HINKLE DOUGLAS W

Form 4

February 09, 2011

FORM 4

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

OMB 3235-0287

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Number: January 31, Expires:

2005

OMB APPROVAL

Form 4 or Form 5 obligations

may continue.

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

Estimated average burden hours per response... 0.5

See Instruction 1(b).

(Print or Type Responses)

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

2. Issuer Name and Ticker or Trading

5. Relationship of Reporting Person(s) to Issuer

Symbol

CNA SURETY CORP [SUR]

(Check all applicable)

(Last)

(First)

(Middle)

3. Date of Earliest Transaction

(Month/Day/Year) 02/04/2011

Director 10% Owner X_ Officer (give title Other (specify

6. Individual or Joint/Group Filing(Check

below)

below) Chief Underwriting Officer

1990 CARRIAGE HILL ROAD

4. If Amendment, Date Original

Applicable Line)

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)

(Street)

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) (Instr. 3, 4 and 5) (Instr. 8)

5. Amount of Securities Beneficially Owned Following Reported

6. Ownership 7. Nature of Form: Direct Indirect (D) or Beneficial Indirect (I) Ownership (Instr. 4) (Instr. 4)

(A) or

(1)

Transaction(s) (Instr. 3 and 4)

Code V Amount (D) Price \$0

Common Stock

02/04/2011

A 2,156

2,156

D

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

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

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| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transactic Code (Instr. 8) | | | ate | 7. Title and Amount of Underlying Securities | nt of lying ities | 8. Price of Derivative Security (Instr. 5) | 9. Nu Deriv Secur Bene |
|---|---|---|---|--|-----------------------------------|---------------------|-----------------|---|-------------------------|--|---------------------------------|
| | Derivative Security | | | | Securities Acquired | | | (Instr. | 3 and 4) | | Owne Follo |
| | | | | | (A) or Disposed | | | | | | Repo Trans |
| | | | | | of (D) (Instr. 3, 4, and 5) | | | | | | (Instr |
| | | | | | 4, and 3) | | | | Amount | | |
| | | | | | | Date Exercisable | Expiration Date | Title | or Number of | | |
| | | | | Code V | (A) (D) | | | | Shares | | |

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

HINKLE DOUGLAS W 1990 CARRIAGE HILL ROAD LISLE, IL 60532

Chief Underwriting Officer

Signatures

Rosemary Quinn

- POA 02/09/2011

**Signature of Reporting Date

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).

Common stock represents the underlying security of restricted stock units granted to the reporting person, each restricted stock unit representing a contingent right to receive one share of CNA Surety Corporation common stock. The restricted stock units were awarded on February 4, 2011 based on performance throughout the 2010 performance year. The restricted stock units shall become exercisable in four equal installments on each of the first four anniversaries of the grant date (February 4, 2011). Provided, however, no restricted stock unit shall vest on such vesting date unless the reporting person is affiliated with CNA Surety Corporation on such vesting date except as otherwise specified in award terms and/or an employment agreement.

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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