

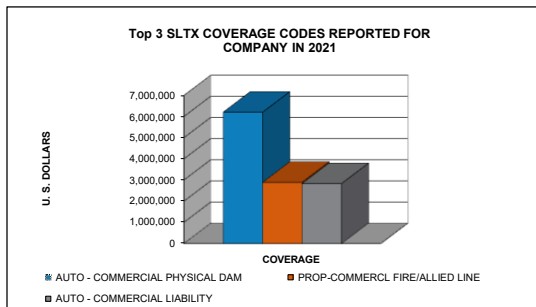
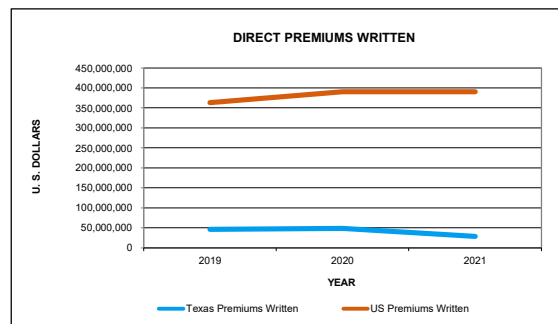
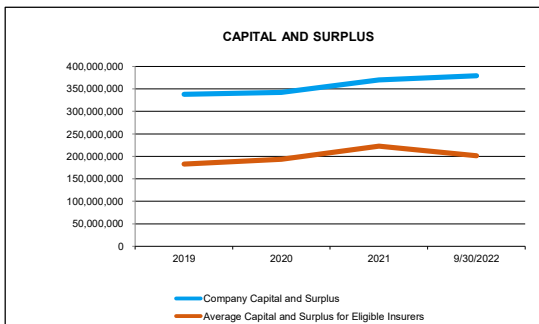
| | | | |
|--|----------------------|------------------------|--|
| Houston Specialty Insurance Company | | Issue Date: 12/20/2022 | |
| Insurer #: 13765877 | NAIC #: 12936 | AMB# 013825 | |

U.S. Insurer - 2022 EVALUATION

| Key Dates | | Location | A.M. Best Rating | Group Information |
|--------------------|-----------|---|---------------------|--|
| TDI Initial Date | 31-Dec-18 | Domicile Texas | Excellent | Insurance Group Skyward Specialty Insurance Group |
| Incorporation Date | 7-Dec-06 | Main Administrative Office 800 Gessner Road Suite 600 Houston, TX 77024 | A- Sep-22 | Parent Company Skyward Specialty Insurance Group, Inc |
| Commenced Business | 12-Apr-07 | | | Parent Domicile Delaware |

| | 9/30/2022 | 2021 | 2020 | 2019 |
|--------------------------------------|-------------|-------------|-------------|-------------|
| Capital & Surplus | 379,601,000 | 369,583,000 | 342,256,000 | 338,486,000 |
| Underwriting Gain (Loss) | 1,775,000 | 3,083,000 | (7,033,000) | 11,137,000 |
| Net Income After Tax | 4,850,000 | 5,880,000 | (4,044,000) | 11,663,000 |
| Cash Flow from Operations | | 107,428,000 | 34,744,000 | 49,337,000 |
| Gross Premium | | 488,552,000 | 490,397,000 | 469,060,000 |
| Net Premium | 226,895,000 | 206,061,000 | 123,453,000 | 139,522,000 |
| Direct Premium Total | 355,370,000 | 390,768,000 | 390,025,000 | 363,926,000 |
| Direct Premium in Texas (Schedule T) | | 28,940,000 | 49,371,000 | 46,265,000 |
| % of Direct Premium in Texas | | 7% | 13% | 13% |
| Texas' Rank in writings (Schedule T) | | 3 | 3 | 2 |
| SLTX Premium Processed | | 19,582,917 | 44,184,367 | 54,861,490 |
| Rank among all Texas S/L Insurers | | 91 | 49 | 33 |
| Combined Ratio | | 98% | 107% | 90% |
| IRIS Ratios Outside Usual Range | | 3 | 2 | 3 |

| | | |
|--|---|---|
| 1- Gross Premium to Surplus | 2- Net Premium to Surplus | 3- Change in Net Premium Written (%) |
| 132.00% | 56.00% | 67.00% |
| <i>Usual Range: Less than 900%</i> | <i>Usual Range: Less than 300%</i> | <i>Usual Range: Between -33% and 33%</i> |
| 4- Surplus Aid Ratio | 5- Two Year Operating Ratio | Investment Yield |
| 5.00% | 95.00% | 1.00% |
| <i>Usual Range: Less than 15%</i> | <i>Usual Range: Less than 100%</i> | <i>Usual Range: Between 3% and 6.5%</i> |
| 7- Gross Change in Surplus (%) | 8- Net Change in Surplus (%) | 9- Liabilities to Liquid Assets |
| 8.00% | 8.00% | 116.00% |
| <i>Usual Range: Between -10% and 50%</i> | <i>Usual Range: Between -10% and 25%</i> | <i>Usual Range: Less than 100%</i> |
| 10- Agents Balances to Surplus | 11- One Year Development to Surplus | 12- Two Year Development to Surplus |
| 14.00% | -1.00% | -6.00% |
| <i>Usual Range: Less than 40%</i> | <i>Usual Range: Less than 20%</i> | <i>Usual Range: Less than 20%</i> |
| | 13- Current Estimated Reserve Deficiency | |
| | -8.00% | |
| | <i>Usual Range: Less than 25%</i> | |



| 2021 Premiums by Line of Business (LOB) | |
|---|-----------------|
| 1 Allied Lines | \$ 9,301,000.00 |
| 2 Other Liab (Occurrence) | \$ 6,554,000.00 |
| 3 Inland Marine | \$ 5,910,000.00 |
| 4 Other Comm Auto Liab | \$ 3,784,000.00 |
| 5 Other Liab (Claims-made) | \$ 2,437,000.00 |

| 2021 Losses Incurred by Line of Business (LOB) | |
|--|------------------|
| 1 Inland Marine | \$ 11,158,000.00 |
| 2 Other Liab (Occurrence) | \$ 2,034,000.00 |
| 3 Other Liab (Claims-made) | \$ 829,000.00 |
| 4 Other Comm Auto Liab | \$ 232,000.00 |
| 5 Allied Lines | \$ 175,000.00 |