8 million legal settlement charge (both after tax and noncontrolling interests) recorded in 2018.

Boardwalk Pipelines' earnings attributable to Loews improved primarily due to Loews owning 100% of the company as compared to 51% for a portion of 2018. Net income in 2019 also includes proceeds received in conjunction with a contract cancellation by a customer bankruptcy that resulted in a \$19 million (after tax) benefit and higher firm transportation revenues from growth projects recently placed into service, partially offset by the impact of contract restructurings and expirations.

Loews Hotels & Co's results decreased primarily due to impairment charges totaling \$99 million (\$77 million after tax) related to the carrying value of hotel properties. Excluding these impairment charges, earnings decreased due to higher pre-opening expenses and non-recurring expenses related to properties under development.

Income generated by the parent company investment portfolio increased due primarily to higher returns on equity securities.

SHARE REPURCHASES

At December 31, 2019, there were 291.0 million shares of Loews common stock outstanding. For the three months ended December 31, 2019, the Company repurchased 8.3 million and 21.5 million shares of its common stock at an aggregate cost of \$100 million and \$1.1 billion. From January 1, 2020 to February 7, 2020, the Company repurchased an additional 3.3 million shares of its common stock at an aggregate cost of \$172 million. Depending on market conditions, the Company may from time to time repurchase shares of its and its subsidiaries' outstanding common stock in the open market or otherwise.

CONFERENCE CALLS

A conference call to discuss the fourth quarter results of Loews Corporation has been scheduled for today at 11:00 a.m. ET. A live webcast will be available via the Investors/Media section of www.loews.com. Those interested in participating in the question and answer session should dial (877) 692-2592, or for international callers, (973) 582-2757. The conference ID number is 8000000000. An online replay will also be available at www.loews.com following the call.

A conference call to discuss the fourth quarter results of CNA has been scheduled for today at 10:00 a.m. ET. A live webcast will be available via the Investor Relations section of www.cna.com. Those interested in participating in the question and answer session should dial (800) 289-0571, or for international callers, (720) 543-0206.

A conference call to discuss the fourth quarter results of Diamond Offshore has been scheduled for today at 9:00 a.m. ET. A live webcast will be available via the Investor Relations section of www.diamondoffshore.com. Those interested in participating in the question and answer session should dial (844) 492-6043, or for international callers, (478) 219-0839. The conference ID number is 5959776.

ABOUT LOEWS CORPORATION

Loews Corporation is a diversified company with businesses in the insurance, energy, hospitality and packaging industries. Its subsidiaries are: CNA Financial Corporation (NYSE: CNA), [Diamond Offshore Drilling Inc.](http://www.diamondoffshore.com) (NYSE: DO), Boardwalk Pipeline Partners LP (NYSE: BWP), Loews Hotels & Co and Altium Packaging (formerly Consolidated Container Company). Investors are encouraged to view the virtual investor presentations found in the 'Events & Presentations' section of ir.loews.com for an in-depth strategic review of the Company and its subsidiaries. For more information please visit www.loews.com.

FORWARD-LOOKING STATEMENTS

Statements contained in this press release which are not historical facts are "forward-looking statements" within the meaning of the federal securities laws. Forward-looking statements are inherently uncertain and subject to a variety of risks that could cause actual results to differ materially from those expected by management of the Company. A discussion of the important risk factors and other considerations that could materially impact these matters as well as the Company's overall business and financial performance is found in the Company's reports filed with the Securities and Exchange Commission and readers of this release are urged to read those reports carefully when considering these forward-looking statements. Copies of these reports are available through the Company's website (www.loews.com). Given these risk factors, investors and analysts should not place undue reliance on forward-looking statements. Any such forward-looking statements speak only as of the date of this press release. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements that reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances upon which any forward-looking statement is based.

Loews Corporation and Subsidiaries

Selected Financial Information

	December 31,			
	Three Months		Years Ended	
(In millions)	2019	2018	2019	2018
Revenues:				
CNA Financial (a)	\$ 2,777	\$ 2,403	\$ 10,788	\$ 10,134
Diamond Offshore	277	234	988	1,093
Boardwalk Pipelines (b)	331	326	1,300	1,227
Loews Hotels & Co	170	181	692	755
Investment income and other (c)	321	143	1,163	857
Total	\$ 3,876	\$ 3,287	\$ 14,931	\$ 14,066
Income (Loss) Before Income Tax:				
CNA Financial (a) (d) (e) (f)	\$ 336	\$ (114)	\$ 1,224	\$ 963
Diamond Offshore (g) (h)	(81)	(66)	(402)	(226)
Boardwalk Pipelines (b)	64	59	281	231
Loews Hotels & Co (i)	(70)	15	(28)	73
Corporate: (j)				
Investment income (loss), net	76	(71)	229	(10)
Other	(49)	(55)	(185)	(197)
Total	\$ 276	\$ (232)	\$ 1,119	\$ 834
Net Income (Loss) Attributable to Loews Corporation:				
CNA Financial (a) (d) (e) (f)	\$ 244	\$ (75)	\$ 894	\$ 726
Diamond Offshore (g) (h) (k)	(38)	(58)	(175)	(112)
Boardwalk Pipelines (b)	48	55	209	135
Loews Hotels & Co (i)	(59)	7	(31)	48
Corporate: (k)				
Investment income (loss), net	67	(57)	188	(8)
Other	(45)	(37)	(153)	(153)

Net income (loss) attributable to Loews Corporation	\$ 217	\$ (165)	\$ 932	\$ 636
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(a) Includes
net
investment
gains
of
\$8
million
and
net
investment
losses
of
\$78
million
(\$6
million
and
\$55
million
after
tax
and
noncontrolling
interests)
for
the
three
months
ended
December
31,
2019
and
2018.
Includes
net
investment
gains
of
\$49
million
and
net
investment
losses
of
\$57
million
(\$33
million
and
\$38
million
after
tax
and
noncontrolling
interests)
for
the
year
ended
December
31,

(b) includes settlement proceeds of \$26 million

(c) includes \$19 million

(d) includes income tax expense related to financial results of customer bankruptcy reorganization (the former consolidated entity). December 31, 2019.

tax and noncontrolling interests) for the three months ended December 31, 2019 and 2018 and losses of \$18 million and \$48 million (\$12 million and \$34 million after tax and noncontrolling interests) for the years

ended
December
31,
2019
and
2018
related
to
the
2010
retroactive
reinsurance
agreement
to
cede
CNA's
legacy
asbestos
and
environmental
pollution
liabilities.

- (e) Includes
a
loss
of
\$21
(f) Includes
million
(\$15
million
of
\$246
million
(\$151
million controlling
interests)
tax
the
early controlling
interests) on
for
the
for
the
ended
December
ended
December
related
2019.
the
recognition
of
an
active
life
reserve
premium
deficiency
in
long
term
care
that

was
primarily
driven
by
changes
in
interest
rate
assumptions,
partially
offset
by
a
\$56
million
(\$39
million
after
tax
and
noncontrolling
interests)
reduction
in
claim
and
claim
adjustment
expense
reserves
for
policyholders
on
claim
resulting
from
the
annual
long
term
care
claim
experience
study.
The
prior
year
claim
experience
study
resulted
in
a
reduction
in
claim
and
claim
adjustment
expense
reserves
of
\$31
million
(\$21
million

after
tax
and
noncontrolling
interests)
for
the
year
ended
December
31,
2018.

- (g) Includes
asset
impairment
charges
- (h) Includes
\$27
million
on the
statement
of income
after
tax
and
noncontrolling
interests)
for
the
year
ended
December
31,
2018.
- year
ended
December
31,
2018.

- (i) Includes asset impairment charges of \$89 million (\$69 million after tax) for the three months ended December 31,

2019
and
\$99
million
(\$77
million
after
tax)
for
the
year
ended
December
31,
2019
related
to
the
carrying
value
of
hotel
properties.

- (j) The
Corporate
segment
consists
of
investment
income
from
the
parent
company's
cash
and

investments,
interest
expense,
other
unallocated
corporate
expenses
and
the
financial
results
of
Altium
Packaging.

(k) For
the
three
months
ended
December
31,
2019,
includes
a

favorable
tax
adjustment
of
\$12
million
(\$5
million
after
noncontrolling
interests)
and
for
the
year
ended
December
31,
2019
and
2018,
includes
a
favorable
tax
adjustment
of
\$26
million
and
\$43
million
(\$12
million
and
\$23
million
after
noncontrolling
interests)
related
to
an
uncertain
tax
position
recorded
by
Diamond
Offshore
at
year-end
2017.

Loews Corporation and Subsidiaries

Consolidated Financial Review

	December 31,			
	Three Months		Years Ended	
(In millions, except per share data)	2019	2018	2019	2018
Revenues:				
Insurance premiums	\$ 1,911	\$ 1,859	\$ 7,428	\$ 7,312
Net investment income	622	266	2,355	1,817
Investment gains (losses)	8	(78)	49	(57)
Operating revenues and other (a)	1,335	1,240	5,099	4,994
Total	3,876	3,287	14,931	14,066
Expenses:				
Insurance claims and policyholders' benefits (b) (c)	1,483	1,594	5,806	5,572
Operating expenses and other (d) (e)	2,117	1,925	8,006	7,660
Total	3,600	3,519	13,812	13,232
Income (loss) before income tax	276	(232)	1,119	834
Income tax (expense) benefit (f)	(65)	21	(248)	(128)
Net income (loss)	211	(211)	871	706
Amounts attributable to noncontrolling interests	6	46	61	(70)
Net income (loss) attributable to Loews Corporation	\$ 217	\$ (165)	\$ 932	\$ 636
Net income (loss) per share attributable to Loews Corporation	\$ 0.73	\$ (0.53)	\$ 3.07	\$ 1.99
Weighted average number of shares	296.29	313.88	303.35	319.93

(a) Includes settlement proceeds of \$26 million and \$35 million related to the bankruptcy of the debtor and ended December 31, 2019. Noncontrolling interests) for the three months ended December 31, 2019 and 2018 and losses of \$18 million and \$48 million (\$12 million and \$34 million after tax and noncontrolling interests) for the years ended December 31, 2019 and 2018 related to the 2010 retroactive reinsurance

agreement
to
cede
CNA's
legacy
asbestos
and
environmental
pollution
liabilities.

(c) Includes
a
charge
of
\$216
million
(\$151
million
after
tax
and
noncontrolling
interests)
for
the
year
ended
December
31,
2019
related
to
the
recognition
of
an
active
life
reserve
premium
deficiency
in
long
term
care
that
was
primarily
driven
by
changes
in
interest
rate
assumptions,
partially
offset
by
a
\$56
million
(\$39
million

after
 tax
 and
 noncontrolling
 interests)
 reduction
 in
 claim
 and
 claim
 adjustment
 expense
 reserves
 for
 policyholders
 on
 claim
 resulting
 from
 the
 annual
 long
 term
 care
 claim
 experience
 study.
 (d) The
 includes
 prior
 year
 claim
 (e) experience
 study
 resulted
 in a payment
 of \$11.9 million
 after
 reduction
 in
 noncontrolling
 interests)
 claim
 adjustment
 expense
 reserves
 of \$2.1 million
 for the
 year ended
 December
 2018
 and
 noncontrolling
 interests)
 and
 \$2.7 million
 for the
 year ended
 December
 and
 \$1.2 million
 after
 tax
 and
 noncontrolling
 interests)

for
the
years
ended
December
31,
2019
and
2018.

- (f) For
the
three
months
ended
December
31,
2019,
includes
a
favorable
tax
adjustment
of
\$12
million
(\$5
million
after
noncontrolling
interests)
and
for
the
year
ended
December
31,
2019

and
2018,
includes
a
favorable
tax
adjustment
of
\$26
million
and
\$43
million
(\$12
million
and
\$23
million
after
noncontrolling
interests)
related
to
an
uncertain
tax
position
recorded
by
Diamond
Offshore

at
year-end
2017.

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SOURCE Loews Corporation

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