

LILIENTHAL STEPHEN W
 Form 4
 November 20, 2008

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 LILIENTHAL STEPHEN W

2. Issuer Name and Ticker or Trading Symbol
 CNA FINANCIAL CORP [CNA]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 333 SOUTH WABASH AVENUE
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 11/20/2008

Director 10% Owner
 Officer (give title below) Other (specify below)
 Chairman and CEO

CHICAGO, IL 60604

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) | Amount | | |
| | | | | Code | V | | Price |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security | 2. Conversion or Exercise | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any | 4. Transaction Code | 5. Number of Derivative Securities | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Security (Instr. 3 and 4) |
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|

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| (Instr. 3) | Price of Derivative Security | (Month/Day/Year) | (Instr. 8) | Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | | | | | | |
|---------------------------|------------------------------|------------------|------------------|--|--------|-----|---------------------------|-----------------|---------------|-------------|
| | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Am or Nu of |
| Employee Stock Option | \$ 27.27 | 11/20/2008 | D ⁽⁵⁾ | | 65,000 | | 02/09/2006 ⁽⁵⁾ | 01/01/2012 | Common Shares | 6. |
| Employee Stock Option | \$ 27.27 | 11/20/2008 | A ⁽⁵⁾ | | 65,000 | | 02/09/2006 ⁽⁵⁾ | 01/01/2012 | Common Shares | 6. |
| Stock Appreciation Rights | \$ 30.98 | 11/20/2008 | D ⁽⁶⁾ | | 75,000 | | 02/08/2007 ⁽⁶⁾ | 01/01/2012 | Common Shares | 7. |
| Stock Appreciation Rights | \$ 30.98 | 11/20/2008 | A ⁽⁶⁾ | | 75,000 | | 02/08/2007 ⁽⁶⁾ | 01/01/2012 | Common Shares | 7. |
| Stock Appreciation Rights | \$ 41.86 | 11/20/2008 | D ⁽⁷⁾ | | 75,000 | | 02/07/2008 ⁽⁷⁾ | 01/01/2012 | Common Shares | 7. |
| Stock Appreciation Rights | \$ 41.86 | 11/20/2008 | A ⁽⁷⁾ | | 75,000 | | 02/07/2008 ⁽⁷⁾ | 01/01/2012 | Common Shares | 7. |
| Stock Appreciation Rights | \$ 32.54 | 11/20/2008 | D ⁽⁸⁾ | | 75,000 | | 02/06/2009 ⁽⁸⁾ | 01/01/2012 | Common Shares | 7. |
| Stock Appreciation Rights | \$ 32.54 | 11/20/2008 | A ⁽⁸⁾ | | 75,000 | | 02/06/2009 ⁽⁸⁾ | 01/01/2012 | Common Shares | 7. |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|------------------|-------|
| | Director | 10% Owner | Officer | Other |
| LILIENTHAL STEPHEN W 333 SOUTH WABASH AVENUE CHICAGO, IL 60604 | X | | Chairman and CEO | |

Signatures

Stephen W.
Lilienthal 11/20/2008

**Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(5) The two reported transactions involved an amendment of an outstanding option, resulting in the deemed cancellation of the "old" option and the grant of a replacement option. The option was originally granted on February 9, 2005 and provided for vesting in quarterly annual installments commencing on February 9, 2006. Pursuant to Mr. Lilienthal's Employment Agreement, the expiration date of the original option would have been one year following his departure from the Company. In addition, an unvested options fully vest upon termination.

(6) The two reported transactions involved an amendment of an outstanding stock appreciation right, resulting in the deemed cancellation of the "old" right and the grant of a replacement right. The right was originally granted on February 8, 2006 and provided for vesting in quarterly annual installments commencing on February 8, 2007. Pursuant to Mr. Lilienthal's Employment Agreement, the expiration date of the original right would have been one year following his departure from the Company. In addition, any unvested rights fully vest upon termination.

(7) The two reported transactions involved an amendment of an outstanding stock appreciation right, resulting in the deemed cancellation of the "old" right and the grant of a replacement right. The right was originally granted on February 7, 2007 and provided for vesting in quarterly annual installments commencing on February 7, 2008. Pursuant to Mr. Lilienthal's Employment Agreement, the expiration date of the original right would have been one year following his departure from the Company. In addition, any unvested rights fully vest upon termination.

(8) The two reported transactions involved an amendment of an outstanding stock appreciation right, resulting in the deemed cancellation of the "old" right and the grant of a replacement right. The right was originally granted on February 6, 2008 and provided for vesting in quarterly annual installments commencing on February 6, 2009. Pursuant to Mr. Lilienthal's Employment Agreement, the expiration date of the original right would have been one year following his departure from the Company. In addition, any unvested rights fully vest upon termination.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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