

CNA Surety Corporation

Press Release Investor Data

(Amounts in thousands, except per share data)

	Three Months Ended March 31,	
	<u>2004</u>	<u>2003</u>
Operating Results:		
Gross written premiums	<u>\$ 95,879</u>	<u>\$ 91,671</u>
Net written premiums	<u>\$ 71,554</u>	<u>\$ 79,334</u>
Revenues:		
Net earned premiums	\$ 75,197	\$ 71,206
Net investment income	6,977	6,699
Net realized investment gains	<u>2,230</u>	<u>730</u>
Total revenues	<u>\$ 84,404</u>	<u>\$ 78,635</u>
Expenses:		
Net losses and loss adjustment expenses ⁽¹⁾	20,631	18,606
Net commissions, brokerage and other underwriting expenses	55,312	44,296
Interest expense	<u>342</u>	<u>353</u>
Total expenses	<u>76,285</u>	<u>63,255</u>
Income before income taxes	8,119	15,380
Income taxes	<u>1,745</u>	<u>4,391</u>
Net income	<u>\$ 6,374</u>	<u>\$ 10,989</u>
Basic earnings per common share	<u>\$ 0.15</u>	<u>\$0.26</u>
Diluted earnings per common share	<u>\$ 0.15</u>	<u>\$0.26</u>
Basic weighted average shares outstanding	<u>42,991</u>	<u>42,957</u>
Diluted weighted average shares outstanding	<u>43,055</u>	<u>42,962</u>

See notes to Press Release Investor Data on page 3.

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	Three Months Ended	
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	<u>2004</u>	<u>2003</u>
Underwriting Results:		
Gross written premiums:		
Contract	\$ 49,787	\$ 41,623
Commercial	37,331	42,015
Fidelity and other	8,761	8,033
	<u>95,879</u>	<u>91,671</u>
Net written premiums:		
Contract	\$ 33,903	\$ 36,133
Commercial	29,269	35,523
Fidelity and other	8,382	7,678
	<u>\$ 71,554</u>	<u>\$ 79,334</u>
Net earned premiums	\$ 75,197	\$ 71,206
Net losses and loss adjustment expenses ⁽¹⁾	20,631	18,606
Net commissions, brokerage and other underwriting expenses	<u>55,312</u>	44,296
Underwriting (loss) income	(746)	8,304
Net investment income	6,977	6,699
Net realized investment gains	2,230	730
Interest expense	<u>342</u>	<u>353</u>
Income before income taxes	8,119	15,380
Income taxes	<u>1,745</u>	<u>4,391</u>
Net income	<u>\$6,374</u>	<u>\$ 10,989</u>
Loss ratio ⁽¹⁾	27.4%	26.1%
Expense ratio	<u>73.6</u>	<u>62.2</u>
Combined ratio ⁽¹⁾	<u>101.0%</u>	<u>88.3%</u>

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	Three Months Ended	
	March 31,	
	<u>2004</u>	<u>2003</u>
Cash Flow Data:		
Net cash provided by (used in) operations	\$ 42,890	\$ (35,051)
	March 31,	December 31,
	<u>2004</u>	<u>2003</u>
Consolidated Balance Sheet Data:		
Invested assets and cash	\$ 695,204	\$ 654,072
Intangible assets, net	138,785	138,785
Total assets	1,176,813	1,169,123
Insurance reserves	639,545	637,607
Debt	45,418	50,418
Total stockholders' equity	418,116	410,141
Book value per share	\$ 9.73	\$ 9.54
Outstanding shares	<u>42,993</u>	<u>42,980</u>

Notes to Press Release Investor Data

(1) Includes the effect of recording revisions of prior year reserves. The dollar amount and the percentage point effect on the loss ratio of these reserve revisions were a reduction of \$287, or 0.4%, and an addition of \$55, or 0.1%, for the three months ended March 31, 2004 and 2003, respectively.