

CNA Surety Corporation

Press Release Investor Data

{Amounts in thousands, except per share data}

	Three Months Ended December 31,		Years Ended December 31,	
	1999	1998	1999	1998
Operating Results:				
Gross written premiums	\$76,436	\$67,348	\$306,856	\$278,244
Net written premiums	\$74,484	\$65,786	\$298,987	\$270,602
Revenues:				
Net earned premiums	\$73,973	\$66,933	\$283,540	\$258,737
Net investment income	6,950	6,027	25,850	24,259
Net investment gains (losses)	(411)	622	15	844
Total revenues	\$80,512	\$73,582	\$309,405	\$283,840
Expenses:				
Net losses and loss adjustment expenses	11,553	10,670	44,672	44,998
Net commissions, brokerage & other underwriting expenses	42,497	38,254	166,974	151,966
Interest expense	1,562	1,713	5,846	7,218
Amortization of intangible assets	1,524	1,475	5,982	5,900
Total expenses	\$57,136	\$52,112	\$223,474	\$210,082
Income before income taxes	23,376	21,470	85,931	73,758
Income taxes	7,963	8,409	29,443	28,243
Net income	\$15,413	\$13,061	\$56,498	\$45,515
Basic earnings per common share	\$0.35	\$0.30	\$1.28	\$1.04
Diluted earnings per common share	\$0.35	\$0.30	\$1.28	\$1.04
Basic weighted average shares outstanding	43,602	44,090	43,974	43,722
Diluted weighted average shares outstanding	43,806	44,203	44,120	43,875
Operating Earnings, After Income Taxes:				
Net income	\$15,413	\$13,061	\$56,498	\$45,515
Net investment (gains) losses	267	(404)	(10)	(549)
Operating earnings	\$15,680	\$12,657	\$56,488	\$44,966
Diluted Per Share Data:				
Net income	\$0.35	\$0.30	\$1.28	\$1.04
Net investment (gains) losses	0.01	(0.01)	—	(0.01)
Operating earnings	\$0.36	\$0.29	\$1.28	\$1.03
Underwriting Results:				
Net written premiums:				
Contract	\$35,650	\$31,564	\$145,616	\$127,114
Commercial	32,717	28,915	128,834	120,638
Fidelity and other	6,117	5,307	24,537	22,850
	\$74,484	\$65,786	\$298,987	\$270,602
Net earned premiums	\$73,973	\$66,933	\$283,540	\$258,737
Net losses and loss adjustment expenses*	11,553	10,670	44,672	44,998
Net commissions, brokerage and other underwriting expenses	42,497	28,254	166,974	151,966
Underwriting income	\$19,923	\$18,009	\$71,894	\$61,773
Loss ratio *	15.6%	15.9%	15.7%	17.4%
Expense ratio	57.5	57.2	58.9	58.7
Combined ratio*	73.1%	73.1%	74.6%	76.1%
Consolidated Balance Sheet Data:			Sept. 30, 1999	Dec. 31, 1998
Invested assets and cash			\$499,400	\$505,355
Intangible assets, net			155,980	156,062
Total assets			851,575	819,370
Insurance reserves			357,233	333,728
Long-term debt			101,900	113,000
Total stockholders' equity			326,304	309,897
Book value per share			\$7.59	\$7.03
Outstanding shares			43,006	44,093

***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 \$4,244 or 5.7% and \$2,410 or 3.6% for three months ended December 31, 1999 and 1998, and \$13,085 or 4.6% and \$4,352 or 1.7% for twelve months ended December 31, 1999 and 1998, 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.