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## CNA Financial Corp. Q3 2008 Earnings Conference Call Transcript

### Question-and-Answer Session

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[Operator Instructions]. We will take our first question from Jay Cohen with Merrill Lynch.

**Jay Cohen - Merrill Lynch**

Hi. Good morning. Question relates to the capital raise. I guess I was although surprised by it and two questions actually. First, how much is this related to the statutory surplus in your life insurance companies?

**D. Craig Mense - Executive Vice President and Chief Financial Officer**

None of it related to statutory surplus in the Life Company's Jay, its Craig.

**Jay Cohen - Merrill Lynch**

Okay. But it seems on the property and casualty side, maybe I am using the wrong metrics, but it always seemed like you had a reasonable cushion. And even though you had some decent realized losses there, it seemed like you had that cushion.

**D. Craig Mense - Executive Vice President and Chief Financial Officer**

That's true. And I'd say that would continue to be the case, and would have been the case before we did the capital raise. So, our objective here in the capital raise was as I said, eliminate any question's uncertainty, and to position us to really withstand any stresses, as well as really act on opportunities that we thought were more likely to emerge, whether on the investing side or on the particularly, on the organic growth side and the business going forward.

So, a day before the capital raise our targeted... I know we've... I've talked to you before about kind of ignoring or saying how crude the premium surplus ratios were. But, I think maybe another, more standard ratio to look at is risk based capital, in terms of raise were minimums. And our target has always been to be somewhere in the 325 to 350 range.

So, before the range we were in... we were at on minimum, down to 325. And after the range, we're really closer to 373, 375. So we are at historical... near at historical highs, really across any measures. And we've done it more to be anticipatory than anything.

**Jay Cohen - Merrill Lynch**

And, have you had a dialogue with the rating agencies? For example, did they have any say, essentially in the capital raise?

**D. Craig Mense - Executive Vice President and Chief Financial Officer**

Well, no they had no say in the capital raise.

**Jay Cohen - Merrill Lynch**

Maybe I phrased that wrong. Maybe... were they part of the rationale for raising capital?

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