HINKLE DOUGLAS W

Form 4

February 16, 2007

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

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Expires:

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response...

Section 16. Form 4 or Form 5 obligations may continue.

See Instruction

Check this box

if no longer

subject to

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section

30(h) of the Investment Company Act of 1940

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * HINKLE DOUGLAS W

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

CNA SURETY CORP [SUR]

(Check all applicable)

(First) (Middle) (Last)

(Street)

3. Date of Earliest Transaction

below)

10% Owner Other (specify

1990 CARRIAGE HILL RD.

(Month/Day/Year) 02/13/2007

X_ Officer (give title below)

6. Individual or Joint/Group Filing(Check

Chief Underwriting Officer

4. If Amendment, Date Original

(Instr. 8)

Applicable Line)

Director

Filed(Month/Day/Year)

X Form filed by One Reporting Person Form filed by More than One Reporting

Person

LISLE, IL 60532

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)

2. Transaction Date 2A. Deemed (Month/Day/Year)

Execution Date, if

(Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D)

5. Amount of Securities Beneficially Owned Following

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial (T)

(Instr. 4)

Ownership (Instr. 4)

(A)

(Instr. 3, 4 and 5)

Reported Transaction(s)

Code V Amount (D) Price

(Instr. 3 and 4)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security

Conversion or Exercise

3. Transaction Date 3A. Deemed (Month/Day/Year) Execution Date, if

any

4. 5. Number Transaction Derivative Code Securities

6. Date Exercisable and **Expiration Date** (Month/Day/Year)

7. Title and Amount of **Underlying Securities** (Instr. 3 and 4)

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(Instr. 3) Price of (Month/Day/Year) (Instr. 8) Acquired Derivative (A) or Security Disposed of (D) (Instr. 3, 4, and 5) Code V (A) (D) Date Expiration Title Amount Exercisable Date or Number of Shares **CNA** Surety Common 3,900 02/13/2008 02/13/2017 Common \$ 20.7 02/13/2007 A 3,900 Stock Stock Option

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

HINKLE DOUGLAS W 1990 CARRIAGE HILL RD. LISLE, IL 60532

Chief Underwriting Officer

Signatures

Enid Tanenhaus - POA 02/15/2007

**Signature of Date
Reporting Person

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The options become exercisable in four equal installments beginning on February 13, 2008

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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