

F O C U S

A C N A C A N A D A P U B L I C A T I O N

A Look Inside
2011 Q2

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Highlights

- Year to date gross written premium is slightly over plan and 6 percent over prior year.
- New business gross written premium is more than 2 percent over plan.
- Hit ratio (bound-to-quoted) is over 50 percent.

CNA Wins 6 Awards at IMCA

CNA won six awards at the Insurance Marketing and Communications Association's recent 2011 Annual Meeting and Showcase Awards:



Awards of Excellence

- I Am / We Are CNA Campaign
- Small Business Choice Endorsement Comparison Tool
- Risk Control Training & Education Website
- "All About the Numbers" Manufacturing Agent Campaign

Best of Show

- CNA 2010 Holiday Drive

SAMMY Award

- The I Am / We Are CNA Campaign

For more details, please visit our website at www.cnacanada.ca.

Message from Gary J. Owcar

CNA Canada is on the move.....

We are off to a fast start this year in pursuit of our strategic vision to grow our operations by investing in talent, infrastructure, and products, as well as raising our profile in the market. We often refer to it as "waking up the sleeping giant!"

I'm excited to review some of the progress we've made this year to date. The following is a short recap of our most important initiatives.

Talent

- Created and filled two new field positions; Business Development Specialists, East and West.
- Created a new national position and recently recruited an experienced International Underwriting Manager.
- Recruited an experienced Underwriter to augment the Life Science group.
- Added four new Claim positions and recruited top notch talent in Commercial and Marine lines.
- Added capabilities to our Actuarial department.

Infrastructure

- Invested in the development of an automobile system to improve service and ease of doing business.
- Updated or implemented new systems in Risk Control, Claim and Human Resources.
- Developed new management information and reports.
- Created new actuarial and underwriting tools.
- Completed new Claim vendor management program and law firm panels.
- Completed electronic file conversion in Claim.

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Letter from Gary

Market Profile

- Converted all packages to the new, broader oneworld™ product.
- Held very well attended product fairs across Canada.
- Rolled out a CNA initiative, "Sales Advantage," to improve our business flow and hit ratios, and enhance our underwriting capabilities with sales capabilities.
- Increased our branch managers and underwriters travel in the territories.
- Held much appreciated Risk Control schools and webinars for brokers and clients.
- Appointed new brokers where territory and business profiles made sense.
- Ran blind CNA brand tests in Toronto and Vancouver to shape our marketing and brand strategies.

And the list goes on! But suffice to say, nobody is complaining about not being busy. These initiatives and others have instilled a culture of change and accountability through collaboration. We fully recognize that our distribution partners, through soft markets and hard, are at the very core of our success. We take on all these challenges to ensure that we are here for the long term and viewed as a class act company in the market. Thanks for your continued support in making that vision come true.



Gary J. Owcar
President & COO
CNA Canada



Guard Against Security Breach

With the increasing reliance on digital communication, more companies are using third-party vendors to manage their customer's data. Although employing services from these third-party vendors save companies more money than housing customers' information on their own servers, there are many risks involved. This includes the lack of control over the vendor's level of security.

Many third-party communication vendors have recently experienced data breaches, impacting their clients and thousands of these companies' customers. Customer information includes valid email addresses (target for phishing spam), credit card information, bank information and passwords.

Epsilon, who distributes 40 billion marketing emails annually on behalf of their clients, had their data breached earlier this year, which impacted more than 2,500 companies worldwide.

If your clients use third-party vendors, look for Third Party Custodian coverage similar to CNA NetProtectSM, to help your clients mitigate the risk of losing their customer data. This coverage will treat the loss of information from a data breach held by a vendor on your customers' behalf as if it is on their own network.

For more information about CNA NetProtectSM or how to protect your clients against a security breach, please contact Michael O'Connor at 416-542-7419 or by email at michael.o'connor@cna.com.





Branch Success Stories

Thanks to your support, we have had numerous success stories nationwide since the product fairs.

Toronto

During the product fair, an opportunity to write a food manufacturer was identified and discussed. The next day, we contacted the broker to further pursue the value proposition CNA could bring to this account. To meet the insured's needs and to deliver a seamless customer service experience, we pooled expertise in U.S. Workers' Compensation and U.S. auto exposure, as well as working collaboratively with our cross-border unit. In addition to our service, the broker liked our specialized product for food manufacturers and the new extensions included in the oneworld™ wording. The total premium written was around \$250,000.

Vancouver

The product fair created an opportunity to solidify a relationship with a broker. For the past 5 years, the brokers' GWP had been declining. Prior to the product fair, the broker had also forgotten about CNA's product and appetite and stopped sending in submissions. After the product fair, the underwriter developed a better relationship with their senior marketer, as well as with a number of their producers, and they started sending in more submissions. Since then, we've been successful in agreeing to a plan where we have identified a specific segment to mutually pursue.

Calgary

CNA wrote an oil and gas drilling contractor account several years ago. The broker moved it to another market for a couple of reasons. When CNA was asked to requote it, our underwriter was able to identify the two key issues that caused the account to move - no payment plan

options and CNA's maximum GL limits. Not only were we able to offer the combined GL limits needed, but the underwriter was also able to work around the lack of a payment plan. The CEF portion of the account was put on a quarterly reporting basis, which allowed CNA to take a deposit premium on the CEF and adjust for the owed premium quarterly. CNA's understanding of the account and the client's operations, as well as meeting their coverage needs, helped us win this account back. The total premium was around \$150,000.

Montreal

At the product fair, a newly appointed broker was exposed to CNA's various products and industry-focused segments. They submitted a manufacturer of industrial equipment account. The broker was looking for a very quick turnaround and our underwriter was dedicated to provide a fast, competitive quote. The package required auto, marine and international coverage. This allowed us to demonstrate our cross-selling capabilities between different departments within CNA. The broker was very pleased with our service and is committed to growing its book of business with us. The total premium was around \$100,000.

Winnipeg

After the product fair, realizing CNA's commitment and understanding of the construction business, the broker submitted a sewer and water contractor. We quoted them on our CNA Build™ package product. When comparing coverages with the incumbent, the balance swung in our favour. The incumbent had written this account for the past seven years, but the broker felt our wording was more tailored for this class. In addition, the broker was more comfortable with our service performance. We won the account and the total premium was around \$140,000.

Thank you for the business and your continual support.



People on the Move

January 2011 – July 2011)

New employees

Toronto

Florentina Cornea
Underwriter, Life Science

Chiara D’Cunha
Underwriter

Raymond Llamas
Director, Surety

Janica Ng
Underwriting Coordinator

Christina Peene
Customer Service Representative

Darren O’Sullivan
Senior Claims Adjuster

Jimmy Tan
Actuarial Consultant

Lisa Wolfe
Senior Underwriter

Jana Zita
International Underwriting Manager

Montreal

Dean Grigoruk
AVP, Branch Manager

Vancouver

Portia Myrvang
Underwriter

Calgary

George Hammer
Claims Technical Manager

Benoit Leduc
Marine Claims Adjuster

Lance Rettinger
Underwriter

Danielle Loria
Underwriter

Western Canada

Kathy Short
Business Development Specialist

Brian Wilkinson
Claims Adjuster

Promoted employees and new assignments

Toronto

Tom Hammers
National Claims Manager

Montreal

Kelly MacDonald
Underwriting Assistant

Vancouver

Adriana Bacic
Senior Underwriter

Derek Saxton
*AVP, Branch Manager,
International Surety*

Laurene Handley
Senior Underwriter

Calgary

Christine Clowser
Senior Underwriter

Eastern Canada

Sorin Rogojinaru
Business Development Specialist

New Business Development Specialist (BDS) Roles

In support of CNA Canada’s growth strategies, two BDS positions were newly created to support branch operations in the achievement of CNA Canada’s business goals.

Business Development Specialists: Kathy Short, Western Canada, and Sorin Rogojinaru, Eastern Canada, will be responsible for driving sales and marketing activities, and improving our execution in the areas of pipeline management and broker development.

Kathy will report to Dan Nakonechny, AVP, Branch Manager of Calgary, and will support CNA’s operations in Vancouver, Calgary and Winnipeg.

Sorin will report to Michael Walcott, AVP, Branch Manager of Toronto, and will support CNA’s operations in Toronto and Montreal.

Our Broad Range of Products

CNA Canada offers a wide range of insurance products and services designed for the Canadian marketplace. Our offerings include:

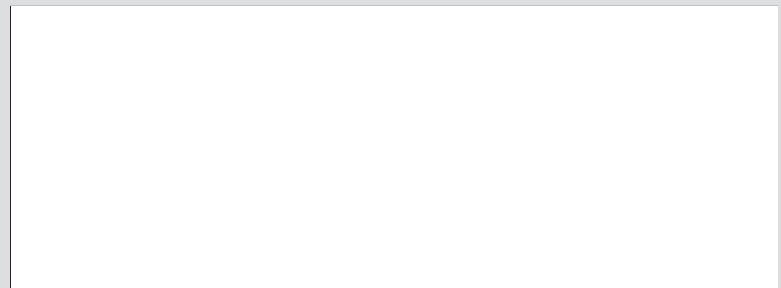
- Property and Casualty
- Wet Marine
- Local Claims Service Support
- Inland Marine
- Risk Control Consulting
- Contract and Commercial Surety

CNA Canada – Regional Offices

Toronto Montreal Vancouver Calgary Winnipeg
1-800-268-9399 1-800-361-2851 1-800-265-5333 1-888-267-1124 1-800-769-9070

CNA Surety

Toronto
1-800-268-9399



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