

Plan of Operations

Aetna Insurance Company of Connecticut

Aetna Insurance Company of Connecticut (the “Domestic Insurer”) is a property and casualty insurance company that ceased writing new business approximately seven years ago. With the exception of one existing assumed reinsurance arrangement, for which the Domestic Insurer holds reserves of approximately \$109,000, the Domestic Insurer has no direct or assumed insurance liabilities. The Domestic Insurer has no policyholders and its one ceding insurer is aware of the proposed acquisition of control (the “Proposed Acquisition”) of the Domestic Insurer by Continental Casualty Company, a property and casualty insurance company domiciled in Illinois (“CCC”), The Continental Corporation, a New York corporation (“TCC”), CNA Financial Corporation, a publicly traded Delaware corporation (“CNA”), and Loews Corporation, a publicly traded Delaware corporation (“Loews” and collectively with CCC, TCC and CNA, the “Applicants”).

Immediately following the consummation of the Proposed Acquisition (the “Closing”), the Domestic Insurer will continue to maintain its separate corporate existence.

Potential Future Transactions & Redomestication

CCC is seeking to acquire the Domestic Insurer for corporate flexibility purposes. Although no present plans or proposals for utilizing the Domestic Insurer exist, like many of their competitors, CNA and CCC regularly evaluate their existing books of business and, as part of such analysis going forward, would likely evaluate whether the Domestic Insurer could facilitate future strategic transactions. Any future strategic transactions could take various forms, including but not limited to, indemnity reinsurance, assumption reinsurance, insurance business transfers, corporate divisions, entry into new lines and kinds of business, and/or effecting spinoffs or sales of certain books of non-core business. Prior to undertaking any future transactions, however, (i) CCC and CNA management would need to undertake a comprehensive assessment of available alternatives and make recommendations to the CCC and CNA Board of Directors (the “Boards”), (ii) the Boards would need to review and approve the transaction(s), (iii) the transaction(s) would need to be structured and documented, (iv) if the desired transaction involved a purchase, divestiture or sale, such transaction would need to be negotiated with any counterparties, and (v) the necessary approvals of the applicable state departments of insurance charged with review of the transaction(s) (together with any other state and federal governmental authorities) would need to be obtained. Given the necessary diligence and deliberations as well as potential negotiations that would need to precede the implementation of any such transactions, CNA has no present expectation that any transaction involving the Domestic Insurer would be pursued and consummated in the foreseeable future.

The Applicants do intend, however, to cause the Domestic Insurer to redomesticate from Connecticut to Illinois – the lead domiciliary state of the CCC intercompany pool – as promptly as practicable following the Closing (the “Redomestication”). The Domestic Insurer will be filing an application shortly seeking approval for the Redomestication from the Connecticut Insurance Department (the “Department”) as well as the Illinois Department of Insurance (the “Illinois Department”). As previously stated, CNA, TCC and CCC intend to

move forward with the Proposed Acquisition and Redomestication at this time to maintain maximum strategic flexibility going forward.

Due to the lack of acceptable shell insurance companies with financially sound parent companies on the market at any given point in time and the length of time required to complete a shell acquisition, CNA believes that a 50-state licensed shell of the caliber of the Domestic Insurer may not become available in the future. Furthermore, even if CNA decides not to undertake any strategic transactions utilizing the Domestic Insurer in the future, the Domestic Insurer could still serve many useful purposes for CNA’s holding company system, including, among others, as a mechanism for separating books of business (either for management, administration or capital efficiency purposes) or as a platform for new business ventures. As a result, the Applicants believe it is in their best interest to move forward with the acquisition of the Domestic Insurer at this time.

Directors and Executive Officers

As contemplated by the Stock Purchase Agreement dated as of December 15, 2021, effective on the date of the Closing, the current directors and executive officers of the Domestic Insurer will resign, and new directors and executive officers of the Domestic Insurer will be appointed by the Applicants. The following is a table of the proposed directors and executive officers of the Domestic Insurer effective on the date of the Closing.

Proposed Directors:

<u>Name</u>	<u>Proposed Title</u>
Scott Lindquist	Director
Robert J. Hopper	Director
Dino E. Robusto	Director
Susan A. Stone	Director
Douglas M. Worman	Director

Proposed Executive Officers:

<u>Name</u>	<u>Proposed Title</u>
Dino E. Robusto	Chairman of the Board, Chief Executive Officer & President
Scott Lindquist	Executive Vice President & Chief Financial Officer
Stathy Darcy	Senior Vice President, Deputy General Counsel & Secretary
Amy C. Adams	Senior Vice President & Treasurer
Ryan Hill	Controller

Intercompany Agreements

Following the Closing, CCC intends to enter into an administrative services agreement with the Domestic Insurer (the "Administrative Services Agreement"), whereby CCC will provide certain administrative services to the Domestic Insurer as needed, in exchange for fair and reasonable compensation in accordance with the terms of the agreement. It is also anticipated that the Domestic Insurer will be added as a party to the CNA Intercompany Expense Agreement dated as of December 1, 2008, among CCC and certain of its affiliates (as amended, the "Intercompany Expense Agreement"), pursuant to which the parties provide certain administrative services to one another, all as more particularly described in the agreement. The existing Intercompany Expense Agreement is on file with the Illinois Department. The Applicants intend to file the proposed Administrative Services Agreement and amendment adding the Domestic Insurer as a party to the Intercompany Expense Agreement on Form D-1 (Prior Notice of a Transaction) with the Illinois Department following the Redomestication.

In addition, CCC also intends to enter into a new tax allocation agreement with the Domestic Insurer (the "Tax Allocation Agreement"). It is also anticipated that the Domestic Insurer will be added as a party to the Investment Facilities and Services Agreement dated as of January 1, 2006, among CNA, Loews/CNA Holdings Inc. and various participating subsidiaries (as amended, the "Investment Agreement"). The existing Investment Agreement is on file with the Illinois Department. The Applicants intend to file the proposed Tax Allocation Agreement and amendment adding the Domestic Insurer as a party to the Investment Agreement on Form D-1 (Prior Notice of a Transaction) with the Illinois Department following the Redomestication.

Name Change

As part of the Redomestication, the Applicants intend to change the name of the Domestic Insurer. The proposed new name has not yet been determined.

Maintenance of Licenses

The Applicants intend to maintain all of the Domestic Insurer's current insurance licenses. As such, the Applicants intend to continue the processes and procedures presently in place to ensure such licenses remain current.

Three-Year Financial Projections

Three-Year Financial Projections of the Domestic Insurer are being provided to the Department with the Form A Statement regarding the Proposed Acquisition.