



# CNA Financial Corp. (CNA)

Updated August 7<sup>th</sup>, 2026, by Nikolaos Sismanis

## Key Metrics

|                             |      |                                             |                    |                                  |                 |
|-----------------------------|------|---------------------------------------------|--------------------|----------------------------------|-----------------|
| <b>Current Price:</b>       | \$53 | <b>5 Year Annual Expected Total Return:</b> | 4.4%               | <b>Market Cap:</b>               | \$14.1 B        |
| <b>Fair Value Price:</b>    | \$47 | <b>5 Year Growth Estimate:</b>              | 3.0%               | <b>Ex-Dividend Date:</b>         | 08/17/26        |
| <b>Fair Value:</b>          | 111% | <b>5 Year Valuation Multiple Estimate:</b>  | -2.1%              | <b>Dividend Payment Date:</b>    | 09/03/26        |
| <b>Dividend Yield:</b>      | 3.6% | <b>5 Year Price Target</b>                  | \$55               | <b>Years Of Dividend Growth:</b> | 10 <sup>1</sup> |
| <b>Dividend Risk Score:</b> | D    | <b>Sector:</b>                              | Financial Services | <b>Rating:</b>                   | Hold            |

## Overview & Current Events

Founded in 1897 and headquartered in Chicago, IL, CNA Financial is one of the largest U.S. Commercial Property and Casualty insurance companies. The company operates under five segments: Specialty, Commercial, International, Life & Group and Corporate & Other – offering property and casualty coverage, life, accident and health insurance and retirement products and annuities. Loews Corporation (L) owns about 92% of CNA's shares. Last year the \$14.1 billion market cap company served over 1 million businesses and professionals and generated \$1.28 billion in profit.

On August 3<sup>rd</sup>, 2026, CNA reported its Q2 results for the period ending June 30<sup>th</sup>, 2026. For the quarter, CNA posted core income, which excludes net investment gains or losses and pension settlement impacts, of \$324 million, or \$1.19 per share, compared to \$335 million, or \$1.23 per share, last year.

The Property & Casualty segments reported core income of \$426 million, down \$22 million from the prior year, as weaker underlying underwriting results more than offset higher net investment income. Net written premiums increased 4%, supported by 11% growth in new business and renewal premium change of +2%. The Life & Group segment posted a core loss of \$10 million, compared to core income of \$1 million last year. Corporate & Other reported a core loss of \$92 million, compared to a \$114 million loss last year, including a \$77 million after-tax charge related to legacy mass-tort development.

The P&C combined ratio was 96.5%, compared with 94.1% in the prior-year quarter, including 2.3 points of catastrophe losses versus 2.4 points last year. The underlying combined ratio was 94.2%, compared to 91.7% previously. Book value per share excluding AOCI was \$45.83, up 4% from year-end 2025 after adjusting for \$2.96 of dividends paid. CNA also declared its regular quarterly dividend of \$0.48 per share. For FY2026, we expect core EPS of about \$4.30.

## Growth on a Per-Share Basis

| Year                      | 2016   | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   | 2023   | 2024   | 2025   | 2026          | 2031          |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------------|---------------|
| <b>EPS</b>                | \$3.05 | \$3.38 | \$3.11 | \$3.59 | \$2.70 | \$4.06 | \$3.84 | \$4.71 | \$4.83 | \$4.93 | <b>\$4.30</b> | <b>\$4.98</b> |
| <b>DPS</b>                | \$1.00 | \$1.10 | \$1.30 | \$1.40 | \$1.48 | \$1.52 | \$1.60 | \$1.68 | \$1.76 | \$1.84 | <b>\$1.92</b> | <b>\$2.23</b> |
| <b>Shares<sup>2</sup></b> | 270.5  | 271.2  | 271.5  | 271.4  | 271.4  | 271.4  | 271.0  | 271.0  | 271.5  | 271.2  | <b>271.7</b>  | <b>271.0</b>  |

Note that we are using core earnings, as we believe this better reflects the long-term earnings power of the company. CNA has put together a volatile but positive business record over the last decade. This is to be expected from an insurer, as premiums tend to be consistent, but claims will vary dramatically. Over the past decade, CNA has modestly grown its core EPS, although there are notable fluctuations. We believe that EPS will dip this year, but resume growing thereafter.

Note that insurers do not know their liabilities for many years, and it can be easy to underprice policies to chase growth. This was especially relevant during the past couple of years, given the COVID-19 pandemic and the uncertainties (still) surrounding future equity gyrations and insurance-related losses, especially those pertaining to weather. Therefore, we are of the opinion that CNA's slow and steady approach is attractive.

<sup>1</sup> Refers to the base dividend, excluding special dividends.

<sup>2</sup> In millions.

*Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.*



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We believe CNA could generate growth over the intermediate term through ongoing disciplined policy price increases and continued underwriting execution, while benefiting from still-elevated interest rates relative to the pre-2022 period, which should continue to support fixed maturity portfolio yields even as rates have moderated modestly. We are estimating earnings-per-share to land close to \$4.30 in 2026, and we are assuming a 3% intermediate-term growth rate.

## Valuation Analysis

| Year      | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Now  | 2031 |
|-----------|------|------|------|------|------|------|------|------|------|------|------|------|
| Avg. P/E  | 11.0 | 14.1 | 15.4 | 12.7 | 12.9 | 10.7 | 11.7 | 8.2  | 9.2  | 9.5  | 12.2 | 11.0 |
| Avg. Yld. | 3.0% | 2.3% | 2.7% | 3.1% | 4.2% | 3.5% | 3.6% | 4.3% | 3.9% | 3.9% | 3.6% | 4.1% |

Over the past decade, shares of CNA have traded hands with an average multiple of 11.5 times earnings. We believe 11 times earnings is a reasonable starting place, given the volatile results of the business and fairly humble growth forecast compared to other companies in the industry. With shares currently trading at 12.2 times our EPS estimate, we view CNA as slightly overvalued. Note that while CNA has paid a notable special dividend every year since 2014, we have not included this in our forecasts. With respect to 2025, the special dividend amounted to \$2.00. As such, this component could very well be understated in our dividend and total return estimates.

## Safety, Quality, Competitive Advantage, & Recession Resiliency

| Year   | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2031 |
|--------|------|------|------|------|------|------|------|------|------|------|------|------|
| Payout | 33%  | 33%  | 42%  | 39%  | 55%  | 37%  | 42%  | 36%  | 36%  | 37%  | 45%  | 45%  |

While CNA's business results have been markedly positive during the last decade, we do not believe the firm has a material competitive advantage given that insurance products are commodity-like in nature.

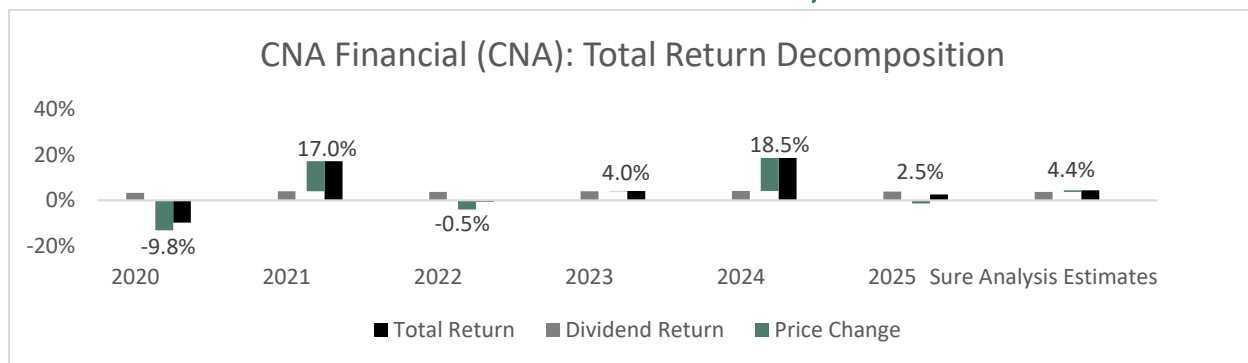
CNA is not necessarily beholden to economic conditions as much as it is to the timing of insurance related losses. That being said, many of the company's customers are sensitive to recessions, which will put pressure on the company in lesser times. During the Great Recession, CNA posted earnings-per-share of \$3.90, \$1.91, \$3.42, \$2.20, and \$2.28 during the 2007 through 2011 stretch. Moreover, the dividend was cut from \$0.45 to zero during 2009 and 2010, before being reinstated at \$0.40 in 2011. Core earnings declined during 2020 amid the pandemic, but rebounded quickly as well.

Today the company appears to be in reasonable financial shape, with A+ and A2 ratings from S&P and Moody's. Moreover, we are encouraged by the annual special dividend as this shows both a penchant for returning capital to shareholders and flexibility if the firm needs it in the future.

## Final Thoughts & Recommendation

CNA Financial has put up a volatile record over the past decade. We are projecting a 4.4% annual total return potential, stemming from 3% growth, a 3.6% dividend yield, and the possibility of a valuation headwind. Our projection doesn't include the annual special dividends, which could boost total returns meaningfully. Shares earn a hold rating.

## Total Return Breakdown by Year



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## Income Statement Metrics

| Year           | 2016    | 2017    | 2018     | 2019     | 2020     | 2021     | 2022    | 2023     | 2024   | 2025   |
|----------------|---------|---------|----------|----------|----------|----------|---------|----------|--------|--------|
| Revenue        | \$9,366 | \$9,542 | \$10,134 | \$10,767 | \$10,690 | \$11,510 | \$11880 | \$13,120 | 14,000 | 14,990 |
| D&A Exp.       | \$77    | \$88    | \$79     | \$68     | \$60     | \$54     | \$51    | \$73     | 67     | -      |
| Net Profit     | \$859   | \$899   | \$813    | \$1,000  | \$690    | \$1,202  | \$894   | \$1,205  | 959    | 1,278  |
| Net Margin     | 9.2%    | 9.4%    | 8.0%     | 9.3%     | 6.5%     | 10.4%    | 7.5%    | 9.2%     | 6.9%   | 8.5%   |
| Free Cash Flow | \$1,270 | \$1,152 | \$1,128  | \$1,114  | \$1,752  | \$1,971  | \$2450  | \$2195   | 2,476  | 2,404  |
| Income Tax     | \$278   | \$411   | \$151    | \$223    | \$131    | \$282    | \$187   | \$313    | 252    | 342    |

## Balance Sheet Metrics

| Year              | 2016     | 2017     | 2018     | 2019     | 2020     | 2021     | 2022     | 2023     | 2024   | 2025   |
|-------------------|----------|----------|----------|----------|----------|----------|----------|----------|--------|--------|
| Total Assets      | \$55,233 | \$56,567 | \$57,152 | \$60,612 | \$64,030 | \$66,640 | \$60,930 | \$64,710 | 66,490 | 63,510 |
| Cash & Equiv.     | \$271    | \$355    | \$310    | \$242    | \$419    | \$536    | \$475    | \$345    | 472    | 425    |
| Accounts Rec.     | \$6,625  | \$6,553  | \$6,749  | \$6,628  | \$7,064  | \$8,408  | \$8,574  | \$8,854  | 9,722  | -      |
| Goodwill & Int.   | \$214    | \$220    | \$214    | \$216    | \$217    | \$215    | \$215    | 224      | 222    | 148    |
| Total Liabilities | \$43,264 | \$44,323 | \$45,935 | \$48,397 | \$51,320 | \$53,830 | \$52,100 | \$54,820 | 55,980 | 51,890 |
| LT Debt           | \$2,710  | \$2,858  | \$2,680  | \$2,679  | \$2,776  | \$2,779  | \$2,781  | \$3,031  | 2,973  | 3,189  |
| Book Value        | \$11,969 | \$12,244 | \$11,217 | \$12,215 | \$12,710 | \$12,810 | \$8,825  | \$9,893  | 10,510 | 11,620 |
| LTD/E Ratio       | 0.23     | 0.23     | 0.24     | 0.22     | 0.22     | 0.22     | 0.32     | 0.31     | 0.28   | 0.27   |

## Profitability & Per Share Metrics

| Year             | 2016    | 2017    | 2018    | 2019    | 2020    | 2021    | 2022    | 2023    | 2024  | 2025  |
|------------------|---------|---------|---------|---------|---------|---------|---------|---------|-------|-------|
| Return on Assets | 1.6%    | 1.6%    | 1.4%    | 1.7%    | 1.1%    | 1.8%    | 1.4%    | 1.9%    | 1.5%  | 2.1%  |
| Return on Equity | 7.2%    | 7.4%    | 6.9%    | 8.5%    | 5.5%    | 9.4%    | 8.3%    | 13.1%   | 9.4%  | 11.6% |
| ROIC             | 5.9%    | 6.0%    | 5.6%    | 6.9%    | 4.5%    | 7.7%    | 6.6%    | 9.9%    | 7.3%  | 9.0%  |
| Shares Out.      | 271.1   | 272.1   | 272.5   | 272.5   | 272.4   | 272.8   | 275.5   | 272.2   | 273   | 272   |
| Revenue/Share    | \$34.55 | \$35.07 | \$37.19 | \$39.51 | \$39.23 | \$42.18 | \$43.59 | \$48.22 | 51.33 | 55.03 |
| FCF/Share        | \$4.68  | \$4.23  | \$4.14  | \$4.09  | \$6.43  | \$7.23  | \$9.00  | \$8.06  | 9.08  | 8.83  |

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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