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CNA Financial Corporation Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Jay Cohen – Bank of America Merrill Lynch.

Jay Cohen – Bank of America Merrill Lynch

Two questions, the first one maybe more numbers oriented, the second question bigger picture. The first one, the accident year combined ratio excluding catastrophe losses seemed to jump in the fourth quarter versus the first three. It had been running about 96 and now all of a sudden it's at 100, this is for property casualty operations. I'm wondering what's behind that increase. Then secondly, Tom if you could talk about your main focus at the company. You've been there now for a bit of time, you've had a chance to look at things, as you look in to 2009/2010 what are your main focuses that you'll be working on?

Larry A. Haefner

On the first question, the comparison of the accident year loss ratio from fourth quarter was that to the first quarter? What was your point of comparison?

Jay Cohen – Bank of America Merrill Lynch

It was the accident year combined ratio ex cats in the fourth quarter versus the first three quarters which my numbers suggest is running closer to 96, this quarter was just over 100 for kind of the standard in the specialty business combined.

Larry A. Haefner

Yes but the major change in the fourth quarter for the current accident year involved the specialty lines business and that was primarily taking action on the credit crisis including [made] off exposures.

Thomas F. Motamed

I guess number one, I'm pretty excited to be here, I think there's a lot of upside at CNA or I wouldn't have come here. Today is my 26th day so I still have a lot to review and understand about CNA and how they operate and their position in the marketplace but I guess I would start off by saying I want to be thorough and thoughtful about the strategy going forward. It would be great to make a lot of promises today but I really want to do the right research and be able to tell you something at the end of the first quarter that has staying power.

All of that being said, a couple of real positives that I found when I got here, number one, a lot of support from the producer plant. They are very interested in CNA as a market, not only what we do today but what we could do for them in the future. As we mentioned on the call, we think that the underwriting results have improved a lot and that's pretty good considering what's been going on with rates for the last few years.

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