CNA FINANCIAL CORP
Form 424B5
March 21, 2016

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Registration No. 333-187773

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Aggregate Offering Price per Note	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
4.500% Notes due 2026	$100,000,000	100.398%	$100,398,000	$10,110.08(1)

(1) The filing fee is calculated in accordance with Rules 457(o) and 457(r) of the Securities Act of 1933, as amended (the "Act").

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PROSPECTUS SUPPLEMENT
(To prospectus dated April 5, 2013)

$100,000,000

CNA Financial Corporation

4.500% Notes due 2026

We previously issued on February 24, 2016, $400,000,000 aggregate principal amount of 4.500% Notes due 2026, which remain outstanding following this offering. These notes will form a part of this series and will have the same terms (other than issue date and price) and CUSIP number as the existing notes.

We will pay interest on the notes semi-annually on March 1 and September 1 of each year, beginning on September 1, 2016. The notes will mature on March 1, 2026. We may redeem any or all of the notes at any time at the applicable redemption price as described in this prospectus supplement.

The notes represent our unsecured and unsubordinated debt and will rank equally with all our other unsecured and unsubordinated indebtedness. The notes will be issued only in registered form in denominations of $2,000 and integral multiples of $1,000 in excess thereof.

The notes are a new issue of securities with no established trading market. We do not intend to apply to list the notes for trading on any securities exchange or to arrange for quotation on any automated dealer quotation system.

Investing in the notes involves risks. See "Risk Factors" beginning on page S-3 and in our Annual Report on Form 10-K for the year ended December 31, 2015, which is incorporated herein by reference.

	Public Offering Price(1)	**Underwriting Discounts**	**Proceeds, before Expenses, to CNA Financial Corporation(1)**
Per Note	100.398%	0.593%	99.805%
Total	$100,398,000	$593,000	$99,805,000

(1) The purchase price will also include accrued interest on the notes from February 24, 2016 to the date of issuance.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The notes will be ready for delivery in book-entry form through the facilities of The Depository Trust Company and its participants, including Euroclear Bank, S.A./N.V., and Clearstream Banking, *société anonyme*, on or about March 22, 2016.

Joint Book-Running Managers

Citigroup **J.P. Morgan**

The date of this prospectus supplement is March 17, 2016.

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You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. Neither we nor any underwriter has authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer of these securities in any jurisdiction where the offer or sale is not permitted. The information which appears in this prospectus supplement, the accompanying prospectus and any document incorporated by reference may only be accurate as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since the date of such information.

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ABOUT THIS PROSPECTUS SUPPLEMENT

All references to "CNA," "we," "our" or "us" in this prospectus supplement or the accompanying prospectus are to CNA Financial Corporation and its subsidiaries.

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering and certain other matters. The second part, the accompanying prospectus, gives more general information about us and the notes offered hereby. Generally, when we refer to the prospectus, we are referring to both parts of this document combined. To the extent the description of the notes in this prospectus supplement differs from the description of the notes in the accompanying prospectus, you should rely on the information in this prospectus supplement.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"). Our SEC filings are available to the public over the Internet at the SEC's web site at http://www.sec.gov. These documents are also available free of charge on or through our internet website at www.cna.com under the investor relations tab. You may also read and copy any document we file at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. You can call the SEC at 1-800-SEC-0330 for further information on the public reference room.

Our common stock is listed on the New York Stock Exchange and the Chicago Stock Exchange under the trading symbol "CNA." You also can find copies of our SEC filings at the offices of these stock exchanges at the addresses listed below:

- New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005; and

- Chicago Stock Exchange, Inc., 440 South LaSalle Street, Chicago, Illinois 60603.

The SEC allows us to disclose certain information to you in this prospectus supplement by referring you to documents previously filed with the SEC that include such information. This process is generally referred to as "incorporating by reference." The information incorporated by reference is an important part of this prospectus supplement, and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings made with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934, as amended, subsequent to the date of this prospectus supplement until this offering is terminated (other than information in such filings that was "furnished," under applicable SEC rules, rather than "filed").

- Our Annual Report on Form 10-K for the year ended December 31, 2015 ("Annual Report on Form 10-K").

- Information from the Proxy Statement on Schedule 14A filed on March 18, 2016 that is incorporated by reference in our Annual Report on Form 10-K for the year ended December 31, 2015.

- Our Current Reports on Form 8-K filed on February 9, 2016 and February 23, 2016.

You may request a copy of these filings at no cost, by writing or telephoning us at the following address:

Office of the General Counsel
CNA Financial Corporation
333 South Wabash Avenue
Chicago, Illinois 60604
(312) 822-5000

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FORWARD-LOOKING STATEMENTS

Each of this prospectus supplement, the accompanying prospectus and the documents we incorporate by reference in this prospectus supplement and the accompanying prospectus contain a number of forward-looking statements which relate to anticipated future events rather than actual present conditions or historical events. These statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and generally include words such as "believes," "expects," "intends," "anticipates," "estimates" and similar expressions. Forward-looking statements include any and all statements regarding expected developments in our insurance business, including losses and loss reserves for asbestos and environmental pollution and other mass tort claims which are more uncertain, and therefore more difficult to estimate than loss reserves respecting traditional property and casualty exposures; the impact of routine ongoing insurance reserve reviews we are conducting; our expectations concerning our revenues, earnings, expenses and investment activities; volatility in investment returns; expected cost savings and other results from our expense reduction activities; and our proposed actions in response to trends in our business. Forward-looking statements, by their nature, are subject to a variety of inherent risks and uncertainties that could cause actual results to differ materially from the results projected in the forward-looking statement. We cannot control many of these risks and uncertainties. These risks and uncertainties include, but are not limited to, the following:

Company-Specific Factors

- the risks and uncertainties associated with our insurance reserves, as outlined in the Critical Accounting Estimates and the Reserves Estimates and Uncertainties sections included in our Annual Report on Form 10-K, including the sufficiency of the reserves and the possibility for future increases, which would be reflected in the results of operations in the period that the need for such adjustment is determined;

- the risk that the other parties to the transaction in which, subject to certain limitations, we ceded our legacy asbestos and environmental pollution ("A&EP") liabilities will not fully perform their obligations to CNA, the uncertainty in estimating loss reserves for A&EP liabilities and the possible continued exposure of CNA to liabilities for A&EP claims that are not covered under the terms of the transaction;

- the performance of reinsurance companies under reinsurance contracts with us; and

- the risks and uncertainties associated with potential acquisitions and divestitures, including the consummation of such transactions, the successful integration of acquired operations and the potential for subsequent impairment of goodwill or intangible assets.

Industry and General Market Factors

- the impact of competitive products, policies and pricing and the competitive environment in which we operate, including changes in our book of business;

- product and policy availability and demand and market responses, including the level of ability to obtain rate increases and decline or non-renew underpriced accounts, to achieve premium targets and profitability and to realize growth and retention estimates;

- general economic and business conditions, including recessionary conditions that may decrease the size and number of our insurance customers and create additional losses to our lines of business, especially those that provide management and professional liability insurance, as well as surety bonds, to businesses engaged in real estate, financial services and professional services, and inflationary pressures on medical care costs, construction costs and other economic sectors that increase the severity of claims;

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- conditions in the capital and credit markets, including continuing uncertainty and instability in these markets, as well as the overall economy, and their impact on the returns, types, liquidity and valuation of our investments;

- conditions in the capital and credit markets that may limit our ability to raise significant amounts of capital on favorable terms; and

- the possibility of changes in our ratings by ratings agencies, including the inability to access certain markets or distribution channels and the required collateralization of future payment obligations as a result of such changes, and changes in rating agency policies and practices.

Regulatory Factors

- regulatory initiatives and compliance with governmental regulations, judicial interpretations within the regulatory framework, including interpretation of policy provisions, decisions regarding coverage and theories of liability, trends in litigation and the outcome of any litigation involving us, and rulings and changes in tax laws and regulations;

- regulatory limitations, impositions and restrictions upon us, including with respect to our ability to increase premium rates, and the effects of assessments and other surcharges for guaranty funds and second-injury funds, other mandatory pooling arrangements and future assessments levied on insurance companies; and

- regulatory limitations and restrictions, including limitations upon our ability to receive dividends from our insurance subsidiaries, imposed by regulatory authorities, including regulatory capital adequacy standards.

Impact of Catastrophic Events and Related Developments

- weather and other natural physical events, including the severity and frequency of storms, hail, snowfall and other winter conditions, natural disasters such as hurricanes and earthquakes, as well as climate change, including effects on global weather patterns, greenhouse gases, sea, land and air temperatures, sea levels, rain, hail and snow;

- regulatory requirements imposed by coastal state regulators in the wake of hurricanes or other natural disasters, including limitations on the ability to exit markets or to non-renew, cancel or change terms and conditions in policies, as well as mandatory assessments to fund any shortfalls arising from the inability of quasi-governmental insurers to pay claims;

- man-made disasters, including the possible occurrence of terrorist attacks, the unpredictability of the nature, targets, severity or frequency of such events, and the effect of the absence or insufficiency of applicable terrorism legislation on coverages; and

- the occurrence of epidemics.

Our forward-looking statements speak only as of the date on which they are made and we do not undertake any obligation to update or revise any forward-looking statement to reflect events or circumstances after the date of the statement, even if our expectations or any related events or circumstances change.

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SUMMARY

The CNA Companies

We are a global insurance organization serving businesses with a broad range of commercial insurance products, including property and casualty, surety and insurance-related services. We serve a wide variety of customers, including small, medium and large businesses, insurance companies, associations, professionals, and other groups with a broad range of commercial products and services. Our core insurance products primarily include commercial property and casualty coverages, including surety. Our services include risk management, information services, warranty and claims administration. Our products and services are marketed through independent agents, brokers and managing general underwriters.

Based on 2014 statutory net written premiums, we are the 8th largest commercial insurance writer with an established market position across a diverse range of specialty and standard insurance products for commercial clients. Our common stock is listed on the New York Stock Exchange and the Chicago Stock Exchange. The trading symbol for our common stock is "CNA." As of December 31, 2015, Loews Corporation ("Loews") owned approximately 90% of our outstanding common stock.

We were incorporated as a Delaware corporation in 1967. Our principal subsidiary is The Continental Corporation, incorporated in 1968, which is the holding company of Continental Casualty Company ("CCC"), incorporated in 1897. The principal subsidiary of CCC is Western Surety Company ("WSC"), incorporated in 1900.

Our principal business is property and casualty insurance. CCC, WSC and each of their property and casualty insurance affiliates generally conduct our property and casualty insurance operations, including surety. Our life and group insurance operations, which have either been sold or are being managed as a run-off operation, are conducted by CCC. The principal market for insurance products offered by us is the United States, with a strong and expanding market presence in Canada and Europe.

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THE OFFERING

The following contains a general summary of the terms of the notes. It may not include all the information that is important to you. You should read the entire prospectus and the documents incorporated by reference before making an investment decision.

Issuer	CNA Financial Corporation.
Notes offered	$100,000,000 aggregate principal amount of 4.500% Notes due 2026.
Maturity date	March 1, 2026.
Coupon	4.500% per year.
Interest payment dates	March 1 and September 1 of each year, beginning September 1, 2016. Interest will accrue from February 24, 2016.
Ranking	The notes will be our unsecured, unsubordinated obligations and will rank equally in right of payment with all our other unsubordinated debt. The notes will be effectively junior to the debt and other liabilities of our subsidiaries. See "Description of Notes."
Optional redemption	We may redeem some or all of the notes at any time at the applicable redemption price discussed under the caption "Description of Notes Optional Redemption."
Form and denomination	The notes will be issued in fully registered form in denominations of $2,000 and in integral multiples of $1,000 in excess thereof.
Further issues	We may from time to time, without the consent of the holders of the notes, issue additional senior debt securities having the same ranking and the same interest rate, maturity and other terms as the notes offered hereby except for the public offering price and issue date and, in some cases, the first interest payment date. See "Description of Notes Further Issuances."
Use of proceeds	We estimate that the net proceeds of this offering, after deducting the underwriting discounts and other estimated offering expenses payable by us, and including accrued interest, will be approximately $100.1 million. Upon the closing of this offering, we intend to use the net proceeds to redeem the $350 million outstanding aggregate principal balance of all of our 6.500% senior notes due August 15, 2016 and for general corporate purposes. See "Use of Proceeds."
No listing of the notes	We do not intend to apply to list the notes for trading on any securities exchange or to arrange for quotation on any automated dealer quotation system.
Trustee	U.S. Bank National Association.

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RISK FACTORS

Our business faces significant risks. The risks described below and in our Annual Report on Form 10-K for the year ended December 31, 2015 may not be the only risks we face. Additional risks that we do not yet know of or that we currently think are immaterial may also impair our business operations. You should carefully consider and evaluate all of the information contained or incorporated by reference into this prospectus supplement and the accompanying prospectus, including the risk factors listed below, before deciding whether to invest in our notes.

General Risks

Loews owns a majority of our common stock and has the power to elect our board of directors and influence our affairs.

As of December 31, 2015, Loews beneficially owned approximately 90% of our outstanding common stock. As a result, Loews has the ability to elect our entire board of directors and determine the outcome of other matters submitted to our shareholders, such as the approval of significant transactions, and otherwise to influence our affairs.

Risks Related to the Notes

An increase in interest rates could result in a decrease in the relative value of the notes.

In general, as market interest rates rise, notes bearing interest at a fixed rate generally decline in value because the premium, if any, over market interest rates will decline. Consequently, if you purchase these notes and market interest rates increase, the market values of your notes may decline. We cannot predict the future level of market interest rates.

Ratings of the notes may not reflect all risks of an investment in the notes.

We expect that the notes will be rated by at least one nationally recognized statistical rating organization. The ratings of the notes will primarily reflect our financial strength and will change in accordance with the rating of our financial strength. A debt rating is not a recommendation to purchase, sell or hold the notes. These ratings do not correspond to market price or suitability for a particular investor. Additionally, ratings may be lowered or withdrawn in their entirety at any time. Any downgrade or anticipated downgrade or withdrawal of a rating by a rating agency that rates the notes could have an adverse effect on the trading prices or liquidity of the notes.

The notes and indenture, as supplemented, governing the notes do not restrict our ability to incur additional debt or prohibit us from taking other action that could negatively impact holders of the notes.

We are not restricted under the terms of the indenture governing the notes or the notes from incurring additional indebtedness. The terms of the indenture limit our ability to secure additional debt without also securing the notes. However, this limitation is subject to numerous exceptions. See "Description of the Debt Securities" in the accompanying prospectus. In addition, the notes do not require us to achieve or maintain any minimum financial results relating to our financial position or results of operations. Our ability to recapitalize, incur additional debt, secure existing or future debt or take a number of other actions that are not limited by the terms of the indenture and the notes, including repurchasing indebtedness or common shares or preferred shares, if any, or paying dividends, could have the effect of diminishing our ability to make payments on the notes when due.

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Our financial performance and other factors could adversely impact our ability to make payments on the notes.

Our ability to make scheduled payments with respect to our indebtedness, including the notes, will depend on our financial and operating performance, which, in turn, are subject to prevailing economic conditions and to financial, business and other factors beyond our control.

The notes will be unsecured and effectively subordinated to our secured debt because, in certain circumstances, the holders of secured debt will be entitled to proceed against the collateral securing such debt and only the proceeds of such collateral in excess of the secured debt will be available for payment of the unsecured debt, including the notes.

The notes will not be secured by any of our assets. As of December 31, 2015, we did not have any significant secured debt outstanding. The holders of any secured debt that we may have may foreclose on our assets securing our debt, reducing the cash flow from the foreclosed property available for payment of unsecured debt. The holders of any secured debt that we may have would also have priority over unsecured creditors in the event of our liquidation. In the event of our bankruptcy, liquidation or a similar proceeding, any holders of our secured debt would be entitled to proceed against their collateral, and that collateral will not be available for payment of unsecured debt, including the notes. As a result, the notes will be effectively subordinated to any existing and future secured debt that we may have.

The notes are effectively subordinated to the liabilities of our subsidiaries, which may reduce our ability to use the assets of our subsidiaries to make payments on the notes.

The notes are not guaranteed by our subsidiaries and therefore the notes will be effectively subordinated to all existing and future indebtedness and other liabilities of our subsidiaries. In the event of a bankruptcy, liquidation or similar proceeding of a subsidiary, following payment by the subsidiary of its liabilities, the subsidiary may not have sufficient assets to make payments to us. As of December 31, 2015, our subsidiaries had approximately $41 billion of existing liabilities, including $30 million of outstanding indebtedness.

Our ability to service debt, including the notes, is in large part dependent upon the results of operations of our subsidiaries.

CNA Financial Corporation is a holding company. Our subsidiaries conduct a significant percentage of our consolidated operations and own a significant percentage of our consolidated assets. In addition, our subsidiaries account for substantially all of our revenues and net income. Accordingly, our cash flow and our ability to service debt, including the notes, is in large part dependent upon the results of operations of our subsidiaries and upon the ability of our subsidiaries to provide us cash (whether in the form of dividends, loans or otherwise) to pay amounts due in respect of our obligations, to pay any amounts due on the notes or to make any funds available to pay such amounts. Our subsidiaries are not obligated to make funds available to us for payment of the notes or otherwise. In addition, their ability to make any payments will depend on their earnings, the terms of their indebtedness, business and tax considerations and legal restrictions. Further, dividends, loans and other distributions from certain of our subsidiaries to us are (i) subject to regulatory restrictions, including minimum net capital requirements, (ii) contingent upon results of operations of such subsidiaries and (iii) subject to various business considerations. Because we depend on the cash flow of our subsidiaries to meet our obligations, these types of restrictions may impair our ability to make scheduled interest and principal payments on the notes.

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An active trading market may not develop for the notes, which could adversely affect the price of the notes in the secondary market and your ability to resell the notes should you desire to do so.

The notes are a new issue of securities with no established trading market. We do not intend to apply to list the notes for trading on any securities exchange or to arrange for quotation on any automated dealer quotation system. As a result of this and the other factors listed below, an active trading market for the notes may not develop, in which case the market price and liquidity of the notes may be adversely affected.

In addition, you may not be able to sell your notes at a particular time or at a price favorable to you. Future trading prices of the notes will depend on many factors, including:

- our operating performance, financial condition and credit rating;
- our prospects or the prospects for companies in our industry generally;
- the interest of securities dealers in making a market in the notes;
- the market for similar securities;
- prevailing interest rates; and
- the risk factors described in Item 1A of our Annual Report on Form 10-K.

We have been advised by the underwriters that they intend to make a market for the notes, but they have no obligation to do so and may discontinue market-making at any time without providing any notice.

Redemption may adversely affect your return on the notes.

We have the right to redeem some or all of the notes of any series prior to maturity, as described under "Description of the Notes Optional Redemption." We may redeem the notes at times when prevailing interest rates may be relatively low compared to rates at the time of issuance of the notes. Accordingly, you may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the notes.

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USE OF PROCEEDS

We estimate that the net proceeds of this offering, after deducting the underwriting discounts and other estimated offering expenses payable by us, and including accrued interest, will be approximately $100.1 million. Upon the closing of this offering, we intend to use the net proceeds to redeem the $350 million outstanding aggregate principal balance of all of our 6.500% senior notes due August 15, 2016 and for general corporate purposes. Pending such application, we intend to invest the net proceeds of this offering in short term interest-bearing securities.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our ratio of earnings to fixed charges for each of the periods indicated. The ratio of earnings to fixed charges is computed by dividing (1) the sum of income from continuing operations before income taxes and fixed charges less undistributed income from unconsolidated equity investees by (2) total fixed charges. For purposes of computing this ratio, fixed charges consist of interest expense, an estimated interest portion of rental expense and interest credited to policyholders.

	Year Ended December 31,				
	2015	**2014**	**2013**	**2012**	**2011**
Ratio of earnings to fixed charges	5.4	7.4	6.2	5.0	6.8

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CAPITALIZATION

The following table shows our consolidated capitalization as of December 31, 2015:

- on a historical basis; and
- as adjusted to give effect to (i) the offering of $400,000,000 of the Company's 4.500% Notes due 2026 on February 24, 2016 and (ii) this offering and the use of the net proceeds therefrom as discussed under "Use of Proceeds" herein.

You should read this table in conjunction with our consolidated financial statements and related notes which are incorporated by reference in this prospectus supplement.

	December 31, 2015	
	Actual	As Adjusted
	(in millions)	
Short-term debt (net of unamortized discount):		
Senior notes of CNAF, 6.500% face amount of $350, due August 15, 2016	$ 350	$
Long-term debt (net of unamortized discount):		
Senior notes:		
6.950%, face amount of $150, due January 15, 2018	150	150
7.350%, face amount of $350, due November 15, 2019	349	349
5.875%, face amount of $500, due August 15, 2020	497	497
5.750%, face amount of $400, due August 15, 2021	397	397
3.950%, face amount of $550, due May 15, 2024	547	547
4.500%, face amount of $500, due March 1, 2026, including the notes offered hereby(1)		498
Debenture of CNAF, 7.250%, face amount of $243, due November 15, 2023	242	242
Subordinated variable debt of Hardy, face amount of $30, due September 15, 2036	30	30
Total debt	2,562	2,710
Less current portion of long-term debt	350	
Total long-term debt	2,212	2,710
Stockholders' equity:		
Common stock ($2.50 par value per share; 500,000,000 shares authorized; 273,040,243 shares issued; 270,274,361 shares outstanding)	683	683
Additional paid-in capital	2,153	2,153
Retained earnings	9,313	9,313
Accumulated other comprehensive income	(315)	(315)
Treasury stock (2,765,882 shares), at cost	(78)	(78)
Total CNA stockholders' equity	11,756	11,756
Total capitalization	$ 13,968	$ 14,466

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(1) The series of notes offered hereby will be a further issuance of, and will form a single series with, the outstanding notes issued on February 24, 2016. The notes are being offered at a price of 100.398% of their face value, resulting in gross proceeds of $100,398,000.

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SELECTED CONSOLIDATED FINANCIAL DATA

Our selected consolidated financial data presented below as of and for the years ended December 31, 2015, 2014, 2013, 2012 and 2011 have been derived from our audited consolidated financial statements.

You should read this selected consolidated financial information in conjunction with our audited consolidated financial statements in our Annual Report on Form 10-K, which is incorporated by reference in this prospectus supplement and the accompanying prospectus, and "Management's Discussion and Analysis of Financial Condition and Results of Operations" for those periods, which are contained in those documents.

Year Ended December 31,