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## CNA Financial Corp., Q1 2009 Earnings Call Transcript

### Question-and-Answer Session

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**Operator**

(Operator Instructions). We'll take our first question from Robert Glasspiegel - Langen McAlenney.

**Robert Glasspiegel - Langen McAlenney**

A question for Craig and a question for Tom. My question for Craig; thank you for your April commentary; that was a pre-tax or after-tax number, on the gain, the \$550 million?

**D. Craig Mense**

That's pre-tax Bob.

**Robert Glasspiegel - Langen McAlenney**

You said \$1.8 billion of your topical assets mature in '09, the MBS/CMO/ABS/CDO?

**D. Craig Mense**

Yes, principal payments were \$1.8 billion in '09.

**Robert Glasspiegel - Langen McAlenney**

What are the unrealized losses on that segment; ballpark?

**D. Craig Mense**

Of that \$1.8 billion, I am not sure; why don't you go onto Tom's question, while I look that up.

**Robert Glasspiegel - Langen McAlenney**

I am interested in basically any data of what the duration of your underwater assets are and how much of it will we see that you actually did a pretty good job on your asset selection in a relatively quick time period; any data that would report that?

**D. Craig Mense**

Here are a couple of things you can keep in mind. First, the weighted average life of the entire structured portfolio is something around 3 years, and this quarter as an example, you saw the book value to that portfolio go down \$500 million or \$600 million, \$465 million was principal repayment and some of that was just market value changes.

**Robert Glasspiegel - Langen McAllenney**

It if goes by maturing, it's good; if it goes down by declines, it's less good.

**D. Craig Mense**

That's right. I would also tell you that \$150 million of that \$465 million was from sub-prime in all day. So, all this stuff was paying off relatively quickly and is in something you want to see emerge fairly quickly over time.

**Robert Glasspiegel - Langen McAllenney**

If you could get back to me on the number on the \$1.8 billion, that would be great. Tom, any key hires that you've made; you've been on board for 4 months officially. Typically new management brings in new people at key spots.

**Thomas F. Motamed**

I would say first of all Bob, we're going to be continually upgrading talent where it's needed. We did hire a new leader in our wholesale, excess, surplus lines area by the name of John Angerami who has a long experience in the P&C industry and in particular did run a wholesale excess surplus lines operations for another carrier, and we're looking to build that out pretty quickly. We will in that area as you probably know hire teams of people because that's the way that business operates. So we are very actively in the marketplace looking for teams to build out our excess surplus lines capability today, but we are looking to upgrade where necessary and we have a lot of searches underway.

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