

CNA Surety Corporation
 Press Release Investor Data
 (Amounts in thousands, except per share data)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2001	2000	2001	2000
Operating Results:				
Gross written premiums	<u>\$ 87,991</u>	\$ 79,393	<u>\$ 249,257</u>	\$ 242,424
Net written premiums	<u>\$ 84,058</u>	\$ 75,126	<u>\$ 237,509</u>	\$ 232,715
Revenues:				
Net earned premiums	\$ 81,931	\$ 73,541	\$ 237,530	\$ 224,782
Net investment income	7,088	7,428	22,303	21,896
Net realized investment gains (losses)	<u>367</u>	<u>(39)</u>	<u>530</u>	<u>191</u>
Total revenues	<u>89,386</u>	80,930	<u>260,363</u>	246,869
Expenses:				
Net losses and loss adjustment expenses	17,068	11,683	49,967	38,943
Net commissions, brokerage and other underwriting	51,748	46,325	146,769	135,158
Interest expense	803	1,809	3,348	5,159
Non-recurring charge	—	—	—	500
Amortization of intangible assets	<u>1,525</u>	<u>1,525</u>	<u>4,573</u>	<u>4,573</u>
Total expenses	<u>71,144</u>	<u>61,342</u>	<u>204,657</u>	<u>184,333</u>
Income before income taxes	18,242	19,588	55,706	62,536
Income taxes	<u>6,228</u>	6,250	<u>19,405</u>	20,978
Net income	<u>\$ 12,014</u>	<u>\$ 13,338</u>	<u>\$ 36,301</u>	<u>\$ 41,558</u>
Basic earnings per common share	<u>\$0.28</u>	<u>\$0.31</u>	<u>\$ 0.85</u>	<u>\$0.97</u>
Diluted earnings per common share	<u>\$0.28</u>	<u>\$0.31</u>	<u>\$ 0.85</u>	<u>\$0.97</u>
Basic weighted average shares outstanding	<u>42,758</u>	<u>42,909</u>	<u>42,736</u>	<u>42,922</u>
Diluted weighted average shares outstanding	<u>42,945</u>	<u>43,001</u>	<u>42,939</u>	<u>43,056</u>
Operating Earnings, After Income Taxes:				
Net income	\$ 12,014	\$ 13,338	\$ 36,301	\$ 41,558
Net realized investment (gains) losses	(239)	25	(345)	(124)
Non-recurring charge	—	—	—	325
Operating earnings	<u>\$ 11,775</u>	<u>\$ 13,363</u>	<u>\$ 35,956</u>	<u>\$ 41,759</u>
Diluted Per Share Data:				
Net income	\$0.28	\$ 0.31	\$ 0.85	\$ 0.97
Net realized investment (gains) losses	(0.01)	—	(0.01)	—
Non-recurring charge	—	—	—	0.01
Operating earnings	<u>\$0.27</u>	<u>\$ 0.31</u>	<u>\$ 0.84</u>	<u>\$ 0.98</u>
Dividends Paid Per Share	<u>\$0.15</u>	<u>\$ 0.08</u>	<u>\$ 0.39</u>	<u>\$ 0.24</u>

See notes to Press Release Investor Data on page 2.

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	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2001	2000	2001	2000
Underwriting Results:				
Gross written premiums:				
Contract	\$ 48,655	\$ 43,512	\$ 134,999	\$ 123,079
Commercial	32,510	29,446	92,933	98,932
Fidelity and other	6,826	6,435	21,325	20,413
	<u>87,991</u>	<u>79,393</u>	<u>249,257</u>	<u>242,424</u>
Net written premiums:				
Contract	\$ 45,722	\$ 39,630	\$ 125,001	\$ 114,106
Commercial	31,510	29,058	91,183	97,727
Fidelity and other	6,826	6,438	21,325	20,882
	<u>\$ 84,058</u>	<u>\$ 75,126</u>	<u>\$ 237,509</u>	<u>\$ 232,715</u>
Net earned premiums	\$ 81,931	\$ 73,541	\$ 237,530	\$ 224,782
Net losses and loss adjustment expenses ⁽¹⁾	17,068	11,683	49,967	38,943
Net commissions, brokerage and other underwriting expenses	51,748	46,325	146,769	135,158
Underwriting income	<u>\$ 13,115</u>	<u>\$ 15,533</u>	<u>\$ 40,794</u>	<u>\$ 50,681</u>
Loss ratio ⁽¹⁾	20.8%	15.9%	21.0%	17.3%
Expense ratio	63.2	63.0	61.8	60.2
Combined ratio ⁽¹⁾	<u>84.0%</u>	<u>78.9%</u>	<u>82.8%</u>	<u>77.5%</u>

Cash Flow Data:

Net cash provided by operations	\$ 23,633	\$ 30,165	\$ 36,018	\$ 68,796
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Consolidated Balance Sheet Data:	September 30,	December 31,
	2001	2000
Invested assets and cash	\$ 560,936	\$ 555,975
Intangible assets, net	145,310	149,882
Total assets	968,729	950,568
Insurance reserves	422,946	406,636
Long-term debt	76,195	101,556
Total stockholders' equity	396,868	374,032
Book value per share	\$ 9.28	\$ 8.76
Outstanding shares	<u>42,753</u>	<u>42,702</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 an addition of \$526, or 0.6 % and a reduction of \$2,878 or 3.9 % for three months ended September 30, 2001 and 2000, and an addition of \$371, or 0.2 % and a reduction of \$6,756 or 3.0% for nine months ended September 30, 2001 and 2000, 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.