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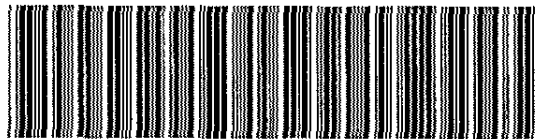
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480 779

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December 11, 2006

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WRITER'S DIRECT DIAL NO.
(605) 357-1254
BREILLY@DEHS.COM

VIA OVERNIGHT MAIL

Department of State
Division of Corporations
Attn: Karon Beyer
2661 Executive Center Circle
Clifton Building
Tallahassee, FL 32301

RE: Troy Fain - Insurance, Inc. Articles of Merger

Dear Ms. Beyer:

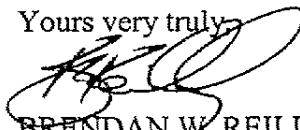
I understand you have been informed by Debbie Taylor for Notary Public Underwriters, Inc. to expect delivery for filing the enclosed Articles of Merger of Troy Fain - Insurance, Inc., a Florida corporation, with and into SUR Insurance Agency, Inc., a South Dakota corporation. Attached to the Articles of Merger is the Agreement and Plan of Merger as required by Florida and South Dakota law. An additional copy is also enclosed.

If in order, we request that the Articles of Merger are filed immediately.

Enclosed is this firm's check in the amount of \$87.50 to cover the merger of two corporations and for two (2) certified copies of the Certificate of Merger. Please return the certified copies to me at the address listed above. You may also contact me directly at 605-357-1254 if you have any questions or should need any further information.

Thank you for your prompt and courteous attention to this matter.

Yours very truly,


BRENDAN W. REILLY
For the firm

BWR/dve
Enclosures

FILED

ARTICLES OF MERGER OF TROY FAIN-INSURANCE, INC.

2006 DEC 12 PM 4:43

INTO

SUR INSURANCE AGENCY, INC.

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Pursuant to the provisions of Florida Statutes Chapter 607, the undersigned corporations adopt the following Articles of Merger for the purpose of merging them into one of such corporation:

FIRST: The following Agreement and Plan of Merger (the "Plan") was approved by the shareholders of each of the undersigned corporations in the manner prescribed by the Florida Statutes Chapter 607:

See Agreement and Plan of Merger attached hereto as Exhibit A and incorporated as a part hereof by reference.

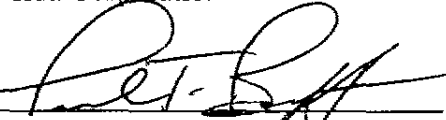
SECOND: As to each of the undersigned corporations, the number of shares outstanding, and the designation and number of outstanding shares of each class entitled to vote as a class on such Plan, are as follows:

<u>Name of Corporation</u>	<u>Number Of Shares Outstanding</u>	<u>Entitled to Vote as a Class</u>	
		<u>Designation Of Class</u>	<u>Number Of Shares</u>
TROY FAIN - INSURANCE, INC. a Florida Corporation ("Troy Fain")	100	N/A	N/A
SUR INSURANCE AGENCY, INC. a South Dakota Corporation ("SUR")	1,000	N/A	N/A

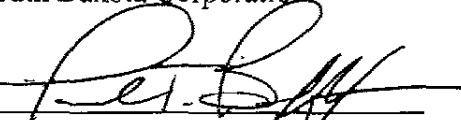
THIRD: Both Troy Fain and SUR are wholly-owned subsidiaries of CNA Surety Corporation ("Parent Corporation") and, as such, pursuant to SDCL 47-1A-1105 and Section 607.1104 of the Florida Statutes, this Merger may be and is hereby effected without the approval of the respective shareholders of Parent Corporation, Troy Fain and SUR.

Dated this 8th day of December, 2006.

TROY FAIN-INSURANCE, INC.
a Florida Corporation

By: 
Paul T. Bruflat, Sr. Vice President

SUR INSURANCE AGENCY, INC.
a South Dakota Corporation

By: 
Paul T. Bruflat, President

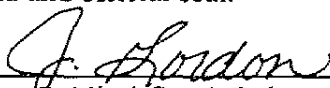
STATE OF SOUTH DAKOTA)

:SS

COUNTY OF MINNEHAHA)

On this, the 8th day of December, 2006, before me, the undersigned officer, personally appeared Paul T. Bruflat, who acknowledged himself to be the Senior Vice President of Troy Fain - Insurance, Inc., and that he, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as Senior Vice President.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.


Notary Public * South Dakota
My Commission Expires: J. GORDON
My Commission Expires 5-27-2011

STATE OF SOUTH DAKOTA)

:SS

COUNTY OF MINNEHAHA)

On this, the 8th day of December, 2006, before me, the undersigned officer, personally appeared Paul T. Bruflat, who acknowledged himself to be the President of SUR Insurance Agency, Inc., a South Dakota corporation, and that he, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as President.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

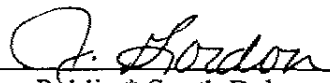

Notary Public * South Dakota
My Commission Expires: J. GORDON
My Commission Expires 5-27-2011

EXHIBIT A

AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "Agreement") is made and entered into as of the 8th day of December 2006 by and between TROY FAIN-INSURANCE, INC., a Florida corporation ("Troy Fain"), and SUR INSURANCE AGENCY, INC., a South Dakota corporation ("SUR" or the "Surviving Corporation").

WITNESSETH:

WHEREAS, Troy Fain is a Florida corporation with its principal place of business at Tallahassee, Florida; and

WHEREAS, SUR is a South Dakota corporation with its principal place of business at Sioux Falls, South Dakota; and

WHEREAS, Troy Fain is authorized to issue 100 shares of common stock of which 100 shares, no par value per share, are issued and outstanding, and owned by CNA Surety Corporation; and

WHEREAS, SUR has authorized 100,000 shares of common stock, all of which have a par value of \$1.00 per share, 1,000 of which are issued and outstanding, and owned by CNA Surety Corporation;

WHEREAS, it is desirable for the benefit of both corporations and their mutual sole shareholder that the properties, businesses, assets, and liabilities of the two corporations be combined into one surviving corporation, which shall be SUR; and

WHEREAS, for Federal income tax purposes, the transactions described herein are intended to qualify as reorganizations under the provisions of section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code") and this Agreement is hereby adopted as the plan of reorganization within the meaning of section 1.368-2(g) of Treasury Regulations.

NOW, THEREFORE, in consideration of the premises and mutual agreements contained herein, the parties hereto, in accordance with the applicable provisions of the laws of the States of South Dakota and Florida, do hereby agree as follows:

1. Merger. Subject to the terms and conditions of this Agreement, Troy Fain and SUR shall consummate a merger (the "Merger") pursuant to which:

- (a) Troy Fain shall be merged with and into SUR and the separate corporate existence of Troy Fain shall thereupon cease;

- (b) SUR shall be the surviving corporation (the "Surviving Corporation") and shall continue to be governed by the laws of the State of South Dakota; and
- (c) Pursuant to the Merger, upon the Effective Time, the Articles of Incorporation and the By-Laws of SUR, as in effect immediately prior to the Effective Time, shall continue as the Articles of Incorporation and the By-Laws of the Surviving Corporation, until thereafter amended as provided by law.

2. Effective Time. Troy Fain and SUR will cause Articles of Merger with respect to the Merger to be filed in the manner required by each of the State of South Dakota and the State of Florida. The Merger shall become effective at the end of the date that the Articles of Merger as filed and deemed accepted by the State of South Dakota (the "Effective Time").

3. Conversion of Shares. Each share of SUR common stock issued and outstanding immediately prior to the Effective Time shall, at the Effective Time, by virtue of the Merger and without any action on the part of the holder thereof, be converted into one share of common stock of the Surviving Corporation. Each share of Troy Fain common stock issued and outstanding immediately prior to the Effective Time shall, at the Effective Time, be cancelled and extinguished without any conversion thereof and no payment shall be made with respect thereto.

4. Directors and Officers. The directors and officers of SUR, as survivor, shall be the directors and officers until their successors are duly elected and qualified under the By-Laws of SUR.

5. Reorganization Status. Each of Troy Fain and SUR represents and warrants that, to its knowledge, it has not taken any action or failed to take any action which action or failure would jeopardize the qualification of the transactions described herein as reorganizations within the meaning of section 368(a) of the Code.

6. Representations and Covenants Regarding Assets and Liabilities. In accordance with the South Dakota Model Business Corporation Act (the "South Dakota Act"), the Surviving Corporation, from and after the Effective Time, shall have all the rights, privileges, immunities and powers and shall be subject to all the duties and liabilities of a corporation organized under the South Dakota Act, including, without limitation, all right, title and interest of Troy Fain in and to all of its properties, contracts and other assets of every character, kind, nature and description, whether real or personal, whether tangible or intangible, whether accrued, contingent or otherwise, and wherever situated (collectively, the "Assets"), together with all liabilities of Troy Fain.

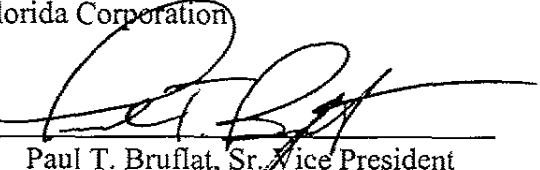
7. Approval. This Agreement has been approved by the respective boards of directors of each corporation a party hereto on December 8, 2006. Pursuant to SDCL 47-1A-1105 and Section 607.1104 of the Florida Statutes, approval of each corporation's shareholder is not required because both Troy Fain and SUR are wholly-owned subsidiaries of CNA Surety Corporation.

8. Authorization. The Merger of domestic and foreign corporations as contemplated herein is authorized by SDCL 47-1A-1102.1 and Section 607.1107 of the Florida Statutes. The Surviving Corporation shall comply with Section 607.1105 of the Florida Statutes and South Dakota law.

9. Governing Law. The laws of the State of South Dakota shall govern this Agreement and the transactions contemplated hereby, including, without limitation, the Merger.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement and Plan of Merger to be signed by their respective duly authorized officers as of the date first written above.

TROY FAIN-INSURANCE, INC.
a Florida Corporation

By: 
Paul T. Bruflat, Sr. Vice President

SUR INSURANCE AGENCY, INC.
a South Dakota Corporation

By: 
Paul T. Bruflat, President