

CNA Surety Corporation

Press Release Investor Data

{Amounts in thousands, except per share data}

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2000	1999	2000	1999
Operating Results:				
Gross written premiums	\$82,376	\$78,181	\$163,031	\$149,705
Net written premiums	\$78,410	\$76,173	\$157,589	\$145,535
Revenues:				
Net earned premiums	\$75,554	\$69,688	\$151,241	\$137,558
Net investment income	7,267	6,172	14,468	12,513
Net realized investment gains	234	24	230	420
Total revenues	\$83,055	\$75,884	\$165,939	\$150,491
Expenses:				
Net losses and loss adjustment expenses	13,688	11,758	27,260	23,672
Net commissions, brokerage & other underwriting expenses	44,025	41,838	88,833	81,816
Interest expense	1,729	1,331	3,350	2,820
Non-recurring charge	500	---	500	---
Amortization of intangible assets	1,523	1,475	3,048	2,950
Total expenses	61,465	56,402	122,991	111,258
Income before income taxes	21,590	19,482	42,948	39,233
Income taxes	7,483	6,644	14,728	13,352
Net income	\$14,107	\$12,838	\$28,220	\$25,881
Basic earnings per common share	\$0.33	\$0.29	\$0.66	\$0.59
Diluted earnings per common share	\$0.33	\$0.29	\$0.66	\$0.59
Basic weighted average shares outstanding	42,898	44,098	42,930	44,099
Diluted weighted average shares outstanding	43,080	44,267	43,080	44,238
Operating Earnings, After Income Taxes:				
Net realized income	\$14,107	\$12,838	\$28,220	\$25,881
Net realized investment gains	(152)	(16)	(150)	(273)
Non-recurring charge	325	---	325	---
Operating earnings	\$14,280	\$12,822	\$28,395	\$25,608
Diluted Per Share Data:				
Net income	\$0.33	\$0.29	\$0.66	\$0.59
Net realized investment gains	---	---	---	(.01)
Non-recurring charge	0.01	---	0.01	---
Operating earnings	\$0.34	\$0.29	\$0.67	\$0.58
Underwriting Results:				
Gross written premiums				
Contract	\$42,152	\$39,004	\$79,567	\$69,717
Commercial	33,739	32,902	69,486	66,267
Fidelity and other	6,485	6,275	13,978	13,721
Total	\$82,376	\$78,181	\$163,031	\$149,705
Net written premiums:				
Contract	\$38,546	\$37,838	\$74,476	\$67,497
Commercial	33,354	32,511	68,669	65,395
Fidelity and other	6,510	5,824	14,444	12,643
Total	\$78,410	\$76,173	\$157,589	\$145,535
Net earned premiums	\$75,554	\$69,688	\$151,241	\$137,558
Net losses and loss adjustment expenses*	13,688	11,758	27,260	23,672
Net commissions, brokerage and other underwriting expenses	44,025	41,838	88,833	81,816
Underwriting income	\$17,841	\$16,092	\$35,148	\$32,070
Loss ratio *	18.1%	16.9%	18.0%	17.2%
Expense ratio	58.3	60.0	58.8	59.5
Combined ratio*	76.4%	76.9%	76.8%	76.7%
Cash Flow Data:				
Net cash provided by operations	(1,788)	(5,373)	38,631	16,005
Consolidated Balance Sheet Data:			June 30, 2000	Dec. 31, 1999
Invested assets and cash			\$525,514	\$499,400
Intangible assets, net			152,931	155,980
Total assets			879,808	851,575
Insurance reserves			373,514	357,233
Long-term debt			101,900	101,900
Total stockholders' equity			348,311	326,304
Book value per share			\$8.12	\$7.59
Outstanding shares			42,899	43,006

***Notes to Press Release Investor Data**
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, all of which were reductions, were \$1,777 or 2.4% and \$2,448 or 3.5% for three months ended June 30, 2000 and 1999, and \$3,878 or 2.6% and \$4,113 or 3.0% for six months ended June 30, 2000 and 1999, respectively.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: The statements which are not historical facts contained in this release are forward-looking statements that involve risks and uncertainties, including, but not limited to, product and policy demand and market response risks, the effect of economic conditions, the impact of competitive products, policies and pricing, product and policy development, regulatory changes and conditions, rating agency policies and practices, development of claims and the effect on loss reserves, the performance of reinsurance companies under reinsurance contracts with the Company, investment portfolio developments and reaction to market conditions, the results of financing efforts, the actual closing of contemplated transactions and agreements, the effect of the Company's accounting policies, and other risks detailed in CNA Surety Corporation's Securities and Exchange Commission filings. No assurance can be given that the actual results of operations and financial condition will conform to the forward-looking statements contained herein.