

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

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the quarterly period ended **March 31, 2025**

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number **001-41591**

**SKYWARD SPECIALTY INSURANCE GROUP, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**14-1957288**

(I.R.S. Employer  
Identification No.)

**800 Gessner Road, Suite 600  
Houston, Texas**

(Address of Principal Executive Offices)

**77024-4284**

(Zip Code)

**(713) 935-4800**

Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.01	SKWD	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

As of May 2, 2025, the registrant had 40,402,879 shares of common stock outstanding.

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**PART I - FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**SKYWARD SPECIALTY INSURANCE GROUP, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)**

	<b>March 31, 2025</b>	<b>December 31, 2024</b>
<i>(\$ in thousands, except share and per share amounts)</i>	<i>(Unaudited)</i>	
<b>Assets</b>		
Investments:		
Fixed maturity securities, available-for-sale, at fair value (amortized cost of \$1,410,269 and \$1,320,266, respectively)	\$ 1,397,508	\$ 1,292,218
Fixed maturity securities, held-to-maturity, at amortized cost (net of allowance for credit losses of \$250 and \$243, respectively)	37,519	39,153
Equity securities, at fair value	108,075	106,254
Mortgage loans, at fair value	16,012	26,490
Equity method investments	88,588	98,594
Other long-term investments	37,646	33,182
Short-term investments, at fair value	308,042	274,929
Total investments	1,993,390	1,870,820
Cash and cash equivalents	112,916	121,603
Restricted cash	40,590	35,922
Premiums receivable, net	417,542	321,641
Reinsurance recoverables, net	902,970	857,876
Ceded unearned premium	232,147	203,901
Deferred policy acquisition costs	126,439	113,183
Deferred income taxes	26,984	30,486
Goodwill and intangible assets, net	87,089	87,348
Other assets	90,566	86,698
Total assets	\$ 4,030,633	\$ 3,729,478
<b>Liabilities and stockholders' equity</b>		
Liabilities:		
Reserves for losses and loss adjustment expenses	\$ 1,871,491	\$ 1,782,383
Unearned premiums	708,347	637,185
Deferred ceding commission	45,544	40,434
Reinsurance and premium payables	243,083	177,070
Funds held for others	113,748	102,665
Accounts payable and accrued liabilities	78,154	76,206
Notes payable	100,000	100,000
Subordinated debt, net of debt issuance costs	19,545	19,536
Total liabilities	3,179,912	2,935,479
Stockholders' equity		
Common stock, \$0.01 par value, 500,000,000 shares authorized, 40,402,879 and 40,127,908 shares issued and outstanding, respectively	404	401
Additional paid-in capital	721,186	718,598
Accumulated other comprehensive loss	(10,047)	(22,120)
Retained earnings	139,178	97,120
Total stockholders' equity	850,721	793,999
Total liabilities and stockholders' equity	\$ 4,030,633	\$ 3,729,478

The accompanying notes are an integral part of the consolidated financial statements.

**SKYWARD SPECIALTY INSURANCE GROUP, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**AND COMPREHENSIVE INCOME (UNAUDITED)**

(\$ in thousands, except share and per share amounts)	Three months ended March 31,	
	2025	2024
<b>Revenues:</b>		
Net earned premiums	\$ 300,366	\$ 236,342
Commission and fee income	1,976	2,026
Net investment income	19,331	18,297
Net investment gains	6,841	8,303
Other income	13	—
Total revenues	328,527	264,968
<b>Expenses:</b>		
Losses and loss adjustment expenses	187,309	143,914
Underwriting, acquisition and insurance expenses	86,551	69,774
Interest expense	1,834	2,727
Amortization expense	337	388
Other expenses	1,061	1,188
Total expenses	277,092	217,991
Income before income taxes	51,435	46,977
Income tax expense	9,377	10,193
<b>Net income</b>	\$ 42,058	\$ 36,784
Comprehensive income		
Net income	\$ 42,058	\$ 36,784
Other comprehensive income (loss):		
Unrealized gains and losses on investments:		
Net change in unrealized gains (losses) on investments, net of tax	12,255	(5,418)
Reclassification adjustment for losses on securities no longer held, net of tax	(182)	(908)
Total other comprehensive income (loss)	12,073	(6,326)
<b>Comprehensive income</b>	\$ 54,131	\$ 30,458
<b>Per share data:</b>		
Basic earnings per share	\$ 1.05	\$ 0.94
Diluted earnings per share	\$ 1.01	\$ 0.90
<b>Weighted-average common shares outstanding</b>		
Basic	40,196,416	39,108,351
Diluted	41,680,595	41,085,136

The accompanying notes are an integral part of the consolidated financial statements.

**SKYWARD SPECIALTY INSURANCE GROUP, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (UNAUDITED)**

(\$ in thousands, except share amounts)	Three months ended March 31,	
	2025	2024
<b>Common shares:</b>		
Balance at beginning of year	40,127,908	39,863,756
Issuance of shares	274,971	131,271
<i>Balance at March 31</i>	<u>40,402,879</u>	<u>39,995,027</u>
<b>Common stock:</b>		
Balance at beginning of year	\$ 401	\$ 399
Issuance of common stock	3	1
<i>Balance at March 31</i>	<u>\$ 404</u>	<u>\$ 400</u>
<b>Additional paid-in capital:</b>		
Balance at beginning of year	\$ 718,598	\$ 710,855
Issuance of common stock	2,588	454
<i>Balance at March 31</i>	<u>\$ 721,186</u>	<u>\$ 711,309</u>
<b>Stock notes receivable:</b>		
Balance at beginning of year	\$ —	\$ (5,562)
Employee equity transactions	—	328
<i>Balance at March 31</i>	<u>\$ —</u>	<u>\$ (5,234)</u>
<b>Accumulated other comprehensive loss:</b>		
Balance at beginning of year	\$ (22,120)	\$ (22,953)
Other comprehensive income (loss), net of tax	12,073	(6,326)
<i>Balance at March 31</i>	<u>\$ (10,047)</u>	<u>\$ (29,279)</u>
<b>Retained earnings (accumulated deficit):</b>		
Balance at beginning of year	\$ 97,120	\$ (21,708)
Net income	42,058	36,784
<i>Balance at March 31</i>	<u>\$ 139,178</u>	<u>\$ 15,076</u>
<b>Total stockholders' equity</b>	<u>\$ 850,721</u>	<u>\$ 692,272</u>

The accompanying notes are an integral part of the consolidated financial statements.

**SKYWARD SPECIALTY INSURANCE GROUP, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)**

(\$ in thousands)	Three months ended March 31,	
	2025	2024
<b>Cash flows from operating activities</b>		
Net income	\$ 42,058	\$ 36,784
Adjustments to reconcile net income to net cash provided by operating activities	54,702	57,481
Net cash provided by operating activities	96,760	94,265
<b>Cash flows from investing activities:</b>		
Purchase of fixed maturity securities, available-for-sale	(126,827)	(97,426)
Purchase of equity securities	(8,422)	(2,035)
Purchase of equity method investments	(200)	(261)
Investment in direct and indirect loans	13,829	10,816
Purchase of property and equipment	(202)	(260)
Proceeds from the sales of fixed maturity securities, available-for-sale	8,195	12,093
Maturities, calls, transfers and paydowns of fixed maturity securities, available-for-sale	29,537	30,138
Maturities, calls and paydowns of fixed maturity securities held-to-maturity	2,129	784
Proceeds from the sales of equity securities	8,748	10,458
Sales of and distributions from equity method and other long-term investments	4,396	4,871
Change in short-term investments	(33,162)	(27,706)
Change in receivable/payable for securities	—	(13,755)
Cash provided by deposit accounting	1,200	2,417
Net cash used in investment activities	(100,779)	(69,866)
<b>Cash flows from financing activities:</b>		
Repayment of stock notes receivable	—	328
Proceeds from long term borrowings	—	50,000
Payments on long term borrowings and trust preferred	—	(59,794)
Net cash (used in) provided by financing activities	—	(9,466)
Net increase (decrease) in cash and cash equivalents and restricted cash	(4,019)	14,933
<b>Cash and cash equivalents and restricted cash at beginning of period<sup>(1)</sup></b>	<b>157,525</b>	<b>100,336</b>
<b>Cash and cash equivalents and restricted cash at end of period<sup>(1)</sup></b>	<b>\$ 153,506</b>	<b>\$ 115,269</b>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid for interest	\$ 1,805	\$ 2,656

<sup>(1)</sup>The sum of cash and cash equivalents and restricted cash from the consolidated balance sheets

The accompanying notes are an integral part of the consolidated financial statements.

**SKYWARD SPECIALTY INSURANCE GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO (UNAUDITED) CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies**

**Basis of Presentation**

The unaudited condensed consolidated financial statements of Skyward Specialty Insurance Group, Inc. (the “Company”) have been prepared in accordance with generally accepted accounting principles (“GAAP”) in the United States of America for interim financial reporting and with the instructions to Form 10-Q and Regulation S-X. Accordingly, they do not include all the disclosures required by GAAP for complete consolidated financial statements. Readers are urged to review the Company’s Annual Report on Form 10-K for the year ended December 31, 2024 for a more complete description of the Company’s business and accounting policies. In the opinion of management, all adjustments necessary for a fair statement of the condensed consolidated financial statements have been included. Such adjustments consist only of normal recurring items. Interim results are not necessarily indicative of results of operations for the full year. The consolidated balance sheet as of December 31, 2024 was derived from the Company’s audited annual consolidated financial statements.

**Use of Estimates**

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ materially from these estimates.

**2. Investments**

The following tables set forth the amortized cost and the fair value by investment category at March 31, 2025 and December 31, 2024:

<i>(\$ in thousands)</i>	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses	Fair Value
<b>March 31, 2025</b>					
Fixed maturity securities, available-for-sale:					
U.S. government securities	\$ 26,540	\$ 212	\$ (70)	\$ —	\$ 26,682
Corporate securities and miscellaneous	494,356	7,340	(10,846)	—	490,850
Municipal securities	89,373	592	(4,134)	—	85,831
Residential mortgage-backed securities	410,080	4,658	(12,341)	—	402,397
Commercial mortgage-backed securities	76,802	652	(1,263)	—	76,191
Other asset-backed securities	313,118	3,863	(1,424)	—	315,557
Total fixed maturity securities, available-for-sale	<u>\$ 1,410,269</u>	<u>\$ 17,317</u>	<u>\$ (30,078)</u>	<u>\$ —</u>	<u>\$ 1,397,508</u>
Fixed maturity securities, held-to-maturity:					
Other asset-backed securities	\$ 37,769	\$ 97	\$ (6)	\$ (250)	\$ 37,610
Total fixed maturity securities, held-to-maturity	<u>\$ 37,769</u>	<u>\$ 97</u>	<u>\$ (6)</u>	<u>\$ (250)</u>	<u>\$ 37,610</u>

**SKYWARD SPECIALTY INSURANCE GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO (UNAUDITED) CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**2. Investments (continued)**

<i>(\$ in thousands)</i>	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Loss	Allowance for Credit Losses	Fair Value
<b>December 31, 2024</b>					
Fixed maturity securities, available-for-sale:					
U.S. government securities	\$ 26,577	\$ 35	\$ (126)	\$ —	\$ 26,486
Corporate securities and miscellaneous	433,298	5,618	(13,288)	—	425,628
Municipal securities	89,966	116	(5,366)	—	84,716
Residential mortgage-backed securities	408,585	1,875	(16,627)	—	393,833
Commercial mortgage-backed securities	70,262	545	(1,443)	—	69,364
Other asset-backed securities	291,578	2,447	(1,834)	—	292,191
Total fixed maturity securities, available-for-sale	<u>\$ 1,320,266</u>	<u>\$ 10,636</u>	<u>\$ (38,684)</u>	<u>\$ —</u>	<u>\$ 1,292,218</u>
Fixed maturity securities, held-to-maturity:					
Other asset-backed securities	\$ 39,396	\$ —	\$ (436)	\$ (243)	\$ 38,717
Total fixed maturity securities, held-to-maturity	<u>\$ 39,396</u>	<u>\$ —</u>	<u>\$ (436)</u>	<u>\$ (243)</u>	<u>\$ 38,717</u>

The following table sets forth the amortized cost and fair value of available-for-sale fixed maturity securities by contractual maturity at March 31, 2025:

<i>(\$ in thousands)</i>	Amortized Cost	Fair Value
Due in less than one year	\$ 26,394	\$ 26,361
Due after one year through five years	316,122	312,529
Due after five years through ten years	222,978	221,809
Due after ten years	44,775	42,664
Mortgage-backed securities	486,882	478,588
Other asset-backed securities	313,118	315,557
Total	<u>\$ 1,410,269</u>	<u>\$ 1,397,508</u>

Expected maturities may differ from contractual maturities because borrowers have the right to call or prepay obligations with or without call or prepayment penalties. Also, changing interest rates, tax considerations or other factors may result in portfolio sales prior to maturity.

The Company's fixed maturity securities, held-to-maturity, at March 31, 2025 consisted entirely of asset backed securities that were not due at a single maturity date.

At March 31, 2025, the Company had U.S. government agencies mortgage-backed fixed maturity securities, with a carrying value of approximately \$68.1 million pledged as collateral for a loan (the "FHLB Loan") from the Federal Home Loan Bank of Dallas ("FHLB") pursuant to an Advances and Security Agreement between the Company and FHLB (the "Advances and Security Agreement"). In accordance with the terms of the FHLB Loan, the Company retains all rights regarding these pledged securities.

At March 31, 2025, the Company had assets with fair values of approximately \$32.7 million pledged as collateral for the performance obligations under reinsurance agreements. In accordance with the terms of the trust agreements, the Company retains all rights regarding these securities, of which \$28.2 million are residential mortgage-backed securities, \$2.3 million of cash and cash equivalents and other assets and \$2.2 million of short-term investments.

**SKYWARD SPECIALTY INSURANCE GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO (UNAUDITED) CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**2. Investments (continued)**

The following tables set forth the gross unrealized losses and the corresponding fair values of investments, aggregated by length of time that individual securities had been in a continuous unrealized loss position as of March 31, 2025 and 2024:

<i>(\$ in thousands)</i>	Less than 12 Months		12 Months or More		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
<b>March 31, 2025</b>						
Fixed maturity securities, available-for-sale:						
U.S. government securities	\$ 5,350	\$ (2)	\$ 2,318	\$ (68)	\$ 7,668	\$ (70)
Corporate securities and miscellaneous	89,029	(1,179)	80,321	(9,667)	169,350	(10,846)
Municipal securities	25,337	(473)	28,863	(3,661)	54,200	(4,134)
Residential mortgage-backed securities	96,088	(984)	83,406	(11,357)	179,494	(12,341)
Commercial mortgage-backed securities	8,833	(216)	12,372	(1,047)	21,205	(1,263)
Other asset-backed securities	75,860	(507)	25,644	(917)	101,504	(1,424)
Total fixed maturity securities, available-for-sale	<u>300,497</u>	<u>(3,361)</u>	<u>232,924</u>	<u>(26,717)</u>	<u>533,421</u>	<u>(30,078)</u>
Fixed maturity securities, held-to-maturity:						
Other asset-backed securities	37,610	(6)	—	—	37,610	(6)
Total fixed maturity securities, held-to-maturity:	<u>37,610</u>	<u>(6)</u>	<u>—</u>	<u>—</u>	<u>37,610</u>	<u>(6)</u>
Total	<u>\$ 338,107</u>	<u>\$ (3,367)</u>	<u>\$ 232,924</u>	<u>\$ (26,717)</u>	<u>\$ 571,031</u>	<u>\$ (30,084)</u>

**SKYWARD SPECIALTY INSURANCE GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO (UNAUDITED) CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**2. Investments (continued)**

(\$ in thousands)	Less than 12 Months		12 Months or More		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
<b>December 31, 2024</b>						
Fixed maturity securities, available-for-sale:						
U.S. government securities	\$ 15,938	\$ (34)	\$ 2,297	\$ (92)	\$ 18,235	\$ (126)
Corporate securities and miscellaneous	136,888	(2,060)	81,232	(11,228)	218,120	(13,288)
Municipal securities	41,930	(1,046)	27,687	(4,320)	69,617	(5,366)
Residential mortgage-backed securities	201,407	(3,366)	82,496	(13,261)	283,903	(16,627)
Commercial mortgage-backed securities	9,411	(126)	13,178	(1,317)	22,589	(1,443)
Other asset-backed securities	75,119	(721)	29,851	(1,113)	104,970	(1,834)
<b>Total fixed maturity securities, available-for-sale</b>	<b>480,693</b>	<b>(7,353)</b>	<b>236,741</b>	<b>(31,331)</b>	<b>717,434</b>	<b>(38,684)</b>
Fixed maturity securities, held-to-maturity:						
Other asset-backed securities	2,144	(2)	36,573	(434)	38,717	(436)
<b>Total fixed maturity securities, held-to-maturity:</b>	<b>2,144</b>	<b>(2)</b>	<b>36,573</b>	<b>(434)</b>	<b>38,717</b>	<b>(436)</b>
<b>Total</b>	<b>\$ 482,837</b>	<b>\$ (7,355)</b>	<b>\$ 273,314</b>	<b>\$ (31,765)</b>	<b>\$ 756,151</b>	<b>\$ (39,120)</b>

The Company regularly monitors its available-for-sale fixed maturity securities that have fair values less than cost or amortized cost for signs of impairment, an assessment that requires significant management judgment regarding the evidence known. Such judgments could change in the future as more information becomes known, which could negatively impact the amounts reported. Among the factors that management considers for fixed maturity securities are the financial condition of the issuer including receipt of scheduled principal and interest cash flows, and intent to sell, including if it is more likely than not that the Company will be required to sell the investments before recovery.

As of March 31, 2025, the Company had 631 lots of fixed maturity securities in an unrealized loss position. The Company does not have an intent to sell these securities and it is not more likely than not that the Company will be required to sell these securities before maturity or recovery of its cost basis. The Company reviewed its investments at March 31, 2025 and determined that no credit impairment existed in the gross unrealized holding losses, due to the reasons discussed below:

- *U.S. government securities and municipal securities:* These securities were issued by the U.S. Treasury Department, Federal government-sponsored entities or by state and local governments. The decline in fair values was attributable to changes in interest rates and not credit quality. The Company does not intend to sell these securities and it is likely that it will not do so before their anticipated recovery. Therefore, the Company does not consider these impaired securities.
- *Corporate securities and miscellaneous:* Corporations in various industries issued these securities. The decline in fair values was attributable to changes in interest rates and not credit quality. The Company reviewed the issuers of these securities to identify any significant adverse change in financial condition, a change in the quality of credit enhancement (if any), a ratings decrease, or negative outlook assignment from a major credit rating agency, and any failure to make interest or principal payments. After these reviews, the Company determined that the decline in fair values was attributable to changes in interest rates and not credit quality. The Company does not intend to sell these securities and it is likely that it will not do so before their anticipated recovery. Therefore, the Company does not consider these impaired securities.

**SKYWARD SPECIALTY INSURANCE GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO (UNAUDITED) CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**2. Investments (continued)**

- *Residential mortgage-backed securities, commercial mortgage-backed securities, and other asset-backed securities:* The decline in fair values was attributable to changes in interest rates and not credit quality. The Company does not intend to sell these securities and it is likely that it will not do so before their anticipated recovery. Therefore, the Company does not consider these impaired securities.

The following table sets forth the components of net investment gains for the three months ended March 31, 2025 and 2024:

(\$ in thousands)	Three months ended March 31,	
	2025	2024
Gross realized gains		
Fixed maturity securities, available-for sale	\$ 453	\$ 499
Equity securities	1,745	1,081
Other	4	18
Total	2,202	1,598
Gross realized losses		
Fixed maturity securities, available-for sale	(120)	(394)
Equity securities	(678)	(1,874)
Other	(54)	(18)
Total	(852)	(2,286)
Net unrealized gains (losses) on investments		
Equity securities	1,080	8,020
Mortgage loans	(66)	971
Other	4,477	—
Net investment gains	\$ 6,841	\$ 8,303

The following table sets forth the proceeds from sales of available-for-sale fixed maturity securities and equity securities for the three months ended March 31, 2025 and 2024:

(\$ in thousands)	Three months ended March 31,	
	2025	2024
Fixed maturity securities, available-for sale	\$ 8,195	\$ 12,093
Equity securities	8,748	10,458

**SKYWARD SPECIALTY INSURANCE GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO (UNAUDITED) CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**2. Investments (continued)**

The following table sets forth the components of net investment income for the three months ended March 31, 2025 and 2024:

<i>(\$ in thousands)</i>	<b>Three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Income:</b>		
Fixed maturity securities, available-for sale	\$ 17,288	\$ 12,231
Fixed maturity securities, held-to-maturity	815	1,126
Equity securities	617	627
Equity method investments	(1,988)	1,098
Mortgage loans	661	1,419
Indirect loans	(741)	(1,694)
Short-term investments and cash	3,192	4,240
Other	977	869
Total investment income	<b>20,821</b>	19,916
<b>Investment expenses</b>	<b>(1,490)</b>	(1,619)
Net investment income	<b>\$ 19,331</b>	<b>\$ 18,297</b>

The following table sets forth the change in net unrealized gains (losses) on the Company's investment portfolio, net of deferred income taxes, included in other comprehensive loss for the three months ended March 31, 2025 and 2024:

<i>(\$ in thousands)</i>	<b>Three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Fixed maturity securities	\$ 15,284	\$ (7,989)
Deferred income taxes	(3,211)	1,663
Total	<b>\$ 12,073</b>	<b>\$ (6,326)</b>

**SKYWARD SPECIALTY INSURANCE GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO (UNAUDITED) CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**3. Fair Value Measurements**

The Company's financial instruments include assets and liabilities carried at fair value, as well as assets and liabilities carried at cost or amortized cost but disclosed at fair value in its consolidated financial statements. In determining fair value, the market approach is generally applied, which uses prices and other relevant data based on market transactions involving identical or comparable assets and liabilities.

The Company uses data primarily provided by third-party investment managers or pricing vendors to determine the fair value of its investments. Periodic analyses are performed on prices received from third parties to determine whether the prices are reasonable estimates of fair value. The analyses include a review of month-to-month price fluctuations and, as needed, a comparison of pricing services' valuations to other pricing services' valuations for the identical security.

The Company classifies its financial instruments into the following three-level hierarchy:

Level 1 - Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.

Level 2 - Inputs are other than quoted prices included in Level 1 that are observable for the asset or liability through corroboration with market data at the measurement date.

Level 3 - Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

The following methods and assumptions were used in estimating the fair value disclosures for financial instruments in the accompanying consolidated financial statements and in these notes:

*U.S. government securities, mutual funds and common stock*

The Company uses unadjusted quoted prices for identical instruments in an active exchange to measure fair value which represent Level 1 inputs.

*Preferred stocks, municipal securities, corporate securities and miscellaneous*

The Company uses a pricing model that utilizes market-based inputs such as trades in an illiquid market for a particular security or trades in active markets for securities with similar characteristics. The model considers other inputs such as benchmark yields, issuer spreads, security terms and conditions, and other market data. These represent Level 2 fair value inputs.

*Commercial mortgage-backed securities, residential mortgage-backed securities and other asset-backed securities*

The Company uses a pricing model that utilizes market-based inputs that may include dealer quotes, market spreads, and yield curves. It may evaluate individual tranches in a security by determining cash flows using the security's terms and conditions, collateral performance, credit information benchmark yields and estimated prepayments. These represent Level 2 fair value inputs.

*Fixed maturity securities, available for sale and equity securities classified as Level 3*

The Company has corporate securities and miscellaneous, other asset-backed securities that are managed by an independent asset manager and priced by an independent pricing provider. The provider estimates the value of the securities using the discount net present value of cash flows method using an unobservable discount rate. The discount rate spread represents the risk associated with future cash flows, including inflation, opportunity cost and the time value of money. This rate represents Level 3 fair value inputs.

**SKYWARD SPECIALTY INSURANCE GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO (UNAUDITED) CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**3. Fair Value Measurements (continued)**

The following table sets forth the range of the discount rate as of March 31, 2025 and December 31, 2024:

	March 31, 2025	December 31, 2024
High	7.98 %	8.00 %
Low	5.43 %	5.70 %
Weighted average	6.19 %	6.60 %

*Mortgage loans*

Mortgage loans have variable interest rates and are collateralized by real property. The Company determines fair value of mortgage loans using the income approach utilizing inputs that are observable and unobservable (Level 3). The unobservable input consists of the spread applied to a prime rate used to discount cash flows. The spread represents the incremental cost of capital based on the borrower's ability to make future payments and the value of the collateral relative to the loan balance and is subject to judgement and uncertainty.

The following table sets forth the range and weighted average, weighted by relative fair value, of the spread as of March 31, 2025 and December 31, 2024:

	March 31, 2025	December 31, 2024
High	7.93 %	10.00 %
Low	7.59 %	7.00 %
Weighted average	7.69 %	7.93 %

*Investment in RedBird Capital Partners*

Included in other long-term investments is an investment in a limited partnership with RedBird Capital Partners, which invests in Bishop Street Underwriters, LLC ("Bishop Street"), a managing general agent (MGA). The investment had a fair value of \$32.6 million at March 31, 2025, which was determined using the net asset value. The Company employs procedures to assess the reasonableness of the fair value of the investment including obtaining and reviewing the audited financial statements. The unfunded commitment related to the investment was \$24.4 million at March 31, 2025. The Company may sell its interest in the investment with the appropriate prior written notice and approval by the general partner. In accordance with Accounting Standard Codification 820-10, this investment is measured at fair value using the net asset value per share practical expedient and has not been classified in the fair value hierarchy.

**SKYWARD SPECIALTY INSURANCE GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO (UNAUDITED) CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**3. Fair Value Measurements (continued)**

The following tables set forth the Company's investments within the fair value hierarchy at March 31, 2025 and December 31, 2024:

<b>March 31, 2025</b>	Level 1		Level 2		Level 3		Total	
<i>(\$ in thousands)</i>								
<b>Fixed maturity securities, available-for-sale:</b>								
U.S. government securities	\$	26,682	\$	—	\$	—	\$	26,682
Corporate securities and miscellaneous		—		415,528		75,322		490,850
Municipal securities		—		85,831		—		85,831
Residential mortgage-backed securities		—		402,397		—		402,397
Commercial mortgage-backed securities		—		76,191		—		76,191
Other asset-backed securities		—		307,422		8,135		315,557
Total fixed maturity securities, available-for-sale		26,682		1,287,369		83,457		1,397,508
<b>Fixed maturity securities, held-to-maturity:</b>								
Other asset-backed securities		—		—		37,610		37,610
Total fixed maturity securities, held-to-maturity		—		—		37,610		37,610
<b>Equity securities:</b>								
Common stocks		64,215		—		—		64,215
Preferred stocks		—		1,160		—		1,160
Mutual funds		42,700		—		—		42,700
Total equity securities		106,915		1,160		—		108,075
Mortgage loans		—		—		16,012		16,012
Short-term investments		308,042		—		—		308,042
<b>Total</b>	<b>\$</b>	<b>441,639</b>	<b>\$</b>	<b>1,288,529</b>	<b>\$</b>	<b>137,079</b>	<b>\$</b>	<b>1,867,247</b>

**SKYWARD SPECIALTY INSURANCE GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO (UNAUDITED) CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**3. Fair Value Measurements (continued)**

December 31, 2024 ( <i>\$ in thousands</i> )	Level 1	Level 2	Level 3	Total
<b>Fixed maturity securities, available-for-sale:</b>				
U.S. government securities	\$ 26,486	\$ —	\$ —	\$ 26,486
Corporate securities and miscellaneous	—	354,815	70,813	425,628
Municipal securities	—	84,716	—	84,716
Residential mortgage-backed securities	—	393,833	—	393,833
Commercial mortgage-backed securities	—	69,364	—	69,364
Other asset-backed securities	—	285,084	7,107	292,191
<b>Total fixed maturity securities, available-for-sale</b>	<b>26,486</b>	<b>1,187,812</b>	<b>77,920</b>	<b>1,292,218</b>
<b>Fixed maturity securities, held-to-maturity:</b>				
Other asset-backed securities	—	—	38,717	38,717
<b>Total fixed maturity securities, held-to-maturity:</b>	<b>—</b>	<b>—</b>	<b>38,717</b>	<b>38,717</b>
<b>Equity securities:</b>				
Common stocks	64,251	—	—	64,251
Preferred stocks	—	1,164	—	1,164
Mutual funds	40,839	—	—	40,839
<b>Total equity securities</b>	<b>105,090</b>	<b>1,164</b>	<b>—</b>	<b>106,254</b>
Mortgage loans	—	—	26,490	26,490
Short-term investments	274,929	—	—	274,929
<b>Total</b>	<b>\$ 406,505</b>	<b>\$ 1,188,976</b>	<b>\$ 143,127</b>	<b>\$ 1,738,608</b>

The following tables set forth the changes in the fair value of instruments carried at fair value with a Level 3 measurement during the three months ended March 31, 2025 and 2024:

<i>( \$ in thousands )</i>	Fixed Maturity Securities, Available-For-Sale	Mortgage Loans
Balance at December 31, 2024	\$ 77,920	\$ 26,490
Total losses for the period recognized in net investment gains	(110)	(66)
Issuances	—	5
Settlements	—	(10,417)
Purchases	5,164	—
Sales/Disposals	(199)	—
Total unrealized gains for the period recognized in accumulated comprehensive income (loss)	682	—
Balance at March 31, 2025	<b>\$ 83,457</b>	<b>\$ 16,012</b>
Total losses for the period recognized in net investment gains attributable to the change in unrealized gains or losses relating to assets held as of period end	\$ —	\$ (84)

<i>( \$ in thousands )</i>	Mortgage Loans
Balance at December 31, 2023	\$ 50,070
Total gains for the period recognized in net investment gains	971
Issuances	187
Settlements	(6,919)
Balance at March 31, 2024	<b>\$ 44,309</b>
Total gains for the period recognized in net investment gains attributable to the change in unrealized gains or losses relating to assets held as of period end	<b>\$ 952</b>

**SKYWARD SPECIALTY INSURANCE GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO (UNAUDITED) CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**3. Fair Value Measurements (continued)**

The Company measures certain assets, including investments in indirect loans and loan collateral, equity method investments and other invested assets, at fair value on a nonrecurring basis only when they are deemed to be impaired.

In addition to the preceding disclosures on assets and liabilities recorded at fair value in the consolidated balance sheets, the Company is also required to disclose the fair values of certain other financial instruments for which it is practicable to estimate fair value. Estimated fair value amounts, defined as the quoted market price of a financial instrument, have been determined using available market information and other appropriate valuation methodologies. However, considerable judgements are required in developing the estimates of fair value where quoted market prices are not available. Accordingly, these estimates are not necessarily indicative of the amounts that could be realized in a current market exchange. The use of different market assumptions or estimating methodologies may have an effect on the estimated fair value amounts.

The following methods and assumptions were used in estimating the fair value disclosures of other financial instruments:

*Fixed maturity securities, held-to-maturity:* Fixed maturity securities, held-to-maturity consists of senior and junior notes with target rates of return. As of March 31, 2025, the Company determined the fair value of these instruments using the income approach utilizing inputs that are unobservable (Level 3).

*Notes payable:* The carrying value approximates the estimated fair value for notes payable as the notes payable accrue interest at current market rates plus a spread. The Company determines fair value using the income approach utilizing inputs that are observable (Level 2).

*Subordinated debt:* Subordinated debt consists of the Unsecured Subordinated Notes, due May 24, 2039 and have a fixed interest rate. The Company determines the fair value of these instruments using the income approach utilizing inputs that are observable (Level 2).

The following table sets forth the Company's carrying and fair values of notes payable and subordinated debt as of March 31, 2025 and December 31, 2024:

(\$ in thousands)	March 31, 2025		December 31, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Notes payable</b>				
FHLB Loan	\$ 57,000	\$ 57,089	\$ 57,000	\$ 56,200
Revolving credit facility	43,000	43,000	43,000	43,000
Notes payable	\$ 100,000	\$ 100,089	\$ 100,000	\$ 99,200
<b>Subordinated debt</b>				
Unsecured subordinated notes	\$ 19,545	\$ 20,370	\$ 19,536	\$ 20,541
Subordinated debt, net of debt issuance costs	\$ 19,545	\$ 20,370	\$ 19,536	\$ 20,541

Other financial instruments qualify as insurance-related products and are specifically exempted from fair value disclosure requirements.

**4. Mortgage Loans**

The Company has invested in Separately Managed Accounts ("SMA1" and "SMA2"). As of March 31, 2025 and December 31, 2024, the Company held direct investments in mortgage loans from various creditors through SMA1 and SMA2.

The Company's mortgage loan portfolios are primarily senior loans on real estate across the U.S. The loans earn interest at a fixed spread above a prime rate, mature in approximately 2 years to 4 years from loan origination and the principal amounts of the loans range between 64% to 65% of the property's appraised value at the time the loans were made.

**SKYWARD SPECIALTY INSURANCE GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO (UNAUDITED) CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**4. Mortgage Loans (continued)**

The following table sets forth the carrying value of the Company's mortgage loans as of March 31, 2025 and December 31, 2024:

<i>(\$ in thousands)</i>	<b>March 31, 2025</b>	December 31, 2024
Commercial	\$ 8,016	\$ 8,474
Retail	—	10,032
Hospitality	7,996	7,984
	<u>\$ 16,012</u>	<u>\$ 26,490</u>

The following table sets forth the Company's gross investment income for mortgage loans for the three months ended March 31, 2025 and 2024:

<i>(\$ in thousands)</i>	<b>Three months ended March 31,</b>	
	<b>2025</b>	2024
Commercial	\$ 108	\$ 458
Retail	304	490
Hospitality	249	471
	<u>\$ 661</u>	<u>\$ 1,419</u>

The uncollectible amounts on loans, on an individual loan basis, are determined based upon consultations and advice from the Company's specialized investment manager and consideration of any adverse situations that could affect the borrower's ability to repay, the estimated value of underlying collateral, and other relevant factors. The Company writes off the uncollectible amount in the period it was determined to be uncollectible. There was no write-off for uncollectible amounts during the three months ended March 31, 2025 and 2024, respectively.

As of March 31, 2025 \$4.5 million of mortgage loans were in the process of foreclosure and there were no mortgage loans that were not producing income for the previous 12 months. As of December 31, 2024, no mortgage loans were in the process of foreclosure and there were no mortgage loans that were not producing income for the previous 12 months.

**5. Equity Method Investments and Other**

The following table sets forth the carrying value and ownership percentage of the Company's equity method investments as of March 31, 2025 and December 31, 2024:

<i>(\$ in thousands)</i>	<b>March 31, 2025</b>		December 31, 2024	
	Carrying Value	Ownership %	Carrying Value	Ownership %
Arena Special Opportunities Fund, LP units	\$ 32,364	14.9 %	\$ 34,936	15.3 %
JVM Funds LLC units	16,692	10.1 %	17,229	10.1 %
Hudson Ventures Fund 2 LP units	4,897	2.5 %	4,967	2.5 %
RISCOM	2,886	20.0 %	5,013	20.0 %
Brewer Lane Ventures Fund II LP units	1,410	2.4 %	1,040	2.4 %
Dowling Capital Partners LP units	678	5.0 %	666	5.0 %
Arena SOP LP units	218	11.1 %	1,474	10.9 %
	<u>\$ 59,145</u>		<u>\$ 65,325</u>	

**SKYWARD SPECIALTY INSURANCE GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO (UNAUDITED) CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**5. Equity Method Investments and Other (continued)**

The following table sets forth the components of net investment (loss) income from equity method investments for the three months ended March 31, 2025 and 2024:

<i>(\$ in thousands)</i>	<b>Three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Brewer Lane Ventures Fund II LP	\$ 170	\$ (32)
Dowling Capital Partners LP units	13	1,342
Hudson Ventures Fund II LP units	(25)	(52)
RISCOM	(128)	286
JVM Funds LLC	(211)	(484)
Arena Special Opportunities Fund, LP units	(551)	(251)
Arena SOP LP units	(1,256)	289
	<u>\$ (1,988)</u>	<u>\$ 1,098</u>

The following table sets forth the unfunded commitment of equity method investments as of March 31, 2025 and December 31, 2024:

<i>(\$ in thousands)</i>	<b>March 31, 2025</b>	<b>December 31, 2024</b>
	Brewer Lane Ventures Fund II LP units	\$ 3,770
Dowling Capital Partners LP units	386	386
Hudson Ventures Fund 2 LP units	266	397
	<u>\$ 4,422</u>	<u>\$ 4,860</u>

The difference between the cost of an investment and its proportionate share of the underlying equity in net assets is allocated to the various assets and liabilities of the equity method investment. The Company amortizes the difference in net assets over the same useful life of a similar asset as the underlying equity method investment. For investment in RISCOM, a similar asset would be agent relationships. The Company amortizes this difference over a 15-year useful life.

The following table sets forth the Company's recorded investment in RISCOM compared to its share of underlying equity as of March 31, 2025 and December 31, 2024:

<i>(\$ in thousands)</i>	<b>March 31, 2025</b>	<b>December 31, 2024</b>
<b>Investment in RISCOM:</b>		
Underlying equity	\$ 1,689	\$ 3,756
Difference	1,197	1,258
Recorded investment balance	<u>\$ 2,886</u>	<u>\$ 5,013</u>

The following table sets forth the Company's recorded investment in JVM Funds LLC compared to its share of underlying equity as of March 31, 2025 and December 31, 2024:

<i>(\$ in thousands)</i>	<b>March 31, 2025</b>	<b>December 31, 2024</b>
<b>Investment in JVM Funds LLC:</b>		
Underlying equity	\$ 16,125	\$ 16,624
Difference	567	605
Recorded investment balance	<u>\$ 16,692</u>	<u>\$ 17,229</u>

**SKYWARD SPECIALTY INSURANCE GROUP, INC. AND SUBSIDIARIES**  
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**5. Equity Method Investments and Other (continued)**

*Investment in Indirect Loans and Loan Collateral*

As of March 31, 2025 and December 31, 2024, the Company held indirect investments in collateralized loans and loan collateral through SMA1 and SMA2.

The carrying value of the SMA1 and SMA2 as of March 31, 2025 and December 31, 2024 were as follows:

<i>(\$ in thousands)</i>	<b>March 31, 2025</b>	December 31, 2024
SMA1	<b>\$ 19,093</b>	\$ 20,296
SMA2	<b>10,350</b>	12,973
Investment in indirect loans and loan collateral	<b>\$ 29,443</b>	\$ 33,269

**6. Segment**

The Company has one reportable segment through which it offers a broad array of commercial property and casualty products and solutions on a non-admitted (or E&S) and admitted basis, predominantly in the United States. The segment is made up of nine distinct underwriting divisions, or “continuing business,” and has dedicated underwriting leadership supported by high-quality technical staff with deep experience in their respective niches. The Company defines its segment on the basis of the way in which internally reported financial information is regularly reviewed by the Chief Operating Decision Maker (“CODM”) to analyze financial performance, make decisions and allocate resources. The Company’s CODM is the chief executive officer.

The accounting policies of the segment are the same as those described in Note 1 “Summary of Significant Accounting Policies” of the Company’s Annual Report on Form 10-K for the year ended December 31, 2024. The CODM assesses performance for the segment and decides how to allocate resources based on gross written premiums by net underwriting division, underwriting income, and income before income taxes that also is reported on the condensed consolidated statements of operations as consolidated income before income taxes. The measure of segment assets is reported on the balance sheet as total consolidated assets.

Gross written premiums by underwriting division, net underwriting income, and consolidated net income are used to monitor budget versus actual results. The chief operating decision maker also uses net underwriting income, annualized return on equity and growth in book value per share in competitive analysis by benchmarking to the Company’s competitors. The competitive analysis along with the monitoring of budgeted versus actual results are used in assessing performance of the segment and in establishing management’s compensation.

**SKYWARD SPECIALTY INSURANCE GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO (UNAUDITED) CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**6. Segment (continued)**

The following table presents gross written premiums by underwriting division for the three months ended March 31, 2025 and 2024:

<i>(\$ in thousands)</i>	<b>Three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Accident & Health	\$ 63,169	\$ 40,901
Agriculture and Credit (Re)insurance	87,847	43,321
Captives	68,401	68,408
Construction & Energy Solutions	75,571	74,222
Global Property	46,686	57,312
Professional Lines	41,166	42,239
Programs	62,675	52,178
Surety	37,798	33,842
Transactional E&S	52,006	46,232
<b>Total continuing business</b>	<b>535,319</b>	<b>458,655</b>
Exited business	7	(35)
<b>Total gross written premiums</b>	<b>\$ 535,326</b>	<b>\$ 458,620</b>

**SKYWARD SPECIALTY INSURANCE GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO (UNAUDITED) CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**6. Segment (continued)**

The following table presents information about reported segment net underwriting income, significant segment expenses and a reconciliation of net underwriting income to net income for the three months ended March 31, 2025 and 2024:

(\$ in thousands)	Three months ended March 31,	
	2025	2024
<b>Underwriting income</b>		
<b>Revenues:</b>		
Net earned premiums	\$ 300,366	\$ 236,342
Commission and fee income	1,976	2,026
Total underwriting revenues	302,342	238,368
<b>Expenses:</b>		
Losses and LAE	187,309	143,914
Amortization of policy acquisition costs	44,490	31,977
Other operating and general expenses	42,061	37,797
Total underwriting expenses	273,860	213,688
<b>Net underwriting income</b>	\$ 28,482	\$ 24,680
<b>Reconciliation of net underwriting income to net income:</b>		
Net underwriting income	\$ 28,482	\$ 24,680
Add:		
Net investment income	19,331	18,297
Net investment gains	6,841	8,303
Other income	13	—
Less:		
Interest expense	1,834	2,727
Amortization expense	337	388
Other expenses	1,061	1,188
<b>Income before income taxes</b>	51,435	46,977
Income tax expense	9,377	10,193
<b>Net income</b>	\$ 42,058	\$ 36,784

The following table presents annualized return on equity for the three months ended March 31, 2025 and 2024 and book value per share as of March 31, 2025 and December 31, 2024:

	Three months ended March 31,	
	2025	2024
Annualized return on equity	20.5 %	21.7 %
	<b>March 31, 2025</b>	<b>December 31, 2024</b>
Book value per share	\$ 21.06	\$ 19.79

**SKYWARD SPECIALTY INSURANCE GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO (UNAUDITED) CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**7. Income Taxes**

The following table sets forth the Company's income tax expense and effective tax rates for the three months ended March 31, 2025 and 2024:

<i>(\$ in thousands)</i>	<b>Three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Income tax expense	\$ 9,377	\$ 10,193
Effective tax rate	18.2 %	21.7 %

The effective tax rate will differ from the statutory rate of 21 percent due to permanent differences for disallowed expenses for tax and beneficial adjustments for tax-exempt income, dividends-received deduction, non-deductible expenses and discrete items. The effective tax rate for the three months ended March 31, 2025 was impacted by certain discrete tax items, primarily tax benefits from stock-based compensation, which reduced the effective tax rate by 3.9%.

**8. Losses and Loss Adjustment Expenses**

The following table sets forth the reconciliation of unpaid losses and loss adjustment expenses ("LAE") as reported in the condensed consolidated balance sheets as of and for the three months ended March 31, 2025 and 2024:

<i>(\$ in thousands)</i>	<b>Three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Reserves for losses and LAE, beginning of period	\$ 1,782,383	\$ 1,314,501
Less: reinsurance recoverable on unpaid claims, beginning of period	(670,846)	(455,484)
Reserves for losses and LAE, beginning of period, net of reinsurance	1,111,537	859,017
Incurred, net of reinsurance, related to:		
Current period	187,309	144,155
Prior years	—	—
Total incurred, net of reinsurance	187,309	144,155
Paid, net of reinsurance, related to:		
Current period	15,256	11,805
Prior years	118,900	80,516
Total paid	134,156	92,321
Net reserves for losses and LAE, end of period	1,164,690	910,851
Plus: reinsurance recoverable on unpaid claims, end of period	706,801	466,095
Reserves for losses and LAE, end of period	\$ 1,871,491	\$ 1,376,946

**SKYWARD SPECIALTY INSURANCE GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO (UNAUDITED) CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**9. Commission and Fee Income**

Skyward Underwriters Agency, Inc. (“SUA”), a subsidiary of the Company, is a managing general insurance agent and reinsurance broker for property and casualty and accident and health risks in specialty niche markets. Commission and fee income is primarily generated from SUA for the placement of insurance policies on either a third-party insurance or reinsurance company.

The following table sets forth the Company’s disaggregated revenues from contracts with customers for the three months ended March 31, 2025 and 2024:

<i>(\$ in thousands)</i>	Three months ended March 31,	
	2025	2024
SUA commission revenue	\$ 865	\$ 990
SUA fee income	1,629	846
Other	(518)	190
Total commission and fee income	\$ 1,976	\$ 2,026

The Company’s contract assets from commission and fee income as of March 31, 2025 and December 31, 2024 were \$1.9 million and \$1.4 million, respectively.

**10. Underwriting, Acquisition and Insurance Expenses**

The following table sets forth the components of underwriting, acquisition and insurance expenses for the three months ended March 31, 2025 and 2024:

<i>(\$ in thousands)</i>	Three months ended March 31,	
	2025	2024
Amortization of policy acquisition costs	\$ 44,490	\$ 31,977
Other operating and general expenses	42,061	37,797
Total underwriting, acquisition and insurance expenses	\$ 86,551	\$ 69,774

**11. Reinsurance**

Certain premiums and benefits are assumed from and ceded to other insurance companies under various reinsurance agreements. The reinsurance agreements provide the Company with increased capacity to write larger risks and maintain its exposure to loss within its capital resources. The Company remains obligated for amounts ceded in the event that the reinsurers do not meet their obligations.

The following tables set forth the effects of reinsurance on written and earned premiums and losses and loss adjustment expenses for the three months ended March 31, 2025 and 2024:

<i>(\$ in thousands)</i>	2025		2024	
	Written	Earned	Written	Earned
Direct premiums	\$ 408,310	\$ 385,438	\$ 366,796	\$ 327,172
Assumed premiums	127,016	78,727	91,824	62,186
Ceded premiums	(192,055)	(163,799)	(171,520)	(153,016)
Net premiums	\$ 343,271	\$ 300,366	\$ 287,100	\$ 236,342
Ceded losses and LAE incurred		\$ 135,467		\$ 85,619

**SKYWARD SPECIALTY INSURANCE GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO (UNAUDITED) CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**11. Reinsurance (continued)**

The following table sets forth the components of reinsurance recoverables and ceded unearned premium as of March 31, 2025 and December 31, 2024:

<i>(\$ in thousands)</i>	<b>March 31, 2025</b>	December 31, 2024
Ceded unpaid losses and LAE	\$ 706,801	\$ 670,846
Ceded paid losses and LAE	198,464	166,663
Loss portfolio transfer	—	22,662
Allowance for credit losses	(2,295)	(2,295)
Reinsurance recoverables	<u>\$ 902,970</u>	<u>\$ 857,876</u>
Ceded unearned premium	<u>\$ 232,147</u>	<u>\$ 203,901</u>

The Company entered into agreements with several of its reinsurers, whereby the reinsurer established funded trust accounts with the Company as the sole beneficiary. These trust accounts provide the Company additional security to collect claim recoverables under reinsurance contracts and the Company does not carry these on the balance sheet because the Company will only have custody over these accounts upon the failure of the reinsurer to pay amounts due. At March 31, 2025, the market value of these accounts was approximately \$212.8 million. The trust amount will be adjusted periodically, by mutual agreement, based on claim payments and loss reserve recoverables.

Certain ceded reinsurance contracts that transfer only significant timing risk and do not transfer sufficient underwriting risk are accounted for using the deposit method of accounting. The Company's deposit asset at March 31, 2025 and December 31, 2024 was \$24.7 million and \$25.9 million, respectively, and was included in other assets on the condensed consolidated balance sheets.

**12. Earnings Per Share**

The following table sets forth the compilation of basic and diluted net earnings per share for the three months ended March 31, 2025 and 2024:

<i>(\$ in thousands, except for share and per share amounts)</i>	<b>Three months ended March 31,</b>	
	<b>2025</b>	2024
<b>Numerator</b>		
Net income	\$ 42,058	\$ 36,784
<b>Denominator</b>		
Basic weighted-average common shares	40,196,416	39,108,351
Dilutive effect of stock notes	—	711,752
Dilutive effect of stock units	1,004,585	935,890
Dilutive effect of options	479,594	329,143
Diluted weighted-average common share equivalents	<u>41,680,595</u>	<u>41,085,136</u>
Basic earnings per share	\$ 1.05	\$ 0.94
Diluted earnings per share	\$ 1.01	\$ 0.90

The following table presents anti-dilutive instruments that were excluded from the calculation of diluted weighted-average common share equivalents during the three months ended March 31, 2025 and 2024:

	<b>Three months ended March 31,</b>	
	<b>2025</b>	2024
Stock units	56,155	70,671
Options	2,512	48

**SKYWARD SPECIALTY INSURANCE GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO (UNAUDITED) CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**12. Earnings Per Share (continued)**

The following table presents common share equivalents of contingently issuable instruments that were excluded from basic earnings per share in the three months ended March 31, 2025 and 2024:

	<b>Three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Common shares	—	866,428
Total	—	866,428

**13. Related Party Transactions****RISCOM**

RISCOM provides the Company with wholesale brokerage services. RISCOM and the Company also have a managing general agency agreement. The Company holds a 20% ownership interest in RISCOM.

Net earned premium and gross commission expense related to these agreements for the three months ended March 31, 2025 and 2024 were as follows:

<i>(\$ in thousands)</i>	<b>Three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Net earned premium	<b>\$ 28,960</b>	<b>\$ 25,894</b>
Commissions	<b>7,632</b>	<b>6,887</b>

Premiums receivable as of March 31, 2025 and December 31, 2024 were \$18.6 million and \$12.6 million, respectively.

**Other**

Advisory and professional services fees and expense reimbursements paid to various affiliated stockholders and directors for the three months ended March 31, 2025 were \$0.2 million, compared to \$2.0 million for the three months ended March 31, 2024.

See Note 4 and 5 for investments involving affiliated companies and additional related party transactions.

**14. Commitments and Contingencies****Litigation**

The Company is named as a defendant in various legal actions arising from claims made under insurance policies and contracts. Those actions are considered by the Company in estimating the losses and loss adjustment expense reserves. Also, from time to time, the Company is a defendant in various legal actions that relate to bad faith claims, disputes with third parties or that involve alleged errors and omissions. The Company records accruals for these items to the extent the losses are probable and reasonably estimable. Although the ultimate outcome of these matters cannot be determined at this time, based on present information, the availability of insurance coverage and advice received from outside legal counsel, the Company believes the resolution of any such matters will not, individually or in the aggregate, have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

**Indemnification**

In conjunction with the sale of business assets and subsidiaries, the Company has provided indemnifications to certain buyers. Certain indemnifications cover typical representations and warranties related to the responsibilities to perform under the sales contracts. The amount of potential exposure covered by the indemnifications is difficult to determine because the indemnifications cover a variety of matters, operations and scenarios. Certain of these indemnifications have no time limit. At this time, the Company does not have reason to believe any such significant claims exist.

## **Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations**

*The term “Skyward Specialty” as used below refers only to Skyward Specialty Insurance Group, Inc. and the terms “our Company,” “we,” “us,” and “our” as used below refer to Skyward Specialty Insurance Group and its consolidated subsidiaries. The term “first quarter” as used below refers to the three months ended March 31 for the time period then ended. We discuss certain key metrics which provide useful information about our business and the operational factors underlying our financial performance. Many of these metrics are generally standard among insurance companies and help to provide comparability with our peers. Select insurance, accounting, operating and financial terms for Skyward Specialty are defined in the sections entitled “Select Insurance and Financial Terms” and “Key Operating and Financial Metrics” included in our 2024 Form 10-K for the year ended December 31, 2024 (the “2024 Form 10-K”).*

*The discussion and analysis below include certain forward-looking statements that are subject to risks, uncertainties and other factors described in “Risk Factors” in our 2024 Form 10-K. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors.*

*The results of operations for the three months ended March 31, 2025 are not necessarily indicative of the results that may be expected for the full year ended December 31, 2025, or for any other future period. The following discussion should be read in conjunction with the unaudited condensed consolidated financial statements and the notes thereto included in Part I, Item 1 of this Quarterly Report, and in conjunction with our audited consolidated financial statements and the notes thereto included in our 2024 Form 10-K.*

*The accompanying condensed consolidated financial statements and related notes have been prepared in accordance with United States (“U.S.”) generally accepted accounting principles (“GAAP”).*

### **Overview**

Founded in 2006, Skyward Specialty is a specialty insurance holding company incorporated in Delaware. We have one reportable segment through which we offer a broad array of commercial property and casualty products and solutions on a non-admitted (or E&S) and admitted basis, predominantly in the United States. We focus our business on markets that are underserved, dislocated and/or for which standard insurance coverages are insufficient or inadequate to meet the needs of businesses, including our customers and prospective customers operating in these markets. Our customers typically require highly specialized, customized underwriting solutions and claims capabilities. As such, we develop and deliver tailored insurance products and services to address each of the niche markets we serve.

During the first quarter of 2025, the Company updated its underwriting divisions to align with how management currently oversees the business, allocates resources and evaluates operating performance. The Company added a ninth division, Agriculture and Credit (Re)insurance, which includes the Global Agriculture unit, previously reported with Global Property, and the Mortgage and Credit units, and focuses on specialty classes for which reinsurance provides a more attractive market entry. The Industry Solutions division is now the Construction & Energy Solutions division and the Inland Marine unit is now included in the Transactional E&S division. Programs is now Specialty Programs. Prior reporting periods have been conformed to reflect the new presentation.

All of our insurance company subsidiaries are group rated and have financial strength ratings of “A” (Excellent) with stable outlook from the A.M. Best Company.

## Results of Operations

The following table summarizes our results for the three months ended March 31, 2025 and 2024:

(\$ in thousands)	Three months ended March 31,	
	2025	2024
Gross written premiums	\$ 535,326	\$ 458,620
Ceded written premiums	(192,055)	(171,520)
Net written premiums	\$ 343,271	\$ 287,100
Net earned premiums	\$ 300,366	\$ 236,342
Commission and fee income	1,976	2,026
Losses and LAE	187,309	143,914
Underwriting, acquisition and insurance expenses	86,551	69,774
Underwriting income <sup>(1)</sup>	\$ 28,482	\$ 24,680
Net investment income	\$ 19,331	\$ 18,297
Net investment gains	\$ 6,841	\$ 8,303
Income before income taxes	\$ 51,435	\$ 46,977
Net income	\$ 42,058	\$ 36,784
Adjusted operating income <sup>(1)</sup>	\$ 37,321	\$ 31,024
Loss and LAE ratio	62.4 %	60.9 %
Expense ratio	28.1 %	28.7 %
Combined ratio	90.5 %	89.6 %
Annualized return on equity	20.5 %	21.7 %
Annualized return on tangible equity <sup>(1)</sup>	22.9 %	25.0 %
Annualized adjusted return on equity <sup>(1)</sup>	18.2 %	18.3 %
Annualized adjusted return on tangible equity <sup>(1)</sup>	20.3 %	21.1 %

<sup>(1)</sup> See "Reconciliation of Non-GAAP Financial Measures" in this Item 2

## Reconciliation of Non-GAAP Financial Measures

### Adjusted Operating Income

The following table provides a reconciliation of adjusted operating income to net income for the three months ended March 31, 2025 and 2024:

(\$ in thousands)	Three months ended March 31,			
	2025		2024	
	Pre-tax	After-tax	Pre-tax	After-tax
Income as reported	\$ 51,435	\$ 42,058	\$ 46,977	\$ 36,784
Less (add):				
Net investment gains	6,841	5,594	8,303	6,501
Net impact of LPT	—	—	241	189
Other income	13	11	—	—
Other expenses	(1,061)	(868)	(1,188)	(930)
<b>Adjusted operating income</b>	<b>\$ 45,642</b>	<b>\$ 37,321</b>	<b>\$ 39,621</b>	<b>\$ 31,024</b>

### Underwriting Income

The following table provides a reconciliation of underwriting income to income before federal income tax expense for the three months ended March 31, 2025 and 2024:

(\$ in thousands)	Three months ended March 31,	
	2025	2024
Income before income taxes	\$ 51,435	\$ 46,977
Add:		
Interest expense	1,834	2,727
Amortization expense	337	388
Other expenses	1,061	1,188
Less:		
Net investment income	19,331	18,297
Net investment gains	6,841	8,303
Other income	13	—
<b>Underwriting income</b>	<b>\$ 28,482</b>	<b>\$ 24,680</b>

### Tangible Stockholders' Equity

The following table provides a reconciliation of tangible stockholders' equity to stockholders' equity for the periods ended March 31, 2025 and 2024:

(\$ in thousands)	Three months ended March 31,	
	2025	2024
Stockholders' equity	\$ 850,721	\$ 692,272
Less: Goodwill and intangible assets	87,089	88,137
<b>Tangible stockholders' equity</b>	<b>\$ 763,632</b>	<b>\$ 604,135</b>

### Annualized Adjusted Return on Equity

The following table provides a reconciliation of annualized adjusted return on equity to annualized return on equity for the three months ended March 31, 2025 and 2024:

(\$ in thousands)	Three months ended March 31,	
	2025	2024
Numerator: annualized adjusted operating income	\$ 149,284	\$ 123,896
Denominator: average stockholders' equity	\$ 822,360	\$ 676,652
Annualized adjusted return on equity	18.2 %	18.3 %

### Annualized Return on Tangible Equity

Annualized return on tangible equity for the three months ended March 31, 2025 and 2024 reconciles to annualized return on equity as follows:

(\$ in thousands)	Three months ended March 31,	
	2025	2024
Numerator: annualized net income	\$ 168,232	\$ 147,136
Denominator: average tangible stockholders' equity	\$ 735,142	\$ 588,366
Annualized return on tangible equity	22.9 %	25.0 %

### Annualized Adjusted Return on Tangible Equity

Annualized adjusted return on tangible equity for the three months ended March 31, 2025 and 2024 reconciles to annualized return on equity as follows:

(\$ in thousands)	Three months ended March 31,	
	2025	2024
Numerator: annualized adjusted operating income	\$ 149,284	\$ 123,896
Denominator: average tangible stockholders' equity	\$ 735,142	\$ 588,366
Annualized adjusted return on tangible equity	20.3 %	21.1 %

### Underwriting Results

#### Premiums

The following tables present gross written premiums by underwriting division for the three months ended March 31, 2025 and 2024:

(\$ in thousands)	Three months ended March 31,			
	2025	2024	Change	% Change
Accident & Health	\$ 63,169	\$ 40,901	\$ 22,268	54.4 %
Agriculture and Credit (Re)insurance	87,847	43,321	44,526	102.8 %
Captives	68,401	68,408	(7)	— %
Construction & Energy Solutions	75,571	74,222	1,349	1.8 %
Global Property	46,686	57,312	(10,626)	(18.5 %)
Professional Lines	41,166	42,239	(1,073)	(2.5 %)
Specialty Programs	62,675	52,178	10,497	20.1 %
Surety	37,798	33,842	3,956	11.7 %
Transactional E&S	52,006	46,232	5,774	12.5 %
<b>Total gross written premiums<sup>(1)</sup></b>	<b>\$ 535,319</b>	<b>\$ 458,655</b>	<b>\$ 76,664</b>	<b>16.7 %</b>

<sup>(1)</sup> Excludes exited business

The increase in gross written premiums for the first quarter of 2025, when compared to the same 2024 period, was driven by double-digit premium growth primarily from the agriculture and credit (re)insurance, accident & health and specialty programs divisions, partially offset by a decrease in gross written premiums in the global property division.

Net written premiums for the first quarter of 2025 were \$343.3 million, an increase of \$56.2 million or 19.6%, when compared to \$287.1 million for the same 2024 period. The increase in net written premiums was primarily driven by the same reasons that drove the increases in gross written premiums discussed above.

Net earned premiums for the first quarter of 2025 were \$300.4 million, an increase of \$64.1 million or 27.1% when compared to \$236.3 million for the same 2024 period. The increase in net earned premiums was primarily driven by the same reasons that drove the increases in gross written premiums discussed above.

For additional information regarding our reinsurance programs, see the "Reinsurance" discussion included in this Item 2.

### Losses and LAE

The following tables set forth the components of the loss and LAE ratios and adjusted loss and LAE ratios for the three months ended March 31, 2025 and 2024:

(\$ in thousands)	Three months ended March 31,			
	2025		2024	
	Losses and LAE	% of Net Earned Premiums	Losses and LAE	% of Net Earned Premiums
<b>Losses and LAE:</b>				
Non-cat loss and LAE	\$ 180,809	60.2 %	\$ 143,155	60.6 %
Cat loss and LAE <sup>(1)</sup>	6,500	2.2 %	1,000	0.4 %
Prior accident year development - LPT	—	— %	(241)	(0.1)%
<b>Total losses and LAE</b>	<b>\$ 187,309</b>	<b>62.4 %</b>	<b>\$ 143,914</b>	<b>60.9 %</b>

<sup>(1)</sup> Current accident year

The loss ratio for the first quarter of 2025 increased 1.5 points when compared to the same 2024 period, due to higher catastrophe losses, primarily from convective storms in the Midwest and the California wildfires. The improvement in the non-catastrophe loss and LAE ratio for the first quarter of 2025 when compared to the same 2024 period, was driven by the business mix shift.

### Expense Ratio

The following tables set forth the components of the expense ratios for the three months ended March 31, 2025 and 2024:

(\$ in thousands)	Three months ended March 31,			
	2025		2024	
	Expenses	% of Net Earned Premiums	Expenses	% of Net Earned Premiums
Net policy acquisition expenses	\$ 44,490	14.8 %	\$ 31,977	13.6 %
Other operating and general expenses	42,061	14.0 %	37,797	16.0 %
Underwriting, acquisition and insurance expenses	86,551	28.8 %	69,774	29.6 %
Less: commission and fee income	(1,976)	(0.7 %)	(2,026)	(0.9 %)
<b>Total net expenses</b>	<b>\$ 84,575</b>	<b>28.1 %</b>	<b>\$ 67,748</b>	<b>28.7 %</b>

The expense ratio for the first quarter improved 0.6 points when compared to the same 2024 period primarily due to earnings leverage partially offset by higher acquisition costs due to the business mix shift.

The expense ratios for the first quarters of 2025 and 2024 exclude the impact of IPO related stock compensation and secondary offering expenses, which are reported in other expenses in our condensed consolidated statements of operations and comprehensive income.

### Investment Results

The following table sets forth the components of net investment income and net investment gains (losses) for the three months ended March 31, 2025 and 2024:

<i>\$ in thousands</i>	Three months ended March 31,	
	2025	2024
Short-term investments & cash and cash equivalents	\$ 4,041	\$ 5,088
Fixed income	16,730	12,478
Equities	657	627
Alternative and strategic investments	(2,097)	104
Net investment income	<u>\$ 19,331</u>	<u>\$ 18,297</u>
Net unrealized gains on securities still held	\$ 5,491	\$ 8,991
Net realized gains (losses)	<u>1,350</u>	<u>(688)</u>
Net investment gains	<u>\$ 6,841</u>	<u>\$ 8,303</u>

Net investment income for the first quarter of 2025 increased \$1.0 million when compared to the same 2024 period.

The increase in income from our fixed income portfolio for the first quarter of 2025, when compared to the same 2024 period, was due to (i) a larger asset base as we continued to increase our allocation to this part of our investment portfolio and (ii) a higher book yield of 5.2% at March 31, 2025 compared to 4.7% at March 31, 2024. The decrease in income from short-term investments for the first quarter of 2025 when compared to the same 2024 period, was due to a lower book yield. The losses from alternative and strategic investments for the first quarter of 2025 was driven by the decline in the fair value of limited partnership investments.

When a fixed maturity has been determined to have an impairment, the impairment charge is separated into an amount representing the credit loss, which is recognized in earnings as a realized loss and on the balance sheet as an allowance for credit losses netted with the amortized cost of fixed maturities. Future increases in fair value, if related to credit factors, are recognized through earnings limited to the amount previously recognized as an allowance for credit losses. The amount related to non-credit factors is recognized in accumulated other comprehensive income and future increases or decreases in fair value, if not credit losses, are included in accumulated other comprehensive (loss) income. We reviewed our available-for-sale fixed maturities at March 31, 2025 and determined that no credit impairment existed in the gross unrealized holding losses. See Note 2, "Investments" to our condensed consolidated financial statements included in Item 1 of this Form 10-Q for additional information.

### Investments

#### Composition of Investment Portfolio

The following table sets forth the components of our investment portfolio at carrying value at March 31, 2025 and December 31, 2024:

<i>(\$ in thousands)</i>	2025		2024	
	Carrying Value	% of Total	Carrying Value	% of Total
Cash and cash equivalents	\$ 112,916	5.4 %	\$ 121,603	6.1 %
Short-term investments	308,042	14.6 %	274,929	13.8 %
Fixed income	1,413,520	67.1 %	1,318,708	66.2 %
Equities	108,075	5.1 %	106,254	5.3 %
Alternative and strategic investments	163,753	7.8 %	170,929	8.6 %
Total portfolio	<u>\$ 2,106,306</u>	<u>100.0 %</u>	<u>\$ 1,992,423</u>	<u>100.0 %</u>

### Fixed income

Our fixed income portfolio primarily consists of investment grade fixed income securities, which are predominantly highly-rated and liquid bonds, and commercial mortgage loans.

The following table sets forth the components of our fixed income securities at March 31, 2025 and December 31, 2024:

(\$ in thousands)	2025		2024	
	Carrying Value	% of Total	Carrying Value	% of Total
U.S. government securities	\$ 26,682	1.9 %	\$ 26,486	2.0 %
Corporate securities and miscellaneous	490,850	34.7 %	425,628	32.3 %
Municipal securities	85,831	6.1 %	84,716	6.4 %
Residential mortgage-backed securities	402,397	28.5 %	393,833	29.9 %
Commercial mortgage-backed securities	76,191	5.4 %	69,364	5.2 %
Other asset-backed securities	315,557	22.3 %	292,191	22.2 %
Total fixed income portfolio, available-for-sale	1,397,508	98.9 %	1,292,218	98.0 %
Commercial mortgage loans	\$ 16,012	1.1 %	\$ 26,490	2.0 %
Total fixed income portfolio	\$ 1,413,520	100.0 %	\$ 1,318,708	100.0 %

The weighted average credit rating of our available-for-sale fixed income portfolio was “A+” by Standard & Poor’s Financial Services, LLC (“Standard & Poor’s”) at March 31, 2025 and “AA-” at December 31, 2024. The following table sets forth the credit quality of our available-for-sale fixed income portfolio at March 31, 2025 and December 31, 2024, as rated by Standard & Poor’s or equivalent designation:

(\$ in thousands)	2025		2024	
	Fair Value	% of Total	Fair Value	% of Total
AAA	\$ 479,479	34.2 %	\$ 483,099	37.3 %
AA	158,996	11.4 %	141,177	10.9 %
A	480,478	34.4 %	429,703	33.3 %
BBB	255,335	18.3 %	216,602	16.8 %
BB and Lower	23,220	1.7 %	21,637	1.7 %
Total fixed income portfolio, available-for-sale	\$ 1,397,508	100.0 %	\$ 1,292,218	100.0 %

Our commercial mortgage loans are primarily senior loans on real estate across the U.S.

The average duration of our fixed income portfolio was approximately 4.29 years and 4.34 years, respectively, as of March 31, 2025 and December 31, 2024.

### Equities

The equities portfolio primarily consists of domestic preferred stocks, common equities, exchange traded funds, limited partnerships, limited liability corporations and other types of equity interests, 100.0% of which are publicly traded.

### Alternative and strategic investments

Alternative investments consists of promissory notes, limited partnerships, joint ventures and equity interests. The underlying investments are primarily floating rate senior secured loans, comprised of short duration, collateralized, asset-oriented credit investments. The limited partnerships and joint ventures are subject to future increases or decreases in asset value as asset values are monetized and the income is distributed. Strategic investments consists of equity interests in private entities within the insurance industry.

### Other Items

#### Income Taxes

Income tax expense for the three months ended March 31, 2025 was \$9.4 million compared to \$10.2 million for the same 2024 period. Our effective tax rate for the three months ended March 31, 2025 was 18.2%, compared to 21.7% for the same 2024 period. The effective tax rate for the three months ended March 31, 2025 was impacted by certain discrete tax items, primarily tax benefits from stock-based compensation, which reduced the effective tax rate by 3.9%. For

additional information, see Note 7 of our condensed consolidated financial statements included in Item 1 of this Form 10-Q.

## Liquidity and Capital Resources

### Sources and Uses of Funds

Our most significant source of cash is from premiums received from our insureds, which, for most policies, we receive at the beginning of the coverage period, net of the related commission amount for the policies. Our most significant cash outflow is for claims that arise when a policyholder incurs an insured loss. Because the payment of claims occurs after the receipt of the premium, often years later, we invest the cash in various investment securities that generally earn interest and dividends. We also use cash to pay for operating expenses such as salaries, rent and taxes and capital expenditures such as technology systems. We use reinsurance to manage the risk that we take on our policies. We cede, or pay out, part of the premiums we receive to our reinsurers and collect cash back when losses subject to our reinsurance coverage are paid.

The timing of our cash flows from operating activities can vary among periods due to the timing by which payments are made or received. Some of our payments and receipts, including loss settlements and subsequent reinsurance receipts, can be significant, and as a result their timing can influence cash flows from operating activities in any given period. Management believes that cash receipts from premiums and proceeds from investment income are sufficient to cover cash outflows in the foreseeable future.

Our cash flows for the three months ended March 31, 2025 and 2024:

<i>(\$ in thousands)</i>	2025	2024
Cash and cash equivalents provided by (used in):		
Operating activities	\$ 96,760	\$ 94,265
Investing activities	(100,779)	(69,866)
Financing activities	—	(9,466)
<b>Change in cash and cash equivalents and restricted cash</b>	<b>\$ (4,019)</b>	<b>\$ 14,933</b>

The increase in cash provided by operating activities in 2025 when compared to 2024 was primarily due to positive cash flow from our insurance operations. Cash from operations can vary from period to period due to the timing of premium receipts, claim payments and reinsurance activity. Cash flows from operations in each of the past two years were used primarily to fund investing activities.

Net cash used in investing activities in 2025 and 2024 were primarily driven by purchases of fixed maturity securities and short-term investments. Net cash used in financing activities in 2024 was driven by net payments on debt.

### Credit Agreements

#### FHLB Loan

On August 30, 2024, we entered into a loan (the “FHLB Loan”) with the Federal Home Loan Bank of Dallas (the “FHLB”) pursuant to its Advances and Security Agreement. The FHLB Loan is a 4.5-year term loan in the principal amount of \$57.0 million. The FHLB Loan provides for interest-only payments during its term, with principal due in full at maturity. The interest rate is fixed over the term of the loan at 4.00%. The FHLB Loan is fully secured by a pledge of specific investment securities of HSIC. We used the proceeds to fund the redemption of the March 15, 2024 draw on the Revolving Credit Facility and redeemed \$7.0 million of the March 29, 2023 draw on the Revolving Credit Facility (see “Revolving Credit Facility” below for additional information regarding the redemption).

#### Revolving Credit Facility

On March 29, 2023, we entered into an unsecured revolving credit facility (the “Revolving Credit Facility”) with a syndicate of participating banks. The Revolving Credit Facility provides us with up to a \$150.0 million revolving credit facility and a letter of credit sub-facility of up to \$30.0 million.

On March 14, 2024, we drew \$50.0 million on the Revolving Credit Facility and used the proceeds and existing cash to fund the redemption of the Debentures (see “Debentures” below for additional information regarding the redemption).

On August 30, 2024, we fully redeemed the March 15, 2024 draw on the Revolving Credit Facility and redeemed \$7.0 million of the March 29, 2023 draw on the Revolving Credit Facility. As of March 31, 2025, we had \$43.0 million outstanding under the Revolving Credit Facility with another \$107.0 million of undrawn capacity.

Interest on the Revolving Credit Facility is payable quarterly. The interest rate on the Revolving Credit Facility is the SOFR plus a margin of between 150 and 190 basis points based on the ratio of debt to total capital and a credit spread adjustment of 10 basis points. At March 31, 2025, the six-month SOFR on the Revolving Credit Facility was 4.22%, plus a margin of 1.60%.

We are subject to covenants on the Revolving Credit Facility based on minimum net worth, maximum debt to capital ratio, minimum A.M. Best Rating and minimum liquidity. As of March 31, 2025, we are in compliance with all covenants.

#### *Debentures*

In August 2006, we received \$58.0 million of proceeds from a debenture offering through a statutory trust, Delos Capital Trust (the "Trust"). The sole asset of the Trust consists of Fixed/Floating Rate Junior Subordinated Deferrable Interest Debentures (the "Trust Preferred") with a principal amount of \$59.8 million issued by us and cash of \$1.8 million from the issuance of Trust common shares purchased by us equal to 3% of the Trust capitalization. On March 15, 2024, the Company redeemed the Debentures and paid \$1.4 million of accrued interest.

#### *Subordinated Debt*

In May 2019, we issued unsecured subordinated notes (the "Notes") with an aggregate principal amount of \$20.0 million. Interest on the subordinated notes is 7.25% fixed for the first eight years and 8.25% fixed thereafter. Early retirement of the debt ahead of the eight-year commitment requires all interest payments to be paid in full, as well as the return of all capital. Principal payment is due at maturity on May 24, 2039 and interest is payable quarterly.

At March 31, 2025 the ratio of total debt outstanding, including the FHLB Loan, the Revolving Credit Facility and the Notes, to total capitalization (defined as total debt plus stockholders' equity) was 12.3% and at December 31, 2024, the ratio of total debt outstanding, including the Term Loan, the Revolver, the Trust Preferred and the Notes, to total capitalization was 13.1%.

#### *Share Repurchase Program*

In October 2024, the Board of Directors approved a share repurchase program authorizing the repurchase of up to \$50.0 million of our common stock. The shares may be repurchased from time to time in open market purchases, privately-negotiated transactions, block purchases, accelerated share repurchase agreements or a combination of methods, including through Rule 10b5-1 trading plans. The timing, manner, price and amount of any repurchases under the share repurchase program will be determined by us in our discretion. The share repurchase program does not require us to repurchase any specific number of shares, and may be modified, suspended or terminated at any time. As of March 31, 2025, no shares had been repurchased under this plan.

#### **Reinsurance**

We strategically purchase reinsurance from third parties which enhances our business by protecting capital from severity events (either large single event losses or catastrophes) and reducing volatility in our earnings. Our reinsurance contracts are predominantly one year in length and renew annually throughout the year, primarily in January and April. At each annual renewal, we consider several factors that influence any changes to our reinsurance purchases, including any plans to change the underlying insurance coverage we offer, updated loss activity, the level of our capital and surplus, changes in our risk appetite and the cost and availability of reinsurance treaties.

We purchase quota share reinsurance, excess of loss reinsurance, and facultative reinsurance coverage to limit our exposure from losses on any one occurrence. The mix of reinsurance purchased considers efficiency, cost, our risk appetite and specific factors of the underlying risks we underwrite.

- **Quota share reinsurance** refers to a reinsurance contract whereby the reinsurer agrees to assume a specified percentage of the ceding company's losses arising out of a defined class of business in exchange for a corresponding percentage of premiums, net of a ceding commission.
- **Excess of loss reinsurance** refers to a reinsurance contract whereby the reinsurer agrees to assume all or a portion of the ceding company's losses for an individual claim or an event in excess of a specified amount in exchange for a premium payable amount negotiated between the parties, which includes our catastrophe reinsurance program.
- **Facultative coverage** refers to a reinsurance contract on individual risks as opposed to a group or class of business. It is used for a variety of reasons, including supplementing the limits provided by the treaty coverage or covering risks or perils excluded from treaty reinsurance.

For the three months ended March 31, 2025 our net retention on a written basis (calculated as net written premiums as a percentage of gross written premiums) was 64.1%, compared to 62.6% for the same 2024 period.

The following is a summary of our reinsurance programs as of March 31, 2025:

Line of Business	Maximum Company Retention
Accident & Health	\$0.90 million per occurrence
Commercial Auto <sup>(1)</sup>	\$1.00 million per occurrence
Excess Casualty <sup>(1)(2)</sup>	\$1.69 million per occurrence
General Liability <sup>(1)</sup>	\$1.68 million per occurrence
Ocean Marine <sup>(2)</sup>	\$2.50 million per occurrence
Professional Lines <sup>(2)</sup>	\$5.19 million per occurrence
Property <sup>(3)</sup>	\$4.00 million per occurrence
Representation and Warranty	\$5.00 million per occurrence
Surety <sup>(2)</sup>	\$4.00 million per occurrence
Workers' Compensation <sup>(2)</sup>	\$2.33 million per occurrence

<sup>(1)</sup> Legal defense expenses can force exposure above the maximum company retention for Excess Casualty, Commercial Auto and General Liability.

<sup>(2)</sup> Reinsurance is subject to a loss ratio cap or aggregate level of loss cover that exceeds a modeled 1:250-year PML event.

<sup>(3)</sup> Catastrophe loss protection is purchased up to \$36.0 million in excess of \$12.0 million retention, which provides cover for a 1:250-year PML event.

### Credit and Financial Strength Ratings

On August 1, 2024, A.M. Best upgraded Skyward Specialty's financial strength rating to A (Excellent) from A- (Excellent) and revised the outlook to stable from positive.

### Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in market risk from the information provided in our Annual Report on Form 10-K for the year ended December 31, 2024.

### Item 4. Controls and Procedures

#### *Evaluation of Disclosure Controls and Procedures*

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports we file under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), as appropriate, to allow timely decisions regarding required financial disclosure.

As previously disclosed within Item 9A. Controls and Procedures of our 2024 Form 10-K, management concluded that a material weakness existed related to the ineffective implementation of information technology general controls ("ITGCs") in the area of user access for systems that support the Company's financial reporting processes as well as the related process-level IT dependent manual and automated controls that rely upon the affected ITGCs, or information coming from IT systems with affected ITGCs. As part of our efforts to remediate the material weakness, new controls and procedures have been designed and are in process of being implemented as previously disclosed within Item 9A. Controls and Procedures of our 2024 Form 10-K. Therefore, our CEO and CFO concluded that, as of March 31, 2025, our disclosure controls and procedures were not effective. Despite the foregoing, our CEO and CFO have certified that, based on their knowledge, the financial statements, and other financial information included in this Form 10-Q, fairly present in all material respects our financial condition, results of operations and cash flows as of, and for, the periods presented in this Form 10-Q.

#### *Status of Remediation Activities*

With the oversight of the Audit Committee, our management has implemented, and is in process of implementing, additional measures to improve our internal control over ITGCs to remediate the material weakness identified above, including (i) conducting a thorough review of existing ITGCs to identify areas of weakness, (ii) enhancing access controls, (iii) strengthening system access procedures and (iv) providing regular training and awareness programs for employees to ensure they understand ITGC policies and procedures and adhere to best practices for maintaining data integrity and security. We are committed to continuing to improve our ITGCs.

We cannot assure you that the measures we have taken to date, and are continuing to implement, will be sufficient to remediate the identified material weakness, or to avoid potential future material weaknesses or significant deficiencies. While we believe our efforts have improved our internal control over ITGCs, remediation of the material weakness will require further validation and testing of the design and operating effectiveness of internal controls over a sustained period.

of financial reporting cycles. We have invested, and expect to continue to invest, significant resources to improve our ITGCs.

***Changes in Internal Control over Financial Reporting***

Except for the ongoing remediation efforts relating to the material weaknesses identified above, there has been no change in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the year ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II - OTHER INFORMATION

### Item 1. Legal Proceedings

We are party to legal proceedings which arise in the ordinary course of business. We believe that the outcome of such matters, individually and in the aggregate, will not have a material adverse effect on our consolidated financial position.

### Item 1A. Risk Factors

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the risks and uncertainties described under the heading “Risk Factors” in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2024 (our “2024 Form 10-K”), as supplemented by the below risk factor update. The below risk factor updates the risk factor captioned “Security breaches, loss of data, cyberattacks, and other information technology failures could disrupt our operations, damage our reputation, and adversely affect our business, operations, and financial results.” in our 2024 Form 10-K. There have been no other material changes in our risk factors in the quarter ended March 31, 2025 from those disclosed in our 2024 Form 10-K.

***Security breaches, loss of data, cyberattacks, and other information technology failures could disrupt our operations, damage our reputation, and adversely affect our business, operations, and financial results.***

Our business is highly dependent upon our information technology and telecommunications systems, including our underwriting and claims systems. We rely on these systems to interact with brokers and insureds, to underwrite business, to prepare policies and process premiums, to perform actuarial and other modeling functions, to process claims and make claims payments, and to prepare internal and external financial statements. Some of these systems may include or rely on third-party systems not located on our premises or under our control. Events such as natural catastrophes, terrorist attacks, industrial accidents, computer viruses and other cyber-attacks may cause our systems to fail or be inaccessible for extended periods of time. While we have implemented business contingency plans and other reasonable plans to protect our systems, whether housed internally or through third-party cloud services, sustained or repeated system failures or service denials could severely limit our ability to write and process new and renewal business, provide customer service, pay claims in a timely manner or otherwise operate in the ordinary course of business.

Computer viruses, hackers, employee misconduct, and other external hazards could expose our systems to security breaches, cyber-attacks or other disruptions. While we have implemented security measures designed to protect against breaches of security and other interference with our systems and networks, our systems and networks may be subject to breaches or interference and we, and our third-party service providers, will likely continue to experience cybersecurity incidents of varying degrees. For instance, we recently experienced a data incident in which attackers acquired certain of our data. We currently believe the breach is immaterial in nature, but we are continuing to investigate. At this time, there is no evidence that a nation-state actor or global hacker was involved or that there has been any misuse of this information. In the event that our investigation results in more significant exposure than we currently believe, our business may be adversely impacted. Any such event may result in operational disruptions as well as unauthorized access to, the disclosure of, or loss of our proprietary information or our customers’ data and information, which in turn may result in legal claims, regulatory scrutiny and liability, reputational damage, the incurrence of costs to eliminate or mitigate further exposure, the loss of customers or affiliated advisors, or other damage to our business. In addition, SEC and state law requirements regarding general public notification of such incidents could exacerbate the harm to our business, financial condition and results of operations. Even if we successfully protect our technology infrastructure and the confidentiality of sensitive data, we could suffer harm to our business and reputation if attempted security breaches are publicized. We cannot be certain that advances in criminal capabilities, discovery of new vulnerabilities, attempts to exploit vulnerabilities in our systems, data thefts, physical system or network break-ins or inappropriate access, or other developments will not compromise or breach the technology or other security measures protecting the networks and systems used in connection with our business.

Third parties to whom we outsource certain of our functions are also subject to these risks. While we review and assess our third-party providers’ cybersecurity controls, as appropriate, and make changes to our business processes to manage these risks, we cannot ensure that our attempts to keep systems from being compromised and confidential information from being disclosed will always be successful. Moreover, our increased use of third-party services (e.g. cloud technology and software as a service) can make it more difficult to identify and respond to cyberattacks in any of the above situations due to the dynamic nature of these technologies. These risks could increase as vendors adopt and use more cloud-based software services rather than software services which can be run within our data centers.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

**Item 3. Defaults Upon Senior Securities**

None.

**Item 4. Mine Safety Disclosures**

None.

**Item 5. Other Information**

During the quarter ended March 31, 2025, certain of our executives entered into or amended existing written plans during an open insider trading window for the purchase or sale of our securities that are intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act and our policies regarding transactions in our securities.

On March 6, 2025, Andrew Robinson, Chief Executive Officer, modified his Rule 10b5-1 Trading Arrangement, originally adopted on September 10, 2024, to change the start date of the second tranche from May 9, 2025 to June 6, 2025. The modified plan provides for the sale of up to an aggregate of 36,271 shares of our common stock that remain available for sell.

On March 12, 2025, Mark Haushill entered into a new Rule 10b5-1 Trading Arrangement. The material terms of these trading plans are set forth in the table below.

Disclosure Events	Name (Title)	Date of Adoption	Nature of Trading Arrangement	Duration of Trading Arrangement	Aggregate Number of Securities
1	Andrew Robinson (Chief Executive Officer)	September 10, 2024; Amended second order of plan on March 6, 2025	Rule 10b5-1(c) Trading Arrangement	1/2/2025 – 6/30/2025	Up to 60,358 shares
2	Mark Haushill (Chief Financial Officer)	March 12, 2025	Rule 10b5-1(c) Trading Arrangement	6/13/2025 – 3/31/2026	Up to 75,000 shares

**Item 6. Exhibits***(a) Exhibits.*

Exhibit Number	Exhibit Description
3.1	<a href="#">Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the Commission on January 18, 2023).</a>
3.2	<a href="#">Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the Commission on January 18, 2023).</a>
4.1	<a href="#">Amended and Restated Stockholders' Agreement, by and among the Company and the stockholders listed therein (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-1, filed with the SEC on November 14, 2022).</a>
31.1	<a href="#">Certification of Principal Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.2	<a href="#">Certification of Principal Financial and Accounting Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32.1	<a href="#">Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema with Embedded Linkbase Documents
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

*(b) Financial Statement Schedules.* All financial statement schedules are omitted because the information called for is not required or is shown either in the consolidated financial statements or in the notes thereto.

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 7, 2025

**Skyward Specialty Insurance Group, Inc.**  
By: /s/ Andrew Robinson  
Andrew Robinson  
Chairman and Chief Executive Officer  
(Principal Executive Officer)

Date: May 7, 2025

By: /s/ Mark Haushill  
Mark Haushill  
Chief Financial Officer  
(Principal Financial and Accounting Officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Andrew Robinson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Skyward Specialty Insurance Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2025

By: /s/ Andrew Robinson

Name: Andrew Robinson

Title: Chairman and Chief Executive Officer

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Mark Haushill, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Skyward Specialty Insurance Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2025

By: /s/ Mark Haushill  
Name: Mark Haushill  
Title: Chief Financial Officer

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Skyward Specialty Insurance Group, Inc. (the "Company") for the three months ended March 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Andrew Robinson, as Chief Executive Officer of the Company, and Mark Haushill, Chief Financial Officer, hereby certify pursuant to Title 18, Chapter 63, Section 1350 of the United States Code, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of our knowledge:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 7, 2025

By: /s/ Andrew Robinson

Name: Andrew Robinson

Title: Chairman and Chief Executive Officer

Date: May 7, 2025

By: /s/ Mark Haushill

Name: Mark Haushill

Title: Chief Financial Officer