



**HOUSTON SPECIALTY INSURANCE COMPANY, NAIC #12936
SKYWARD SPECIALTY INSURANCE GROUP, INC.**

Dollars in 000				
	2020Y	2021Y	2022Y	2023Y
Total Assets	674,188	799,950	1,022,858	1,406,578
Total Liabilities	331,932	430,367	614,691	803,662
Policyholder Surplus	342,256	369,583	408,167	602,916
Cash & Invested Assets	542,802	672,773	824,509	1,218,295
Cash & Invested Assets/ Total Assets	80.5%	84.1%	80.6%	86.6%
Net Cash from Operations	34,744	107,428	175,244	237,981
Loss & LAE Reserves	105,768	184,799	357,023	474,784
Loss & LAE Reserves/Surplus	30.9%	50.0%	87.5%	78.7%

	2020Y	2021Y	2022Y	2023Y
RBC Ratio (%)	504.5	464.5	368.9	362.7
2yr Res Development	-11,175	-19,421	-8,523	32,683
2yr Dev / Surplus	-422.8%	-573.8%	-249.0%	884.3%
Affiliated Common Stock	153,583	219,418	276,328	336,001
Affiliated CS / Surplus	44.9%	59.4%	67.7%	55.7%
Net Reins Recoverable	338,444	331,219	339,627	346,451
Net Reins Rec / Surplus	98.9%	89.6%	83.2%	57.5%
AMB / S&P Ratings	A- / NR	A- / NR	A- / NR	A- / NR

Income/Loss Trends (\$000)

Combined Ratio (%) Trends

Premium Trends (\$000)

2023Y Investment Portfolio

2023Y Top 5 Geographies (DPW - \$000)

2023 Top 5 Lines of Business (DPW/Total DPW)

Total NY State DPW	\$54,164
Total US ex Terr DPW	\$583,301

Total All Lines	\$584,450
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**TOP 5 REINSURERS FOR HOUSTON SPECIALTY INSURANCE CO BY GROSS RECOVERABLES
PERIOD: 2023Y**

Dollars in 000				
Reinsurer	Reinsurance Class	Reins Authorized Status	Gross Recov	Over 120 Days Overdue
1 - Everest Reinsurance Company	US Unaffiliated	Authorized	100,876	0
2 - Partner Reinsurance Company of the U.S.	US Unaffiliated	Authorized	34,244	0
3 - General Reinsurance Corporation	US Unaffiliated	Authorized	23,800	0
4 - Eurasia Insurance Company JSC	Non-US Unaffiliated	Unauthorized	23,257	0
5 - ACE Property and Casualty Insurance Company	US Unaffiliated	Authorized	19,741	0

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ULTIMATE PARENT – Skyward Specialty Insurance Group, Inc.

Corporate Profile		Financial Strength Ratings	
Address:	Skyward Specialty Insurance Group, Inc. 800 Gessner Road Houston, TX, 77024	S&P Global:	-
Website:	www.skywardinsurance.com	Moody's:	#OUTSIDE SUBSCRIPTION
President :	-	Fitch:	-
Ticker Symbol:	NASDAQGS: SKWD	AM Best - P&C:	-
SEC Filing:	10-K		

Highlights (\$000)	2020Y	2021Y	2022Y	2023Y
Total Assets	1,948,633	2,118,212	2,363,439	2,953,435
Total Policy Reserves	1,199,399	1,342,837	1,584,266	1,867,033
Total Debt	140,042	139,450	137,225	128,690
Total Other Liabilities	91,542	89,926	106,590	146,525
Sep Account Liabilities	0	0	0	0
Total Liabilities	1,555,108	1,692,132	1,941,777	2,292,404
Total Equity	303,222	426,080	421,662	661,031
Total Liab & Equity	1,858,330	2,118,212	2,363,439	2,953,435
Book Value / Share (\$)	NA	NA	19.47	16.58
Reserves / Investments & Cash (x)	1.36	1.27	1.31	1.09
Reserves / Liabilities (x)	0.77	0.79	0.82	0.81
Reserves / Equity (x)	3.96	3.15	3.76	2.82
Debt / Equity (x)	0.46	0.33	0.33	0.19
Dec. 31 Closing Price (\$)	NA	NA	NA	33.88
Net Income (\$)	-74,642	38,317	39,396	85,984
Basic EPS (\$)	NA	NA	1.24	2.34
Investment Yield (%)	NA	4.84	1.88	3.58
Ratios (%)				
Loss Ratio	83.90	70.90	65.30	62.10
Expense Ratio	26.40	26.90	28.70	28.60
PH Dividend Ratio	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Combined Ratio	110.30	97.80	94.00	90.70

HISTORY

Houston Specialty Insurance Company (Houston Specialty) was incorporated in the State of Delaware in December 2006, as Naxos Insurance Company, a subsidiary of Delos Insurance Company (Delos), and itself a subsidiary of then Lightyear Delos Acquisition Company. The company and Delos were acquired in 2010 by the Houston International Insurance Group, Inc. (HIIG). The company adopted its current name in 2010 and re-domesticated to Texas in 2011. HIIG was acquired by Westaim Corporation (Westaim) (Toronto, Canada) in 2014. Financial and operations control remain with HIIG/Westaim. Houston Specialty has been eligible to write surplus lines business in New York since 2013. As of December 31, 2023, the company is licensed in Texas, and operated on a non-admitted basis in all fifty (50) states and the District of Columbia.

REINSURANCE

Houston Specialty cedes to various unaffiliated named and authorized reinsurers. For the years 2020 through 2023, respectively, Houston Specialty net reinsurance recoverable was shown as \$3384M, \$331M, \$340M and \$346M, representing 99%, 90%, 83% and 57% of company surplus.

HOLDING COMPANY - [Website](#)

Skyward was formed as a Delaware corporation on January 3, 2006, as an insurance holding company and operated under the Houston International Insurance Group, Ltd. name until re-branded as Skyward Specialty in November 2020. Skyward is a diversified specialty property & casualty insurance holding company, through its subsidiaries, underwrites commercial property and casualty insurance products in the United States. It offers general liability, excess liability, professional liability, commercial auto, group accident and health, property, surety, and workers' compensation insurance products. Skyward completed its initial public offering (IPO) on January 18, 2023, and majority owned by Westaim, a private equity firm founded in 1996, publicly traded under the TSXV Venture Exchange under the ticker WED, and based in Toronto, Canada. AM Best collectively rates four (4) insurance subsidiaries of HIIG, including Houston Specialty Insurance Company. For the years 2020 through 2023, the group was rated by AM Best as 'A-' and assigned the financial size of X (\$500M - \$750M).

SUBSEQUENT NOTEWORTHY OBSERVATIONS

Updated April 2024

Important Information Regarding Financial Summaries

This financial summary contains information helpful to New York excess lines brokers in meeting their non-delegable duty to use "due care" in the selection of a financially secure excess line insurer. Definitions of the financial terms used in the summaries appear as pop-up boxes when hovering your mouse over the corresponding text. For additional guidance on assessing insurance company financial statements, please reference "ELANY COMPLIANCE ADVISOR: FUNDAMENTALS OF INSURANCE COMPANY FINANCIAL ANALYSIS".

The Excess Line Association of New York has compiled the insurance company financial information from the Annual Statutory Financial Statements. All ratios, charts, and graphs are based on the compiled information. We have made every effort to ensure all information transcribed for these pages is correct. However, the Excess Line Association of New York cannot attest to the accuracy of data provided by its sources, nor do we make any warranties, either expressed or implied, regarding the accuracy or completeness of information presented in this document. We assume no responsibility for loss or damage resulting from the use of this information.