

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

**FORM S-1  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933**

**Bowhead Specialty Holdings Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**6331**  
(Primary Standard Industrial  
Classification Code Number)

**87-1433334**  
(I.R.S. Employer Identification  
Number)

**452 Fifth Avenue  
New York, NY 10018  
(212) 970-0269**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**H. Matthew Crusey  
General Counsel  
Bowhead Specialty Holdings Inc.  
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(Name, address, including zip code, and telephone number, including area code, of agent for service)

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**Approximate date of commencement of proposed sale to the public:**

As soon as practicable after this Registration Statement is declared effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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	<input type="radio"/>	Accelerated filer	<input type="radio"/>
Non-accelerated filer	<input checked="" type="radio"/>	Smaller reporting company	<input type="radio"/>
		Emerging growth company	<input checked="" type="radio"/>

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 to Section 7(a)(2)(B) of the Securities Act.

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act, or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

Subject to completion, dated October 21, 2024

The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities nor a solicitation of an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

**4,000,000 Shares**



**Bowhead Specialty Holdings Inc.**  
**Common Stock**

The selling stockholders named in this prospectus are offering 4,000,000 shares of our common stock. We will not receive any proceeds from the sale of the shares being sold by the selling stockholders.

Our common stock is listed on the New York Stock Exchange (“NYSE”) under the symbol “BOW.” On October 18, 2024, the closing sales price of our common stock as reported on the NYSE was \$31.16 per share.

We are an “emerging growth company” as that term is used in the Jumpstart Our Business Startups Act of 2012 and, as such, have elected to comply with certain reduced public company reporting requirements for this registration statement and may do so in future filings.

We are currently a “controlled company” within the meaning of the corporate governance standards of the NYSE. However, after the completion of this offering, GPC Fund (as defined below) and AFMIC (as defined below) will collectively own approximately 49.8% of our outstanding common stock (or 48.0% if the underwriters exercise their option to purchase additional shares of common stock in full). Because GPC Fund and AFMIC collectively will beneficially own less than 50% of the total voting power of our common stock after the completion of this offering, we will no longer be a “controlled company” within the meaning of the corporate governance standards of the NYSE after the completion of this offering, and, subject to certain transition periods permitted by the NYSE rules, we will no longer rely on exemptions from corporate governance requirements that are available to controlled companies. See “Management—Loss of Controlled Company Status.”

**Investing in our common stock involves risks. See “Risk Factors” beginning on page 21.**

**Neither the Securities and Exchange Commission nor any state securities commission or regulatory authority has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

	<u>Per Share</u>	<u>Total</u>
Public offering price	\$	\$
Underwriting discounts and commissions <sup>(1)</sup>	\$	\$
Proceeds, before expenses, to the selling stockholders	\$	\$

(1) See “Underwriting” for additional information regarding underwriting compensation.

Certain of the selling stockholders have granted the underwriters the right, for a period of 30 days from the date of this prospectus, to purchase up to 600,000 additional shares of common stock at the public offering price less the underwriting discounts and commissions.

The underwriters expect to deliver the shares against payment in New York, New York, on or about \_\_\_\_\_, 2024.

**J.P. Morgan**

**Morgan Stanley**

**Keefe, Bruyette & Woods**  
*A Stifel Company*

The date of this prospectus is \_\_\_\_\_, 2024.

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You should rely only on the information contained in this prospectus or in any free writing prospectus we may authorize to be delivered or made available to you. None of us, the selling stockholders or the underwriters have authorized anyone to provide you with different information. None of us, the selling stockholders or any of the underwriters take any responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. The information in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus, or any free writing prospectus, as the case may be, or any sale of shares of our common stock. Our business, results of operations and financial condition may have changed since such date.

For investors outside the United States: the selling stockholders are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted. None of us, the selling stockholders or any of the underwriters has done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of common stock and the distribution of this prospectus outside the United States.

## ABOUT THIS PROSPECTUS

### Industry and Market Data

In this prospectus, we present certain industry and market data. This information is based on third-party sources, data from our internal research and management estimates. Management estimates are derived from publicly available information, our knowledge of our industry and assumptions based on such information and knowledge, which we believe to be reasonable. Such data and management estimates, including any forecasts and projections, have not been verified by any independent source. While we believe this data is generally reliable, such information is inherently uncertain and imprecise. Such information, including assumptions and estimates of our and our industry's future performance, is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in "Risk Factors" and "Forward-Looking Statements." These and other factors could cause results to differ materially from the assumptions, estimates and statements made by third parties and by us. You are cautioned not to place undue reliance on such industry and market data.

### Trademarks and Service Marks

This prospectus contains references to a number of trademarks and service marks which are our registered trademarks or service marks, or trademarks or service marks for which we have pending applications or common law rights. Trade names, trademarks and service marks of other companies appearing in this prospectus are the property of their respective holders. Solely for convenience, the trademarks, service marks and trade names are referred to in this prospectus without the ®, ™ or SM symbols, but such references are not intended to indicate, in any way, that we or other owner thereof will not assert, to the fullest extent under applicable law, our or such owner's rights to these trademarks, service marks and trade names. We do not intend our use or display of other companies' trademarks, service marks or trade names to imply a relationship with, or endorsement or sponsorship of us by, such other companies.

### Non-GAAP Financial Measures

This prospectus contains certain financial measures that are not presented in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). Under U.S. securities laws, these measures are called "non-GAAP financial measures." We use these non-GAAP financial measures when planning, monitoring and evaluating our performance. We believe these non-GAAP financial measures give our management and other users of our financial information useful insight into our underlying business performance.

We use the following non-GAAP financial measures throughout this prospectus as defined below:

- *Underwriting income* is defined as income before income taxes excluding the impact of net investment income, net realized investment gains, other insurance-related income, non-operating expenses, warrant expense, credit facility interest expenses and fees, foreign exchange (gains) losses, and certain strategic initiatives.
- *Adjusted net income* is defined as net income excluding the impact of net realized investment gains, non-operating expenses, foreign exchange (gains) losses, and certain strategic initiatives. Adjusted net income excludes the impact of certain items that may not be indicative of underlying business trends, operating results, or future outlook, net of tax impact. We calculate the tax impact only on adjustments which would be included in calculating our income tax expense using the estimated tax rate at which we received a deduction for these adjustments.
- *Adjusted return on equity* is defined as adjusted net income as a percentage of average beginning and ending mezzanine equity and stockholders' equity.
- *Diluted adjusted earnings per share* is defined as adjusted net income divided by the weighted average common shares outstanding for the period, reflecting the dilution that may occur if equity-based awards are converted into common stock equivalents as calculated using the treasury stock method.



You should not rely on these non-GAAP financial measures as a substitute for any U.S. GAAP financial measure. While we believe that these non-GAAP financial measures are useful in evaluating our business, this information should be considered supplemental in nature and is not meant to be an alternative to our reported results prepared in accordance with U.S. GAAP. In addition, other companies, including companies in our industry, may calculate such measures differently, which reduces their usefulness as comparative measures. For a reconciliation of such measures to their most directly comparable U.S. GAAP financial measures, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Reconciliation of Non-GAAP Financial Measures.”

### **Basis of Presentation and Glossary**

We have a strategic partnership with AmFam that allows us to leverage AmFam’s legal entities, ratings and licenses through MGA Agreements with the AmFam Issuing Carriers and the Quota Share Agreement. Through the MGA Agreements, BSUI has delegated binding authority and underwrites premiums on behalf of the AmFam Issuing Carriers. Through the Quota Share Agreement, AmFam cedes 100.0% of these premiums to BICI, our wholly-owned insurance company subsidiary, and receives a ceding fee on net premiums assumed. In essence, we originate business on the paper of AmFam through BSUI writing policies issued by AmFam under the name of AmFam and such insurance business that we originate is 100.0% reinsured to BICI, since we do not have the ratings to independently write policies under our own name and on our own paper. See “Prospectus Summary—Our Structure” for additional information. As used herein, unless the context otherwise requires:

- “our policies,” “our insurance contracts” and similar references refer to the policies that we write on AmFam paper that are 100.0% reinsured to BICI;
- “our policyholders” refer to holders of those policies; and
- “we insure” means the reinsurance risk we (through BICI) assume from the AmFam Issuing Carriers.

The following terms are used in this prospectus and have the following meanings unless otherwise noted or indicated by the context:

- “2024 Plan” refers to the Bowhead Specialty Holdings Inc. 2024 Omnibus Incentive Plan.
- “Admitted” refers to insurance issued by an insurer licensed to do business in the state in which the insured exposure is located. Admitted insurance companies are subject to various state laws that govern organization, capitalization, policy forms, rate approvals and claims handling.
- “AFMIC” refers to American Family Mutual Insurance Company, S.I.
- “ALAE” refers to allocated loss adjustment expense.
- “A.M. Best” refers to A.M. Best Company, Inc., a rating agency and publisher for the insurance industry.
- “Amended and Restated Quota Share Agreement” refers to our amended and restated quota share insurance agreement with AFMIC dated as of May 23, 2024.
- “AmFam” refers collectively to AFMIC and its subsidiaries.
- “AmFam Issuing Carriers” refers collectively to Homesite Insurance Company, Homesite Insurance Company of Florida and Midvale Indemnity Company, which are insurance company subsidiaries of AFMIC.
- “BICI” refers to Bowhead Insurance Company, Inc., which is domiciled in Wisconsin and is our wholly-owned subsidiary.
- “BIHL” refers to Bowhead Insurance Holdings LP.
- “BRATs” refers to Bowhead Risk Analysis Tools, our proprietary underwriting tools for the lines in which we write business.

- “BSUI” refers to Bowhead Specialty Underwriters, Inc., which is our wholly-owned subsidiary.
- “BUSI” refers to Bowhead Underwriting Services, Inc., which is our wholly-owned subsidiary.
- “Combined ratio,” expressed as a percentage, is the sum of loss ratio and expense ratio.
- “D&O” refers to Directors and Officers liability insurance, the primary function of which is to protect companies and their directors and officers against monetary damages alleging mismanagement. D&O may be provided on either a primary or excess basis.
- “E&O” refers to Errors and Omissions liability insurance, the primary function of which is to protect companies against negligent acts, errors and omissions of their employees. E&O may be provided on either a primary or excess basis.
- “EPL” refers to Employment Practices Liability insurance, the primary function of which is to protect a company from damages resulting from claims made by employees and/or customers related to the company’s workplace and employment practices (e.g., harassment, discrimination, hostile work environment). EPL may be provided on either a primary or excess basis.
- “Expense ratio,” expressed as a percentage, is the ratio of net acquisition costs and operating expenses to net earned premiums.
- “FI” refers to financial institutions, including banks, insurance companies, investment advisors, alternative asset managers and certain businesses that can provide specialized services to those industries. Coverages provided to FIs may include D&O, EPL, E&O and other liability coverages. Liability insurance may be provided to FIs on either an primary or excess basis.
- “Gallatin Point” refers to Gallatin Point Capital LLC, a private investment firm with a primary focus on making opportunistic investments in financial institutions, services and assets.
- “GL” refers to General Liability insurance which protects a company against liability arising from bodily injury, personal injury or property damage. GL may be provided on either a primary or excess basis.
- “GPC Fund” refers to GPC Partners Investments (SPV III) LP.
- “HCML” refers to Healthcare Management Liability.
- “IBNR” refers to reserves for incurred but not yet reported losses.
- “JOBS Act” refers to the Jumpstart Our Business Startups Act of 2012.
- “LAE” refers to loss adjustment expenses.
- “Loss ratio,” expressed as a percentage, is the ratio of net losses and loss adjustment expenses to net earned premiums.
- “MGA” refers to managing general agent, a business which has authority from an insurance company to underwrite risks, bind policies and settle claims on behalf of the insurance company.
- “MGA Agreements” refers to our Managing General Agency Agreements with the AmFam Issuing Carriers.
- “MMF” refers to Miscellaneous Medical Facilities.
- “MPL” refers to Miscellaneous Professional Liability.
- “NAIC” refers to the National Association of Insurance Commissioners.

- “Non-admitted” or excess and surplus (“E&S”) lines refers to policies generally not subject to regulations governing premium rates or policy language. We also consider insurance written on an admitted basis through either the New York Free Trade Zone or similar commercial deregulation exemptions available in certain jurisdictions, and as a result free of rate and form restrictions, to be E&S business.
- “Original Quota Share Agreement” refers to our quota share reinsurance agreement with AFMIC, which has been effective since November 1, 2020.
- “P&C” refers to Property and Casualty insurance.
- “PL/GL” refers to Professional and General Liability insurance.
- “Quota Share Agreement” refers to refers to the Original Quota Share Agreement and the Amended and Restated Quota Share Agreement.
- “Return on equity” is net income as a percentage of average beginning and ending mezzanine equity and stockholders’ equity.
- “SAP” refers to the Statutory Accounting Principles established by the NAIC.
- “Sarbanes-Oxley Act” refers to the Sarbanes-Oxley Act of 2002.
- “SEC” refers to the Securities and Exchange Commission.
- “U.S. GAAP” refers to the generally accepted accounting principles in the United States.
- “Wisconsin OCI” refers to the Office of the Commissioner of Insurance of Wisconsin.

## PROSPECTUS SUMMARY

*This summary highlights selected information appearing elsewhere in this prospectus. This summary is not complete and does not contain all of the information that you should consider before investing in our common stock. You should carefully read the entire prospectus, including the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes included elsewhere in this prospectus.*

*All references to the “Company,” “Bowhead,” “we,” “our” and “us,” unless the context otherwise requires, are to Bowhead Specialty Holdings Inc., a Delaware corporation, and its consolidated subsidiaries and all references to the “Issuer” are only to Bowhead Specialty Holdings Inc.*

### **Bowhead Specialty Holdings Inc.**

#### **Who We Are**

We are a profitable and growing company providing specialty P&C products. We were founded by industry veteran Stephen Sills and are led by a highly experienced and respected underwriting team with decades of individual, successful underwriting experience. We focus on providing “craft” solutions in our specialty lines and classes of business that we believe require deep underwriting and claims expertise in order to produce attractive financial results. We have initially focused on underwriting Casualty, Professional Liability and Healthcare Liability risks where our management team has deep experience. Across our underwriting divisions, our policyholders vary in size, industry and complexity and require specialized, innovative and customized solutions where we individually underwrite and structure policies for each account. As a result, our products are primarily written on an E&S basis, where we have flexibility of rate and policy form. Our underwriting teams collaborate across our claims, actuarial and legal departments, ensuring they are aware of developments that could impact our business and using a consistent approach to our underwriting. We handle our claims in-house; our claims management teams, which align with our three underwriting divisions, have significant experience in the markets on which we focus and work closely with our underwriting and actuarial teams, keeping them informed of claims trends, providing feedback on emerging areas of loss experience and identifying and addressing key issues and adjusting loss reserves as appropriate. We distribute our products through carefully selected relationships with leading distribution partners in both the wholesale and retail markets. We pride ourselves on the quality and experience of our people, who are committed to exceeding our partners’ expectations through excellent service and expertise. Our collaborative culture spans all functions of our business and allows us to provide a consistent, positive experience for all of our partners. This consistency of experience, combined with our client-focused approach, has created a company with which our distribution partners want to work, supporting the continued growth of our platform.

Our principal objective is to create and sustain superior returns for our stockholders by generating consistent underwriting profits across our product lines and through all market cycles, while prudently managing capital. We have grown substantially over the past two years, generating gross written premiums of \$356.9 million for the year ended December 31, 2022 and \$507.7 million for the year ended December 31, 2023, a year-over-year increase of 42.2%. For the year ended December 31, 2023, we delivered a combined ratio of 95.0%, net income of \$25.0 million and a return on equity of 18.2%. We have generated gross written premiums of \$212.4 million for the six months ended June 30, 2023 and \$314.0 million for the six months ended June 30, 2024, a year-over-year increase of 47.8%. For the six months ended June 30, 2024, we delivered a combined ratio of 98.7%, net income of \$12.5 million and a return on equity (annualized) of 9.4%. We believe that our current market opportunity, differentiated expertise, relationships, culture and leadership team position us well to continue to grow our business profitably.

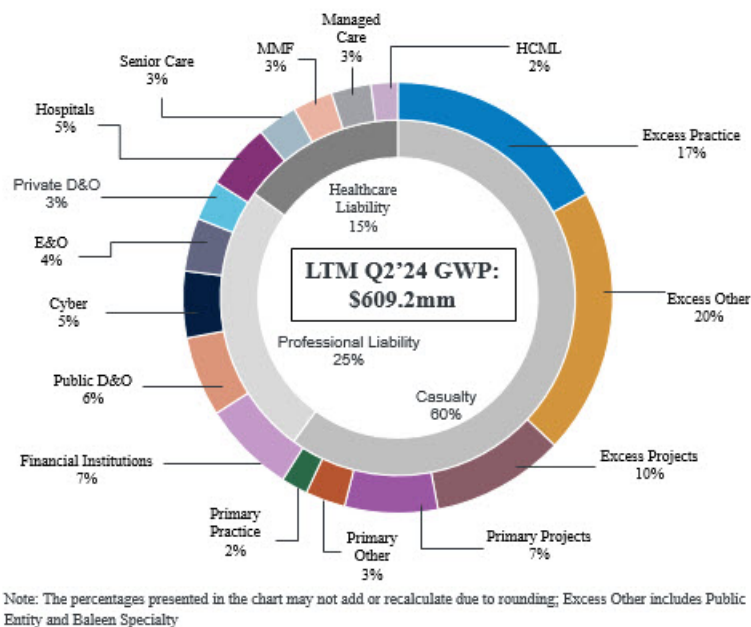
BICI is domiciled and licensed as an admitted insurer in the state of Wisconsin. BSUI is a licensed business entity producer, domiciled as an insurance producer and an MGA in the state of Texas, and a licensed agency in all 50 states, Washington D.C. and Puerto Rico. BSUI does business as “Bowhead Specialty Insurance Services” in California, Illinois, Nevada, New York, Utah and Virginia. Our ability to write business, however, is currently largely based on our relationship with AmFam. Through our relationship with AmFam, we are able to write business on an admitted basis in all 50 states and Washington D.C. and on a non-admitted basis in all 50 states, Washington D.C. and Puerto Rico. For the six months ended June 30, 2024, there were four states in which 5.0% or more of our

gross written premiums were concentrated: California (15.9%), Florida (14.9%), Texas (11.2%), and New York (7.4%).

We founded our business in September 2020, recognizing a favorable pricing environment and a growing and unmet demand from brokers and policyholders for craft solutions and quality service in complex lines of business. We built a nimble, remote-friendly organization able to attract best-in-class talent that we source nationwide to service this demand, with over 220 employees as of June 30, 2024 across the country who are committed to operational excellence and superior service. We are backed by capital provided by GPC Fund and our strategic partner, AmFam, a mutual insurer with an “A” (Excellent) financial strength rating from A.M. Best as of June 30, 2024 and approximately \$7.0 billion of policyholder surplus as of December 31, 2023. We originate business on the paper of AmFam through BSUI writing policies issued by AmFam under the name of AmFam and reinsure 100.0% of the insurance business we originate to BICI, our wholly-owned insurance company subsidiary. Our partnership with AmFam has enabled us to grow quickly but prudently, deploying capital and adding employees when business and growth justified.

**Our Business**

We currently offer craft solutions to a wide variety of businesses across three underwriting divisions: Casualty, Professional Liability and Healthcare Liability. The below chart reflects our gross written premiums by underwriting division and product for the twelve months ended June 30, 2024:



We take a highly collaborative and customized approach to underwriting. Our fully integrated and accountable underwriting methodology brings the specialized industry knowledge, business acumen and strong distribution relationships that we believe are required to profitably underwrite the complex lines of business on which we focus. Our underwriting teams all have deep underwriting and industry experience in the lines of business we write. We aim to offer craft solutions to our clients in a timely and consistent manner. We underwrite, structure and price quotes on a case-by-case basis while maintaining disciplined risk parameters including strict policy limits. We have developed and constantly evaluate our risk framework with significant input from our actuarial, claims, legal and finance functions. Similarly, we frequently hold “roundtable” discussions, which are a key part of our underwriting

process, and depending on the risk, can occur at multiple levels across the company, often involving functions outside of underwriting teams, including actuarial, claims, legal and finance. Roundtables allow our underwriters to leverage appropriate expertise across the organization; our culture of collaboration and accountability means that underwriting decisions are not made in isolation, allowing us to deliver consistent underwriting decisions with input from multiple perspectives.

**Casualty:** Our Casualty division provides tailored solutions on a primary and excess basis through a wholesale-only distribution channel and consists of a team of experienced underwriters with nationwide capabilities who excel at handling complex risks. We specialize in GL coverage for risks in the construction, distribution, heavy manufacturing, real estate and hospitality segments and also consider underwriting risks in a broader range of industries. Within these industries, we seek to identify specific segments that play to our strengths and in which we believe we can generate profitable growth. For example, within construction, a \$2.4 trillion industry in the U.S. as of December 31, 2023 according to the Bureau of Economic Analysis, we seek to participate in large, complex and engineered construction projects.

<i>Product</i>	<i>Description</i>	<i>Distribution</i>
<i>Excess Projects</i>	<ul style="list-style-type: none"> <li>Offers excess coverage to large commercial general contractors or developers on single commercial, residential and infrastructure projects</li> </ul>	<ul style="list-style-type: none"> <li>E&amp;S products distributed by wholesale brokers</li> </ul>
<i>Excess Practice</i>	<ul style="list-style-type: none"> <li>Offers annually renewable excess coverage for GL, Product Liability and Auto Liability to middle market contractors (typically from \$100 million to \$1 billion in revenue) nationally</li> </ul>	<ul style="list-style-type: none"> <li>E&amp;S products distributed by wholesale brokers</li> </ul>
<i>Excess Other</i>	<ul style="list-style-type: none"> <li>Offers annually renewable first excess, or higher excess, coverage to real estate, hospitality, public entity or manufacturing companies</li> </ul>	<ul style="list-style-type: none"> <li>Primarily E&amp;S products distributed by wholesale brokers</li> </ul>
<i>Primary Projects</i>	<ul style="list-style-type: none"> <li>Offers wrap-up GL coverage to large general contractors and developers on single commercial and residential projects</li> </ul>	<ul style="list-style-type: none"> <li>E&amp;S products distributed by wholesale brokers</li> </ul>
<i>Primary Practice</i>	<ul style="list-style-type: none"> <li>Offers annually renewable GL coverage to middle market (under \$100 million in revenue) general contractors and subcontractors</li> </ul>	<ul style="list-style-type: none"> <li>E&amp;S products distributed by wholesale brokers</li> </ul>
<i>Primary Other</i>	<ul style="list-style-type: none"> <li>Offers GL coverage to middle market (under \$200 million in revenue) commercial and industrial manufacturers and distributors</li> </ul>	<ul style="list-style-type: none"> <li>E&amp;S products distributed by wholesale brokers</li> </ul>

**Professional Liability:** Our Professional Liability division provides underwriting solutions on both an admitted and E&S basis for standard and nonstandard risks and writes for a broad variety of entities, including publicly traded and privately held FIs as well as not-for-profit organizations. We distribute this business through wholesale and retail channels. The Professional Liability market, in general, is highly competitive; however, we believe that there are specific sub-markets, including in FI, private D&O and E&O, that have attractive growth and return potential. Additionally, we selectively pursue exposures in small and middle market public D&O where we believe pricing remains favorable and view Cyber and Technology E&O as a significant growth opportunity where we are developing primary capabilities to target smaller accounts that we believe are experiencing less rate pressure compared with larger accounts.

<i>Product</i>	<i>Description</i>	<i>Distribution</i>
<i>FI</i>	<ul style="list-style-type: none"> <li>Offers suite of management liability products including D&amp;O, E&amp;O, EPL, Fiduciary, Fidelity and related lines to asset and investment management companies, banks and lenders, insurance companies and emerging FI companies including specialty niches</li> <li>Also offers primary coverage for specific FI segments, including investment management, on a manuscript basis</li> </ul>	<ul style="list-style-type: none"> <li>Primarily admitted products mostly distributed by retail agents</li> </ul>
<i>Public D&amp;O</i>	<ul style="list-style-type: none"> <li>Offers primary and excess coverage to public companies of all sizes in a wide variety of sectors</li> <li>Also offers Excess Fiduciary and EPL coverage</li> </ul>	<ul style="list-style-type: none"> <li>Primarily admitted products mostly distributed by retail agents</li> </ul>
<i>Private D&amp;O</i>	<ul style="list-style-type: none"> <li>Offers D&amp;O, EPL, Fiduciary and Crime coverage in a package policy with separate or shared limits to private and not-for-profit entities</li> </ul>	<ul style="list-style-type: none"> <li>Primarily admitted products mostly distributed by retail agents</li> </ul>
<i>E&amp;O (includes MPL and Lawyers)</i>	<ul style="list-style-type: none"> <li>Offers Primary and Excess Miscellaneous E&amp;O coverage to approximately 40 classes of businesses, including property managers, developers and construction management, associations, franchisors and consultants</li> <li>Also offers Excess Lawyers Professional Liability coverage to law firms up to 100 attorneys</li> </ul>	<ul style="list-style-type: none"> <li>Primarily E&amp;S products, mostly distributed by wholesale brokers</li> </ul>
<i>Cyber</i>	<ul style="list-style-type: none"> <li>Offers Excess follow-form Cyber and Technology E&amp;O Liability coverage to middle market and large corporate organizations</li> </ul>	<ul style="list-style-type: none"> <li>E&amp;S products mostly distributed by retail agents</li> </ul>

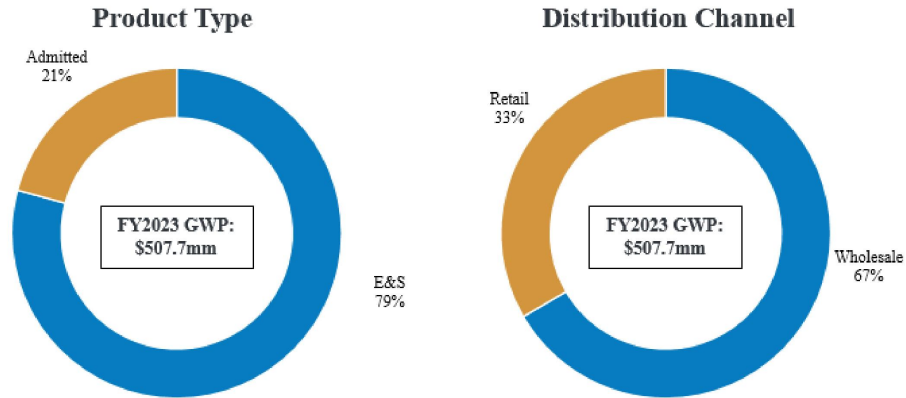
**Healthcare Liability:** Focusing exclusively on healthcare entities, our Healthcare Liability division provides tailored solutions for nonstandard risks faced by healthcare organizations on both a primary and excess basis. We offer PL/GL, as well as Management Liability, across four major healthcare segments—hospitals, senior care providers, managed care organizations and miscellaneous medical facilities—through select wholesale and retail channels. Within Healthcare Liability, we have seen rate increases for several years starting initially with Senior Care followed by Managed Care and more recently in the Hospitals segment. We believe these rate increases were the result of carriers restricting their underwriting appetite following increases in both the frequency and severity of claims caused both by inadequate pricing and outsized settlements and jury verdicts (sometimes referred to as “social inflation”). We aim to expand our Healthcare Liability business meaningfully with sophisticated hospital buyers for which we believe we have differentiated underwriting expertise and claims handling capabilities, with large senior care facilities in a segment that continues to grow alongside population demographics, in the specialized Managed Care E&O marketplace where we believe we have limited competition and in other specialized markets within the healthcare sector where we anticipate profitable growth opportunities.

<i>Product</i>	<i>Description</i>	<i>Distribution</i>
<i>Hospitals</i>	<ul style="list-style-type: none"> <li>Offers excess Healthcare PL/GL coverage to hospitals on an insurance or facultative reinsurance basis</li> </ul>	<ul style="list-style-type: none"> <li>E&amp;S products distributed mostly by retail brokers</li> </ul>
<i>Senior Care</i>	<ul style="list-style-type: none"> <li>Offers Healthcare PL/GL coverage to skilled care, assisted living, independent living and continuing care retirement community facilities</li> <li>Considers traditional structures as well as alternative solutions</li> </ul>	<ul style="list-style-type: none"> <li>E&amp;S products distributed by wholesale and retail brokers</li> </ul>
<i>Managed Care</i>	<ul style="list-style-type: none"> <li>Offers Managed Care E&amp;O coverage to various classes of managed care providers and payors</li> </ul>	<ul style="list-style-type: none"> <li>E&amp;S products distributed by wholesale and retail brokers</li> </ul>
<i>MMF</i>	<ul style="list-style-type: none"> <li>Offers Healthcare PL/GL coverage to outpatient medical facilities</li> <li>Considers traditional structures as well as alternative solutions</li> </ul>	<ul style="list-style-type: none"> <li>E&amp;S products mostly distributed by wholesale and retail brokers</li> </ul>
<i>HCML</i>	<ul style="list-style-type: none"> <li>Offers primary and excess D&amp;O, EPL, Fiduciary and Crime coverage to all classes listed above, including through a package policy with separate or shared limits</li> </ul>	<ul style="list-style-type: none"> <li>Primarily admitted products distributed by wholesale and retail brokers</li> </ul>

Although the products we underwrite do not directly cover physical damage, we offer liability coverage which may include liability resulting from physical damage. For example, we may provide a policy insuring a builder of a building and if a building built by the builder collapses, our policy may cover losses if the builder’s acts or omissions caused the collapse of the building, which could include liability for physical damages to individuals resulting from the collapse of the building or costs of repairs or rebuilding. However, we do not currently offer property coverage and thus do not currently provide coverage for direct physical damage. We offer small limits as part of our Senior Care business in the event a senior care facility must be shut down due to certain events which could include physical damage to the senior care facility.



The below chart reflects our gross written premiums by product type and distribution channel for the year ended December 31, 2023:



Because our clients often require highly customized solutions not available in the admitted market, our business is primarily written on an E&S basis. This approach allows us to maximize our policy flexibility and meet our policyholders' unique needs all while delivering the differentiated level of service and execution for which we have developed a reputation.

We see an opportunity to underwrite an attractive range of risks in a sustainable and profitable manner and seek to employ underwriters with the technical expertise to structure terms and conditions and prudently manage risks across such lines of business. We execute this approach through thoughtful and careful risk selection and limit deployment while seeking to optimize our results. We aim to take advantage of a market that continues to grow as businesses and risks continue to evolve. We believe that our remote-friendly platform enables us to scale our capabilities nimbly within lines of business that we feel align with our expertise, goals and risk appetite. We believe that this approach is a key differentiator in positioning us to grow profitably across market cycles in each of our core competencies.

We are able to deliver mutually beneficial and bespoke solutions thanks to the deep, longstanding wholesale and retail distribution relationships that our underwriters have established. We go to market under the Bowhead brand, leveraging the strong reputation that we have quickly established within the broker community. We distribute our products through a network of wholesale and retail broker organizations utilizing different channels and relationships across our three underwriting divisions. In Casualty, we focus on partnering with wholesale distributors, whereas in Professional Liability and Healthcare Liability, we work with a combination of wholesale and retail partners. We source our broker relationships based on quality of business and reputation and alignment of long-term objectives. We strive to maintain a core group of brokers that consider us to be their "first call." We take a deliberate approach to building our broker network and actively evaluate new and existing broker relationships based on the opportunities we see and choose to pursue in the market.

We handle our claims in-house, which we believe to be a key competitive differentiator. Aligning with our underwriting focus on specific product lines, our claims management teams are highly specialized to ensure that they can apply their expertise in handling claims to each market we serve. As part of our collaborative approach, our claims teams frequently participate in underwriting discussions, both internally and with our distribution partners and policyholders. We believe maintaining full control of the claims-handling process allows us to meet our rigorous quality standards and manage our losses and LAE effectively, and ultimately leads to more profitable underwriting.

We have a remote-friendly operating model with most employees working remotely supplemented by targeted, in-person collaboration. We formed our company during COVID-19 mandated lockdowns, which initially required us to be 100% remote. Our management team built our company's operating platform and developed its culture from the beginning to function nimbly in a hybrid environment. This approach has enabled us to recruit talented employees nationwide without regard for Bowhead-specific office locations. We use frequent video calls to collaborate throughout the day and hold a weekly company-wide call to align on short- and long-term goals. We encourage employees near our New York City and Chicago offices to work in the office on Wednesdays and use off-site meetings and conferences to get broader groups of employees together in person throughout the year. We believe our hybrid operating model is a competitive advantage in terms of attracting talent and maintaining our collaborative culture. Unlike other insurance companies that are trying to bring employees back to the office or learning to operate in a hybrid environment, our remote-friendly operating model is an innate part of our culture and a meaningful contributor to our success.

Our nimble business model enables us to leverage technology, data and analytics efficiently throughout each stage of the underwriting process. Our modern, cloud-based technology platform enables us to leverage technology that we have created in-house and by using leading third-party solutions. We have developed proprietary underwriting tools, BRATs, for the lines in which we write business, and which are further supplemented with customized third-party data. Our technology investments focus on development and integration of data, while our technology tools allow us to understand the underlying risks for each line of business, enabling us to provide rapid feedback to brokers on structure and price.

We believe in the profitability of the business we write, and consequently look to retain as much of that premium as possible while maintaining strict risk limits. We strategically purchase reinsurance through pro rata and excess of loss reinsurance agreements on a treaty or facultative basis with a goal of protecting our capital and minimizing volatility in our earnings from severity events. We focus on a diversified panel of high-quality reinsurance partners. As of June 30, 2024, 100.0% of our reinsurance recoverables were derived from reinsurers with an "A" (Excellent) financial strength rating from A.M. Best, or better.

### **Our Competitive Strengths**

We believe that our competitive strengths include:

***Focus on targeted, specialty P&C market segments with profitable growth opportunities.*** We primarily operate in the \$83.3 billion U.S. commercial E&S market (for the year ended December 31, 2023) that has grown 20.9% annually since 2019. We carefully selected specific segments of this market, only entering markets in which we can profitably grow by leveraging our significant underwriting expertise or by acquiring talent with proven track records of generating underwriting profits. Our target markets have experienced meaningful dislocations and have outperformed the broader U.S. commercial E&S market in loss ratio by four points annually on average over the same five-year period. We believe that we have positioned ourselves as a leader within our sectors and believe our specialized, innovative and customized underwriting approach combined with our strong broker relationships will provide us with an enduring competitive advantage.

***Disciplined approach to underwriting led by highly experienced teams with specialized expertise.*** Our underwriting team is led by industry veterans, who have each served as senior insurance executives, with more than 17 decades of combined industry experience. They bring specialized industry knowledge, strong distribution relationships and long track records of profitably underwriting the lines of business in which we specialize. We underwrite each risk individually, within prudently managed risk limits, to meet the unique demands of our policyholders. We focus on delivering accurate pricing, speed of execution and consistency to our clients across market cycles.

***Fully integrated and accountable underwriting value chain.*** We maintain strict control across our underwriting value chain that is managed in-house and fully integrated across origination, structuring, data and analytics, actuarial, claims and legal. These functional teams are not siloed, but rather work in close coordination with our underwriters in order to provide flexible solutions to our customers quickly and profitably. Our organization is singularly focused on underwriting results.

**Deep, long-term distribution relationships based on expertise, service and mutual benefit.** Our management team and underwriters have built meaningful long-term relationships with the leading distributors in their respective lines and classes of business. We are selective in choosing our distribution partners and look for those that have technical expertise in our chosen lines and a shared commitment to excellent service. Further, we seek out situations where we have the ability to write a significant portion of a distribution partner's business. We provide our brokers timely responses and feedback to submissions and mobilize resources across the organization to get the right deals done. As a result, we consistently receive high-quality business from our broker network. We believe our existing broker relationships and our approach to maintaining these relationships are key components to our long-term growth and success.

**Highly collaborative and execution-oriented culture that spans across all functions working toward a common goal of underwriting profitability.** Across our company, we collaborate at all levels and operational functions. We frequently hold roundtable discussions whereby key members of our team provide insights and perspectives to allow us to assess emerging opportunities quickly and holistically, all while establishing a common culture of excellence. We leverage technology and our flat organizational structure to mobilize our resources across the organization to execute on opportunities promptly.

**Nimble and efficient platform with hybrid operating model and modern technology.** We built our operating platform using the latest available technology on a remote-friendly basis. We believe our current hybrid operating model provides us with a significant competitive advantage to attract and retain the best industry talent from across the country to our organization and to deploy them locally to meet our clients' unique needs. Our cloud-based modern technology systems allow us to run day-to-day operations efficiently and integrate new tools seamlessly. We developed our pricing and analytics tools purposefully in-house and we strategically leverage third-party technology partnerships where we deem them to be more efficient. We have none of the typical legacy systems issues that impact many of our competitors.

**Strong balance sheet with a conservative investment portfolio and no reserves from accident years prior to 2020.** We believe our strong balance sheet is a key advantage that enables us to grow our business while delivering strong financial performance. We maintain a conservative investment portfolio concentrated in liquid and highly rated fixed income securities. We entered the market toward the end of 2020 when insurance rates were starting to increase following multiple years of rate inadequacy. Since then, we have continued to experience a favorable pricing environment, while many of our competitors are dealing with the potential for adverse developments. We have built a robust reserving process and regularly review our estimates in consultation with independent advisors to benchmark against industry experience.

**Experienced and entrepreneurial leadership team.** We have assembled what we believe is a best-in-class team of leaders from across the P&C industry. Our team is comprised of highly experienced executives who have previously held leadership roles across underwriting, claims, actuarial, technology, legal and operations at leading insurance companies. We are led by our founder and Chief Executive Officer, Stephen Sills, who has over four decades of experience launching and leading businesses in the specialty P&C industry. Prior to Bowhead, Stephen founded two specialty insurance businesses that went public: Darwin Professional Underwriters Inc. ("Darwin") and Executive Risk Inc. ("Executive Risk"). As the founder and Chief Executive Officer of those organizations, Stephen was responsible for achieving annualized stock price appreciation between their initial public offerings and sales to larger companies of 38.8% and 44.1%, respectively, as compared to 0.5% and 22.1% annualized returns of the S&P 500 during those same periods. Our Chief Underwriting Officer, David Newman, has over four decades of experience, including serving as Chief Underwriting Officer at Darwin, where he worked closely with Stephen Sills, and as the Chief Underwriting Officer at Allied World Assurance Company Holdings, Ltd ("Allied World") in the North America and Global Markets division, following the acquisition of Darwin. Our leadership team, including Stephen, David and each of our three underwriting leads, has an average of more than 30 years of experience in their respective areas of expertise. In addition, our board of directors includes accomplished industry practitioners who bring decades of invaluable experience from prior roles at insurance and financial services companies.

## Our Strategy

We believe that our approach to our business will allow us to achieve our goals of both growing our business and generating attractive returns for our stockholders. Our strategy involves:

**Attract and retain best-in-class talent across the business.** Our long-term success as an organization relies on hiring and retaining the right people to help us grow our business profitably. We seek to hire talented professionals nationwide with strong industry experience and technical expertise across our organization to help drive underwriting performance and operational efficiencies. We believe that our hybrid operating model and entrepreneurial, collaborative, execution-driven and customer-first culture have made us a company of choice for the best talent in the industry.

**Profitably grow our existing lines of business.** We are focused on generating an underwriting profit while growing our existing book of business sustainably. In 2023, our third full year of operations, we generated a 63.0% loss ratio and 95.0% combined ratio, while achieving a 42.2% year-over-year growth in gross written premiums. Our business lines are highly specialized and require deep industry knowledge and strong execution capabilities. As a result, we believe we are able to generate underwriting profitability by identifying market dislocations early and executing on these opportunities quickly. As the demand for specialized insurance solutions continues to rise, we expect to continue capitalizing on the broader market opportunity and expanding our market share to generate strong underwriting results.

**Opportunistically and strategically expand into new products and markets.** We actively evaluate new lines of business for capital deployment based on our established capabilities in the specialty P&C market. We believe we can leverage our distribution relationships and expertise in Casualty, Professional Liability and Healthcare Liability to expand into adjacent lines and classes that share a similar underwriting framework. We also believe there is an attractive opportunity in the small and micro commercial lines segment, where we can generate new and profitable growth opportunities by leveraging our existing expertise and distribution relationships. We constantly monitor the broader market to evaluate opportunities to expand organically where we believe there is a match between our broader capabilities and our perception of attractive underlying market conditions and needs.

We are focused on generating long-term value for our stockholders, including through expanding into new products and markets. As part of this effort, in the second quarter of 2024 we launched a new E&S division focused on small, niche, hard-to-place risks. We call this division “Baleen Specialty”, a streamlined, low touch “flow” underwriting operation that supplements the “craft” solutions divisions that we offer today. We write this business on a 100% non-admitted basis and our initial product is contractors’ general liability. We expect to have high submission volumes relative to the policies we will bind and have developed a tech-enabled process with low touch processing. We believe that we are able to rapidly and accurately underwrite, quote and bind policies, allowing us to provide quick and accurate feedback to our wholesale broker partners. We will maintain full underwriting authority and manage all of the claims in-house. We believe there is an attractive opportunity to underwrite profitable business within this market segment, and we believe our underwriting expertise and built for purpose technology platform will allow us to grow quickly and generate strong underwriting profitability.

**Maintain our underwriting-first culture across market cycles.** We strive to deliver consistent and strong underwriting results in all market cycles. We take a methodical approach to building our lines of business and our distribution network. We do not chase pricing trends; we aim to get ahead of them by identifying leading indicators at the micro level, forming our own view of risks and executing promptly when opportunities arise. We will only pursue lines of business that align with our expertise and expected underwriting profitability. We have developed tools and resources to enable quick and accurate decision-making and to monitor alignment between our underwriting framework and bottom-line results. We believe our continuous focus on underwriting excellence will allow us to generate profitable growth through all market cycles.

**Leverage expertise, technology, data and analytics to drive underwriting performance.** As we have established our platform, we have made significant investments in technology and will continue to do so to support our growth and operational efficiency. We leverage our BRATs to drive efficiency, accuracy and speed in our underwriting process. BRATs allow underwriters to streamline underwriting workflows and make pricing decisions

that are based on a consistent view of risk informed by our own loss experience and broader industry level developments. We continue to introduce and integrate new tools into our internal system to allow our underwriters to process quotes more efficiently and perform day-to-day tasks in seamless coordination with other functions. Our goal as an organization is to build a technology stack that frees up our underwriters from performing highly repetitive, uniform tasks and allows them to apply judgment, creativity and critical thinking to form solutions that can be executed quickly. Our focus on developing technology, data and analytics to drive efficiency is central to our “underwriting-first” strategy.

***Deliver attractive returns on capital to our stockholders.*** We intend to deliver attractive underwriting results, overall profitability and returns to our stockholders through underwriting expertise and disciplined risk management, supported by a conservative investment strategy, legacy free reserves and prudent approach to capital deployment. We aim to take advantage of our strong balance sheet to deploy capital prudently and profitably across market cycles. We believe that current market conditions present an attractive opportunity for growth and our underwriting-first approach will allow us to generate profitable and sustainable underwriting results over the long term.

#### **Recent Developments**

***Initial public offering.*** On May 28, 2024, we completed our initial public offering, of 7,529,412 shares of common stock, at the public offering price of \$17.00 per share. The underwriters exercised their option to purchase 1,129,411 additional shares of common stock from the Company. The net proceeds to the Company were approximately \$132.0 million, after deducting underwriting discounts and commissions and offering expenses payable by the Company.

***Preliminary third quarter results.*** We have included preliminary unaudited estimates of certain financial information for the three months ended September 30, 2024. We have provided estimates of certain preliminary results since our closing procedures for the three months ended September 30, 2024, are not yet complete. During the completion of our unaudited consolidated financial statements and the notes thereto, additional items that require adjustments to the preliminary results presented below may be identified. Accordingly, we caution that you do not place undue reliance on these preliminary results set out below, which may differ from actual results.

The preliminary financial data included in this prospectus has been prepared by, and is the responsibility of, management. PricewaterhouseCoopers LLP has not audited, reviewed, examined, compiled, nor applied agreed-upon procedures with respect to the preliminary financial data. Accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto.

The preliminary and actual results provided below do not represent a comprehensive statement of our financial results and should not be viewed as a substitute for unaudited consolidated financial statements prepared in accordance with U.S. GAAP. In addition, these preliminary results for the three months ended September 30, 2024, are not necessarily indicative of any future period, and actual results may differ materially from those described above. You should read this information together with “Risk Factors,” “Forward Looking Statements,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, and our consolidated financial statements and the notes thereto included elsewhere in this prospectus. For additional information, our significant accounting policies are summarized in “Note 2—Significant Accounting Policies” to our consolidated financial statements included elsewhere in this prospectus.

### Summary of Selected Preliminary Financial Results

The following table summarizes selected preliminary financial results for the three months ended September 30, 2024:

	<b>Three Months Ended September 30, 2024</b>
	<i>(\$ in millions, except percentages and per share data)</i>
Gross written premiums	\$ 193 - 200
Net earned premiums	104 - 107
Net investment income	11 - 12
Total revenues	114 - 119
Net income	11.5 - 12.5
<b>Key Operating and Financial Metrics:</b>	
Adjusted net income <sup>(1)</sup>	\$ 12 - 13
Loss ratio	64.0% - 65.0%
Expense ratio	29.5% - 30.5%
Combined ratio	93.5% - 95.5%
Return on equity <sup>(2)</sup>	13.0% - 14.0%
Adjusted return on equity <sup>(1)(2)</sup>	13.5% - 14.5%
Diluted earnings per share	\$ 0.34 - 0.37
Diluted adjusted earnings per share <sup>(1)</sup>	\$ 0.36 - 0.39

(1) Non-GAAP financial measure. See “Reconciliation of Non-GAAP Financial Measures” for a reconciliation of the non-GAAP financial measure to the most comparable U.S. GAAP measure.

(2) For the three months ended September 30, 2024, preliminary net income and preliminary adjusted net income are annualized to arrive at preliminary return on equity and preliminary adjusted return on equity.

### Premiums

The expected increase in gross written premiums of 27% to 34% year over year to \$193 million to \$200 million was driven by renewals, new business, and continued growth in our platform across all divisions.

- Our Casualty division led the gross written premium growth with an approximately 40% increase year over year, which included a preliminary \$4 million of additional gross written premium (a preliminary \$3 million from a net earned premium basis) from an unusually large audit premium from one insured;
- Healthcare Liability gross written premiums grew over 25% year over year;
- Professional Liability gross written premiums grew over 10% year over year;
- Late in the second quarter of 2024, we launched a new division called Baleen Specialty, which focuses on small, hard-to-place risks written 100% on a non-admitted basis. Baleen is a streamlined, low touch “flow” underwriting operation that supplements the “craft” solutions we offer. In line with our deliberate, measured and limited roll out, Baleen Specialty generated a preliminary \$0.4 million of gross written premiums for the third quarter of 2024.

### ***Net investment income***

Net investment income is expected to be between \$11 million and \$12 million for the three months ended September 30, 2024. Our IPO proceeds were fully invested during the quarter and there were no changes to our investment strategy from the previous quarter.

### ***Loss ratio***

Our loss ratio is expected to be between 64.0% and 65.0% in the third quarter of 2024, which utilized the same industry loss ratios used since the fourth quarter of 2023. The expected decrease from 65.5% in the second quarter of 2024 was primarily driven by mix changes in the portfolio, as well as the large audit premium being fully earned and associated with older accident years with lower loss pick assumptions. There were no changes to loss picks or prior year reserves during the quarter. As of September 30, 2024, incurred but not reported liabilities comprised over 90% of our net loss reserves.

### ***Expense ratio***

Our expense ratio is expected to be between 29.5% and 30.5% in the third quarter of 2024, which represents an expected decrease from 33.8% in the second quarter of 2024, or 32.3% excluding the one-time stock-based compensation acceleration expense of \$1.3 million in the second quarter of 2024. The expected decrease was driven by continued prudent management of operating expenses, as well as the impact of the large audit premium increasing net earned premium.

### **Reconciliation of Non-GAAP Financial Measures**

This prospectus contains certain financial measures that are not presented in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”). We use these non-GAAP financial measures when planning, monitoring and evaluating our performance. Management believes that each of the non-GAAP financial measures described below provides useful insight into our underlying business performance.

- Adjusted net income is defined as net income excluding the impact of net realized investment gains, non-operating expenses, foreign exchange (gains) losses, and certain strategic initiatives. Adjusted net income excludes the impact of certain items that may not be indicative of underlying business trends, operating results, or future outlook, net of tax impact. We calculate the tax impact only on adjustments which would be included in calculating our income tax expense using the estimated tax rate at which we received a deduction for these adjustments.
- Adjusted return on equity is defined as adjusted net income as a percentage of average beginning and ending mezzanine equity and stockholders’ equity.
- Diluted adjusted earnings per share is defined as adjusted net income divided by the weighted average common shares outstanding for the period, reflecting the dilution that may occur if equity base awards are converted into common stock equivalents as calculated using the treasury stock method.

You should not rely on these non-GAAP financial measures as a substitute for any U.S. GAAP financial measure. While we believe that these non-GAAP financial measures are useful in evaluating our business, this information should be considered supplemental in nature and not as a replacement for or superior to the comparable U.S. GAAP measures. In addition, other companies, including companies in our industry, may calculate such measures differently, which reduces their usefulness as comparative measures.

### Adjusted net income

Preliminary adjusted net income for the three months ended September 30, 2024 reconciles to preliminary net income as follows:

	Three Months Ended September 30,	
	2024	
	Before income taxes	After income taxes
	(\$ in millions)	
Income as reported	\$ 15 - 16	\$ 11.5 - 12.5
Adjustments <sup>(1)</sup>	0 - 1	0 - 1
<b>Adjusted net income</b>	<b>\$ 16 - 17</b>	<b>\$ 12 - 13</b>

(1) Adjustments include expected net realized investment gains (losses) of less than \$0.1 million, non-operating expenses of approximately \$0.5 million, and foreign exchange (gains) losses and strategic initiatives of less than \$0.1 million. Estimated tax impact is applied to the "After income tax" column to arrive at adjusted net income.

### Adjusted return on equity

Preliminary adjusted return on equity for the three months ended September 30, 2024 reconciles to preliminary return on equity as follows:

	Three Months Ended September 30, 2024
	(\$ in millions, except percentages)
Numerator: Adjusted net income <sup>(1)</sup>	\$ 47 - 51
Denominator: Average mezzanine equity and stockholders' equity	351 - 352
<b>Adjusted return on equity</b>	<b>13.5% - 14.5%</b>

(1) For the three months ended September 30, 2024 preliminary net income and preliminary adjusted net income are annualized to arrive at preliminary return on equity and preliminary adjusted return on equity.

### Diluted adjusted earnings per share

Preliminary diluted adjusted earnings per share for the three months ended September 30, 2024 reconciles to preliminary diluted earnings per share as follows:

	Three Months Ended September 30, 2024
	(\$ in millions, except per share data)
Numerator: Adjusted net income	\$ 12 - 13
Denominator: Diluted weighted average shares outstanding	33
<b>Diluted adjusted earnings per share</b>	<b>\$ 0.36 - 0.39</b>

### Our Structure

We conduct our operations through BICI, an insurance company licensed and domiciled in the state of Wisconsin, BSUI, an MGA, and BUSI.

AFMIC, which owns approximately 18.6% of our common stock, as of October 1, 2024, is also our strategic partner. We leverage AmFam's legal entities, ratings and licenses through MGA Agreements with AmFam



insurance company subsidiaries, Homesite Insurance Company, Homesite Insurance Company of Florida and Midvale Indemnity Company, and the Quota Share Agreement. Through the MGA Agreements, BSUI has delegated binding authority and underwrites premiums on behalf of the AmFam Issuing Carriers. Through the Quota Share Agreement, as of June 30, 2024, AmFam cedes 100.0% of this premium to BICI and receives a ceding fee of 2.0% on net premiums assumed. In essence, we originate business on the paper of AmFam through BSUI writing policies issued by AmFam under the name of AmFam and reinsure 100.0% of the insurance business we originate to BICI, since we do not currently have the ratings to write policies under our own name and on our own paper. AmFam also participates in our outward reinsurance program having negotiated terms in the same manner as our other reinsurance partners. Through these agreements, we also provide underwriting and claims handling services from BSUI to the AmFam Issuing Carriers. For more information see “Certain Relationships and Related Party Transactions—Arrangements With AmFam and its Affiliates” for additional information on the MGA Agreements and the Quota Share Agreement.

AmFam is the nation’s 12th largest P&C group by premiums with policyholder surplus of approximately \$7.0 billion as of December 31, 2023. AmFam has an “A” (Excellent) financial strength rating from A.M. Best, a financial size category XV and also maintains an S&P rating of “A-” and a Moody’s rating of “A2”, both as of June 30, 2024.

Our partnership with AmFam has enabled us to grow quickly but prudently, deploying capital on an efficient basis and adding employees when business and growth justified. This approach has allowed Bowhead to add team members deliberately, helping to ensure that we maintain our collaborative culture.

### **Summary of Risk Factors**

Investing in our common stock involves a high degree of risk. You should carefully consider all of the risks described in “Risk Factors” before deciding to invest in our common stock. If any of the risks actually occur, our business, results of operations, prospects and financial condition may be materially adversely affected. In such case, the trading price of our common stock may decline and you may lose part or all of your investment. Below is a summary of some of the principal risks we face:

- our financial condition and results of operation could be materially adversely affected if we do not accurately assess our underwriting risk;
- competition for business in our industry, including from specialty insurance companies, standard insurance companies and MGAs, is intense;
- inability to maintain our strategic relationship with AmFam would materially adversely affect our business;
- a decline in AmFam’s financial strength rating or financial size category may adversely affect our financial condition and results of operations;
- because our business depends on insurance retail agents, brokers and wholesalers, we are exposed to certain risks arising out of our reliance on these distribution channels that could adversely affect our results;
- we rely on a select group of brokers, and such relationships may not continue;
- we may be unable to continue purchasing third-party reinsurance in amounts we desire on commercially acceptable terms or on terms that adequately protect us, and this inability may materially adversely affect our business, financial condition and results of operations;
- our losses and loss expense reserves may be inadequate to cover our actual losses, which could have a material adverse effect on our financial condition, results of operations and cash flows;
- we rely on third-party data, including in our BRATs, and inaccuracies in such data could adversely impact our ability to estimate losses and manage risks;

- unexpected changes in the interpretation of our coverage or provisions, including loss limitations and exclusions, in our policies could have a material adverse effect on our financial condition and results of operations;
- our reinsurers may not reimburse us for claims on a timely basis, or at all, which may materially adversely affect our business, financial condition and results of operation;
- excessive risk taking could negatively affect our financial condition and business;
- adverse economic factors, including recession, inflation, periods of high unemployment or lower economic activity could result in the sale of fewer policies than expected or an increase in the frequency of claims and premium defaults, and even the falsification of claims, or a combination of these effects, which, in turn, could affect our growth and profitability;
- performance of our investment portfolio is subject to a variety of investment risks, including market and credit risks, that may adversely affect our financial results;
- we are subject to extensive regulation, which may adversely affect our ability to achieve our business objectives. In addition, if we fail to comply with these regulations, we may be subject to penalties, including fines, suspensions, revoking licenses, orders to cease and desist operations and criminal prosecution, which may adversely affect our financial condition and results of operations;
- we could be adversely affected by the loss of one or more key personnel or by an inability to attract and retain qualified personnel;
- we could suffer security breaches, loss of data, cyberattacks and other information technology failures and are subject to laws and regulations concerning data privacy and security that are continually evolving;
- we may change our underwriting guidelines or our strategy without stockholder approval;
- our costs have increased significantly as a result of operating as a public company, and our management will be required to devote substantial time to complying with public company regulations; and
- although following this offering, we will no longer be a “controlled company” within the meaning of the NYSE rules, we may continue to rely on exemptions from certain corporate governance requirements during a one-year transition period.

#### **Implications of Being an Emerging Growth Company**

We qualify as an “emerging growth company” as defined in Section 2(a)(19) of the Securities Act of 1933, as amended (the “Securities Act”). As a result, we are permitted to, and intend to, rely on exemptions from certain disclosure requirements that are applicable to other companies that are not emerging growth companies. Accordingly, in this prospectus, we (i) have presented only two years of audited financial statements and (ii) have not included a compensation discussion and analysis of our executive compensation programs. In addition, for so long as we are an emerging growth company, among other exemptions, we are:

- not required to have our internal control over financial reporting audited by our independent registered public accounting firm pursuant to Section 404(b) of the Sarbanes-Oxley Act;
- permitted to present only two years of audited financial statements and only two years of related “Management’s Discussion and Analysis of Financial Condition and Results of Operations”;
- not required to disclose certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of the chief executive officer’s compensation to median employee compensation; or
- not required to submit certain executive compensation matters to stockholder advisory votes, such as “say-on-pay,” “say-on-frequency” and “say-on-golden parachutes.”

In addition, under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to avail ourselves of this extended transition period and, as a result, we are not required to adopt new or revised accounting standards on the relevant dates on which adoption of such standards is required for other public companies.

We will remain an “emerging growth company” until the earliest to occur of:

- the last day of the fiscal year in which we have total annual gross revenues of \$1.235 billion or more;
- the date on which we are deemed to be a large accelerated filer under the rules of the SEC, with at least \$700.0 million of equity securities held by non-affiliates;
- the date on which we have issued more than \$1.0 billion in nonconvertible debt during the previous three years; and
- the last day of our fiscal year following the fifth anniversary of the date of our initial public offering.

**Corporate Information**

Bowhead Specialty Holdings Inc. was incorporated in Delaware in May 2021. Our principal offices are located at 452 Fifth Avenue, New York, NY 10018. Our telephone number is (212) 970-0269. We maintain a website at [www.bowheadspecialty.com](http://www.bowheadspecialty.com). The reference to our website is intended to be an inactive textual reference only. The information contained on, or that can be accessed through, our website is not part of this prospectus.

## The Offering

<b>Issuer</b>	Bowhead Specialty Holdings Inc.
<b>Common stock offered by the selling stockholders</b>	4,000,000 shares (or 4,600,000 shares if the underwriters exercise their option to purchase additional shares of common stock in full).
<b>Option to purchase additional shares of our common stock</b>	Certain of the selling stockholders have granted the underwriters the option, for a period of 30 days from the date of this prospectus, to purchase up to 600,000 additional shares of our common stock at the public offering price less underwriting discounts and commissions.
<b>Common stock to be outstanding immediately after this offering</b>	32,658,823 shares.
<b>Use of proceeds</b>	The selling stockholders will receive all of the net proceeds from this offering. We will not receive any of the proceeds from the sale of common stock offered by the selling stockholders, including any common stock sold pursuant to any exercise by the underwriters of their option to purchase additional shares. See “Use of proceeds.”
<b>Dividend policy</b>	<p>We currently intend to retain any future earnings for use in the operation of our business and do not intend to declare or pay any cash dividends in the foreseeable future. Any determination to declare and pay dividends on our common stock in the future will be at the discretion of our board of directors. Our board of directors may take into account a variety of factors when determining whether to declare any dividends, including (i) our financial condition, results of operations, liquidity and capital requirements, (ii) general business conditions, (iii) legal, tax and regulatory limitations, (iv) contractual prohibitions and other restrictions, (v) the effect of any dividends on our financial strength or other ratings and (vi) any other factors that our board of directors considers relevant.</p> <p>As a holding company without significant operations of our own, the principal sources of our funds are dividends and other payments from our subsidiaries. The ability of our insurance subsidiaries to pay dividends to us is subject to limits under insurance laws of the state or jurisdiction in which our insurance subsidiary is domiciled. In addition, the consent orders we entered into with the Wisconsin OCI may directly or indirectly affect our ability to declare and pay or the amount of dividends.</p>
<b>Loss of Controlled Company Status</b>	Prior to the completion of this offering, we have been a “controlled company” within the meaning of Section 303A of the New York Stock Exchange Listed Company Manual, and as a result, have been exempt from certain corporate governance requirements of the NYSE. Following the completion of this offering we will no longer be a “controlled company,” and will therefore be required to comply with all of the applicable corporate governance requirements of the NYSE, within the various transition periods provided by Section 303A. See “Management—Loss of Controlled Company Status.”

**Voting**

Each share of our common stock entitles its holder to one vote on all matters to be voted on by stockholders generally.

We have entered into a board nominee agreement with GPC Fund (the “Board Nominee Agreement”) and an investor matters agreement with AFMIC (the “Investor Matters Agreement”) that grants GPC Fund and AFMIC respectively the right to nominate individuals to our board of directors, provided certain ownership requirements are met. See “Certain Relationships and Related Party Transactions.”

**Registration Rights Agreement**

We have entered into a registration rights agreement (the “Registration Rights Agreement”) with AFMIC, GPC Fund and our Chief Executive Officer, which provides customary demand and piggyback registration rights. See “Description of Capital Stock.”

**Risk factors**

You should read the “Risk Factors” section beginning on page [21](#) of this prospectus for a discussion of factors you should carefully consider before deciding to invest in shares of our common stock.

**Trading symbol**

“BOW”

The number of shares of common stock that will be outstanding immediately after this offering is based on 32,658,823 shares of our common stock outstanding as of October 1, 2024 and excludes:

- 3,152,941 shares of common stock reserved for future issuance, including restricted stock unit awards issued under the 2024 Plan;
- 2,254,386 shares of common stock reserved for future issuance under the 2024 Plan; and
- 1,670,721 shares of common stock reserved for future issuance upon the exercise of the Common Stock Purchase Warrant.

The exercise of the option granted to the underwriters to purchase additional shares of common stock from the selling stockholders will not impact the number of shares of common stock that will be outstanding after this offering.

### Summary Consolidated Financial and Other Data

Set forth below is our summary consolidated financial and other data as of the dates and for the periods indicated. The summary consolidated statements of income data for the years ended December 31, 2023 and 2022, and the consolidated balance sheet data as of December 31, 2023 and 2022, have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The summary condensed consolidated statements of income data for the six months ended June 30, 2024 and 2023, and the condensed consolidated balance sheet data as of June 30, 2024, have been derived from our unaudited condensed consolidated financial statements included elsewhere in this prospectus. The results of operations for any period are not necessarily indicative of the results to be expected for any future period. You should read the following summary consolidated financial and other data below together with the information under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and the related notes thereto included elsewhere in this prospectus.

	Six Months Ended June 30,		Years Ended December 31,	
	2024	2023	2023	2022
(\$ in thousands)				
<b>Consolidated Statements of Income Data:</b>				
<b>Revenues</b>				
Gross written premiums	\$ 313,971	\$ 212,448	\$ 507,688	\$ 356,948
Ceded written premiums	(111,066)	(72,059)	(173,016)	(111,834)
Net written premiums	202,905	140,389	334,672	245,114
Net earned premiums	173,067	117,036	263,902	182,863
Net investment income	16,437	7,401	19,371	4,725
Net realized investment gains	2	—	—	—
Other insurance-related income	63	63	125	14
Total revenues	189,569	124,500	283,398	187,602
<b>Expenses</b>				
Net losses and loss adjustment expenses	113,338	70,868	166,282	111,761
Net acquisition costs	14,104	9,531	20,935	15,194
Operating expenses	43,377	29,080	63,456	45,986
Non-operating expenses	1,698	—	630	—
Warrant expense	332	—	—	—
Credit facility interest expenses and fees	224	—	—	—
Foreign exchange (gains) losses	30	(19)	(20)	—
Total expenses	173,103	109,460	251,283	172,941
Income before income taxes	16,466	15,040	32,115	14,661
Income tax expense	(3,921)	(3,485)	(7,068)	(3,405)
<b>Net income</b>	<b>\$ 12,545</b>	<b>\$ 11,555</b>	<b>\$ 25,047</b>	<b>\$ 11,256</b>
<b>Key Operating and Financial Metrics:</b>				
Underwriting income <sup>(1)</sup>	\$ 4,981	\$ 7,557	\$ 14,035	\$ 9,922
Adjusted net income <sup>(1)</sup>	16,068	11,540	26,152	11,256
Loss ratio	65.5 %	60.6 %	63.0 %	61.1 %
Expense ratio	33.2 %	32.9 %	32.0 %	33.5 %
Combined ratio	98.7 %	93.5 %	95.0 %	94.6 %
Return on equity <sup>(2)</sup>	9.4 %	22.0 %	18.2 %	13.1 %
Adjusted return on equity <sup>(1)(2)</sup>	12.1 %	22.0 %	19.0 %	13.1 %
Diluted earnings per share	\$ 0.48	\$ 0.48	\$ 1.04	\$ 0.47
Diluted adjusted earnings per share <sup>(1)</sup>	\$ 0.62	\$ 0.48	\$ 1.09	\$ 0.47

- (1) Non-GAAP financial measure. See “—Reconciliation of Non-GAAP Financial Measures” for a reconciliation of the non-GAAP financial measure in accordance with the most directly comparable U.S. GAAP measure.
- (2) For the six months ended June 30, 2024 and 2023, net income and adjusted net income are annualized to arrive at return on equity and adjusted return on equity.

	As of June 30,		As of December 31,			
	2024		2023	2022		
	<i>(\$ in thousands)</i>					
<b>Balance Sheet Data:</b>						
Total investments	\$	718,911	\$	563,448	\$	282,923
Cash and cash equivalents		180,324		118,070		64,659
Restricted cash and cash equivalents		18,494		1,698		15,992
Premium balances receivable		69,495		38,817		29,487
Reinsurance recoverable		192,025		139,389		63,531
Prepaid reinsurance premiums		133,992		116,732		74,541
Total assets		1,395,173		1,027,859		565,207
Reserve for losses and loss adjustment expenses		587,905		431,186		207,051
Unearned premiums		391,802		344,704		231,743
Reinsurance balances payable		45,767		40,440		23,687
Total liabilities		1,055,262		835,782		481,833
Total mezzanine equity and stockholders' equity		339,911		192,077		83,374

## RISK FACTORS

*Investing in our common stock involves a high degree of risk. You should carefully consider the following information about these risks, together with the other information contained in this prospectus before deciding to invest in shares of our common stock. If any of the following risks actually occur, our business, financial condition or results of operations may be materially adversely affected. In such case, the trading price of our common stock could decline and you may lose all or part of your investment. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations. Some statements in this prospectus, including statements in the following risk factors, constitute forward-looking statements. See "Forward-Looking Statements."*

### **Risks Related to Our Business and Industry**

***Our financial condition and results of operations could be materially adversely affected if we do not accurately assess our underwriting risk.***

Our underwriting success depends on our ability to accurately assess the risks associated with the business we write and retain. We rely on the experience of our underwriting staff in assessing those risks. If we misunderstand the nature or extent of the risks, we may fail to establish appropriate premium rates or terms and conditions which could adversely affect our financial results. In addition, our employees, including members of management and underwriters, make decisions and choices in the ordinary course of business that involve exposing us to risk.

***Competition for business in our industry is intense.***

We face competition from other specialty insurance companies, standard insurance companies, MGAs and in some instances, decisions by potential insureds to self-insure if premiums are too high. Competition in the insurance industry is based on many factors, including price of coverage, general reputation and perceived financial strength of the company, relationships with distribution partners, terms and conditions of products offered, ratings assigned by independent rating agencies, speed of claims payment and reputation and the experience and reputation of the members of our underwriting team in the particular lines of insurance we seek to underwrite. In recent years, the insurance industry has undergone some consolidation, which may further increase competition. The cost, capital and insurance synergies and combined underwriting leverage resulting from consolidation may mean a larger global insurer is able to compete more effectively and also may be more attractive than us to brokers and agents looking to place business. Larger insurers also may have lower operating costs and an ability to absorb greater risk while maintaining their financial strength ratings, thereby allowing them to price their products more competitively. If such competitive pressures reduce rates or negatively affect terms and conditions considerably, we may reduce our future underwriting activities in those lines thus resulting in reduced premiums and a potential reduction in expected earnings. Competitors may also have a longer operating history and more market recognition than we do in certain lines of business.

A number of new, proposed or potential industry or legislative developments could further increase competition in our industry. Additionally, the possibility of federal regulatory reform of the insurance industry could increase competition from standard carriers.

We may not be able to continue to compete successfully in the insurance markets. Increased competition in these markets could result in a change in the supply and demand for insurance and affect our ability to price our products at risk-adequate rates, retain existing business or underwrite new business on favorable terms. If increased competition limits our ability to transact business, our operating results could be adversely affected.

***Inability to maintain our strategic relationship with AmFam would materially adversely affect our business.***

As of October 1, 2024, AmFam owns approximately 18.6% of our common stock. We leverage AmFam's legal entities, ratings and licenses through our MGA Agreements with the AmFam Issuing Carriers and the Quota Share Agreement. Through our MGA Agreements, BSUI underwrites premiums on behalf of the AmFam Issuing Carriers. Through the Quota Share Agreement, as of June 30, 2024, AmFam cedes 100.0% of this risk, along with the premiums to BICI and receives a ceding fee that is 2.0% on net premiums assumed. Separately, another AmFam subsidiary also negotiates reinsurance terms for its participation in our outward reinsurance program. Through our MGA Agreements, we also provide underwriting and claims handling services from BSUI to the AmFam Issuing Carriers. In essence, we



originate business on the paper of AmFam through BSUI writing policies issued by AmFam under the name of AmFam and reinsure 100.0% of the insurance business we originate to BICI, since we do not currently have the ratings to write policies under our own name and on our own paper. As a result, we rely on our strategic partnership with AmFam and any inability to maintain our strategic relationship with AmFam would materially adversely affect our business. These contractual arrangements may terminate or be terminated under certain circumstances and there can be no assurance that this strategic relationship will continue in the future, including on the same or similar terms, and if not, that we would be able to find a suitable replacement or another strategic partnership on favorable terms if at all. In the event that the MGA Agreements were terminated and we were not able to find another carrier with similar financial strength ratings with which we could partner, our ability to write new and renewal business would be significantly impacted as the amount of business we could write directly on BICI paper without BICI having its own stand alone financial strength rating from A.M. Best would be *de minimis*. See “Certain Relationships and Related Party Transactions—Arrangements With AmFam and its Affiliates” for additional information on the MGA Agreements and the Quota Share Agreement. See also “—We may require additional capital in the future, which may not be available or may only be available on unfavorable terms.”

***A decline in AmFam’s financial strength rating or financial size category may adversely affect our financial condition and results of operations.***

Participants in the insurance industry use ratings from independent ratings agencies, such as A.M. Best, as an important means of assessing the financial strength and quality of insurers. In setting its ratings, A.M. Best performs quantitative and qualitative analyses of a company’s balance sheet strength, operating performance and business profile. A.M. Best financial strength ratings range from “A++” (Superior) to “F” for insurance companies that have been publicly placed in liquidation.

We do not currently have a standalone A.M. Best rating for BICI. However, our strategic partner, AmFam and the AmFam Issuing Carriers, have an “A” (Excellent) financial strength rating and a XV financial size category from A.M. Best as of December 31, 2023. A downgrade or withdrawal of AmFam’s financial strength rating or reduction in its financial size category could result in any of the following consequences, among others:

- causing current and future distribution partners and insureds to choose other competitors; or
- severely limiting or preventing the writing of new and renewal insurance contracts.

A.M. Best’s analysis includes comparisons to peers and industry standards as well as assessments of operating plans, philosophy and management. A.M. Best periodically reviews AmFam’s financial strength rating and may revise it upward or downward at its discretion based primarily on its analyses of AmFam’s balance sheet strength, operating performance and business profile.

In addition, in view of the earnings and capital pressures experienced by many financial institutions, including insurance companies, it is possible that rating organizations will heighten the level of scrutiny that they apply to such institutions, increase the frequency and scope of their credit reviews, request additional information from the companies that they rate, or increase the capital and other requirements employed in the rating organizations’ models for maintenance of certain ratings levels.

We anticipate that we will continue to leverage our strategic relationship with AmFam for lines of business that require an “A” financial strength rating from A.M. Best and any downgrade or withdrawal of AmFam’s rating could have a material adverse effect on our business. A.M. Best assigns ratings that are intended to provide an independent opinion of an insurance company’s ability to meet its obligations to policyholders and is not an evaluation directed to investors and is not a recommendation to buy, sell or hold stock or any other securities an insurance group may issue.

***Because our business depends on insurance retail agents, brokers and wholesalers, we are exposed to certain risks arising out of our reliance on these distribution channels that could adversely affect our results.***

Substantially all of our products are ultimately distributed through independent retail agents and brokers who have the principal relationships with policyholders. Retail agents and brokers generally own the “renewal rights,” and thus our business model depends on our relationships with, and the success of, the retail agents and brokers with whom we

do business. Further, we also depend on the relationships our wholesalers maintain with the agents and brokers from whom they source their business.

Our relationship with our retail agents, brokers and wholesalers may be discontinued at any time, subject to the terms of the respective producer agreements and applicable regulatory requirements. Even if the relationships do continue, they may not be on terms that are profitable for us. For example, as insurance distribution firms continue to consolidate, their ability to influence commission rates may increase as may the concentration of business we have with a particular broker. Consolidation of distributors may also increase the likelihood that distributors will try to renegotiate the terms of existing selling agreements to terms less favorable to us. Further, certain premiums from policyholders, where the business is produced by brokers, are collected directly by the brokers and remitted to us. In certain jurisdictions, when the insured pays its policy premiums to its broker for payment on behalf of our insurance company subsidiary, the premiums may be considered to have been paid under applicable insurance laws and regulations. Accordingly, the insured would no longer be liable to us for those amounts, whether or not we have actually received the premium from that broker. Consequently, we assume a degree of credit risk associated with the brokers with which we work. Although the failure by any of our brokers to remit premiums to us has not been material to date, there may be instances where our brokers collect premiums but do not remit them to us and we may be required under applicable law to provide the coverage set forth in the policy despite the related premiums not being paid to us. Similarly, if we are limited in our ability to cancel policies for non-payment, our underwriting profits may decline and our financial condition and results of operations could be materially and adversely affected. Also, if insurance distribution firm consolidation continues at its current pace or increases in the future, our sales channels could be materially affected in a number of ways, including loss of market access or market share in certain geographic areas. Specifically, we could be negatively affected due to loss of talent as the people most knowledgeable about our products and with whom we have developed strong working relationships exit the business following an acquisition or increases in our commission costs as larger distributors acquire more negotiating leverage over fees. Any such disruption that materially affects our sales channel could have a negative impact on our financial condition and results of operations.

We periodically review the agencies, brokers and wholesalers with whom we do business to identify those that do not meet our profitability standards, are not aligned with our business objectives or do not comply with applicable laws and regulations. Following these periodic reviews, we may restrict such distributors' access to certain types of products or terminate our relationship with them, subject to applicable contractual and regulatory requirements that limit our ability to terminate agents or require us to renew policies. Even through the utilization of these measures, we may not achieve the desired results.

Because we rely on these distributors as our sales channel and for some additional services that we receive from these distributors, any deterioration in the relationships with our distributors or failure to provide competitive compensation could lead our distributors to place more premium with other carriers and less premium with us. In addition, we could be adversely affected if the distributors with which we do business exceed their granted authority, fail to transfer collected premium to us, breach the obligations that they owe to us or fail to perform such additional services. Although we routinely monitor our distribution relationships, such actions could expose us to liability.

As the speed of digitization accelerates, we are subject to risks associated with both our distributors and their ability to keep pace. In an increasingly digital world, distributors who cannot provide a digital or technology-driven experience risk losing customers who demand such an experience, and such customers may choose to do business with more technology-driven distributors.

***We rely on a select group of brokers, and such relationships may not continue.***

We distribute the majority of our products through a select group of brokers. For the six months ended June 30, 2024, 71.4%, or \$224.0 million, of our gross written premiums were distributed through four of our approximately 54 brokers.

Our relationship with any of these brokers may be discontinued at any time, subject to the terms of the respective producer agreements and applicable regulatory requirements. Even if the relationships do continue, they may not be on terms that are profitable for us. Consolidation could impact relationships with, and fees paid to, some agents and brokers. If brokers merge with or acquire each other, there could be a resulting failure or inability of brokers to market

our products successfully or the loss of a substantial portion of the business sourced by one or more of our key brokers. The termination of a relationship with one or more significant brokers could result in lower gross written premiums and could have a material adverse effect on our results of operations or business prospects.

***We may be unable to continue purchasing third-party reinsurance in amounts we desire on commercially acceptable terms or on terms that adequately protect us, and this inability may materially adversely affect our business, financial condition and results of operations.***

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. Reinsurance involves transferring, or ceding, a portion of our risk exposure on policies that we write to another insurer, the reinsurer, in exchange for a cost. If we are unable to renew our expiring contracts, enter into new reinsurance arrangements on acceptable terms or expand our coverage, our loss exposure could increase, which would increase our potential losses related to loss events. If one of our reinsurers changes its strategic plan and is no longer actively writing new business on a going forward basis, it may become more difficult to obtain new reinsurance arrangements on favorable terms. If we are unwilling to bear an increase in loss exposure, we may need to reduce the level of our underwriting commitments, which could materially adversely affect our business, financial condition and results of operations.

There are situations in which reinsurers may exclude certain coverages from, or alter terms in, the reinsurance contracts we enter into with them. As a result, we, like other insurance companies, could write insurance policies which to some extent do not have the benefit of reinsurance protection. These gaps in reinsurance protection expose us to greater risk and greater potential losses.

We may also write risks that do not fall within the coverage provided by our reinsurance contracts, or we may purchase types of reinsurance that inadequately cover our risks, and in such an event, we may be exposed to greater risk and greater potential losses.

***Our losses and loss expense reserves may be inadequate to cover our actual losses, which could have a material adverse effect on our financial condition, results of operations and cash flows.***

Our success depends on our ability to assess the risks related to the businesses and people that we insure accurately. We establish losses and loss adjustment expense reserves for the best estimate of the ultimate payment of all claims that have been incurred, or could be incurred in the future, and the related costs of adjusting those claims, as of the date of our financial statements. Reserves do not represent an exact calculation of liability. Rather, reserves represent an estimate of what we expect the ultimate settlement and administration of claims will cost us based on information available at that time, and our ultimate liability may be greater or less than our estimate.

As part of the reserving process, we use similar processes for assessing the risks related to our business written on an admitted basis and on a non-admitted basis and thus this is generally not a variable that effects our estimates. In each case, we both review our historical data, which is limited given our short operating history, and industry data that is available to us from actuarial consultants and other publicly available sources, as well as consider the impact of such factors as:

- claims inflation, which is the sustained increase in cost of raw materials, labor, medical services and other components of claims cost;
- claims development patterns by line of business, as well as frequency and severity trends;
- pricing for our products;
- legislative activity;
- social and economic patterns; and
- litigation, judicial and regulatory trends.

These variables are affected by both internal and external events that could increase our exposure to losses, and we continually monitor our loss reserves using new information on reported claims and a variety of statistical techniques and modeling simulations. Most or all of these factors are not directly quantifiable, particularly on a prospective basis. It is possible that we may make underwriting decisions based on incorrect or incomplete information. If inadequate or inaccurate information is provided to us, we may misunderstand the nature or extent of the activities or facilities and the corresponding extent of the risks that we insure. Further, this process assumes that past experience, adjusted for the effects of current developments, anticipated trends and market conditions, is an appropriate basis for predicting future events. There is, however, no precise method for evaluating the impact of any specific factor on the adequacy of loss reserves and actual results may deviate, perhaps substantially, from our reserve estimates. For instance, the following uncertainties may have an impact on the adequacy of our reserves:

- When a claim is received, it may take considerable time to appreciate fully the extent of the covered loss suffered by the insured and, consequently, estimates of loss associated with specific claims can increase over time. Consequently, estimates of loss associated with specified claims can change as new information emerges, which could cause the reserves for the claim to become inadequate.
- New theories of liability are enforced retroactively from time to time by courts. See also “—Unexpected changes in the interpretation of our coverage or provisions, including loss limitations and exclusions, in our policies could have a material adverse effect on our financial condition and results of operations.”
- Volatility in the financial markets, economic events and other external factors may result in an increase in the number of claims and/or severity of the claims reported. In addition, elevated inflationary conditions, among other things, cause loss costs to increase. See also “—Adverse economic factors, including recession, inflation, periods of high unemployment or lower economic activity could result in the sale of fewer policies than expected or an increase in frequency of claims and premium defaults, and even the falsification of claims, or a combination of these effects, which, in turn, could affect our growth and profitability.”
- If claims were to become more frequent, even if we had no liability for those claims, the cost of evaluating such potential claims could escalate beyond the amount of the loss adjustment expense reserves we have established. As we enter into new lines of business, or as a result of new theories of claims, we may encounter an increase in claims frequency and greater claims handling costs than we had anticipated.

If any of our reserves should prove to be inadequate, we will be required to increase our reserves resulting in a reduction in our net income and total mezzanine equity and stockholders’ equity in the period in which the deficiency is identified. Future loss experience substantially in excess of established reserves could also have a material adverse effect on our future earnings and liquidity.

***Given the inherent uncertainty of risk assessment and underwriting tools and algorithms, the usefulness of such tools to evaluate risk is subject to a high degree of uncertainty that could result in actual losses that are materially different than our estimates. A deviation from our loss estimates may adversely impact, perhaps significantly, our financial results.***

Our approach to risk management relies on subjective variables that entail significant uncertainties. In addition, we rely on historical data and scenarios in managing risks in our investment portfolio. The estimates, tools, data and algorithms that we use to estimate losses and manage risks may not produce accurate predictions and consequently, we could incur losses both in the risks we underwrite and to the value of our investment portfolio.

We use proprietary underwriting tools, which we refer to as BRATs, for the lines in which we write business, which are further supplemented with customized third-party data. Our key business leaders leverage their respective BRATs to evaluate submissions and, over time, have built line of business-specific capabilities, capturing exposures and drivers of the losses that are relevant to each submission. Each of our three underwriting divisions has its own unique set of BRATs. Each BRAT stores data in our core operating system for each submission, regardless of whether we ultimately write the account. The Professional Liability BRAT data is supplemented by third-party vendor data integrated directly into its algorithms. We use these BRATs across departments during our underwriting process to evaluate each risk. However, given the inherent uncertainty of underwriting tools and algorithms and the application of

such techniques, these tools, algorithms and databases may not accurately address a variety of matters which may impact certain of our coverages.

Small changes in assumptions, which depend heavily on our judgment and foresight, can have a significant impact on the outputs of BRATs and other tools we use. These assumptions address a number of factors that impact loss potential; and these factors vary considerably across lines of business and specific BRATs. Examples include, but are not limited to: business class, industry classifications or areas of practice or operations; company financial condition; stock price volatility; insured investment strategies; company policies and procedures; distribution and volatility of expected claim amounts; future trends in claim severity and frequency; expected development of historical paid and reported claims; and regulatory and judicial environment associated with insured location or venue. Furthermore, there are risks which are either poorly represented or not represented at all by our BRATs or other tools and algorithms. These uncertainties can include, but are not limited to, the following:

- the tools do not address all the possible hazard characteristics;
- the tools may not accurately represent loss potential to insurance or reinsurance contract coverage limits, terms and conditions; and
- the tools may not accurately reflect economic, financial, judicial, political, or regulatory impact on insurance claim payments.

The outputs from the BRATs and other tools we use, together with other qualitative and quantitative assessments, are used in our underwriting process to evaluate risk. Our methodology for estimating losses may differ from methods used by other companies and external parties given the various assumptions and judgments required.

As a result of these factors and contingencies, our reliance on assumptions, tools and data we use is subject to a high degree of uncertainty that could result in actual losses that are materially different from our estimates and our financial results could be adversely affected.

***We rely on third-party data, and inaccuracies in such data could adversely impact our ability to estimate losses and manage risks.***

Due to our limited operating history, we have generated limited amounts of our own data and instead must rely on data from third parties. We use data from third parties in our BRATs and other underwriting tools as part of our underwriting process to evaluate risks and estimate losses. We rely on these third parties to ensure that the data they provide is accurate. Inaccurate data could affect our ability to effectively estimate losses, resulting in actual losses that are materially different from our estimates, which could have an adverse impact on our business, financial condition and results of operations.

***Unexpected changes in the interpretation of our coverage or provisions, including loss limitations and exclusions, in our policies could have a material adverse effect on our financial condition and results of operations.***

Loss limitations or exclusions in our policies may not be enforceable in the manner we intend. Changes in legal, judicial, social and other external conditions beyond our control can cause unexpected and unintended issues related to claims and coverage. For example, there may be policy provisions for which no judicial precedent interpreting the policy language exists. For matters of first impression, judicial interpretations can vary widely depending on jurisdictional and judicial factors, and often take several years to work through subsequent appellate channels to reach final judgment on the interpretation of such language. Additionally, it is possible that legislative or regulatory bodies may target a specific exclusion or limitation of coverage rendering the provision unenforceable or to be interpreted in a manner inconsistent with the intent of the insurer. In addition, court decisions could read policy exclusions narrowly so as to expand coverage, thereby requiring insurers to create and write new exclusions. For example, a January 2022 ruling from a court in New Jersey, which was upheld by the appellate court, denied the applicability of war exclusions with respect to nation-state-led cyber attacks and permitted a large global healthcare company to recover under certain of its insurance policies for a ransomware attack. Such actions could result in higher than anticipated losses and loss adjustment expenses, which could have a material adverse effect on our financial condition and results of operations.

These issues may adversely affect our business by either broadening coverage beyond our underwriting intent or by increasing the frequency or severity of claims. In some instances, these changes may not become apparent until some time after we have issued insurance contracts that are affected by the changes. As a result, the full extent of liability under our insurance contracts may not be known for many years after a contract is issued.

***Outward reinsurance is a key part of our strategy, subjecting us to the credit risk of our reinsurers and may not be available, affordable or adequate to protect against losses.***

Outward reinsurance is a key part of our strategy, and our outward reinsurance protection may not be sufficient for all eventualities, which could expose us to greater risk and greater potential loss, which could in turn have a material adverse effect on our business, financial condition, results of operations and prospects. In particular, if a number of large losses occur in any one year, there is a chance that we could exhaust our outward reinsurance. In this event, it is not certain that further reinsurance coverage would be available on acceptable terms, or at all, for the remainder of that year or for future years which could materially increase the risks and losses we retain.

Collectability of reinsurance depends on the solvency of reinsurers and their willingness to make payments under the terms of reinsurance agreements. In particular, we can be exposed to non-coterminous wording risk under such agreements, including interpretations by our reinsurers that they may withhold payment for losses. As such, the terms and conditions of the reinsurance purchased by us may not provide precise coverage for the losses we incur on the underlying insurance or reinsurance which we have sold. While all of our reinsurers are currently highly rated, their ratings could be downgraded in the future. Finally, a material deterioration in the capital levels of our reinsurance counterparties may reduce the amount of statutory capital relief provided by our reinsurance arrangements, which could result in our failure to meet our own statutory capital requirements. A reinsurer's insolvency or inability or unwillingness to make payments under the terms of a reinsurance arrangement could have a material adverse effect on our business, financial condition, results of operations and prospects.

***Our reinsurers may not reimburse us for claims on a timely basis, or at all, which may materially adversely affect our business, financial condition and results of operations.***

The reinsurance contracts into which we enter to help manage our risks require us to pay premiums to the reinsurance carriers who will in turn reimburse us for a portion of covered policy claims. In many cases, a reinsurer will be called upon to reimburse us for policy claims many years after we paid insurance premiums to the insurer. Although reinsurance makes the reinsurer liable to us to the extent the risk is transferred or ceded to the reinsurer, it does not relieve us (the ceding insurer) of our primary liability to our policyholders. Our current reinsurance program is designed to limit our financial risk. However, our reinsurers may not pay claims we incur on a timely basis, or they may not pay some or all of these claims. For example, reinsurers may default in their financial obligations to us as the result of insolvency, lack of liquidity, operational failure, political and/or regulatory prohibitions, fraud, asserted defenses based on agreement wordings or the principle of utmost good faith, asserted deficiencies in the documentation of agreements, or other reasons. In addition, if reinsurers consolidate, such reinsurers' willingness to pay claims in the same timely manner as prior to such consolidation may change. Any disputes with reinsurers regarding coverage under reinsurance contracts could be time consuming, costly and uncertain of success. These risks could cause us to incur increased net losses, and, therefore, adversely affect our financial condition. As of June 30, 2024, we had \$192.0 million of aggregate reinsurance recoverables; 100% of these reinsurance recoverables were derived from reinsurers currently with an "A" (Excellent) financial strength rating from A.M. Best, or better.

***We may act based on inaccurate or incomplete information regarding the accounts we underwrite.***

We rely on information provided by insureds or their representatives when underwriting insurance policies. While we may make inquiries to validate or supplement the information provided, we may make underwriting decisions based on incorrect or incomplete information. It is possible that we will misunderstand the nature or extent of the activities or facilities and the corresponding extent of the risks that we insure because of our reliance on inadequate or inaccurate information.

***Our failure to accurately and timely pay claims could materially and adversely affect our business, financial condition, results of operations and prospects.***

We must accurately and timely evaluate and pay claims that are made under our policies. Many factors affect our ability to pay claims accurately and timely, including the training and experience of our claims representatives, the effectiveness of our management, and our ability to develop or select and implement appropriate procedures and systems to support our claims functions and other factors. Our failure to pay claims accurately and timely could lead to regulatory and administrative actions or material litigation, including bad faith claims, undermine our reputation in the marketplace and materially and adversely affect our business, financial condition, results of operations and prospects.

***Excessive risk taking could negatively affect our financial condition and business.***

As an insurance enterprise, we are in the business of binding certain risks. The employees who conduct our business, including executive officers and other members of management, underwriters and other employees, do so in part by making decisions and choices that involve exposing us to risk. These include decisions, such as setting underwriting guidelines and standards, product design and pricing, determining which business opportunities to pursue and other decisions. We endeavor, in the design and implementation of our compensation programs and practices, to avoid giving our employees incentives to take excessive risks. Employees may, however, take such risks regardless of the structure of our compensation programs and practices. Similarly, although we employ controls and procedures designed to monitor employees' business decisions and prevent them from taking excessive risks, these controls and procedures may not be effective. If our employees take excessive risks, the impact of those risks could have a material adverse effect on our financial condition, results of operations and business.

In addition, while we generally do not delegate underwriting and binding authority, we do distribute an insurance product through a program administrator in connection with a risk purchasing group to whom we have issued a master policy. See "Business—Marketing and Distribution" for additional information. While this program administrator is contractually obligated to follow our underwriting guidelines, it can issue individual certificates of insurance to policyholders without receiving our approval for each individual risk. If this program administrator takes excessive risks and fails to comply with our underwriting guidelines and the terms of its appointment, we could be bound on a particular risk or number of risks that were not anticipated when we developed the insurance product or estimated our potential losses and loss adjustment expenses. Such actions and excessive risk taking by the program administrator could adversely affect our results of operations.

***If actual renewals of our existing contracts do not meet expectations, our gross written premiums in future years and our future results of operations could be materially adversely affected.***

In our financial forecasting process, we make assumptions about the rates of renewal of our existing contracts. The insurance and reinsurance industries have historically been cyclical businesses with intense competition, often based on price. If actual renewals do not meet expectations or if we choose not to write renewals because of pricing conditions or terms, our gross written premiums in future years and our future operations could be materially adversely affected.

***Cyber threats are an evolving risk area affecting not only the specific cyber insurance market but also the liability coverage we provide which may adversely affect us.***

We have introduced processes to manage our potential liabilities as a result of specific cyber coverage and other coverage we provide to our policyholders. However, given that cyber is an area where the threat landscape is uncertain and continuing to evolve, there is a risk that increases in the frequency and effectiveness of cyberattacks on our policyholders could adversely affect (possibly to a material extent) our business, financial condition, results of operations and prospects. This risk also depends on the measures the individual policyholders use to protect themselves to keep pace with the emerging threat, as well as the development and issuance of policy terms and conditions which are reactive to the evolving threat landscape.

***Changes in accounting practices and future pronouncements may materially affect our reported financial results and business.***

Various authoritative accounting or regulatory entities, including the Financial Accounting Standards Board (“FASB”) and the SEC may amend, expand and/or eliminate the financial accounting or reporting standards that govern the preparation of our condensed consolidated financial statements or could reverse their previous interpretations or positions on how various financial accounting and/or reporting standards should be applied. Various FASB and SEC proposals are pending and such proposals are subject to change. Developments in accounting practices may require us to incur considerable additional expenses to comply, particularly if we are required to prepare information relating to prior periods for comparative purposes or to apply the new requirements retroactively. The impact of changes in current accounting practices and future pronouncements cannot be predicted but may affect the calculation of net income, total mezzanine equity and stockholders’ equity and other relevant financial statement line items.

BICI is required to comply with SAP. SAP and various components of SAP are subject to constant review by the NAIC and its task forces and committees, as well as state insurance departments, in an effort to address emerging issues and otherwise improve financial reporting. Various proposals are pending before committees and task forces of the NAIC, some of which, if enacted and adopted on a state level, could have negative effects on insurance industry participants. The NAIC continuously examines existing laws and regulations. We cannot predict whether or in what form such reforms will be enacted and, if so, whether the enacted reforms will positively or negatively affect us.

In addition, the NAIC Accounting Practices and Procedures manual provides that state insurance departments may permit insurance companies domiciled therein to depart from SAP by granting them permitted accounting practices. We cannot predict whether or when the insurance departments of the states of domicile of our competitors may permit them to utilize advantageous accounting practices that depart from SAP, the use of which is not permitted by the Wisconsin OCI, the insurance regulator of the state of domicile of BICI. We can give no assurance that future changes to SAP or components of SAP or the grant of permitted accounting practices to its competitors will not have a negative impact on us.

***We may not be able to effectively start up or integrate new product opportunities.***

Our ability to grow our business depends, in part, on our development, implementation or acquisition of new insurance products that are profitable and fit within our risk appetite and business model. New product launches such as environmental coverages through our Casualty division or our Baleen Specialty division, as well as resources to integrate business acquisitions, are subject to many obstacles, including ensuring we have sufficient business and systems processes, determining appropriate pricing, obtaining reinsurance, assessing opportunity costs and regulatory burdens and planning for internal infrastructure needs. If we cannot accurately assess and overcome these obstacles or we improperly implement new insurance products, our ability to grow profitably will be impaired.

***Adverse economic factors, including recession, inflation, periods of high unemployment or lower economic activity could result in the sale of fewer policies than expected or an increase in the frequency of claims and premium defaults, and even the falsification of claims, or a combination of these effects, which, in turn, could affect our growth and profitability.***

Factors, such as business revenue, economic conditions, the volatility and strength of the capital markets and inflation can affect the business and economic environment. These same factors affect our ability to generate revenue and profits. In an economic downturn that is characterized by higher unemployment, declining spending and reduced corporate revenue, the demand for insurance products is generally adversely affected, which directly affects our premium levels and profitability. Negative economic factors may also affect our ability to receive the appropriate rate for the risk we insure with our policyholders and may adversely affect the number of policies we can write, and our opportunities to underwrite profitable business. In an economic downturn, our customers may have less need for insurance coverage, cancel existing insurance policies, modify their coverage or not renew the policies they hold with us. Existing policyholders may exaggerate or even falsify claims to obtain higher claims payments. In addition, if certain segments of the economy, such as the construction segments, were to significantly change, it could adversely affect our results. These outcomes would reduce our underwriting profit to the extent these factors are not reflected in the rates we charge. Given our limited operating history, we have not experienced the inflationary impacts on our



claims or investments that many other insurance companies may have experienced with respect to historical losses or investment portfolios with longer histories. However, given the recent inflationary pressures, we seek to set our rates at a level which we believe will reflect the anticipated impacts of inflation. In addition, certain lines of business, including our Excess Projects and Primary Projects lines of business within our Casualty division, have seen fewer projects commence as a result of recent inflationary pressures. The impact of inflation is generally felt most in policies with longer durations and where the claims take a longer time to settle. Policies written on an occurrence form do see claims being notified under policies that were written years ago; the delay between the policy period and the notification of claims exposes us to the impact of inflation. Another way we are affected is by the length of time between the claim being notified and the claim being paid. A multi-year construction project with a period built in to report construction defects may be more exposed to inflation than a Cyber ransomware attack where the claim notice may be made almost immediately and the claim may be settled in months. As a general matter, casualty claims take longer to develop than claims for property insurance, which we do not currently write, and as a result, the impacts of inflation on casualty claims is generally greater than on property claims.

***While the P&C industry is generally currently experiencing a hard market, the insurance business is historically cyclical in nature, which may affect our financial performance and cause our operating results to vary from quarter to quarter and may not be indicative of future performance.***

Historically, insurance carriers have experienced significant fluctuations in operating results due to competition, frequency and severity of catastrophic events, levels of capacity, adverse litigation trends, regulatory constraints, general economic conditions and other factors. The supply of insurance is related to prevailing prices, the level of insured losses and the level of capital available to the industry that, in turn, may fluctuate in response to changes in rates of return on investments being earned in the insurance industry. As a result, the insurance business historically has been a cyclical industry characterized by periods of intense price competition due to excessive underwriting capacity (soft market cycle) as well as periods when shortages of capacity increased premium levels (hard market cycle). Demand for insurance depends on numerous factors, including the frequency and severity of catastrophic events, levels of capacity, the introduction of new capital providers and general economic conditions. All of these factors fluctuate and may contribute to price declines generally in the insurance industry.

Although an individual insurance company's financial performance depends on its own specific business characteristics, the profitability of most P&C companies tends to follow this cyclical market pattern with higher gross written premium growth and improved profitability during hard market cycles. Further, this cyclical market pattern can be more pronounced in the E&S market than in the standard insurance market. When the standard insurance market hardens, the E&S market typically hardens, and growth in the E&S market can be significantly more rapid than growth in the standard insurance market. Similarly, when conditions begin to soften, many customers that were previously driven into the E&S market may return to the admitted market, exacerbating the effects of rate decreases on our financial results.

While the P&C industry is currently in an overall hard market cycle and it has been reported that the P&C market has been hard for the past several years, our business lines may not be affected equally. We believe current conditions have more strongly affected our Casualty division, compared to our Healthcare Liability division which is experiencing more mixed conditions across its business lines and our Professional Liability division which has seen some softening of rates, particularly in Public D&O, after a couple years of significant rate increases.

We cannot predict the timing or duration of changes in the market cycle because the cyclicity is due in large part to the actions of our competitors and general economic factors. As a result, our operating results are subject to fluctuation due to a number of factors, including the general economic conditions in the markets where we operate, the frequency of occurrence or severity of catastrophe or other insured events, fluctuating interest rates, claims exceeding our loss reserves, competition in our industry, deviations from expected premium retention rates of our existing policies and contracts, adverse investment performance and the cost of reinsurance coverage.

***Performance of our investment portfolio is subject to a variety of investment risks that may adversely affect our financial results.***

Our results of operations depend, in part, on the performance of our investment portfolio. We seek to maintain a diversified portfolio of fixed income investments that is managed by a third-party investment management firm, New England Asset Management Inc. (“NEAM”), which is a wholly-owned subsidiary of Berkshire Hathaway Inc., in accordance with our investment policy and strategy that is reviewed and approved by our board of directors on a regular basis. However, our investments are subject to general economic conditions, volatility and market risks as well as risks inherent to specific securities. Our primary market risk exposures are to changes in interest rates and credit spreads. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Quantitative and Qualitative Disclosures about Market Risk.”

Our investment portfolio consists almost entirely of cash, cash equivalents and investment-grade fixed-income securities. Although interest rates have slightly decreased recently, they have increased significantly since 2021. As rate increases cease or decline, a lower interest rate environment could place pressure on our net investment income, particularly as it relates to these securities and short-term investments, which, in turn, may adversely affect our results of operations. Conversely, increases in interest rates could cause the values of our fixed income securities portfolios to decline, with the magnitude of the decline depending on the duration of securities included in our portfolio and the amount by which interest rates increase. Some fixed income securities have call or prepayment options, which create possible reinvestment risk in declining rate environments. Other fixed income securities, such as mortgage-backed and asset-backed securities, carry prepayment risk, or, in a rising interest rate environment, may not prepay as quickly as expected.

All of our fixed maturity securities are subject to credit risk. Credit risk is the risk that certain investments may default or become impaired due to deterioration in the financial condition of one or more issuers of the securities we hold, or due to deterioration in the financial condition of an insurer that guarantees an issuer’s payments on such investments. Downgrades in the credit ratings of fixed maturity securities (where rated) could also have a significant negative effect on the market valuation of such securities.

The above market and credit risks could reduce our net investment income and result in realized investment losses. Our investment portfolio is subject to increased valuation uncertainties when investment markets are illiquid. The valuation of investments is more subjective when markets are illiquid, thereby increasing the risk that the estimated fair value (i.e., the carrying amount) of the securities we hold in our portfolio do not reflect prices at which actual transactions would occur.

Risks for all types of securities are managed through the application of our investment policy, which establishes investment parameters that include, but are not limited to, allocation of investment in certain types of securities, duration targets and minimum levels of credit quality, which we believe are within applicable guidelines established by the NAIC and comply with Wisconsin insurance laws and regulations governing investments.

Although we seek to preserve our capital, we cannot be certain that our investment objectives will be achieved, and results may vary substantially over time. In addition, although we seek to employ investment strategies that are not correlated with our insurance and reinsurance exposures, losses in our investment portfolio may occur at the same time as underwriting losses and, therefore, exacerbate the adverse effect of the losses on us.

***Pandemics, geopolitical and social events, severe weather conditions, including the effects of climate change and catastrophes, as well as man-made event events may adversely affect our business, results of operations and financial condition.***

Our business is exposed to the risk of pandemics, outbreaks, public health crises and geopolitical and social events, including cyber warfare, and their related effects. Notwithstanding policy terms and conditions intended to preclude certain coverage for virus-related claims, court decisions and governmental actions may challenge the validity of any exclusions or our interpretation of how such terms and conditions operate. Courts have already challenged the applicability of war exclusions with respect to nation-state-led cyber attacks. If pandemics, outbreaks or geopolitical and other events occur or re-occur, our business, financial condition, results of operations and cash flows may be materially adversely affected.

In addition, although we do not currently write property insurance, our insureds are exposed to the risk of severe weather conditions, earthquakes and man-made catastrophes. Catastrophes can be caused by various events, including natural events such as severe winter weather, tornadoes, windstorms, earthquakes, hailstorms, severe thunderstorms and fires, or man-made events such as explosions, war, terrorist attacks and riots. Over the past several years, changing weather patterns and climatic conditions, such as global warming, have added to the unpredictability and frequency of natural disasters in certain parts of the world, including the markets in which we operate. Climate change may increase the frequency and severity of extreme weather events. This effect has led to conditions in the ocean and atmosphere, including warmer-than-average sea-surface temperatures and low wind shear that increase hurricane activity. The occurrence of a natural disaster could materially adversely affect our business, financial condition and results of operations. Additionally, any increased frequency and severity of such weather events, including hurricanes, may have unanticipated impacts on our insureds and therefore could have a material adverse effect on our ability to predict, quantify, reinsure and manage risk and may materially increase our losses resulting from such events.

#### **Risks Related to Laws and Regulation**

*We are subject to extensive regulation, which may adversely affect our ability to achieve our business objectives. In addition, if we fail to comply with these regulations, we may be subject to penalties, including fines, suspensions, revoking licenses, orders to cease and desist operations and criminal prosecution, which may adversely affect our financial condition and results of operations.*

Regulatory authorities in the states or countries in which our operating subsidiaries conduct business may require individual or company licensing to act as producers, brokers, agents, third-party administrators, managing general agents, reinsurance intermediaries, or adjusters. Insurance is required to be written through licensed agents and brokers. Under the laws of most states in the United States, regulatory authorities have relatively broad discretion with respect to granting, renewing and revoking producers', brokers' and agents' licenses to transact business in such state. The operating terms may vary according to the licensing requirements of the particular state, which may require that a firm operate in the state through a local corporation. Our subsidiaries must comply with laws and regulations of the jurisdictions in which they do business. In states in which we operate on a non-admitted basis, surplus lines brokers generally are required to certify that a certain number of licensed admitted insurers had been offered and declined to write a particular risk prior to placing that risk with us or that the coverage is otherwise unavailable from an admitted carrier.

Our insurance company subsidiary, BICI, is subject to extensive regulation in Wisconsin, its state of domicile, and to a lesser degree, any other states in which it may operate. Most insurance regulations are designed to protect the interests of insurance policyholders, as opposed to the interests of investors or stockholders. These regulations generally are administered by a department of insurance in each state and relate to, among other things, capital and surplus requirements, investment and underwriting limitations, affiliate transactions, dividend limitations, changes in control, solvency and a variety of other financial and non-financial aspects of our business. Significant changes in these laws and regulations, or how insurance departments interpret and enforce such laws and regulations, could further limit our discretion or make it more expensive to conduct our business. State insurance regulators also conduct periodic examinations of the affairs of insurance and reinsurance companies and require the filing of annual and other reports relating to financial condition, holding company issues and other matters. These regulatory requirements may impose timing and expense constraints that could adversely affect our ability to achieve some or all of our business objectives.

We are subject to the insurance holding company laws of Wisconsin, which require BICI to register with the Wisconsin OCI and furnish information concerning the operations of companies within the holding company system that may materially affect the operations, management or financial condition of BICI. These statutes also provide that all transactions among members of a holding company system must be fair and reasonable and, if material or of specified types, such transactions require prior notice and approval or non-disapproval by the Wisconsin OCI. These prior notification and approval requirements may result in business delays and additional business expenses. If we fail to comply with such requirements or fail to comply with other applicable insurance regulations in Wisconsin, we may be subject to fines and penalties imposed by the Wisconsin OCI.

In addition, individual states may impose different requirements on an insurance company's ability to cancel a policy which may extend the period during which we are exposed to risk for a policy or individual states may have

differing interpretations of contractual language or require specific wordings which may also expose us to additional risk. Individual states may also prohibit certain types of insurance which could limit the lines of business we may be able to write and adversely affect our ability to achieve some or all of our business objectives.

State insurance regulators also have broad discretion to suspend, deny or revoke licenses for various reasons, including the violation of regulations. In some instances, where there is uncertainty as to applicability, we follow practices based on our interpretations of regulations or practices that we believe generally to be followed by the industry. These practices may turn out to be different from the interpretations of regulatory authorities. If we do not have the requisite licenses and approvals or do not comply with applicable regulatory requirements, state insurance regulators could preclude or temporarily suspend us from carrying on some or all of our activities in their state or could otherwise penalize us. This could adversely affect our ability to operate our business. Further, changes in the level of regulation of the insurance industry or changes in laws or regulations themselves or interpretations by regulatory authorities could interfere with our operations and require us to bear additional costs of compliance, which could adversely affect our ability to operate our business.

State insurance regulators require insurance companies to maintain specified levels of statutory capital and surplus. Insurance regulators have broad powers to prevent reduction of statutory surplus to inadequate levels. BICI is subject to risk-based capital requirements and other minimum capital and surplus restrictions imposed under Wisconsin law. Wisconsin has largely adopted the model legislation promulgated by the NAIC pertaining to risk-based capital. These requirements establish the minimum amount of risk-based capital necessary for a company to support its overall business operations. It identifies P&C insurers that may be inadequately capitalized by looking at certain inherent risks of each insurer's assets and liabilities and its mix of net written premium. Insurers falling below a calculated threshold may be subject to varying degrees of regulatory action, including supervision, rehabilitation or liquidation. In addition to these requirements under Wisconsin law, BICI is also subject to certain surplus and risk-based capital requirements under a company-specific stipulation and order from the Wisconsin OCI (the "Wisconsin OCI Stipulation and Order"). Pursuant to the Wisconsin OCI Stipulation and Order, BICI is required to (i) have a compulsory surplus equal to the greater of (A) \$3.0 million or (B) the sum of (x) 50.0% of gross written premiums for medical malpractice insurance (which business is written as part of our Healthcare Liability division) and (y) 20.0% of gross written premiums for all other covered lines of insurance, (ii) maintain surplus in excess of its required security surplus standard under Wisconsin law and (iii) maintain a ratio of total adjusted capital to authorized control level risk-based capital of not less than 400.0%. See "Regulation—Restrictions on Paying Dividends" for additional information. Failure to maintain surplus and risk-based capital at the required levels could adversely affect the ability of BICI to maintain the regulatory authority necessary to conduct our business. In addition, state surplus lines laws, or laws pertaining to non-admitted insurance business, require that surplus lines brokers comply with diligent search/exempt commercial purchaser laws and affidavit/document filing requirements, as well as requiring the collection and paying of any taxes, stamping fees, assessment fees and other applicable charges on such business. E&S businesses, such as the Company, are often subject to special licensing, surplus lines tax and/or due diligence requirements by the home state of the insured. Fines for failing to comply with these surplus lines requirements, specifically for failing to comply with the surplus lines licensing or due diligence requirements, vary by state but can range to several million dollars.

In addition, the NAIC has developed the Insurance Regulatory Information System ("IRIS"), which is part of a collection of analytical tools designed to provide state insurance regulators with an integrated approach to screening and analyzing the financial condition of insurance companies operating in their respective states. IRIS is intended to assist state insurance regulators in targeting resources to those insurers in greatest need of regulatory attention. IRIS consists of two phases: statistical and analytical. In the statistical phase, the NAIC database generates key financial ratio results based on financial information obtained from insurers' annual statutory statements. The analytical phase is a review of the annual statements, financial ratios and other automated solvency tools. The primary goal of the analytical phase is to identify companies that appear to require immediate regulatory attention. A ratio result falling outside the usual range of IRIS ratios is not considered a failing result; rather, unusual values are viewed as part of the regulatory early monitoring system. Insurance regulators will generally begin to investigate, monitor or make inquiries of an insurance company if four or more of the company's ratios fall outside the usual ranges. Although these inquiries can take many forms, regulators may require the insurance company to provide additional written explanation as to the causes of the particular ratios being outside of the usual range, the actions being taken by management to produce results that will be within the usual range in future years and what, if any, actions have been taken by the insurance regulator of the insurers' state of

domicile. Regulators are not required to take action if an IRIS ratio is outside of the usual range, but depending upon the nature and scope of the particular insurance company's exception (for example, if a particular ratio indicates an insurance company has insufficient capital) regulators may act to reduce the amount of insurance the company can write or revoke the insurer's certificate of authority and may even place the company under supervision. For the year ended December 31, 2023, BICI had results outside the normal range in three categories. We believe our results for these ratios are attributable to our continued growth during our early years of operation. Management does not anticipate regulatory action as a result of these IRIS ratio results.

***We may become subject to additional government or market regulation, which may have a material adverse impact on our business.***

Our business could be adversely affected by changes in state laws, including those relating to asset and reserve valuation requirements, surplus requirements, limitations on investments and dividends, enterprise risk and risk-based capital requirements, and, at the federal level, by laws and regulations that may affect certain aspects of the insurance industry, including proposals for preemptive federal regulation. The U.S. federal government generally has not directly regulated the insurance industry except for certain areas of the market, such as insurance for flood, nuclear and terrorism risks. However, the federal government has undertaken initiatives or considered legislation in several areas that may affect the insurance industry, including tort reform, corporate governance and the taxation of reinsurance companies. Additionally, the Federal Insurance Office has the authority to monitor all aspects of the insurance sector. Entering into new lines of business may also subject us to new or additional regulations.

***Changes in law, including relating to certain perils, could adversely affect our business.***

A change in law, including relating to certain perils for which we write insurance or reinsurance, may have a significant impact on our ability to respond to certain events, including the manner and time frame for processing claims, the development of claim severity or the interpretation of the underlying policies. For example, plaintiff attorneys have been lobbying states to pass statutes prohibiting insurers from issuing defense within limits policies, particularly in the medical malpractice space, and Nevada has enacted a statute to that effect. If such a statute were to pass in a jurisdiction in which we operate, that would impede our ability to accurately price such policies. In addition, the statute of limitations for certain types of claims have been extended in certain states, such as New York through the Adult Survivors Act, and this could retroactively extend the period for which an insurance company has exposure. Changes in law and practice, including relating to certain perils for which we write insurance or reinsurance, may have a material adverse effect on our business, financial condition, results of operations and prospects.

***Applicable insurance laws may make it difficult to effect a change of control.***

Under applicable U.S. state insurance laws and regulations (including the laws of the state of Wisconsin), before a person can acquire control of a U.S. domestic insurer, prior written approval must be obtained from the insurance commissioner of the state where the insurer is domiciled, or the acquiror must request an exemption from the Form A filing and approval requirements or a determination of non-control (each, an "Exemption Request") or file a disclaimer of affiliation and/or control (a "Disclaimer") with the insurance department of such state and obtain approval thereon. Such approval would be contingent upon the state insurance commissioner's consideration of a number of factors, including among others, the financial strength of the proposed acquiror, the integrity and management of the acquiror's board of directors and executive officers, the acquiror's plans for the future operations of the domestic insurer, and any anti-competitive results that may arise from the consummation of the acquisition of control. Wisconsin insurance laws and regulations pertaining to changes of control would apply to both the direct and indirect acquisition of ten percent or more of the voting stock of a Wisconsin-domiciled insurer (or of less than ten percent of the voting stock if there is other indicia of control). Accordingly, the acquisition of ten percent or more of our common stock would be considered an indirect change of control of BICI and would trigger the applicable change of control filing requirements under Wisconsin insurance laws and regulations, absent the filing of an Exemption Request or Disclaimer and its acceptance by the Wisconsin OCI. These requirements may discourage potential acquisition proposals and may delay, deter or prevent a change of control of us, including through transactions that some or all of our stockholders might consider to be desirable.

## **Risks Related to Our Operations**

***We could be adversely affected by the loss of one or more key personnel or by an inability to attract and retain qualified personnel, including failure to develop a succession plan for Stephen Sills, our founder and Chief Executive Officer, or other members of our senior management team.***

We depend on our ability to attract and retain experienced and seasoned personnel who are knowledgeable about our business. Our senior management team, including our founder and Chief Executive Officer, Stephen Sills, plays an important role in our strategic direction, product development, broker partnership, corporate culture and our continued success as an organization. While we generally do not enter into employment agreements with our executive officers and other key personnel, we have entered into an employment agreement with Stephen Sills, however, Stephen Sills may terminate his agreement after the third anniversary of our initial public offering on at least 90 days' notice. The loss of Stephen Sills or other members of our senior management team could materially adversely impact our business.

We could be adversely affected if we fail to adequately plan for the succession of our senior leaders and key executives. Our current succession plans and employment arrangements with certain key executives do not guarantee their services will continue to be available to us.

The pool of talent from which we actively recruit is limited and may fluctuate based on market dynamics specific to our industry and independent of overall economic conditions. As such, higher demand for employees having the desired skills and expertise could lead to increased compensation expectations for existing and prospective personnel, making it difficult for us to retain and recruit key personnel and maintain labor costs at desired levels. All of our executive officers and many of our other key employees are subject to non-compete and non-solicitation provisions that generally apply during, and extend for six to twelve months following the termination of, their employment; although, not all jurisdictions permit such non-compete agreements, and regardless of the jurisdiction, our key personnel could still pursue employment opportunities with other parties, including, with any of our competitors and there are no assurances that our non-compete agreements with any such key personnel would be enforceable in a cost effective manner, if at all. Should any of our key personnel terminate their employment with us, or if we are unable to retain and attract talented personnel, we may be unable to maintain our current competitive position in the specialized markets in which we operate, which could adversely affect our results of operations.

***We could suffer security breaches, loss of data, cyberattacks and other information technology failures, and are subject to laws and regulations concerning data privacy and security that are continually evolving. Actual or suspected information technology failures or failure to comply with applicable law could disrupt our operations, damage our reputation and adversely affect our business, operations and financial results.***

As a company with a remote-friendly operating model, our business is highly dependent on our information technology and telecommunications systems, including our underwriting 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. We also rely on our information and telecommunications systems for employees to interact with each other within the company, as most employees work on a remote basis a majority of their time as opposed to in physical offices. Some of these systems may include or rely on third-party systems provided by third party service providers and/or not located on our premises or under our control.

We and our service providers face numerous and evolving cybersecurity risks that threaten the confidentiality, integrity and availability of systems and confidential information, including vulnerabilities that could be exploited by threat actors in commercial software that is integrated into our (or our suppliers' or service providers') IT systems, products or services. The risk of a data security breach or a disruption has generally increased in frequency, intensity and sophistication. Techniques used to compromise or sabotage systems change frequently, may originate from less regulated and remote areas of the world and be difficult to detect and generally are not recognized until launched against a target. Events such as natural catastrophes, terrorist attacks, industrial accidents, computer viruses, ransomware, a security breach by an unauthorized person, employee error, malfeasance, faulty password management or other irregularity and other cyber-attacks may cause our systems to fail or be inaccessible for extended periods of time. We have implemented management, operational and technical security controls designed to identify, protect,

detect, and respond to breaches of security, such as business contingency plans and other reasonable plans to protect our systems, whether housed internally or through third-party cloud services. In addition, while we generally monitor vendor risk, including the security and stability of our critical vendors, we may fail to properly assess and understand the risks and costs involved in the third-party relationships. However, we cannot guarantee that these measures will be effective and 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. Even if the vulnerabilities that may lead to the foregoing are identified, we may be unable to adequately investigate or remediate due to attackers using tools and techniques that are designed to circumvent controls, avoid detection and remove or obfuscate forensic evidence.

As have many companies, we, and our third-party service providers, have been impacted by breaches in the past and will likely continue to experience cybersecurity incidents of varying degrees. 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, the trend toward 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, 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.

In addition, as part of our normal business activities, we handle information related to individuals including, but not limited to, employees, claimants, individual third party brokers or agents and individual vendors. As such, we are subject to various federal, state and local laws, regulations and industry standards. The regulatory environment surrounding information security and privacy is increasingly demanding, with frequent imposition of new and changing requirements that are subject to differing interpretations. In the United States, there are numerous federal and state data privacy and security laws, rules and regulations governing the collection, use, storage, sharing, transmission and other processing of personal information, including federal and state data privacy laws, data breach notification laws and consumer protection laws.

Any failure or perceived failure by us to comply with laws, regulations, policies or regulatory guidance relating to privacy or data security may result in governmental investigations and enforcement actions, litigation, fines and penalties or adverse publicity, and could cause our customers and consumers to lose trust in us, which could have an adverse effect on our reputation and business.

***Operational risk exposures, such as human or systems failures (including from third-party vendor arrangements), are inherent in our business and may result in losses.***

Operational exposures and losses can result from, among other things, errors, failure to document transactions properly or to obtain proper internal authorization, failure to comply with regulatory requirements, information technology failures, bad faith delayed claims payment, fraud and external events, such as political unrest, state emergency or industrial actions which could result in operational outage. Any such outage could have a material adverse effect on our business, financial condition, results of operations or prospects.

We also rely on third parties for information technology and application systems and infrastructure. Such information technology and application systems and infrastructure are an important part of our underwriting process and our ability to compete successfully. We also license certain of our key systems and data from third parties and cannot be certain that we will have continuous access to such third-party systems and data, or those of comparable service providers, or that our information technology or application systems and infrastructure will operate as intended. Further, the third parties' programs and systems may be subject to defects, failures, material updates, or interruptions, including those caused by worms, viruses or power failures.

Failures in any of these systems could result in mistakes made in the confirmation or settlement of transactions, or in transactions not being properly booked, evaluated, priced or accounted for or delays in the payment of claims. Any such eventuality could cause us to suffer, among other things, financial loss, disruption of business, liability to third parties, regulatory intervention and reputational damage, any of which could have a material adverse effect on our business, financial condition, results of operations, or prospects.

***We may change our underwriting guidelines or our strategy without your approval.***

Our management has the authority to change our underwriting guidelines or our strategy without notice to our stockholders and without stockholder approval. As a result, we may make fundamental changes to our operations without stockholder approval, which could result in our pursuing a strategy or implementing underwriting guidelines that may be materially different from the strategy or underwriting guidelines described in the section entitled “Business” or elsewhere in this prospectus.

***We may not be able to manage our growth effectively.***

We intend to grow our business in the future, which could require additional capital, systems development and skilled personnel. However, we must be able to meet our capital needs, expand our systems and our internal controls effectively, allocate our human resources optimally, identify, hire, train and develop qualified employees and effectively incorporate the components of any business we may acquire in our effort to achieve growth. The failure to manage our growth effectively could have a material adverse effect on our business, financial condition and results of operations.

***Any future acquisitions, strategic investments or new platforms could expose us to further risks or turn out to be unsuccessful.***

From time to time, we may pursue growth through acquisitions and strategic investments in businesses or new underwriting or marketing platforms. The negotiation of potential acquisitions or strategic investments as well as the integration of an acquired business, personnel or underwriting or marketing platforms could result in a substantial diversion of management resources and the emergence of other risks, such as potential losses from unanticipated litigation, a higher level of claims than is reflected in reserves, loss of key personnel in acquired businesses or an inability to generate sufficient revenue to offset acquisition costs.

Our ability to manage our growth through acquisitions, strategic investments or new or alternative platforms, such as our Baleen Specialty division, will depend, in part, on our success in addressing such risks. While we are not currently contemplating any such acquisitions or strategic investments, our nimble approach to capital management based on opportunities presented and sought out means that we may opportunistically from time to time pursue such acquisitions, new platforms or strategic investment strategies. Any failure by us to implement our acquisitions, new platforms or strategic investment strategies effectively could have a material adverse effect on our business, financial condition, results of operations and prospects.

***The effects of litigation on our business are uncertain and could have an adverse effect on our business.***

As is typical in our industry, we continually face risks associated with litigation of various types, including disputes relating to insurance claims under our policies, disputes with our reinsurers, as well as other general commercial and corporate litigation. Litigation and other proceedings may also include complaints from or litigation by customers or reinsurers related to alleged breaches of contract or otherwise. Although we are not currently involved in any out-of-the-ordinary litigation with our customers, reinsurers or our current or former employees, other members of the insurance industry are the target of class action lawsuits and other types of litigation, including employment-related litigation, some of which involve claims for substantial or indeterminate amounts, and the outcomes of which are unpredictable. This litigation is based on a variety of issues, including insurance and claim settlement practices. If we were to be involved in litigation and it was determined adversely, it could require us to pay significant damage amounts or to change aspects of our operations, either of which could have a material adverse effect on our financial results. We are also subject to various contingencies. For example, we may owe certain employment taxes, penalties and interests related to 2021, 2022, and 2023 for an employee domiciled in the United Kingdom. While we have accrued certain amounts representing our best estimate of taxes, interests and penalties owed, such accruals may be insufficient and we



may be subject to additional charges. Even claims without merit can be time-consuming and costly to defend and may divert management's attention and resources away from our business and adversely affect our business, results of operations and financial condition. Additionally, routine lawsuits over claims that are not individually material could in the future become material if aggregated with a substantial number of similar lawsuits. In addition to increasing costs, a significant volume of customer complaints or litigation could adversely affect our brand and reputation, regardless of whether such allegations are valid or whether we are liable. Accordingly, we cannot predict with any certainty whether we will be involved in such litigation in the future or what impact such litigation would have on our business.

***Loss of key vendor relationships or failure of a vendor to protect our data or confidential and proprietary information could affect our operations.***

We rely on services and products provided by many vendors in the United States and abroad. These include, for example, vendors of computer hardware and software and vendors and/or outsourcing of services such as human resource benefits management services and investment management services. In the event that any vendor suffers a bankruptcy or otherwise becomes unable to continue to provide products or services, or fails to protect our confidential, proprietary, or other information, we may suffer operational impairments and financial losses. In addition, while we generally monitor vendor risk, including the security and stability of our critical vendors, we may fail to properly assess and understand the risks and costs involved in the third-party relationships, and our financial condition and results of operations could be materially and adversely affected.

We anticipate that we will continue to rely on third-party software in the future. Although we believe that there are commercially reasonable alternatives to the third-party software we currently license, this may not always be the case, or it may be difficult or costly to replace. In addition, integration of new third-party software may require significant work and require substantial investment of our time and resources. Our use of additional or alternative third-party software would require us to enter into license agreements with third parties, which may not be available on commercially reasonable terms or at all. Many of the risks associated with the use of third-party software cannot be eliminated, and these risks could negatively affect our business.

***We may fail or be unable to protect our intellectual property rights, which could adversely affect our brand and business.***

Our success and ability to compete depend in part on our intellectual property, which includes our rights in our brand and our proprietary technology used in certain of our product lines. We primarily rely on trademarks, copyrights and trade secret laws, as well as contractual restrictions in our confidentiality and license agreements with our employees, customers, service providers, partners and other third parties with which we have a relationship, to protect our intellectual property rights. However, the steps we take to protect our intellectual property may be inadequate. Our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability and scope of our intellectual property rights. Our failure to secure, protect and enforce our intellectual property rights could adversely affect our brand and adversely impact our business. These agreements may not adequately secure our intellectual property rights and may be breached, and we may not have adequate remedies for such breach. While we use reasonable efforts to protect our trade secrets, our employees, customers, service providers and other third parties with which we have a relationship may unintentionally or willfully disclose our proprietary information to competitors.

***Our limited operating history may make it difficult to evaluate our current business and future prospects.***

We founded our business in September 2020. Our limited operating history may make it difficult for you to evaluate our current business and our future prospects. We have encountered and will continue to encounter risks and difficulties frequently experienced by growing companies in rapidly changing industries, including increasing and unforeseen expenses as we continue to grow our business. If we do not manage these risks successfully, our business may be harmed. Further, we may be subject to claims by third parties alleging that we are infringing, misappropriating or otherwise violating their intellectual property rights. Any litigation or claims, whether or not valid, could result in substantial costs, negative publicity and diversion of resources and management attention.

## **Risks Related to Liquidity and Access to Capital**

### ***We could be forced to sell investments to meet our liquidity requirements.***

We invest the premiums we receive from our insureds until they are needed to pay policyholder claims. Consequently, we seek to manage the duration of our investment portfolio based on the duration of our losses and loss adjustment expense reserves to provide sufficient liquidity and avoid having to liquidate investments to fund claims. Risks such as inadequate losses and loss adjustment expense reserves, unfavorable trends in litigation, or mismanagement of the investment portfolio's duration or other liquidity needs could potentially result in the need to sell investments to fund these liabilities. We may not be able to sell our investments at favorable prices or at all. Sales could result in significant realized losses depending on the conditions of the general market, interest rates and credit issues with individual securities.

### ***Because we are a holding company and substantially all or a substantial portion of our operations are conducted by our insurance and service company subsidiaries, our ability to achieve liquidity at the holding company, including the ability to pay dividends and service our debt obligations, depends on our ability to obtain cash dividends or other permitted payments from our insurance and service company subsidiaries.***

The continued operation and growth of our business will require substantial capital. Accordingly, we do not intend to declare and pay cash dividends on shares of our common stock in the foreseeable future. See "Dividend Policy." Because we are a holding company with no substantial business operations of our own, our ability to pay dividends to stockholders and meet our debt payment obligations is largely dependent on dividends and other distributions from BICI and our other operating companies. BICI's ability to pay dividends is restricted under the insurance laws and regulations of its domiciliary state and may only be paid from unassigned surplus. Under the insurance laws of Wisconsin, an insurer may make an ordinary dividend payment if its surplus as regards to policyholders, following such dividend, is reasonable in relation to its outstanding liabilities, is adequate to its financial needs, and does not exceed the insurer's unassigned surplus. See "Regulation—Restrictions on Paying Dividends" for additional information. State insurance regulators require insurance companies to maintain specified levels of statutory capital and surplus. Insurance regulators have broad powers to prevent reduction of statutory surplus to inadequate levels, and there is no assurance that dividends of the maximum amounts calculated under any applicable formula would be permitted. Moreover, state insurance regulatory authorities that have jurisdiction over the payment of dividends by our insurance company subsidiary may in the future adopt statutory provisions, or impose additional constraints on BICI, more restrictive than those currently in effect.

Any determination to pay dividends in the future will be at the discretion of our board of directors and will depend upon our financial condition, results of operations, capital requirements, general business conditions, legal, tax and regulatory limitations, contractual restrictions and other factors that our board of directors considers relevant. Consequently, in order for investors to realize any future gains on their investment, they may need to sell all or part of their holdings of our common stock after price appreciation, which may never occur.

### ***We may require additional capital in the future, which may not be available or may only be available on unfavorable terms.***

Our future capital requirements depend on many factors, including our ability to write new business successfully and to establish premium rates and reserves at levels sufficient to cover losses. To the extent that the cash flows provided by our operating activities and investing activities are insufficient to fund future operating requirements and cover claim losses, we may need to raise additional funds through financings or curtail our growth. Many factors will affect the amount and timing of our capital needs, including our growth rate and profitability, our claims experience, the availability of reinsurance, market disruptions and other unforeseeable developments. If we need to raise additional capital, equity or debt financing may not be available at all or may be available only on terms that are not favorable to us. In the case of equity financings, dilution to our stockholders could result. In the case of debt financings, we may be subject to covenants that restrict our ability to freely operate our business. In any case, such securities may have rights, preferences and privileges that are senior to those of the shares of common stock offered hereby. In addition, because BICI is considered an affiliate of AFMIC under Wisconsin insurance regulations and BICI's business is currently comprised solely of business assumed from AFMIC, BICI's regulatory capital requirements are lower. BICI's

regulatory capital requirements under Wisconsin's insurance regulations would be higher if BICI's business was assumed from an insurance company that was not an affiliate of BICI or was written directly with our policyholders. If BICI were to no longer qualify as an affiliate of AFMIC, additional capital would be required in order for BICI to meet its regulatory capital requirements under Wisconsin insurance regulations. If we cannot obtain adequate capital on favorable terms or at all, we may not have sufficient funds to implement our operating plans and our business, financial condition or results of operations could be materially adversely affected.

***Our failure to comply with the terms of our Facility, including as a result of events beyond our control, could result in an event of default that could affect our business, financial condition, and results of operations.***

If there were an event of default under the Facility (as defined below), the lenders under the Facility could cause all amounts outstanding with respect to that debt to be due and payable immediately. Our assets or cash flow may not be sufficient to fully repay borrowing under the Facility if accelerated upon an event of default. Furthermore, if we are unable to repay, refinance, or restructure our Facility, the lenders under the Facility could proceed against the collateral granted to them to secure such indebtedness, which could force us into bankruptcy or liquidation. As a result, any default by us on our debt could have a materially adverse effect on our business, financial condition, and results of operations.

***Our ability to incur a substantial level of indebtedness may reduce our financial flexibility, affect our ability to operate our business, and divert cash flow from operations for debt service.***

As of June 30, 2024, we had no outstanding indebtedness, and \$75.0 million of undrawn availability, under the Facility.

We may incur substantial indebtedness under the Facility or other debt instruments in the future, and, if we do so, the risks related to our level of indebtedness could increase. Our future borrowings will require interest payments and will need to be repaid or refinanced, which could require us to divert funds identified for other purposes to debt service and could create additional cash demands or impair our liquidity position and add financial risk. We may also sell additional debt or equity securities to help repay or refinance our borrowings. We do not know whether we would be able to take any of these actions on a timely basis, on terms satisfactory to us or at all.

Our future level of indebtedness could affect our operations in several ways, including but not limited to the following:

- increase our vulnerability to changes in general economic, industry, and competitive conditions;
- require us to dedicate a portion of our cash flow to make payments on our indebtedness, thereby reducing the availability of our cash flow to fund other corporate purposes;
- place us at a competitive disadvantage compared to our competitors that are less leveraged and therefore potentially more able to take advantage of opportunities that our level of indebtedness would prevent us from pursuing; and
- impair our ability to obtain additional financing in the future.

Borrowings under the Facility bear interest at variable rates based on prevailing conditions in the financial markets, and changes to such variable market rates may affect both the amount of cash we must pay for interest as well as our reported interest expense. Assuming the Facility were to be fully drawn, a 100-basis point increase to the applicable variable rate of interest would increase the amount of interest expense by \$0.75 million per annum. If we are unable to generate sufficient cash flows to pay the interest expense on our debt, future working capital, borrowings, or equity financing may not be available from which to pay or refinance such debt.

In addition, if any of the financial institutions that provide loan commitments to us were to fail, our liquidity could be adversely impacted and we may not be able to obtain financing for working capital, capital expenditures, acquisitions, and other purposes. In such event, our ability to operate and compete effectively, and our ability to execute on our growth strategies, could be adversely affected, which in turn would have an adverse impact on our business, results of operations and financial condition.

***The Facility contains restrictions on our ability to operate our business and to pursue our business strategies.***

The Facility restricts, subject to certain exceptions, among other things, our ability and the ability of our subsidiaries to:

- incur additional indebtedness and guarantee indebtedness;
- prepay, redeem, or repurchase certain debt;
- create or incur liens;
- make investments and loans;
- pay dividends or make other distributions, in respect of, or repurchase or redeem, capital stock;
- engage in mergers, consolidations, or sales of all or substantially all of our assets;
- sell or otherwise dispose of assets;
- amend, modify, waive, or supplement certain subordinated indebtedness to the extent such amendments would be materially adverse to the interests of the lenders; and
- engage in certain transactions with affiliates.

Any future financing arrangements entered into by us or any of our subsidiaries may contain similar restrictions or maintenance covenants. As a result of these covenants and restrictions, we and our subsidiaries are, and will be, limited in how we conduct our business, and we may be unable to raise additional debt or equity financing to compete effectively or to take advantage of new business opportunities. The terms of any future indebtedness we or our subsidiaries may incur could include more restrictive covenants. We cannot guarantee that we will be able to maintain compliance with these covenants in the future and, if we fail to do so, that we will be able to obtain waivers from the lenders and/or amend the covenants.

**Risks Related to this Offering and Ownership of Our Common Stock**

***Our costs have increased significantly as a result of operating as a public company, and our management will be required to devote substantial time to complying with public company regulations.***

As a public company, we have incurred and expect to continue to incur significant legal, accounting and other expenses that we did not incur as a private company. We are subject to the reporting requirements of the Exchange Act, which requires, among other things, that we file with the SEC annual, quarterly and current reports with respect to our business and financial condition and therefore we need to have the ability to prepare financial statements that comply with all SEC reporting requirements on a timely basis. In addition, we are or will be subject to other reporting and corporate governance requirements, including certain requirements of and certain provisions of the Sarbanes-Oxley Act and the regulations promulgated thereunder, which impose significant compliance obligations upon us. In particular, we must perform system and process evaluation and testing of our internal control over financial reporting to allow management and, to the extent that we are no longer an “emerging growth company” as defined in the JOBS Act, our independent registered public accounting firm to report on the effectiveness of our internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act. Our compliance with Section 404 requires that we incur substantial accounting expense and expend significant management efforts.

The Sarbanes-Oxley Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), as well as related rules subsequently implemented by the SEC and the NYSE, have increased regulation of, and imposed enhanced disclosure and corporate governance requirements on, public companies. Our efforts to comply with these evolving laws, regulations and standards will increase our operating costs and divert management’s time and attention from revenue-generating activities. Further, if these laws, regulations are rules were to change substantially in the future, we might be unable to meet new requirements.

These obligations place significant additional demands on our finance and accounting staff and on our financial accounting and information systems. We may need to hire additional accounting and financial staff with appropriate public company reporting experience and technical accounting knowledge. Other expenses associated with being a public company include increases in auditing, accounting and legal fees and expenses; investor relations expenses; increased directors' fees and director and officer liability insurance costs; registrar and transfer agent fees and listing fees; as well as other expenses. As a public company, we are required, among other things, to:

- prepare and file periodic reports and distribute other stockholder communications, in compliance with the federal securities laws and requirements of the NYSE;
- define and expand the roles and the duties of our board of directors and its committees;
- institute more comprehensive compliance and investor relations functions; and
- evaluate and maintain our system of internal control over financial reporting, and report on management's assessment thereof, in compliance with rules and regulations of the SEC and the Public Company Accounting Oversight Board.

We may not be successful in implementing these requirements and implementing them could materially adversely affect our business. These increased costs will decrease our net income and may require us to reduce costs in other areas of our business or increase the prices of our products or services. For example, we expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance and we may be required to incur substantial costs to maintain the same or similar coverage. We cannot predict or estimate the amount or timing of additional costs we may incur to respond to these requirements. The impact of these requirements could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors or board committees or as executive officers.

In addition, if we fail to implement the required controls with respect to our internal accounting and audit functions, our ability to report our results of operations on a timely and accurate basis could be impaired. If we do not implement the required controls in a timely manner or with adequate compliance, we may be subject to sanctions or investigation by regulatory authorities, such as the SEC or the NYSE. Any such action could harm our reputation and the confidence of investors in, and clients of, our Company and could negatively affect our business and cause the price of our shares of common stock to decline.

***We are required by Section 404 of the Sarbanes-Oxley Act to evaluate the effectiveness of our internal control over financial reporting. If we are unable to achieve and maintain effective internal controls, our operating results and financial condition could be harmed and the market price of our common stock may be negatively affected.***

As a public company with SEC reporting obligations, we are required to document and test our internal control procedures to satisfy the requirements of Section 404(a) of the Sarbanes-Oxley Act, which requires annual assessments by management of the effectiveness of our internal control over financial reporting beginning with the annual report for our fiscal year ending December 31, 2025. We are an emerging growth company, and thus we are exempt from the auditor attestation requirement of Section 404(b) of Sarbanes-Oxley until such time as we no longer qualify as an emerging growth company. See also “—We qualify as an emerging growth company, and any decision on our part to comply with reduced reporting and disclosure requirements applicable to emerging growth companies could make our common stock less attractive to investors.” For further discussion of these exemptions. Regardless of whether we qualify as an emerging growth company, we will still need to implement substantial internal control systems and procedures in order to satisfy the reporting requirements under the Exchange Act and applicable requirements.

We cannot assure you that there will not be material weaknesses in our internal control over financial reporting in the future. Any failure to maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition, results of operations or cash flows. If we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines that we have a material weakness in our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports, the market price of our common stock could decline, and we could be subject to sanctions or investigations by the NYSE, the SEC or other regulatory authorities. Failure to remedy any

material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.

***We qualify as an emerging growth company, and any decision on our part to comply with reduced reporting and disclosure requirements applicable to emerging growth companies could make our common stock less attractive to investors.***

We are an “emerging growth company,” and, for as long as we continue to be an emerging growth company, we currently intend to take advantage of exemptions from various reporting requirements applicable to other public companies but not to “emerging growth companies,” including, but not limited to, not being required to have our independent registered public accounting firm audit our internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our registration statements, periodic reports and proxy statements and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We will cease to be an emerging growth company upon the earliest of: (i) the last day of the fiscal year in which we have total annual gross revenues of \$1.235 billion or more; (ii) the last day of our fiscal year following the fifth anniversary of the date of the completion of our initial public offering; (iii) the date on which we have issued more than \$1.0 billion in nonconvertible debt during the previous three years; and (iv) the date on which we are deemed to be a large accelerated filer under the rules of the SEC.

We cannot predict whether investors will find our common stock less attractive if we choose to rely on these exemptions while we are an emerging growth company. If some investors find our common stock less attractive as a result of any choices to reduce future disclosure, there may be a less active trading market for our common stock and the price of our common stock may be more volatile.

Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to avail ourselves of this extended transition period and, as a result, we will not be required to adopt new or revised accounting standards on the relevant dates on which adoption of such standards is required for other public companies.

***You cannot be certain that an active trading market will continue or a specific share price will be established.***

Our common stock is listed on the NYSE under the symbol “BOW.” We cannot predict whether an active and liquid trading market will continue for our common stock. If in the future an active and liquid trading market does not continue, you may have difficulty selling your shares of common stock at an attractive price, or at all. The market price for our common stock is likely to be volatile.

***Our operating results and stock price may be volatile, or may decline regardless of our operating performance, and you could lose all or part of your investment.***

Our quarterly operating results are likely to fluctuate in the future. In addition, securities markets worldwide have experienced, and are likely to continue to experience, significant price and volume fluctuations. This market volatility, as well as general economic, market, or political conditions, could subject the market price of our shares to wide price fluctuations regardless of our operating performance. You should consider an investment in our common stock to be risky, and you should invest in our common stock only if you can withstand a significant loss and wide fluctuation in the market value of your investment. The market price of our common stock could be subject to significant fluctuations in response to the factors described in this “Risk Factors” section and other factors, many of which are beyond our control. Among the factors that could affect our stock price are:

- market conditions in the broader stock market;
- actual or anticipated fluctuations in our quarterly financial and operating results;
- introduction of new products or services by us or our competitors;
- issuance of new or changed securities analysts’ reports or recommendations;

- results of operations that vary from expectations of securities analysts and investors;
- short sales, hedging and other derivative transactions in our common stock;
- guidance, if any, that we provide to the public, any changes in this guidance or our failure to meet this guidance;
- strategic actions by us or our competitors;
- announcement by us, our competitors or our acquisition targets;
- sales, or anticipated sales, of large blocks of our stock, including by our directors, executive officers and principal stockholders;
- additions or departures in our board of directors, senior management or other key personnel;
- regulatory, legal or political developments;
- public response to press releases or other public announcements by us or third parties, including our filings with the SEC;
- litigation and governmental investigations;
- changing economic conditions;
- changes in accounting principles;
- any indebtedness we may incur or securities we may issue in the future;
- exposure to capital and credit market risks that adversely affect our investment portfolio or our capital resources;
- changes in our credit ratings; and
- other events or factors, including those from natural disasters, war, or actors of terrorism or responses to these events.

The securities markets have from time to time experienced extreme price and volume fluctuations that often have been unrelated or disproportionate to the operating performance of particular companies. As a result of these factors, investors in our common stock may not be able to resell their shares at or above the initial offering price. These broad market fluctuations, as well as general market, economic and political conditions, such as recessions, loss of investor confidence or interest rate changes, may negatively affect the market price of our common stock.

In addition, the stock markets, including the NYSE, have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. If any of the foregoing occurs, it could cause our stock price to fall and may expose us to securities class action litigation that, even if unsuccessful, could be costly to defend, divert management's attention and resources, or harm our business.

***Substantial future sales of shares of our common stock by existing stockholders, or the perception that those sales may occur, could cause the market price of our common stock to decline.***

As of October 1, 2024, we have outstanding an aggregate of approximately 32,658,823 shares of our common stock. Of these outstanding shares, all of the shares sold in our initial public offering are freely tradable without restriction or further registration under the Securities Act, unless such shares are held by our directors, executive officers, or any of our affiliates, as that term is defined in Rule 144 under the Securities Act ("Rule 144"). As of October 1, 2024, all of our remaining shares of common stock outstanding are "restricted securities" within the meaning of Rule 144. Restricted securities may not be sold in the public market unless the sale is registered under the Securities Act or an exemption from registration is available. In connection with our initial public offering we entered into a

Registration Rights Agreement with GPC Fund, AFMIC and our Chief Executive Officer, pursuant to which GPC Fund, AFMIC and their permitted transferees may require us to register the offer and sale of all or a portion of their shares of our common stock under the Securities Act, subject to certain customary conditions and exclusions, including this offering. Sales of our common stock in the public market, or the perception that these sales could occur, could cause the market price of our common stock to decline and may make it more difficult for us to sell equity or equity-linked securities in the future at a time and at a price that we deem necessary or appropriate.

In connection with this offering, we, our executive officers, directors and the selling stockholders (other than BIHL, which has commenced its dissolution process) will each agree to enter into “lock-up” agreements with the underwriters and thereby are subject to a lock-up period, meaning that they and their permitted transferees are not permitted to sell any shares of our common stock for 90 days after the date of this prospectus, subject to certain customary exceptions without the prior written consent of any two or more of the representatives of the underwriters. Additionally, in connection with our initial public offering, our directors, executive officers, BIHL, GPC Fund and AFMIC each agreed to enter into “lock-up” agreements with the underwriters and thereby are subject to a lock-up period, meaning that they and their permitted transferees are not permitted to sell any shares of our common stock until after the close of trading on November 18, 2024, which is 180 days after the date our initial public offering registration statement on Form S-1 was declared effective, subject to certain customary exceptions without the prior written consent of any two or more of the representatives of the underwriters. Any two or more of the representatives of the underwriters of our initial public offering may, in their sole discretion, release all or any portion of the shares from the restrictions in any of the lock-up agreements described above. The representatives of the underwriters of our initial public offering have agreed to release the shares offered hereby from such restrictions. See “Underwriting” for more information. Possible sales of these shares in the market following the waiver or expiration of such agreements could exert significant downward pressure on our stock price.

The 2024 Plan permits us to issue, among other things, stock options, restricted stock units and restricted stock to eligible employees (including our named executive officers), directors and advisors, as determined by the compensation, nominating and corporate governance committee of the board of directors. We have filed a registration statement under the Securities Act to cover the issuance of shares upon the exercise of awards granted, and of shares granted, under the 2024 Plan. As a result, any shares issued under the 2024 Plan will be freely tradable in the public market. If equity securities are granted under the 2024 Plan and it is perceived that they will be sold in the public market, then the price of our common stock could decline.

Also, in the future, we may issue our securities in connection with investments or acquisitions. The amount of shares of our common stock issued in connection with an investment or acquisition could constitute a material portion of our then outstanding shares of our common stock.

***Because we have no current plans to pay cash dividends on our common stock, you may not receive any return on investment unless you sell your shares of common stock for a price greater than that which you paid for it.***

We have no current plans to pay cash dividends on our common stock. The declaration, amount and payment of any future dividends will be at the sole discretion of our board of directors, and will depend on, among other things, general and economic conditions, our financial condition, results of operations, capital requirements, general business conditions, legal, tax and regulatory limitations, contractual restrictions and other factors that our board of directors considers relevant. In addition, our ability to pay dividends on our capital stock is limited by the terms of the Credit Agreement (as defined below), and may be further restricted under the terms of any future debt or preferred securities or future credit facility. See “Dividend Policy.”

As a result, you may not receive any return on an investment in our common stock unless you sell our common stock for a price greater than your purchase price.

***If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.***

The trading market for our common stock depends, in part, on the research and reports that securities or industry analysts publish about us or our business and our industry. If one or more of the analysts who covers us downgrades our common stock or publishes inaccurate or unfavorable research about our business, our stock price would likely decline.



If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, demand for our common stock could decrease, which could cause our stock price and trading volume to decline.

***Anti-takeover provisions in our organizational documents could delay a change in management and limit our share price.***

Certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws may have an anti-takeover effect and may delay, defer, or prevent a merger, acquisition, tender offer, takeover attempt, or other change of control transaction that a stockholder might consider in its best interest, including those attempts that might result in a premium over the market price for the shares held by our stockholders. These provisions will provide for, among other things:

- a classified board of directors, subject to a seven-year sunset, as a result of which our board of directors will initially be divided into three classes, with each class serving for staggered three-year terms;
- the ability of our board of directors to issue one or more series of preferred stock;
- advance notice requirements for nominations of directors by stockholders and for stockholders to include matters to be considered at our annual meetings;
- certain limitations on convening special stockholder meetings;
- the removal of directors only for cause; and
- the required approval of at least 66<sup>2</sup>/<sub>3</sub>% of the voting power of the outstanding shares of capital stock entitled to vote generally in the election of directors, voting together as a single class, to adopt, amend, or repeal certain provisions of our amended and restated certificate of incorporation.

Further, we have opted out of Section 203 of the General Corporation Law of the State of Delaware (the “DGCL”), but our amended and restated certificate of incorporation will provide that engaging in any of a broad range of business combinations with any “interested” stockholder (generally defined as any stockholder with 15.0% or more of our outstanding voting stock and any entity or person affiliated with or controlling or controlled by such stockholder) for a period of three years following the time on which the stockholder became an “interested” stockholder is prohibited, subject to certain exceptions (except with respect to GPC Fund and AmFam and any of their respective affiliates and any of their respective direct or indirect transferees of our common stock). See “Description of Capital Stock.”

These anti-takeover provisions could make it more difficult for a third party to acquire us, even if the third party’s offer may be considered beneficial by many of our stockholders. These provisions also may have the effect of preventing changes in our board of directors and may make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interests. As a result, our stockholders may be limited in their ability to obtain a premium for their shares. See “Description of Capital Stock.”

***Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware (or if such court does not have jurisdiction, another state or the federal courts (as appropriate) located within the State of Delaware) will be the sole and exclusive forum for certain stockholder litigation matters, which could limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees, or stockholders.***

Our amended and restated certificate of incorporation provides that unless we consent to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or if such court does not have jurisdiction, another state or the federal courts (as appropriate) located within the State of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for any (i) derivative action or proceeding brought on behalf of the Company; (ii) action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, or other employee, or stockholder of the Company to the Company or our stockholders; (iii) action asserting a claim against the Company or any current or former director or officer of the Company arising pursuant to any provision of the DGCL, or our amended and restated certificate of incorporation or our amended and restated bylaws or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware; or (iv) action asserting a claim governed by the internal

affairs doctrine of the State of Delaware. Our amended and restated certificate of incorporation further provides that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States of America will be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the federal securities laws of the United States, including any claims under the Securities Act and the Exchange Act. However, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce a duty or liability created by the Securities Act or the rules and regulations thereunder and, accordingly, we cannot be certain that a court would enforce such provision. See “Description of Capital Stock—Exclusive Forum.”

Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and consented to the forum provisions in our amended and restated certificate of incorporation, except our stockholders will not be deemed to have waived (and cannot waive) compliance with the federal securities laws and the rules and regulations thereunder. This choice of forum provision may limit a stockholder’s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our current or former directors, officers, other employees, or stockholders which may discourage lawsuits with respect to such claims. Alternatively, if a court were to find the choice of forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, results of operations and financial condition.

***Following this offering, we will no longer be a “controlled company” within the meaning of the NYSE rules. However, we may continue to rely on exemptions from certain corporate governance requirements during a one-year transition period.***

After giving effect to this offering, we will no longer be a “controlled company” within the meaning of Section 303A of the New York Stock Exchange Listed Company Manual, and will therefore be required to comply with all of the applicable corporate governance requirements of the NYSE, within the various grace periods provided by Section 303A. As a result, we will be required to have at least one independent director on our Compensation, Nominating and Corporate Governance Committee upon closing of this offering, a majority of independent directors on our Compensation, Nominating and Corporate Governance Committee within 90 days after the completion of this offering, and a fully independent Compensation, Nominating and Corporate Governance Committee and a majority independent board of directors within one year after the completion of this offering. We will also be required to perform an annual performance evaluation of the Compensation, Nominating and Corporate Governance Committee. We are currently taking advantage of the “controlled company” exemption and do not have a fully independent Compensation, Nominating and Corporate Governance Committee or a board of directors composed of a majority of independent directors. Accordingly, during the transition period, you will not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the NYSE. Furthermore, a change in our board of directors and committee membership may result in a change in our operation philosophies and deviations from our current corporate strategy.

***GPC Fund and AFMIC exercise substantial influence over us, may engage in businesses that compete with us, and your ability to influence matters requiring stockholder approval may be limited.***

As of October 1, 2024, GPC Fund and AFMIC own, in the aggregate, approximately 61.9% of our outstanding common stock. Upon completion of this offering, GPC Fund and AFMIC are expected to own, in the aggregate, approximately 49.8% of our outstanding common stock. So long as GPC Fund and AFMIC own a significant amount of our outstanding common stock, GPC Fund and AFMIC may exert significant voting influence over us and our corporate decisions, including any matter requiring stockholder approval regardless of whether others believe that the matter is in our best interests. For example, GPC Fund and AmFam may exert significant influence over the vote in any election of directors and any amendment of our certificate of incorporation. In addition, in connection with our initial public offering, we entered into the Board Nominee Agreement and the Investor Matters Agreement, which grant GPC Fund and AFMIC respectively rights to nominate individuals to our board of directors.

GPC Fund and AmFam are not restricted from, and may, engage in, invest in or operate businesses that directly compete with ours. See “Description of Capital Stock—Corporate Opportunities; Conflicts of Interest.”

GPC Fund or AmFam may act in a manner that advances their best interests and not necessarily those of our stockholders, by, among other things:

- delaying, preventing, or deterring a change in control of us;
- entrenching our management or our board of directors; or
- influencing us to enter into transactions or agreements that are not in the best interests of all stockholders.

The concentration of ownership could deprive stockholders of an opportunity to receive a premium for their common stock as part of a sale of our company and may ultimately affect the market price of our common stock.

***The track record of our executives may not be indicative of our future growth, profitability and performance.***

Stephen Sills has had success starting and running publicly traded companies. However, there is no assurance that his track record will continue and that we will experience growth, profitability or results similar to any of their prior companies.

## FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts contained in this prospectus, including statements regarding our future results of operations or financial condition, business strategy and plans, and objectives of management for future operations are forward-looking statements.

Some of the forward-looking statements can be identified by the use of terms such as “believes”, “expects”, “may”, “will”, “should”, “could”, “seeks”, “intends”, “plans”, “estimates”, “anticipates” or other comparable terms. However, not all forward-looking statements contain these identifying words. These forward-looking statements include all matters that are not related to present facts or current conditions or that are not historical facts. They appear in a number of places throughout this prospectus and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our consolidated results of operations, financial condition, liquidity, prospects and growth strategies and the industries in which we operate, and including, without limitation, statements relating to our future performance.

Forward-looking statements are subject to known and unknown risks and uncertainties, many of which are beyond our control. Our actual results may differ materially from those expressed in, or implied by, the forward-looking statements included in this prospectus as a result of various factors, including, among others:

- our inability to accurately assess our underwriting risk;
- intense competition for business in our industry;
- our inability to maintain our strategic relationship with AmFam;
- a decline in AmFam’s financial strength rating or financial size category;
- exposure to certain risks arising out of our reliance on insurance retail agents, brokers and wholesalers as distribution channels;
- inadequate losses and loss expense reserves to cover our actual losses;
- unexpected changes in the interpretation of our coverage or provisions, including loss limitations and exclusions, in our policies;
- our reinsurers’ failure to reimburse us for claims on a timely basis, or at all;
- adverse economic factors and their impact on our growth and profitability;
- existing or future regulation and our ability to comply with these regulations;
- the loss of one or more key personnel;
- disruptions of our operations due to security breaches, loss of data, cyber-attacks and other information technology failures;
- increased costs as a result of operating as a public company; and
- other risks and uncertainties discussed under the heading “Risk Factors” in this prospectus.

Accordingly, you should read this prospectus completely and with the understanding that our actual future results may be materially different from what we expect.

The forward-looking statements made in this prospectus relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this prospectus to reflect events or circumstances after the date of this prospectus or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements.

#### **USE OF PROCEEDS**

The selling stockholders will receive all of the net proceeds from the sale of shares of our common stock offered pursuant to this prospectus. We will not receive any proceeds from the sale of shares being sold in this offering, including from any exercise by the underwriters of their option to purchase additional shares. The selling stockholders will bear the underwriting commissions and discounts, if any, attributable to their sale of our common stock, and we will bear the remaining expenses. See “Principal and Selling Stockholders.”

## DIVIDEND POLICY

We currently do not intend to declare or pay any cash dividends in the foreseeable future. Any further determination to pay dividends on our common stock will be at the discretion of our board of directors, subject to applicable laws, and will depend on our financial condition, results of operations, capital requirements, general business conditions, legal, tax and regulatory limitations, contractual restrictions and other factors that our board of directors considers relevant.

Our status as a holding company and a legal entity separate and distinct from our subsidiaries affects our ability to pay dividends and make other payments. As a holding company without substantial operations of our own, the principal sources of our funds are dividends and other payments from our subsidiaries. The ability of our insurance company subsidiary to pay dividends to us is subject to limits under insurance laws of the states in which our insurance company subsidiary is domiciled or commercially domiciled. See “Risk Factors—Because we are a holding company and substantially all or a substantial portion of our operations are conducted by our insurance and service company subsidiaries, our ability to achieve liquidity at the holding company, including the ability to pay dividends and service our debt obligations, depends on our ability to obtain cash dividends or other permitted payments from our insurance and service company subsidiaries.” Furthermore, dividends from our insurance company subsidiary are limited by minimum capital requirements in state regulations. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources” and “Regulation.” In addition, our ability to pay cash dividends is currently restricted by the terms of the Credit Agreement. Our future ability to pay cash dividends may also be limited by the terms of any future debt or preferred securities or future credit facility.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion and analysis below includes certain forward-looking statements that are subject to risks, uncertainties and other factors described in the section titled "Risk Factors" in this prospectus. 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 six months ended June 30, 2024 are not necessarily indicative of the results that may be expected for the full year ended December 31, 2024, or for any other future period. The following discussion should be read in conjunction with the annual consolidated financial statements and the notes thereto and unaudited condensed consolidated financial statements and notes thereto included in this prospectus.*

### Overview

We are a profitable and growing company providing specialty P&C products. We focus on providing craft solutions in our specialty lines and classes of business that we believe require deep underwriting and claims expertise in order to produce attractive financial results. We have initially focused on underwriting Casualty, Professional Liability and Healthcare Liability risks where our management team has deep experience. Across our underwriting divisions, our policyholders vary in size, industry and complexity and require specialized, innovative and customized solutions where we individually underwrite and structure policies for each account. As a result, our products are primarily written on an E&S basis, where we have flexibility of rate and policy form. We distribute our products through carefully selected relationships with leading distribution partners in both the wholesale and retail markets.

Our principal objective is to create and sustain superior returns for our stockholders by generating consistent underwriting profits across our product lines and through all market cycles, while prudently managing capital. We believe that our current market opportunity, differentiated expertise, relationships, culture and leadership team position us well to continue to grow our business profitably. We are organized as a single operating and reportable segment.

We founded our business in September 2020, recognizing a favorable pricing environment and a growing and unmet demand from brokers and policyholders for craft solutions and quality service in complex lines of business. We built a nimble, remote-friendly organization able to attract best-in-class talent that we source nationwide to service this demand, with over 220 employees as of June 30, 2024 across the country who are committed to operational excellence and superior service. We are backed by capital provided by GPC Fund and our strategic partner AmFam, a mutual insurer with an "A" (Excellent) financial strength rating from A.M. Best as of June 30, 2024 and approximately \$7.0 billion of policyholder surplus as of December 31, 2023. We originate business on the paper of AmFam through BSUI writing policies issued by AmFam under the name of AmFam and reinsure 100.0% of the insurance business we originate to BICI, our wholly-owned insurance company subsidiary. Our partnership with AmFam has enabled us to grow quickly but prudently, deploying capital and adding employees when business and growth justified.

### Components of Our Results of Operations

#### *Gross written premiums*

Gross written premiums are the amounts received, or to be received, for insurance policies written or assumed by us during a specific period of time without reduction for policy acquisition costs, reinsurance costs or other deductions. The volume of our gross written premiums in any given period is generally influenced by new business submissions, binding of new business submissions into policies, renewals of existing policies and average size and premium rate of bound policies.



### ***Ceded written premiums***

Ceded written premiums are the amount of gross written premiums ceded to reinsurers. We enter into reinsurance contracts to limit our exposure to potential losses. The volume of our ceded written premiums is impacted by the level of our gross written premiums and any decision we make to increase or decrease retention levels and policy limits.

### ***Net written premiums***

Net written premiums are gross written premiums less ceded written premiums.

### ***Net earned premiums***

Net earned premiums represent the earned portion of our net written premiums. Our insurance policies generally have a term of one year but occasionally could be as long as seven years, and premiums are earned pro rata over the term of the policy.

### ***Net losses and loss adjustment expenses***

Net losses and loss adjustment expenses represent the costs incurred for insured losses, which include losses under a claims made or occurrence policy, paid or unpaid, expenses for settling claims, such as attorneys' fees, investigation, appraisal, adjustment, defense costs and a portion of operating expenses allocated to claim resolution, net of any losses ceded to reinsurers. Net losses and loss adjustment expenses also include a provision for claims that have occurred but have not yet been reported to the insurer. These expenses are a function of the amount and type of insurance contracts the Company writes and the loss experience associated with the underlying coverage. In general, our net losses and loss adjustment expenses are affected by:

- the occurrence, frequency and severity of claims associated with the particular types of insurance contracts that we write;
- the mix of business written by us;
- changes in the legal or regulatory environment related to the business we write;
- trends in legal defense costs;
- inflation in the cost of claims, including inflation related to wages, medical costs, and building materials, as well as inflation related to the increase in the severity of claims above general economic inflation (i.e., social inflation); and
- the reinsurance agreements we have in place at the time of a loss.

Net losses and loss adjustment expenses are based on actual losses and expenses, as well as an actuarial analysis of the estimated losses, including losses incurred during the period and changes in estimates from prior periods. Net losses and loss adjustment expenses may be paid out over a period of years.

### ***Net acquisition costs***

Net acquisition costs are principally comprised of commissions we pay to our brokers, a ceding fee we pay to AmFam on net premiums assumed and premium-related taxes, which are net of ceding commissions we receive on business ceded through our reinsurance agreements. Net acquisition costs are deferred and amortized ratably over the terms of the related agreements.

### ***Operating expenses***

Operating expenses represent the general and administrative expenses of our operations including employee compensation and benefits, technology costs, office rent and professional service fees such as legal, accounting and actuarial services.

### ***Net investment income***

We earn interest income on our portfolio of invested assets, which are comprised of fixed maturity securities, cash and cash equivalents, and short-term investments.

### ***Net realized investment gains***

Net realized investment gains are a function of the difference between the amortized cost of securities sold and the proceeds received by the Company upon the sale of a security. Unrealized investment gains (losses) on fixed maturity securities are recorded within accumulated other comprehensive loss on the consolidated balance sheet.

### ***Other insurance-related income***

Other insurance-related income represents revenue we receive for providing insurance-related services.

### ***Non-operating expenses***

Non-operating expenses represent expenses related to various transactions that we consider to be unique and non-recurring in nature, including expenses related to our initial public offering and this secondary offering.

### ***Warrant expense***

Warrant expense represents compensation cost for warrants issued to AmFam for the right to purchase shares of the Company's common stock.

### ***Credit facility interest expenses and fees***

Credit facility interest expenses and fees represent certain costs associated with the Credit Agreement (as defined below), which provides for a senior secured revolving credit facility.

### ***Foreign exchange (gains) losses***

Foreign exchange (gains) losses represent the remeasurement of a non-U.S. dollar operating expense to U.S. dollars due to the fluctuations in the exchange rate. The change in the liability due to the fluctuations in the exchange rate are included within the Consolidated Statements of Income and Comprehensive Income (Loss) at the end of each period.

### ***Income tax expense***

Currently, income tax expense primarily relates to federal income taxes. The amount of income tax expense or benefit recorded in future periods will depend on the jurisdictions in which we operate and the tax laws and regulations in effect.

## **Key Operating and Financial Metrics**

We discuss certain key metrics, described below, which provide useful information about our business and the operational factors underlying our financial performance.

***Underwriting income*** is a non-GAAP financial measure defined as income before income taxes excluding the impact of net investment income, net realized investment gains, other insurance-related income, non-operating expenses, warrant expense, credit facility interest expenses and fees, foreign exchange (gains) losses, and certain strategic initiatives. See "—Reconciliation of Non-GAAP Financial Measures" for a reconciliation of underwriting income to income before income taxes, which is the most directly comparable financial metric prepared in accordance with U.S. GAAP.

***Adjusted net income*** is a non-GAAP financial measure defined as net income excluding the impact of net realized investment gains, non-operating expenses, which include expenses payable by us in connection with this offering, foreign exchange (gains) losses, and certain strategic initiatives. See "—Reconciliation of Non-GAAP

Financial Measures” for a reconciliation of adjusted net income to net income, which is the most directly comparable financial metric prepared in accordance with U.S. GAAP.

**Adjusted return on equity** is a non-GAAP financial measure defined as adjusted net income as a percentage of average beginning and ending mezzanine equity and stockholders’ equity. See “—Reconciliation of Non-GAAP Financial Measures” for a reconciliation of adjusted return on equity to return on equity, which is the most directly comparable financial metric prepared in accordance with U.S. GAAP.

**Diluted adjusted earnings per share** is a non-GAAP financial measure defined as adjusted net income divided by the weighted average common shares outstanding for the period, reflecting the dilution that may occur if equity based awards are converted into common stock equivalents as calculated using the treasury stock method. See “—Reconciliation of Non-GAAP Financial Measures” for a reconciliation of diluted adjusted earnings per share to diluted earnings per share, which is the most directly comparable financial metric prepared in accordance with U.S. GAAP.

**Loss ratio**, expressed as a percentage, is the ratio of net losses and loss adjustment expenses to net earned premiums.

**Expense ratio**, expressed as a percentage, is the ratio of net acquisition costs and operating expenses to net earned premiums.

**Combined ratio**, expressed as a percentage, is the sum of loss ratio and expense ratio.

**Return on equity** is net income as a percentage of average beginning and ending mezzanine equity and stockholders’ equity.

**Six Months Ended June 30, 2024 compared to Six Months Ended June 30, 2023**

The following table summarizes our results of operations for the six months ended June 30, 2024 and 2023:

	Six Months Ended June 30,			
	2024	2023	\$ Change	% Change
	(\$ in thousands, except percentages and per share data)			
Gross written premiums	\$ 313,971	\$ 212,448	\$ 101,523	47.8 %
Ceded written premiums	(111,066)	(72,059)	(39,007)	54.1 %
Net written premiums	\$ 202,905	\$ 140,389	\$ 62,516	44.5 %
<b>Revenues</b>				
Net earned premiums	\$ 173,067	\$ 117,036	\$ 56,031	47.9 %
Net investment income	16,437	7,401	9,036	122.1 %
Net realized investment gains	2	—	2	NM
Other insurance-related income	63	63	—	0.8 %
Total revenues	189,569	124,500	65,069	52.3 %
<b>Expenses</b>				
Net losses and loss adjustment expenses	113,338	70,868	42,470	59.9 %
Net acquisition costs	14,104	9,531	4,573	48.0 %
Operating expenses	43,377	29,080	14,297	49.2 %
Non-operating expenses	1,698	—	1,698	NM
Warrant expense	332	—	332	NM
Credit facility interest expenses and fees	224	—	224	NM
Foreign exchange (gains) losses	30	(19)	49	(256.9) %
Total expenses	173,103	109,460	63,643	58.1 %
Income before income taxes	16,466	15,040	1,426	9.5 %
Income tax expense	(3,921)	(3,485)	(436)	12.5 %
<b>Net income</b>	<b>\$ 12,545</b>	<b>\$ 11,555</b>	<b>\$ 990</b>	<b>8.6 %</b>
<b>Key Operating and Financial Metrics:</b>				
Underwriting income <sup>(1)</sup>	\$ 4,981	\$ 7,557	\$ (2,576)	(34.1) %
Adjusted net income <sup>(1)</sup>	16,068	11,540	4,528	39.2 %
Loss ratio	65.5 %	60.6 %		
Expense ratio	33.2 %	32.9 %		
Combined ratio	98.7 %	93.5 %		
Return on equity <sup>(2)</sup>	9.4 %	22.0 %		
Adjusted return on equity <sup>(1)(2)</sup>	12.1 %	22.0 %		
Diluted earnings per share	\$ 0.48	\$ 0.48		
Diluted adjusted earnings per share <sup>(1)</sup>	\$ 0.62	\$ 0.48		

NM — Percentage change is not meaningful.

(1) Non-GAAP financial measure. See “—Reconciliation of Non-GAAP Financial Measures” for a reconciliation of the non-GAAP financial measure in accordance with the most directly comparable U.S. GAAP measure.

(2) For the six months ended June 30, 2024 and 2023, net income and adjusted net income are annualized to arrive at return on equity and adjusted return on equity.

## Premiums

The following table presents gross written premiums by underwriting division for the six months ended June 30, 2024 and 2023:

	Six Months Ended June 30,					
	2024		2023		\$ Change	% Change
		% of Total		% of Total		
<i>(\$ in thousands, except percentages)</i>						
Casualty	\$ 205,730	65.5 %	\$ 118,597	55.8 %	\$ 87,133	73.5 %
Professional Liability	69,679	22.2 %	62,302	29.3 %	7,377	11.8 %
Healthcare Liability	38,562	12.3 %	31,549	14.9 %	7,013	22.2 %
<b>Gross written premiums</b>	<b>\$ 313,971</b>	<b>100.0 %</b>	<b>\$ 212,448</b>	<b>100.0 %</b>	<b>\$ 101,523</b>	<b>47.8 %</b>

Gross written premiums increased \$101.5 million, or 47.8%, to \$314.0 million for the six months ended June 30, 2024 from \$212.4 million for the six months ended June 30, 2023. The increase in gross written premiums was driven by new business, renewals and continued growth in our platform across all three divisions. For the six months ended June 30, 2024 and June 30, 2023, E&S business made up 75.5% and 79.4% of gross written premiums, respectively, while admitted business made up 24.5% and 20.6%, respectively. The 3.9 point decrease in the proportion of E&S business written was driven by the Casualty division, where an admitted product was required on specialty business written.

Net written premiums increased \$62.5 million, or 44.5%, to \$202.9 million for the six months ended June 30, 2024 from \$140.4 million for the six months ended June 30, 2023. The increase in net written premiums was primarily due to the growth in gross written premiums for the six months ended June 30, 2024, partially offset by the increase in ceded written premium primarily due to the volume of written premiums subject to the ceded quota share reinsurance treaties within our Casualty underwriting division.

Net earned premiums increased \$56.0 million, or 47.9%, to \$173.1 million for the six months ended June 30, 2024 from \$117.0 million for the six months ended June 30, 2023. The increase in net earned premiums was primarily due to the earning of increased gross written premiums offset by the earning of increased ceded written premiums under our ceded reinsurance treaties.

## Loss ratio

Our loss ratio was 65.5% for the six months ended June 30, 2024 compared to 60.6% for the six months ended June 30, 2023, or an increase of 4.9 points. In the fourth quarter of 2023, we utilized updated current accident year loss ratios reflecting higher industry loss ratios for the Casualty division, which was carried into our year to date loss ratios. As the Casualty division comprised 85.8% of the \$101.5 million increase in gross written premiums for the six months ended June 30, 2024 compared to June 30, 2023 and comprised 65.5% of the our gross written premiums compared to 55.8% in the six months ended June 30, 2023, the increase in our loss ratio is primarily driven by the increase in the proportion of business associated with the higher industry loss ratio for the Casualty division.

The following table summarizes the components of our loss ratio for the six months ended June 30, 2024 and 2023:

	Six Months Ended June 30,			
	2024		2023	
	Net Losses and Loss Adjustment Expenses	% of Net Earned Premiums	Net Losses and Loss Adjustment Expenses	% of Net Earned Premiums
<i>(\$ in thousands, except percentages)</i>				
Current accident year	\$ 113,338	65.5 %	\$ 70,411	60.2 %
Prior accident year reserve development	—	— %	457	0.4 %
<b>Total</b>	<b>\$ 113,338</b>	<b>65.5 %</b>	<b>\$ 70,868</b>	<b>60.6 %</b>

### Expense ratio

Our expense ratio was 33.2% for the six months ended June 30, 2024 compared to 32.9% for the six months ended June 30, 2023, an increase of 0.3 points.

The following table summarizes the components of the expense ratio for the six months ended June 30, 2024 and 2023:

	Six Months Ended June 30,			
	2024		2023	
	Expenses	% of Net Earned Premium	Expenses	% of Net Earned Premium
	<i>(\$ in thousands, except percentages)</i>			
Net acquisition costs	\$ 14,104	8.1 %	\$ 9,531	8.1 %
Operating expenses	43,377	25.1 %	29,080	24.8 %
<b>Total expense ratio</b>	<b>\$ 57,481</b>	<b>33.2 %</b>	<b>\$ 38,611</b>	<b>32.9 %</b>

The increase in the expense ratio for the six months ended June 30, 2024 was primarily driven by our continued investment in the business and the \$1.3 million acceleration of remaining stock-based compensation costs associated with Class P Interests through operating expenses. See Note 9, “Stock-Based Compensation,” in our condensed consolidated financial statements included in this prospectus for additional information on our stock-based compensation. Excluding this one-time non-cash expense, our expense ratio for the six months ended June 30, 2024 was 32.4%.

Gross acquisition costs as a percentage of gross earned premiums was 15.5% for the six months ended June 30, 2024 compared to 15.1% for the six months ended June 30, 2023, and ceded earned commissions as a percentage of ceded earned premium was 29.0% for the six months ended June 30, 2024 compared to 29.7% for the six months ended June 30, 2023.

### Combined ratio

The combined ratio was 98.7% for the six months ended June 30, 2024, compared to 93.5% for the six months ended June 30, 2023. The 5.2 point increase was due to the 4.9 point increase in the loss ratio and the 0.3 point increase in the expense ratio.

### Return on equity<sup>(1)</sup>

Return on equity was 9.4% for the six months ended June 30, 2024, compared to 22.0% for the six months ended June 30, 2023. The 12.6 point decrease was driven by the \$147.8 million increase in stockholders’ equity and a \$3.2 million reduction in after tax net income as a result of our initial public offering. Costs incurred as a result of our initial public offering included non-deferrable and non-recurring costs directly attributable to our initial public offering, which are disclosed as non-operating expenses within the Condensed Consolidated Statements of Income and Comprehensive Income, and additional expenses that were incurred as a result of our initial public offering, which included the acceleration of remaining stock-based compensation costs associated with the Class P interests, expenses associated with the issuances of RSUs, PSUs and warrants, and deferred financing costs associated with the establishment of our Facility. The increase in stockholders’ equity from December 31, 2023 was driven by net proceeds from our initial public offering, net income and capital contributions from BIHL.

(1) For the six months ended June 30, 2024 and 2023, net income is annualized to arrive at return on equity.

### Investing results

Net investment income increased \$9.0 million to \$16.4 million for the six months ended June 30, 2024 from \$7.4 million for the six months ended June 30, 2023. The increase in net investment income is primarily due to a higher average balance of investments during the six months ended June 30, 2024 and higher yields on invested assets.

### Income tax expense

Income tax expense was \$3.9 million for the six months ended June 30, 2024, compared to \$3.5 million for the six months ended June 30, 2023. Our effective tax rate was 23.8% for the six months ended June 30, 2024, compared to 23.2% for the six months ended June 30, 2023. The effective tax rate may vary slightly from the statutory tax rate due to state taxes and certain tax adjustments for permanent differences.

### Year ended December 31, 2023 compared to year ended December 31, 2022

The following table summarizes our results of operations for the years ended December 31, 2023 and 2022:

	Years Ended December 31,			
	2023	2022	\$ Change	% Change
	(\$ in thousands, except percentages)			
Gross written premiums	\$ 507,688	\$ 356,948	\$ 150,740	42.2 %
Ceded written premiums	(173,016)	(111,834)	(61,182)	54.7 %
Net written premiums	\$ 334,672	\$ 245,114	\$ 89,558	36.5 %
Revenues				
Net earned premiums	\$ 263,902	\$ 182,863	\$ 81,039	44.3 %
Net investment income	19,371	4,725	14,646	310.0 %
Other insurance-related income	125	14	111	765.0 %
Total revenues	283,398	187,602	95,796	51.1 %
Expenses				
Net losses and loss adjustment expenses	166,282	111,761	54,521	48.8 %
Net acquisition costs	20,935	15,194	5,740	37.8 %
Operating expenses	63,456	45,986	17,471	38.0 %
Non-operating expenses	630	—	630	NM
Foreign exchange (gains) losses	(20)	—	(20)	NM
Total expenses	251,283	172,941	78,342	45.3 %
Income before income taxes	32,115	14,661	17,454	119.0 %
Income tax expense	(7,068)	(3,405)	(3,662)	107.5 %
Net income	\$ 25,047	\$ 11,256	\$ 13,791	122.5 %
<b>Key Operating and Financial Metrics:</b>				
Underwriting income <sup>(1)</sup>	\$ 14,035	\$ 9,922	\$ 4,113	41.5 %
Adjusted net income <sup>(1)</sup>	26,152	11,256	14,896	132.3 %
Loss ratio	63.0 %	61.1 %		
Expense ratio	32.0 %	33.5 %		
Combined ratio	95.0 %	94.6 %		
Return on equity	18.2 %	13.1 %		
Adjusted return on equity <sup>(1)</sup>	19.0 %	13.1 %		
Diluted earnings per share	\$ 1.04	\$ 0.47		
Diluted adjusted earnings per share <sup>(1)</sup>	\$ 1.09	\$ 0.47		

NM — Percentage change is not meaningful.

(1) Non-GAAP financial measure. See “—Reconciliation of Non-GAAP Financial Measures” for a reconciliation of the non-GAAP financial measure in accordance with the most directly comparable U.S. GAAP measure.

Our net income was \$25.0 million for the year ended December 31, 2023 compared to \$11.3 million for the year ended December 31, 2022, an increase of \$13.8 million, or 122.5%, due to continued profitable growth and an increase in net investment income driven by higher investment balances and higher interest rates, partially offset by increases in operating and non-operating expenses.

### Premiums

The following table presents gross written premiums by underwriting division for the years ended December 31, 2023 and 2022:

	Years Ended December 31,					
	2023	% of Total	2022	% of Total	\$ Change	% Change
	<i>(\$ in thousands, except percentages)</i>					
Casualty	\$ 277,455	54.7 %	\$ 192,592	54.0 %	\$ 84,863	44.1 %
Professional Liability	145,251	28.6 %	105,367	29.5 %	39,884	37.9 %
Healthcare Liability	84,982	16.7 %	58,989	16.5 %	25,993	44.1 %
<b>Gross written premiums</b>	<b>\$ 507,688</b>	<b>100.0 %</b>	<b>\$ 356,948</b>	<b>100.0 %</b>	<b>\$ 150,740</b>	<b>42.2 %</b>

Gross written premiums increased \$150.7 million, or 42.2%, to \$507.7 million for the year ended December 31, 2023 from \$356.9 million for the year ended December 31, 2022. The increase in gross written premiums was due to new business generated by the continued growth of our platform, of which \$102.0 million came from the wholesale distribution channel, representing a 42.8% increase compared to the year ended December 31, 2022, and of which \$48.7 million came from the retail distribution channel, representing a 41.1% increase compared to the year ended December 31, 2022. Within the wholesale distribution channel, the Casualty division increased \$84.3 million, or 44.1%, the Professional Liability division increased \$10.8 million, or 31.2%, and the Healthcare Liability division increased \$6.9 million, or 60.4%, respectively, compared to the year ended December 31, 2022. Within the retail distribution channel, the Professional Liability division increased \$29.1 million, or 40.9%, and the Healthcare Liability division increased \$19.1 million, or 40.1%, respectively, compared to the year ended December 31, 2022.

Net written premiums increased \$89.6 million, or 36.5%, to \$334.7 million for the year ended December 31, 2023 from \$245.1 million for the year ended December 31, 2022. The increase in net written premiums was primarily due to the growth in gross written premiums for the year ended December 31, 2023, partially offset by the increase in ceded written premium primarily due to the volume of written premiums subject to quota share reinsurance treaties within our Professional Liability underwriting division.

Net earned premiums increased \$81.0 million, or 44.3%, to \$263.9 million for the year ended December 31, 2023 from \$182.9 million for the year ended December 31, 2022. The increase in net earned premiums was primarily due to the earning of increased gross written premiums offset by the earning of increased ceded written premiums under reinsurance agreements.

### Loss ratio

Our loss ratio was 63.0% for the year ended December 31, 2023 compared to 61.1% for the year ended December 31, 2022, or an increase of 1.9 points. The increase in the loss ratio was primarily driven by the increase in current accident year loss ratio for the Casualty division, which comprised approximately 54.7% of the Company's gross written premium, and a lower proportion of Casualty policies with limits that attached to the excess of loss reinsurance treaty.



The following table summarizes the effect of the factors indicated above on the loss ratio for the years ended December 31, 2023 and 2022:

	Years Ended December 31,			
	2023		2022	
	Net losses and loss adjustment expenses	% of net earned premiums	Net losses and loss adjustment expenses	% of net earned premiums
	<i>(\$ in thousands, except percentages)</i>			
Current accident year	\$ 166,282	63.0 %	\$ 114,067	62.4 %
Prior accident year reserve development	—	— %	(2,306)	(1.3) %
<b>Total</b>	<b>\$ 166,282</b>	<b>63.0 %</b>	<b>\$ 111,761</b>	<b>61.1 %</b>

#### **Expense ratio**

Our expense ratio was 32.0% for the year ended December 31, 2023 compared to 33.5% for the year ended December 31, 2022, a decrease of 1.5 points.

The following table summarizes the components of the expense ratio for the years ended December 31, 2023 and 2022:

	Years Ended December 31,			
	2023		2022	
	Expenses	% of Net Earned Premiums	Expenses	% of Net Earned Premiums
	<i>(\$ in thousands, except percentages)</i>			
Net acquisition costs	\$ 20,935	7.9 %	\$ 15,194	8.3 %
Operating expenses	63,456	24.0 %	45,986	25.1 %
<b>Total</b>	<b>\$ 84,391</b>	<b>32.0 %</b>	<b>\$ 61,180</b>	<b>33.5 %</b>

The decrease in the expense ratio for the year ended December 31, 2023 was primarily due to the increase in net earned premiums more than offsetting the dollar increase in net acquisition costs and operating expenses.

Gross acquisition costs as a percentage of gross earned premiums was 15.0% for the years ended December 31, 2023 and December 31, 2022, and ceded earned commissions as a percentage of ceded earned premium was 29.4% for the year ended December 31, 2023 compared to 29.6% for the year ended December 31, 2022.

#### **Combined ratio**

The combined ratio was 95.0% for the year ended December 31, 2023, compared to 94.6% for the year ended December 31, 2022. The increase in the combined ratio was due to the increase in the loss ratio partially offset by the decrease in the expense ratio.

#### **Investing results**

Net investment income increased \$14.6 million to \$19.4 million for the year ended December 31, 2023 from \$4.7 million for the year ended December 31, 2022. The increase in net investment income is primarily due to a higher average balance of investments during the year ended December 31, 2023 and higher yields on invested assets.

#### **Income tax expense**

Income tax expense was \$7.1 million for the year ended December 31, 2023, compared to \$3.4 million for the year ended December 31, 2022. Our effective tax rate was 22.0% for the year ended December 31, 2023, compared to 23.2% for the year ended December 31, 2022. The Company's provision for income taxes generally does not

deviate substantially from the statutory rate. The effective tax rate may vary slightly from the statutory tax rate due to state taxes and certain tax adjustments for permanent differences.

## Reconciliation of Non-GAAP Financial Measures

### Underwriting income

We define underwriting income as income before income taxes excluding the impact of net investment income, net realized investment gains, other insurance-related income, non-operating expenses, warrant expense, credit facility interest expenses and fees, foreign exchange (gains) losses, and certain strategic initiatives. Underwriting income represents the pre-tax profitability of the Company's underwriting operations and allows us to evaluate our underwriting performance without regard to net investment income. We use this metric as we believe it gives our management and other users of our financial information useful insight into our underlying business performance. Underwriting income should not be viewed as a substitute for income before income taxes calculated in accordance with U.S. GAAP, and other companies may define underwriting income differently.

Underwriting income for the six months ended June 30, 2024 and 2023 reconciles to income before income taxes as follows:

	Six Months Ended June 30,	
	2024	2023
	(\$ in thousands)	
Income before income taxes	\$ 16,466	\$ 15,040
Adjustments:		
Net investment income	(16,437)	(7,401)
Net realized investment gains	(2)	—
Other insurance-related income	(63)	(63)
Non-operating expenses	1,698	—
Warrant expense	332	—
Credit facility interest expenses and fees	224	—
Foreign exchange (gains) losses	30	(19)
Strategic initiatives <sup>(1)</sup>	2,733	—
<b>Underwriting income</b>	<b>\$ 4,981</b>	<b>\$ 7,557</b>

(1) Strategic initiatives for the six months ended June 30, 2024 represents costs incurred to set up our Baleen Specialty division, which is recorded in operating expenses within the Condensed Consolidated Statements of Income and Comprehensive Income. The costs incurred primarily represent expenses to implement the new platform and processes supporting the Baleen Specialty division. See "Business— Our Strategy."

Underwriting income for the years ended December 31, 2023 and 2022 reconciles to income before income taxes as follows:

	Years Ended December 31,	
	2023	2022
	(\$ in thousands)	
<b>Income before income taxes</b>	<b>\$ 32,115</b>	<b>\$ 14,661</b>
Adjustments:		
Net investment income	(19,371)	(4,725)
Other insurance-related income	(125)	(14)
Foreign exchange (gains) losses	(20)	—
Non-operating expenses	630	—
Strategic initiatives <sup>(1)</sup>	806	—
<b>Underwriting income</b>	<b>\$ 14,035</b>	<b>\$ 9,922</b>

(1) Strategic initiatives for the year ended December 31, 2023 represents costs incurred to set up our Baleen Specialty division, which is recorded in operating expenses within the Consolidated Statements of Income and Comprehensive Income (Loss). The costs incurred primarily represent expenses to implement the new platform and processes supporting the Baleen Specialty division. See “Business— Our Strategy”

#### **Adjusted net income**

We define adjusted net income as net income excluding the impact of net realized investment gains, non-operating expenses, foreign exchange (gains) losses, and certain strategic initiatives. Adjusted net income excludes the impact of certain items that may not be indicative of underlying business trends, operating results, or future outlook, net of tax impact. We calculate the tax impact only on adjustments which would be included in calculating our income tax expense using the estimated tax rate at which we received a deduction for these adjustments. We use adjusted net income as an internal performance measure in the management of our operations because we believe it gives our management and other users of our financial information useful insight into our results of operations and our underlying business performance. Adjusted net income should not be viewed as a substitute for net income calculated in accordance with U.S. GAAP, and other companies may define adjusted net income differently.

Adjusted net income for the six months ended June 30, 2024 and 2023 reconciles to net income as follows:

	Six Months Ended June 30,			
	2024		2023	
	Before income taxes	After income taxes	Before income taxes	After income taxes
	(\$ in thousands)			
Income as reported	\$ 16,466	\$ 12,545	\$ 15,040	\$ 11,555
Adjustments:				
Net realized investment gains	(2)	(2)	—	—
Non-operating expenses	1,698	1,698	—	—
Foreign exchange (gains) losses	30	30	(19)	(19)
Strategic initiatives <sup>(1)</sup>	2,733	2,733	—	—
Tax impact	—	(936)	—	4
<b>Adjusted net income</b>	<b>\$ 20,925</b>	<b>\$ 16,068</b>	<b>\$ 15,021</b>	<b>\$ 11,540</b>

(1) Strategic initiatives for the six months ended June 30, 2024 represents costs incurred to set up our Baleen Specialty division, which is recorded in operating expenses within the Condensed Consolidated Statements of Income and Comprehensive Income. The costs incurred primarily represent expenses to implement the new platform and processes supporting the Baleen Specialty division. See “Business— Our Strategy.”

Adjusted net income for the years ended December 31, 2023 and 2022 reconciles to net income as follows:

	Years Ended December 31,			
	2023		2022	
	Before income taxes	After income taxes	Before income taxes	After income taxes
	<i>(\$ in thousands)</i>			
Income as reported	\$ 32,115	\$ 25,047	\$ 14,661	\$ 11,256
Adjustments:				
Foreign exchange (gains) losses	(20)	(20)	—	—
Non-operating expenses	630	630	—	—
Strategic initiatives <sup>(1)</sup>	806	806	—	—
Tax impact	—	(311)	—	—
<b>Adjusted net income</b>	<b>\$ 33,531</b>	<b>\$ 26,152</b>	<b>\$ 14,661</b>	<b>\$ 11,256</b>

(1) Strategic initiatives for the year ended December 31, 2023 represents costs incurred to set up our Baleen Specialty division, which is recorded in operating expenses within the Consolidated Statements of Income and Comprehensive Income (Loss). The costs incurred primarily represent expenses to implement the new platform and processes supporting the Baleen Specialty division. See "Business— Our Strategy"

#### Adjusted return on equity

We define adjusted return on equity as adjusted net income as a percentage of average beginning and ending mezzanine equity and stockholders' equity. We use adjusted return on equity as an internal performance measure in the management of our operations because we believe it gives our management and other users of our financial information useful insight into our results of operations and our underlying business performance. Adjusted return on equity should not be viewed as a substitute for return on equity calculated in accordance with U.S. GAAP, and other companies may define adjusted return on equity differently.

Adjusted return on equity for the six months ended June 30, 2024 and 2023 reconciles to return on equity as follows:

	Six Months Ended June 30,	
	2024	2023
	<i>(\$ in thousands, except percentages)</i>	
Numerator: Adjusted net income <sup>(1)</sup>	\$ 32,135	\$ 23,079
Denominator: Average mezzanine equity and stockholders' equity	265,971	105,008
<b>Adjusted return on equity</b>	<b>12.1 %</b>	<b>22.0 %</b>

(1) For the six months ended June 30, 2024 and 2023, net income and adjusted net income are annualized to arrive at return on equity and adjusted return on equity.

Adjusted return on equity for the years ended December 31, 2023 and 2022 reconciles to return on equity as follows:

	Year Ended December 31,	
	2023	2022
	<i>(\$ in thousands, except percentages)</i>	
Numerator: Adjusted net income	\$ 26,152	\$ 11,256
Denominator: Average mezzanine equity and stockholders' equity	137,726	86,050
<b>Adjusted return on equity</b>	<b>19.0 %</b>	<b>13.1 %</b>

### ***Diluted adjusted earnings per share***

We define diluted adjusted earnings per share as adjusted net income divided by the weighted average common shares outstanding for the period, reflecting the dilution that may occur if equity based awards are converted into common stock equivalents as calculated using the treasury stock method. We use diluted adjusted earnings per share as an internal performance measure in the management of our operations because we believe it gives our management and other users of our financial information useful insight into our results of operations and our underlying business performance. Diluted adjusted earnings per share should not be viewed as a substitute for diluted earnings per share calculated in accordance with U.S. GAAP, and other companies may define diluted adjusted earnings per shares differently

Diluted adjusted earnings per share for the six months ended June 30, 2024 and 2023 reconciles to diluted earnings per share as follows:

	<b>Six Months Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
	<i>(\$ in thousands, except share and per share data)</i>	
Numerator: Adjusted net income	\$ 16,068	\$ 11,540
Denominator: Diluted weighted average shares outstanding	25,885,554	24,000,000
<b>Diluted adjusted earnings per share</b>	<b>\$ 0.62</b>	<b>\$ 0.48</b>

Diluted adjusted earnings per share for the years ended December 31, 2023 and 2022 reconciles to diluted earnings per share as follows:

	<b>Years Ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<i>(\$ in thousands, except share and per share data)</i>	
Numerator: Adjusted net income	\$ 26,152	\$ 11,256
Denominator: Diluted weighted average shares outstanding	24,000,000	24,000,000
<b>Diluted adjusted earnings per share</b>	<b>\$ 1.09</b>	<b>\$ 0.47</b>

## Liquidity and Capital Resources

### *Sources and Uses of Funds*

We are organized as a Delaware holding company with our operations primarily conducted by our wholly-owned insurance company subsidiary, BICI, domiciled in the State of Wisconsin, BSUI, our managing general agency, and Bowhead Underwriting Services, Inc., our wholly-owned services company subsidiary (“BUSI”).

We may receive cash through (i) drawing on the Facility (as defined below) that we entered into on April 22, 2024, (ii) capital contributions or issuance of equity and debt securities, (iii) payments from our subsidiaries pursuant to our consolidated tax allocation agreement and other transactions and (iv) dividends from our insurance company subsidiary. We also may use the proceeds from these sources to contribute funds to our insurance company subsidiary in order to support premium growth, pay dividends and taxes and for other business purposes.

We file a consolidated U.S. federal income tax return with our subsidiaries, and under our tax allocation agreement, each participant is charged or refunded taxes according to the amount that the participant would have paid or received had it filed on a separate return basis with the Internal Revenue Service.

Our insurance company subsidiary, BICI, is licensed and domiciled in the State of Wisconsin. Under Wisconsin law, BICI is required to maintain specified levels of statutory capital and surplus and is restricted by law as to the amount of dividends it can pay without the approval of regulatory authorities. BICI is restricted from paying dividends by the lesser of: (i) 10% of statutory capital and surplus as of the preceding December 31, or; (ii) the greater of: (A) statutory net income for the calendar year preceding the date of the dividend distribution, minus realized capital gains for that year, or (B) aggregate of net income for the three months preceding the date of the dividend or distribution, minus realized capital gains for those calendar years and minus dividends paid or credited and distributions made within the first two of the preceding three calendar years. As of December 31, 2023, the maximum dividend that BICI could pay without the approval of regulatory authorities was \$2.9 million. Insurance regulators have broad powers to prevent the reduction of statutory surplus to inadequate levels, and there is no assurance that dividends of the maximum amounts calculated under any applicable formula would be permitted. State insurance regulatory authorities that have jurisdiction over the payment of dividends by our insurance company subsidiary may in the future adopt statutory provisions more restrictive than those currently in effect.

As of June 30, 2024, our holding company had \$140.1 million in cash and investments. We believe we have sufficient liquidity available at our holding company and subsidiaries to meet our operating cash needs and obligations for the next 12 months.

### *Revolving Credit Facility*

On April 22, 2024, we entered into a Credit Agreement (the “Credit Agreement”) with certain lenders and JPMorgan Chase Bank, N.A., as administrative agent, swingline lender and issuing bank. The Credit Agreement provides for a senior secured revolving credit facility (the “Facility”) in the aggregate principal amount of \$75 million, which includes a \$5 million sub-facility for letters of credit. All obligations under the Facility and obligations in respect of certain cash management services and swap agreements with the lenders and their affiliates are (i) unconditionally guaranteed by certain of our subsidiaries and (ii) secured by a first-priority perfected lien in substantially all of our and the subsidiaries guarantors’ assets. The Credit Agreement contains certain customary covenants, including financial maintenance covenants. We were in compliance with all of the Facility’s covenants as of June 30, 2024. The Facility matures on the earlier of April 22, 2027, or 91 days prior to the MGA Agreement termination date where no MGA Agreement replacement is found. We may request that the lenders extend the maturity date by an additional year, provided that the request is made no earlier than 90 days and no later than 55 days prior to the first or second anniversary of the effective date of the days prior to the first or second anniversary of the effective date of the Facility.

As of June 30, 2024, we did not have any borrowings outstanding under the Facility.

### Cash Flows

Our most significant source of cash is from premiums received, which, for most policies, we receive at the beginning of the coverage period, net of the related commission for the policies. Our most significant cash outflows include 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. We also use cash to pay ceded reinsurance premiums, net of ceding commissions received, and for payment of ongoing operating expenses, such as employee compensation and benefits, technology costs, office rent and professional service fees.

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. We believe that cash receipts from premiums and proceeds from net investment income are sufficient to cover cash outflows in the foreseeable future.

Our cash flows for the six months ended June 30, 2024 and 2023 were as follows:

	Six Months Ended June 30,	
	2024	2023
	(\$ in thousands)	
Net cash provided by operating activities	\$ 113,416	\$ 86,580
Net cash used in investing activities	(168,188)	(115,212)
Net cash provided by financing activities	133,822	31,000
<b>Net change in cash, cash equivalents and restricted cash</b>	<b>\$ 79,050</b>	<b>\$ 2,368</b>

The increase in cash provided by operating activities in the six months ended June 30, 2024 compared to the six months ended June 30, 2023 was primarily due to the growth in our business operations compared to the timing of claim payments and subsequent reinsurance recoveries, which occur later than cash collections on premiums.

For the six months ended June 30, 2024, net cash used in investing activities was \$168.2 million due to growth in our business operations. For the six months ended June 30, 2024, funds from operations and net proceeds from our initial public offering were used to purchase fixed maturity securities and short-term investments of \$219.8 million. During the six months ended June 30, 2024, we received proceeds of \$57.0 million from sales of fixed maturity securities and short-term investments. Net cash used in investing activities also includes purchases of property and equipment of \$1.6 million.

For the six months ended June 30, 2023, net cash used in investing activities was \$115.2 million. For the six months ended June 30, 2023, funds from operations were used to purchase fixed maturity securities, and short-term investments of \$161.0 million. During the six months ended June 30, 2023, we received proceeds of \$12.8 million from sales of fixed maturity securities. Net cash used in investing activities also includes purchases of property and equipment of \$1.8 million.

For the six months ended June 30, 2024, net cash provided by financing activities was \$133.8 million and primarily reflected net proceeds from the initial public offering. For the six months ended June 30, 2023, net cash provided by financing activities was \$31.0 million and reflected capital contributions from BIHL.

Our cash flows for the years ended December 31, 2023 and 2022 were as follows:

	Years Ended December 31,	
	2023	2022
	<i>(\$ in thousands)</i>	
Net cash provided by operating activities	\$ 236,225	\$ 181,644
Net cash used in investing activities	(274,765)	(187,458)
Net cash provided by (used in) financing activities	77,656	(1,000)
<b>Net change in cash, cash equivalents and restricted cash</b>	<b>\$ 39,117</b>	<b>\$ (6,814)</b>

The increase in cash provided by operating activities in the year ended December 31, 2023 compared to the year ended December 31, 2022 was due primarily to growth in our business operations compared to the timing of claim payments and subsequent reinsurance recoveries, which occur later than cash collections on premiums.

For the year ended December 31, 2023, net cash used in investing activities was \$274.8 million due to growth in our business operations. For the year ended December 31, 2023, funds from operations and capital contributions from BIHL were used to purchase fixed maturity securities, and short-term investments of \$367.2 million. During the year ended December 31, 2023, we received proceeds of \$96.3 million from sales of fixed maturity securities and short term investments. Net cash used in investing activities also includes purchases of property and equipment of \$3.8 million.

For the year ended December 31, 2022, net cash used in investing activities was \$187.5 million. For the year ended December 31, 2022, funds from operations were used to purchase fixed maturity securities, and short-term investments of \$198.3 million. During the year ended December 31, 2022, we received proceeds of \$14.8 million from sales of fixed maturity securities. Net cash used in investing activities also includes purchases of property and equipment of \$4.0 million.

For the year ended December 31, 2023, net cash provided by financing activities was \$77.7 million and reflected capital contributions from BIHL. For the year ended December 31, 2022, net cash used in financing activities was \$1.0 million and reflected capital distributions to BIHL of \$25.0 million offset by capital contributions from BIHL of \$24.0 million.



## ***Reinsurance***

We purchase various forms of reinsurance to manage loss exposures and safeguard our capital. Through reinsurance, we transfer certain exposures to a reinsurer, and in return the reinsurer receives a portion of the premium (less a ceding commission paid to us). We strategically use a combination of quota share and excess of loss reinsurance treaties to retain risk (and premium) we underwrite while providing balance sheet protection from larger losses.

A quota share reinsurance treaty is an agreement where reinsurers assume a percentage of the company's losses in exchange for a negotiated percentage of premium. An excess of loss reinsurance treaty is an agreement where reinsurers agree to assume a portion of losses for a specific event in excess of a specified amount in return for a negotiated premium. Reinsurance needs are determined with principal input from our Chief Underwriting Officer based on a multitude of factors, including risk appetite, market conditions, loss history and reinsurance capacity.

We place reinsurance through our subsidiary, BICI, which reinsures 100.0% of the premium placed by BSUI under the Quota Share Agreement. In turn, BICI strategically transfers exposures to third-party reinsurers utilizing different structures depending on the line of business.

While we offer up to \$15.0 million of limit on our insurance policies, we generally seek not to retain more than \$5.0 million of risk per policy and seek to utilize reinsurance to achieve that objective. At each renewal, we consider various factors when determining our reinsurance coverage, including (i) plans to change the underlying insurance coverage we offer, (ii) trends in loss activity, (iii) the level of our capital and surplus, (iv) changes in our risk appetite and (v) the cost, terms and availability of reinsurance coverage.

Currently, all of our lines of business (except our Cyber line of business within our Professional Liability division) use a quota share reinsurance treaty where 25.0% of the exposure is ceded to reinsurers. Additionally, all of our lines of business (except Cyber) use an excess of loss reinsurance treaty ceding 60.1% of losses in excess of \$5.0 million up to \$15.0 million to our reinsurers. Cyber, as a specialized line of business, is placed under a separate quota share structure under which we currently cede 64.0% of the exposure to reinsurers. The only reinsurance covering our Cyber line of business is pursuant to this Cyber-specific quota share reinsurance agreement. Our Cyber line of business does not benefit from our excess of loss reinsurance program and there is no separate excess of loss reinsurance program for our Cyber line of business. In addition to the core treaties outlined above, we may also place additional reinsurance on specific risk classes, as we deem prudent. For example, on March 1, 2024, we placed a quota share treaty covering commercial auto exposure in excess of \$1.0 million up to \$5.0 million within our Casualty line of business. Our reinsurance treaties are currently subject to caps which currently range from 250% to 350% of the subject matter ceded premium and should these caps be exceeded we would retain any losses in excess of those caps.

Our reinsurance treaties typically have a 12- or 18-month term. During each renewal cycle, we may change our coverage terms or the composition of our reinsurance panel. Currently, the quota share reinsurance treaty for Cyber generally renews on January 1, 2025 while the remainder of our reinsurance treaties renewed on May 1, 2024. Although exact cession percentages and specific coverage terms may vary at each treaty renewal, we intend to renew on similar terms as expiring to maintain our desired level of net risk appetite.

The following table summarizes the Company's top five reinsurers, their A.M. Best financial strength rating and percent of total reinsurance recoverable as of June 30, 2024:

Reinsurer	A.M. Best Rating	% of Total
Renaissance Reinsurance U.S. Inc	A+	29.7%
Endurance Assurance Corporation	A+	24.0%
Markel Global Reinsurance Company	A	22.7%
Ascot Bermuda Limited	A	9.1%
Partner Reinsurance Company of the U.S.	A+	6.1%
All other reinsurers	At least A	8.4%
<b>Total</b>		<b>100.0%</b>

### Contractual Obligations and Commitments

We have entered into software service agreements that have purchase obligations depending on the amount of premiums written. The fixed and determinable portion of these purchase obligations were approximately \$0.5 million due in 2024 and \$1.8 million due for the years 2025 - 2028 at June 30, 2024. The obligations will increase depending on the amount of premium written by the Company over the respective years.

We have entered into two office lease agreements for our New York and Chicago offices, and a sublease agreement for an additional office in New York. These are all classified as operating leases. These leases expire in August 2024, May 2025, and December 2027 respectively. The lease for our Chicago office contains an option to extend the length of the lease term. We are not reasonably certain that we will exercise the option to extend these leases. As of June 30, 2024, the discounted operating lease liabilities were \$4.2 million.

### Financial Condition

#### *Mezzanine equity and stockholders' equity*

As of June 30, 2024, total mezzanine equity and stockholders' equity was \$339.9 million compared to \$192.1 million as of December 31, 2023. The increase in total mezzanine equity and stockholders' equity as of June 30, 2024 compared to December 31, 2023 was primarily due to net proceeds received from our initial public offering, net income generated during the period, and capital contributions from BIHL, which include net activity related to stock-based compensation plans.

#### *Dividend declarations*

We did not declare any dividends during the six months ended June 30, 2024 and the year ended December 31, 2023.

#### *Investment portfolio*

We seek to maintain a diversified portfolio of instruments that prioritize invested capital preservation, with a secondary focus on generating predictable and stable returns. Our investment portfolio is tailored to align with the characteristics of the underlying insurance liabilities. Our asset allocation strategy focuses on high-quality fixed income instruments, with no appetite for equity or alternative investment risk. One of the primary features of our asset allocation is maintaining sufficient readily available funds to pay claims and expenses. Consequently, the bulk of our reserves are invested in securities that can be expected to maintain a close relationship between market and statement values, under most conditions. Our portfolio therefore consists entirely of cash, cash equivalents, short-term investments and investment-grade fixed income securities.

We actively manage and monitor our investment risk to balance the goals of stable growth and liquidity with our need to comply with the insurance regulatory frameworks within which we operate as well as the capital framework agreements with AmFam. Our board of directors reviews and approves our investment policy and strategy on a regular basis.

As of June 30, 2024, the majority of our investment portfolio, or \$706.2 million, was comprised of fixed maturity securities that are classified as available-for-sale and carried at fair value with unrealized gains (losses) recognized in accumulated other comprehensive loss within our Condensed Consolidated Balance Sheets. Also included in our investment portfolio were \$12.7 million of short-term investments. Our fixed maturity securities, including cash equivalents, had a weighted average effective duration of 1.8 years and an average rating of “AA+” at June 30, 2024. Our fixed income investment portfolio had a book yield of 4.7% and a market yield of 5.5% as of June 30, 2024, compared to 4.3% and 5.2%, respectively, as of December 31, 2023.

As of June 30, 2024 and December 31, 2023, the amortized cost and estimated fair value of our fixed maturity, and short-term investments were as follows:

As of June 30, 2024	Amortized Cost	Fair Value	% of Total Fair Value
	<i>(\$ in thousands, except percentages)</i>		
<b>Fixed maturity securities</b>			
U.S. government and government agency	\$ 298,225	\$ 297,780	41.4 %
State and municipal	56,978	51,506	7.2 %
Commercial mortgage-backed securities	41,970	40,906	5.7 %
Residential mortgage-backed securities	148,670	143,860	20.0 %
Asset-backed securities	54,650	53,892	7.5 %
Corporate	121,289	118,255	16.4 %
<b>Total fixed maturity securities</b>	<b>\$ 721,782</b>	<b>\$ 706,199</b>	<b>98.2 %</b>
Short-term investments	12,711	12,712	1.8 %
<b>Total investments</b>	<b>\$ 734,493</b>	<b>\$ 718,911</b>	<b>100.0 %</b>

As of December 31, 2023	Amortized Cost	Fair Value	% of Total Fair Value
	<i>(\$ in thousands, except percentages)</i>		
<b>Fixed maturity securities</b>			
U.S. government and government agency	\$ 252,294	\$ 252,541	44.8 %
State and municipal	55,984	50,720	9.0 %
Commercial mortgage-backed securities	26,573	25,436	4.5 %
Residential mortgage-backed securities	79,032	74,702	13.3 %
Asset-backed securities	42,964	42,033	7.5 %
Corporate	112,166	109,192	19.4 %
<b>Total fixed maturity securities</b>	<b>\$ 569,013</b>	<b>\$ 554,624</b>	<b>98.4 %</b>
Short-term investments	8,830	8,824	1.6 %
<b>Total investments</b>	<b>\$ 577,843</b>	<b>\$ 563,448</b>	<b>100.0 %</b>

The table below summarizes the credit quality of our fixed maturity securities as of June 30, 2024 and December 31, 2023:

As of June 30, 2024	Fair Value	% of Total Fair Value
	<i>(\$ in thousands, except percentages)</i>	
<b>Rating</b>		
AAA	\$ 135,362	19.2 %
AA	433,829	61.4 %
A	93,103	13.2 %
BBB	43,905	6.2 %
<b>Total</b>	<b>\$ 706,199</b>	<b>100.0 %</b>

As of December 31, 2023	Fair Value	% of Total Fair Value
	<i>(\$ in thousands, except percentages)</i>	
<b>Rating</b>		
AAA	\$ 101,648	18.3 %
AA	338,369	61.0 %
A	76,849	13.9 %
BBB	37,758	6.8 %
<b>Total</b>	<b>\$ 554,624</b>	<b>100.0 %</b>

The amortized cost and estimated fair value of our available-for-sale investments in fixed maturity securities summarized by contractual maturity as of June 30, 2024 and as of December 31, 2023, were as follows:

As of June 30, 2024	Amortized Cost	Fair Value	% of Total Fair Value
	<i>(\$ in thousands, except percentages)</i>		
<b>Fixed maturity securities</b>			
Due in one year or less	\$ 191,050	\$ 190,739	27.0 %
Due after one year through five years	221,169	217,001	30.7 %
Due after five years through ten years	46,896	44,858	6.4 %
Due after ten years	17,377	14,943	2.1 %
	476,492	467,541	66.2 %
Commercial mortgage-backed securities	41,970	40,906	5.8 %
Residential mortgage-backed securities	148,670	143,860	20.4 %
Asset-backed securities	54,650	53,892	7.6 %
<b>Total</b>	<b>\$ 721,782</b>	<b>\$ 706,199</b>	<b>100.0 %</b>

As of December 31, 2023	Amortized Cost	Fair Value	% of Total Fair Value
	(\$ in thousands, except percentages)		
<b>Fixed maturity securities</b>			
Due in one year or less	\$ 254,656	\$ 254,443	45.9 %
Due after one year through five years	122,274	118,585	21.4 %
Due after five years through ten years	27,145	25,265	4.6 %
Due after ten years	16,369	14,160	2.6 %
	<u>420,444</u>	<u>412,453</u>	<u>74.4 %</u>
Commercial mortgage-backed securities	26,573	25,436	4.6 %
Residential mortgage-backed securities	79,032	74,702	13.5 %
Asset-backed securities	42,964	42,033	7.6 %
<b>Total</b>	<b>\$ 569,013</b>	<b>\$ 554,624</b>	<b>100.0 %</b>

Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties, and the lenders may have the right to put the securities back to the borrower.

#### **Restricted Assets**

We are required to maintain assets in trust accounts to support the obligations of the Quota Share Agreement. The assets held in trust include fixed maturity securities, short-term investments and restricted cash and cash equivalents, as collateral for transactions with AmFam. The Company is entitled to interest income earned on these restricted assets, which is included in net investment income in the Condensed Consolidated Statements of Income and Comprehensive Income.

The fair value of our restricted assets were as follows:

As of	June 30, 2024	December 31, 2023
	(\$ in thousands)	
Restricted investments	\$ 447,362	\$ 284,822
Restricted cash and cash equivalents	18,494	1,698
<b>Total restricted assets</b>	<b>\$ 465,856</b>	<b>\$ 286,520</b>

## Quantitative and Qualitative Disclosures about Market Risk

Market risk is the risk of economic losses due to adverse changes in the estimated fair value of a financial instrument as the result of changes in interest rates, equity prices, foreign currency exchange rates and commodity prices. The primary component of market risk affecting us is interest rate risk associated with our investments in fixed maturity securities. We do not have material exposure to equity prices, foreign currency exchange rate risk or commodity risk.

### Interest Rate Risk

Interest rate risk is the risk that we will incur economic losses due to adverse changes in interest rates. Fluctuations in interest rates have a direct effect on the market valuation of our fixed maturity securities. When market interest rates rise, the fair value of our securities decreases. Conversely, as interest rates fall, the fair value of our securities increases. Changes in interest rates will have an immediate effect on comprehensive loss and mezzanine equity and stockholders' equity, but will not ordinarily have an immediate effect on net income. We manage this interest rate risk by investing in securities with varied maturity dates and by managing the duration of our investment portfolio in directional relation to the duration of our reserves.

We had fixed maturity securities, short-term investments and cash and cash equivalents with a fair value of \$859.4 million as of June 30, 2024 and \$567.3 million as of December 31, 2023 that were subject to interest rate risk. The table below illustrates the sensitivity of the fair value of our fixed maturity securities, short-term investments and cash and cash equivalents to selected hypothetical changes in interest rates as of June 30, 2024 and as of December 31, 2023.

	As of June 30, 2024			As of December 31, 2023		
	Estimated Fair Value	Estimated Change in Fair Value	Estimated % Increase (Decrease) in Fair Value	Estimated Fair Value	Estimated Change in Fair Value	Estimated % Increase (Decrease) in Fair Value
	(\$ in thousands)					
200 basis point increase	\$ 828,669	\$ (30,768)	(3.6)%	\$ 545,278	\$ (22,070)	(3.9)%
100 basis point increase	843,796	(15,642)	(1.8)%	556,058	(11,290)	(2.0)%
No change	859,437	—	—%	567,348	—	—%
100 basis point decrease	875,165	15,728	1.8%	578,978	11,631	2.1%
200 basis point decrease	890,291	30,854	3.6%	590,836	23,488	4.1%

Changes in interest rates will have an immediate effect on other comprehensive income and mezzanine equity and stockholders' equity, but will not ordinarily have an immediate effect on net income. Actual results may differ from the hypothetical change in market rates assumed in this disclosure. This sensitivity analysis does not reflect the results of any action that we may take to mitigate such hypothetical losses in fair value.

### Credit Risk

Credit risk is the potential loss resulting from adverse changes in an issuer's ability to repay its debt obligations. We have exposure to credit risk as a holder of fixed maturity securities. Our investment policy is designed to primarily invest in debt instruments of high credit quality issuers and to manage the amount of credit exposure with limits on particular ratings categories, limits for any one issuer and limits for sectors and regions. We monitor our investment portfolio to ensure that credit risk does not exceed prudent levels. The majority of our investment portfolio is invested in high credit quality, investment grade fixed maturity securities. As of June 30, 2024, our fixed maturity portfolio has an average rating by at least one nationally recognized rating organization of "AA+," with approximately 93.8% rated "A" or better. We purchase fixed maturity securities based on our assessment of the credit quality of the underlying assets without regard to insurance.

In addition, we are subject to credit risk as we cede a portion of our risks to reinsurers. Although our reinsurers are obligated to reimburse us to the extent we cede risk to them, we are ultimately liable to our policyholders on all risks we have ceded. As a result, reinsurance contracts do not limit our ultimate obligations to pay claims covered

under the insurance policies we issue and we might not collect amounts recoverable from our reinsurers. We address this credit risk by selecting reinsurers that have an A.M. Best rating of “A” (Excellent) or better at the time we enter into the agreement and by performing, along with our reinsurance broker, periodic credit reviews of our reinsurers. As of June 30, 2024, 100% of our reinsurance recoverables were either derived from reinsurers rated “A” (Excellent) by A.M. Best, or better.

### **Critical Accounting Policies and Estimates**

We identified the following accounting estimates as critical to the understanding of our financial position and results of operations:

- reserves for losses and loss adjustment expenses;
- reinsurance recoverable;
- fair value measurements of financial assets and liabilities; and
- deferred income tax.

Critical accounting estimates are defined as those estimates that are both important to the portrayal of our financial condition and results of operations and require us to exercise significant judgment. We use significant judgment concerning future results and developments in applying these critical accounting estimates and in preparing our condensed consolidated financial statements. These judgments and estimates affect our reported amounts of assets, liabilities, revenues and expenses and the disclosure of our material contingent assets and liabilities. Actual results may differ materially from the estimates and assumptions used in preparing the condensed consolidated financial statements. We evaluate our estimates regularly using information that we believe to be relevant. For a detailed discussion of our critical accounting policies and estimates, see Note 1, “Nature of Operations and Significant Accounting Policies,” to our condensed consolidated financial statements included in this prospectus.

#### ***Reserves for Losses and Loss Adjustment Expenses***

Reserve for losses and loss adjustment expenses represents our estimated ultimate cost of all reported and unreported losses and loss adjustment expenses incurred and unpaid at the balance sheet date. We do not discount our reserves for losses to reflect estimated present value. We estimate the reserves using individual case-basis valuations of reported claims and statistical analyses and various actuarial procedures. Those estimates are based on our historical information, industry and peer group information and our estimates of future trends in variable factors such as loss severity, loss frequency and other factors such as inflation. We regularly review our estimates and adjust them as necessary as experience develops or as new information becomes known to us. Additionally, during the loss settlement period, it often becomes necessary to refine and adjust the estimates of liability on a claim either upward or downward. Even after such adjustments, the ultimate liability may exceed or be less than the revised estimates. Accordingly, the ultimate settlement of losses and loss adjustment expenses may vary significantly from the estimate included in our financial statements.

We categorize our reserves for unpaid losses and loss adjustment expenses into two types: case reserves and IBNR.

Case reserves are established for individual claims that have been reported to us. We are notified of losses by our insureds, their agents or our brokers. Based on the information provided, we establish case reserves by estimating the ultimate losses from the claim, including defense costs associated with the ultimate settlement of the claim. Our claims department personnel use their knowledge of the specific claim along with advice from internal and external experts, including underwriters and legal counsel, to estimate the expected ultimate losses.

With the assistance of an independent actuarial firm, we estimate the cost of losses and loss adjustment expenses related to IBNR based on an analysis of several commonly accepted actuarial loss projection methodologies. The IBNR that we book represents management’s best estimate.

The following tables summarize our gross and net reserves for unpaid losses and loss adjustment expenses as of June 30, 2024 and December 31, 2023.

	As of June 30, 2024			
	Gross	% of Total	Net	% of Total
	(\$ in thousands, except percentages)			
Case reserves	\$ 40,076	6.8 %	\$ 31,654	8.0 %
IBNR	547,829	93.2 %	366,221	92.0 %
<b>Total reserves</b>	<b>\$ 587,905</b>	<b>100.0 %</b>	<b>\$ 397,875</b>	<b>100.0 %</b>

	As of December 31, 2023			
	Gross	% of Total	Net	% of Total
	(\$ in thousands, except percentages)			
Case reserves	\$ 22,616	5.2 %	\$ 18,063	6.1 %
IBNR	408,570	94.8 %	276,849	93.9 %
<b>Total reserves</b>	<b>\$ 431,186</b>	<b>100.0 %</b>	<b>\$ 294,912</b>	<b>100.0 %</b>

The process of estimating the reserves for losses and loss adjustment expenses requires a high degree of judgment and is subject to several variables. In establishing the quarterly actuarial recommendation for the reserves for losses and loss adjustment expenses, consideration is given to several actuarial methods. A first step is to select an initial expected ultimate loss and ALAE ratio for each reserving segment. This is done with assistance from our actuarial consultants. Consideration is given to input from our underwriting and claims departments, internal pricing data and industry benchmarks provided by our actuarial consultants. The actuarial methods utilize, to varying degrees, the initial expected loss ratio, analysis of industry and internal claims reporting and payment patterns, paid and reported experience, industry loss experience and changes in market conditions, policy forms, exclusions and exposures. The actuarial methods used to estimate loss and loss adjustment expense reserves are:

- Reported and/or Paid Loss Development Methods — Ultimate losses are estimated based on historical or industry loss reporting (or payout) patterns applied to current reported (or paid) loss and ALAE. Reported losses are the sum of paid and case losses. Industry development patterns are substituted for historical development patterns when sufficient historical data is not available.
- Reported and/or Paid Bornhuetter-Ferguson Method — Ultimate losses are estimated as the sum of cumulative reported (or paid) losses and estimated IBNR (or unpaid) losses. IBNR (or unpaid) losses are estimated based on historical or industry reporting (or payout) development patterns and the initial expected ultimate loss and ALAE ratio.

Since our loss experience is less mature, we are primarily relying on a weighting between the initial expected loss and ALAE ratio and the indications resulting from the Reported Bornhuetter-Ferguson Method.

Our reserves are driven by several important factors, including litigation and regulatory trends, legislative activity, climate change, social and economic patterns, and claims inflation assumptions. Our reserve estimates reflect current inflation in legal claims' settlements and assume we will not be subject to losses from significant new legal liability theories. Our reserve estimates assume that there will not be significant changes in the regulatory and legislative environment. The impact of potential changes in the regulatory or legislative environment is difficult to quantify in the absence of specific, significant new regulation or legislation. In the event of significant new regulation or legislation, we will attempt to quantify its impact on our business, but no assurance can be given that our attempt to quantify such inputs will be accurate or successful.

Although we believe that our reserve estimates are reasonable, it is possible that our actual loss experience may not conform to our assumptions. Specifically, our actual ultimate loss ratio could differ from our initial expected loss ratio or our actual reporting and payment patterns could differ from our expected reporting and payment patterns, which are based on our own data and industry data. Accordingly, the ultimate settlement of losses and the related loss adjustment expenses may vary significantly from the estimates included in our financial statements. We



regularly review our estimates and adjust them as necessary as experience develops or as new information becomes known to us. Such adjustments are included in the results of current operations.

The table below quantifies the impact of potential reserve deviations from our carried reserve as of June 30, 2024 and December 31, 2023. We applied a sensitivity factor to net reserves for unpaid losses and loss adjustment expenses for the three underwriting divisions. We believe that potential changes such as these would not have a material impact on our liquidity.

Underwriting Division	Potential Impact as of June 30, 2024						
	Net Reserves for Unpaid Losses and Loss Adjustment Expenses	7.5% Higher	Pre-tax Income	Mezzanine Equity and Stockholders' Equity <sup>(1)</sup>	7.5% Lower	Pre-tax Income	Mezzanine Equity and Stockholders' Equity <sup>(1)</sup>
	(\$ in thousands)						
Casualty	\$ 222,464	\$ 239,149	\$ (16,685)	\$ (13,181)	\$ 205,779	\$ 16,685	\$ 13,181
Professional Liability	109,694	117,921	(8,227)	(6,499)	101,467	8,227	6,499
Healthcare Liability	65,717	70,646	(4,929)	(3,894)	60,788	4,929	3,894

(1) As of June 30, 2024, the effective tax rate was consistent with the U.S. corporate income tax rate of 21% which is used to estimate the potential impact to mezzanine equity and stockholders' equity.

Underwriting Division	Potential Impact as of December 31, 2023						
	Net Reserves for Unpaid Losses and Loss Adjustment Expenses	7.5% Higher	Pre-tax Income	Mezzanine Equity and Stockholders' Equity <sup>(1)</sup>	7.5% Lower	Pre-tax Income	Mezzanine Equity and Stockholders' Equity <sup>(1)</sup>
	(\$ in thousands)						
Casualty	\$ 160,708	\$ 172,761	\$ (12,053)	\$ (9,522)	\$ 148,655	\$ 12,053	\$ 9,522
Professional Liability	85,739	92,169	(6,430)	(5,080)	79,309	6,430	5,080
Healthcare Liability	48,466	52,101	(3,635)	(2,872)	44,831	3,635	2,872

(1) In 2023, the effective tax rate was consistent with the U.S. corporate income tax rate of 21% which is used to estimate the potential impact to mezzanine equity and stockholders' equity.

The amount by which estimated losses differ from those originally reported for a period is known as "development." Development is unfavorable when the losses ultimately settle for more than the amount reserved or subsequent estimates indicate a basis for reserve increases on unresolved claims. Development is favorable when losses ultimately settle for less than the amount reserved or subsequent estimates indicate a basis for reducing loss reserves on unresolved claims. We reflect favorable or unfavorable development of loss reserves in the results of operations in the period the estimates are changed.

#### **Reinsurance recoverables**

We enter into reinsurance contracts to limit our exposure to potential large losses. Our reinsurance is primarily contracted under quota-share reinsurance treaties and excess of loss treaties. In quota-share reinsurance, 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. In excess of loss reinsurance, the reinsurer agrees to assume all or a portion of the ceding company's losses, in excess of a specified amount. In excess of loss reinsurance, the premium payable to the reinsurer is negotiated by the parties based on their assessment of the amount of risk being ceded to the reinsurer because the reinsurer does not share proportionately in the ceding company's losses.

The recognition of reinsurance recoverables requires two key estimates as follows:

- The first estimate is the amount of loss reserves to be ceded to our reinsurers. This amount consists of our case reserves and IBNR. See "Reserves for Losses and Loss Adjustment Expenses" under "Critical

Accounting Policies and Estimates” above and Note 1, “Nature of Operations and Significant Accounting Policies” in our condensed consolidated financial statements included in this prospectus for further discussion.

- The second estimate is the amount of the reinsurance recoverable balance we believe will ultimately not be collected from reinsurers. We are selective in choosing reinsurers, buying reinsurance from reinsurers with an A.M. Best rating of “A” (Excellent) or better. The amount we ultimately collect may differ from our estimate due to the ability and willingness of reinsurers to pay claims, which may be negatively impacted by factors such as insolvency, contractual disputes over contract language or coverage and/or other reasons. In addition, economic conditions and/or operational performance of a particular reinsurer may deteriorate, and this could also affect the ability and willingness of a reinsurer to meet their contractual obligations

As of June 30, 2024, we believe 100% of our recoverables are collectible and, therefore, the total provision for current expected credit losses recorded against recoverables is not material.

#### ***Fair value measurements***

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is determined based on a fair value hierarchy that prioritizes the use of observable inputs over the use of unobservable inputs and requires the use of observable inputs when available. The Company utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels, as follows:

- Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
- Level 2: Significant other observable inputs other than Level 1 inputs, such as quoted prices in active markets for similar assets or liabilities, quoted prices in inactive markets for identical assets or liabilities, or other inputs that are directly or indirectly observable through market-corroborated inputs, such as interest rates, yield curves, prepayment speeds, default rates, or loss severities.
- Level 3: Significant unobservable inputs used to measure fair value to the extent that relevant observable inputs are not available, and that reflect the Company’s best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the measurement date.

See Note 3, “Fair Value Measurements”, in our condensed consolidated financial statements included in this prospectus for further discussion regarding our fair value disclosures.

#### ***Deferred income taxes***

We record deferred income taxes as assets or liabilities on our balance sheet to reflect the net tax effect of the temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred tax assets and liabilities are measured by applying enacted tax rates in effect for the years in which such differences are expected to reverse. Our deferred tax assets result from temporary differences primarily attributable to unearned premium reserves, unrealized losses on investments and loss reserves. Our deferred tax liabilities result primarily from deferred policy acquisition costs. We review the need for a valuation allowance related to our deferred tax assets each quarter. We reduce our deferred tax assets by a valuation allowance when we determine that it is more likely than not that some portion or all of the deferred tax assets will not be realized. The assessment of whether or not a valuation allowance is needed requires us to use significant judgment. See Note 12, “Income Taxes” in our condensed consolidated financial statements included in this prospectus for further discussion regarding our deferred tax assets and liabilities.

#### **Recent Accounting Pronouncements**

Refer to Note 1, “Nature of Operations and Significant Accounting Policies,” in our unaudited condensed consolidated financial statements included in this prospectus for further discussion regarding our recent accounting pronouncements.

## BUSINESS

### Who We Are

We are a profitable and growing company providing specialty P&C products. We were founded by industry veteran Stephen Sills and are led by a highly experienced and respected underwriting team with decades of individual, successful underwriting experience. We focus on providing “craft” solutions in our specialty lines and classes of business that we believe require deep underwriting and claims expertise in order to produce attractive financial results. We have initially focused on underwriting Casualty, Professional Liability and Healthcare Liability risks where our management team has deep experience. Across our underwriting divisions, our policyholders vary in size, industry and complexity and require specialized, innovative and customized solutions where we individually underwrite and structure policies for each account. As a result, our products are primarily written on an E&S basis, where we have flexibility of rate and policy form. Our underwriting teams collaborate across our claims, actuarial and legal departments, ensuring they are aware of developments that could impact our business and using a consistent approach to our underwriting. We handle our claims in-house; our claims management teams, which align with our three underwriting divisions, have significant experience in the markets on which we focus and work closely with our underwriting and actuarial teams, keeping them informed of claims trends, providing feedback on emerging areas of loss experience and identifying and addressing key issues and adjusting loss reserves as appropriate. We distribute our products through carefully selected relationships with leading distribution partners in both the wholesale and retail markets. We pride ourselves on the quality and experience of our people, who are committed to exceeding our partners’ expectations through excellent service and expertise. Our collaborative culture spans all functions of our business and allows us to provide a consistent, positive experience for all of our partners. This consistency of experience, combined with our client-focused approach, has created a company with which our distribution partners want to work, supporting the continued growth of our platform.

Our principal objective is to create and sustain superior returns for our stockholders by generating consistent underwriting profits across our product lines and through all market cycles, while prudently managing capital. We have grown substantially over the past two years, generating gross written premiums of \$356.9 million for the year ended December 31, 2022 and \$507.7 million for the year ended December 31, 2023, a year-over-year increase of 42.2%. For the year ended December 31, 2023, we delivered a combined ratio of 95.0%, net income of \$25.0 million and a return on equity of 18.2%. We have generated gross written premiums of \$212.4 million for the six months ended June 30, 2023 and \$314.0 million for the six months ended June 30, 2024, a year-over-year increase of 47.8%. For the six months ended June 30, 2024, we delivered a combined ratio of 98.7%, net income of \$12.5 million and a return on equity (annualized) of 9.4%. We believe that our current market opportunity, differentiated expertise, relationships, culture and leadership team position us well to continue to grow our business profitably.

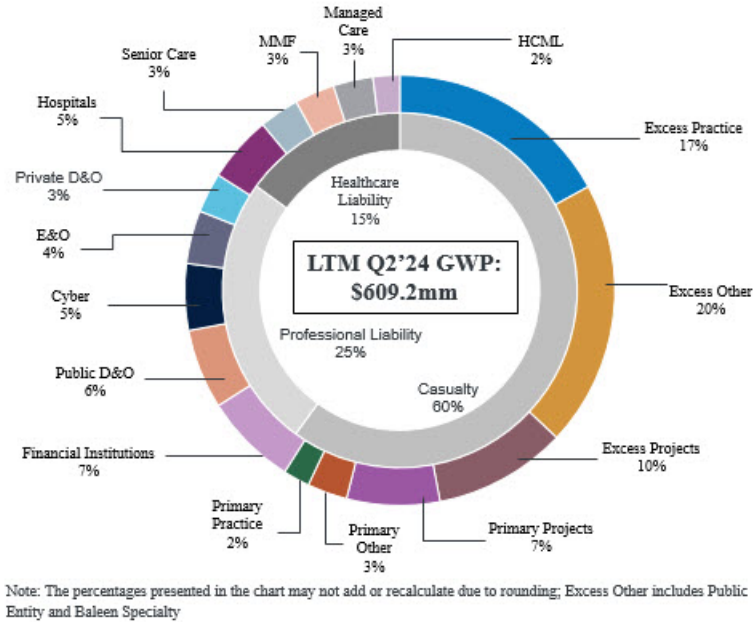
BICI is domiciled and licensed as an admitted insurer in the state of Wisconsin. BSUI is a licensed business entity producer, domiciled as an insurance producer and an MGA in the state of Texas, and a licensed agency in all 50 states, Washington D.C. and Puerto Rico. BSUI does business as “Bowhead Specialty Insurance Services” in California, Illinois, Nevada, New York, Utah and Virginia. Our ability to write business, however, is currently largely based on our relationship with AmFam. Through our relationship with AmFam, we are able to write business on an admitted basis in all 50 states and Washington D.C. and on a non-admitted basis in all 50 states, Washington D.C. and Puerto Rico. For the six months ended June 30, 2024, there were four states in which 5.0% or more of our gross written premiums were concentrated: California (15.9%), Florida (14.9%), Texas (11.2%), and New York (7.4%).

We founded our business in September 2020, recognizing a favorable pricing environment and a growing and unmet demand from brokers and policyholders for craft solutions and quality service in complex lines of business. We built a nimble, remote-friendly organization able to attract best-in-class talent that we source nationwide to service this demand, with over 220 employees as of June 30, 2024 across the country who are committed to operational excellence and superior service. We are backed by capital provided by GPC Fund and our strategic partner, AmFam, a mutual insurer with an “A” (Excellent) financial strength rating from A.M. Best as of June 30, 2024 and approximately \$7.0 billion of policyholder surplus as of December 31, 2023. We originate business on the paper of AmFam through BSUI writing policies issued by AmFam under the name of AmFam and reinsure 100.0% of the insurance business we originate to BICI, our wholly-owned insurance company subsidiary. Our partnership

with AmFam has enabled us to grow quickly but prudently, deploying capital and adding employees when business and growth justified.

**Our Business**

We currently offer craft solutions to a wide variety of businesses across three underwriting divisions: Casualty, Professional Liability and Healthcare Liability. The below chart reflects our gross written premiums by underwriting division and product for the twelve months ended June 30, 2024:



We take a highly collaborative and customized approach to underwriting. Our fully integrated and accountable underwriting methodology brings the specialized industry knowledge, business acumen and strong distribution relationships that we believe are required to profitably underwrite the complex lines of business on which we focus. Our underwriting teams all have deep underwriting and industry experience in the lines of business we write. We aim to offer craft solutions to our clients in a timely and consistent manner. We underwrite, structure and price quotes on a case-by-case basis while maintaining disciplined risk parameters including strict policy limits. We have developed and constantly evaluate our risk framework with significant input from our actuarial, claims, legal and finance functions. Similarly, we frequently hold “roundtable” discussions, which are a key part of our underwriting process, and depending on the risk, can occur at multiple levels across the company, often involving functions outside of underwriting teams, including actuarial, claims, legal and finance. Roundtables allow our underwriters to leverage appropriate expertise across the organization; our culture of collaboration and accountability means that underwriting decisions are not made in isolation, allowing us to deliver consistent underwriting decisions with input from multiple perspectives.

**Casualty:** Our Casualty division provides tailored solutions on a primary and excess basis through a wholesale-only distribution channel and consists of a team of experienced underwriters with nationwide capabilities who excel at handling complex risks. We specialize in GL coverage for risks in the construction, distribution, heavy manufacturing, real estate and hospitality segments and also consider underwriting risks in a broader range of industries. Within these industries, we seek to identify specific segments that play to our strengths and in which we believe we can generate profitable growth. For example, within construction, a \$2.4 trillion industry in the U.S. as of December 31, 2023 according to the Bureau of Economic Analysis, we seek to participate in large, complex and engineered construction projects.

<i>Product</i>	<i>Description</i>	<i>Distribution</i>
<i>Excess Projects</i>	<ul style="list-style-type: none"> <li>Offers excess coverage to large commercial general contractors or developers on single commercial, residential and infrastructure projects</li> </ul>	<ul style="list-style-type: none"> <li>E&amp;S products distributed by wholesale brokers</li> </ul>
<i>Excess Practice</i>	<ul style="list-style-type: none"> <li>Offers annually renewable excess coverage for GL, Product Liability and Auto Liability to middle market contractors (typically from \$100 million to \$1 billion in revenue) nationally</li> </ul>	<ul style="list-style-type: none"> <li>E&amp;S products distributed by wholesale brokers</li> </ul>
<i>Excess Other</i>	<ul style="list-style-type: none"> <li>Offers annually renewable first excess, or higher excess, coverage to real estate, hospitality, public entity or manufacturing companies</li> </ul>	<ul style="list-style-type: none"> <li>Primarily E&amp;S products distributed by wholesale brokers</li> </ul>
<i>Primary Projects</i>	<ul style="list-style-type: none"> <li>Offers wrap-up GL coverage to large general contractors and developers on single commercial and residential projects</li> </ul>	<ul style="list-style-type: none"> <li>E&amp;S products distributed by wholesale brokers</li> </ul>
<i>Primary Practice</i>	<ul style="list-style-type: none"> <li>Offers annually renewable GL coverage to middle market (under \$100 million in revenue) general contractors and subcontractors</li> </ul>	<ul style="list-style-type: none"> <li>E&amp;S products distributed by wholesale brokers</li> </ul>
<i>Primary Other</i>	<ul style="list-style-type: none"> <li>Offers GL coverage to middle market (under \$200 million in revenue) commercial and industrial manufacturers and distributors</li> </ul>	<ul style="list-style-type: none"> <li>E&amp;S products distributed by wholesale brokers</li> </ul>

**Professional Liability:** Our Professional Liability division provides underwriting solutions on both an admitted and E&S basis for standard and nonstandard risks and writes for a broad variety of entities, including publicly traded and privately held FIs as well as not-for-profit organizations. We distribute this business through wholesale and retail channels. The Professional Liability market, in general, is highly competitive; however, we believe that there are specific sub-markets, including in FI, private D&O and E&O, that have attractive growth and return potential. Additionally, we selectively pursue exposures in small and middle market public D&O where we believe pricing remains favorable and view Cyber and Technology E&O as a significant growth opportunity where we are developing primary capabilities to target smaller accounts that we believe are experiencing less rate pressure compared with larger accounts.

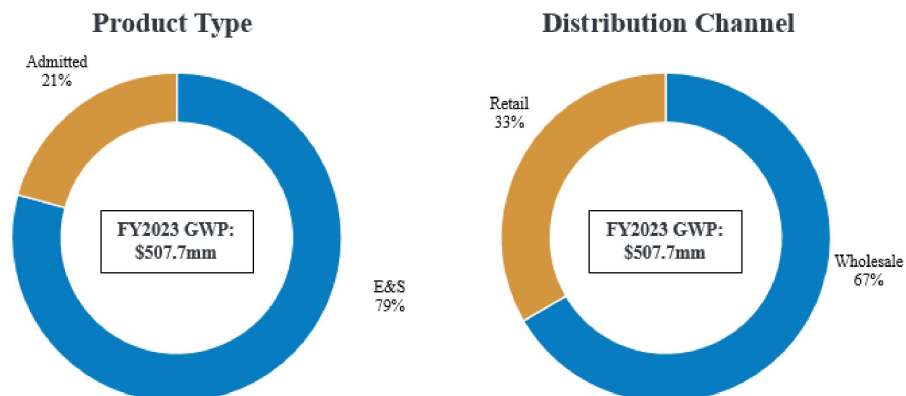
<i>Product</i>	<i>Description</i>	<i>Distribution</i>
<i>FI</i>	<ul style="list-style-type: none"> <li>Offers suite of management liability products including D&amp;O, E&amp;O, EPL, Fiduciary, Fidelity and related lines to asset and investment management companies, banks and lenders, insurance companies and emerging FI companies including specialty niches</li> <li>Also offers primary coverage for specific FI segments, including investment management, on a manuscript basis</li> </ul>	<ul style="list-style-type: none"> <li>Primarily admitted products mostly distributed by retail agents</li> </ul>
<i>Public D&amp;O</i>	<ul style="list-style-type: none"> <li>Offers primary and excess coverage to public companies of all sizes in a wide variety of sectors</li> <li>Also offers Excess Fiduciary and EPL coverage</li> </ul>	<ul style="list-style-type: none"> <li>Primarily admitted products mostly distributed by retail agents</li> </ul>
<i>Private D&amp;O</i>	<ul style="list-style-type: none"> <li>Offers D&amp;O, EPL, Fiduciary and Crime coverage in a package policy with separate or shared limits to private and not-for-profit entities</li> </ul>	<ul style="list-style-type: none"> <li>Primarily admitted products mostly distributed by retail agents</li> </ul>
<i>E&amp;O (includes MPL and Lawyers)</i>	<ul style="list-style-type: none"> <li>Offers Primary and Excess Miscellaneous E&amp;O coverage to approximately 40 classes of businesses, including property managers, developers and construction management, associations, franchisors and consultants</li> <li>Also offers Excess Lawyers Professional Liability coverage to law firms up to 100 attorneys</li> </ul>	<ul style="list-style-type: none"> <li>Primarily E&amp;S products, mostly distributed by wholesale brokers</li> </ul>
<i>Cyber</i>	<ul style="list-style-type: none"> <li>Offers Excess follow-form Cyber and Technology E&amp;O Liability coverage to middle market and large corporate organizations</li> </ul>	<ul style="list-style-type: none"> <li>E&amp;S products mostly distributed by retail agents</li> </ul>

**Healthcare Liability:** Focusing exclusively on healthcare entities, our Healthcare Liability division provides tailored solutions for nonstandard risks faced by healthcare organizations on both a primary and excess basis. We offer PL/GL, as well as Management Liability, across four major healthcare segments—hospitals, senior care providers, managed care organizations and miscellaneous medical facilities—through select wholesale and retail channels. Within Healthcare Liability, we have seen rate increases for several years starting initially with Senior Care followed by Managed Care and more recently in the Hospitals segment. We believe these rate increases were the result of carriers restricting their underwriting appetite following increases in both the frequency and severity of claims caused both by inadequate pricing and outsized settlements and jury verdicts (sometimes referred to as “social inflation”). We aim to expand our Healthcare Liability business meaningfully with sophisticated hospital buyers for which we believe we have differentiated underwriting expertise and claims handling capabilities, with large senior care facilities in a segment that continues to grow alongside population demographics, in the specialized Managed Care E&O marketplace where we believe we have limited competition and in other specialized markets within the healthcare sector where we anticipate profitable growth opportunities.

<i>Product</i>	<i>Description</i>	<i>Distribution</i>
<i>Hospitals</i>	<ul style="list-style-type: none"> <li>Offers excess Healthcare PL/GL coverage to hospitals on an insurance or facultative reinsurance basis</li> </ul>	<ul style="list-style-type: none"> <li>E&amp;S products distributed mostly by retail brokers</li> </ul>
<i>Senior Care</i>	<ul style="list-style-type: none"> <li>Offers Healthcare PL/GL coverage to skilled care, assisted living, independent living and continuing care retirement community facilities</li> <li>Considers traditional structures as well as alternative solutions</li> </ul>	<ul style="list-style-type: none"> <li>E&amp;S products distributed by wholesale and retail brokers</li> </ul>
<i>Managed Care</i>	<ul style="list-style-type: none"> <li>Offers Managed Care E&amp;O coverage to various classes of managed care providers and payors</li> </ul>	<ul style="list-style-type: none"> <li>E&amp;S products distributed by wholesale and retail brokers</li> </ul>
<i>MMF</i>	<ul style="list-style-type: none"> <li>Offers Healthcare PL/GL coverage to outpatient medical facilities</li> <li>Considers traditional structures as well as alternative solutions</li> </ul>	<ul style="list-style-type: none"> <li>E&amp;S products mostly distributed by wholesale and retail brokers</li> </ul>
<i>HCML</i>	<ul style="list-style-type: none"> <li>Offers primary and excess D&amp;O, EPL, Fiduciary and Crime coverage to all classes listed above, including through a package policy with separate or shared limits</li> </ul>	<ul style="list-style-type: none"> <li>Primarily admitted products distributed by wholesale and retail brokers</li> </ul>

Although the products we underwrite do not directly cover physical damage, we offer liability coverage which may include liability resulting from physical damage. For example, we may provide a policy insuring a builder of a building and if a building built by the builder collapses, our policy may cover losses if the builder’s acts or omissions caused the collapse of the building, which could include liability for physical damages to individuals resulting from the collapse of the building or costs of repairs or rebuilding. However, we do not currently offer property coverage and thus do not currently provide coverage for direct physical damage. We offer small limits as part of our Senior Care business in the event a senior care facility must be shut down due to certain events which could include physical damage to the senior care facility.

The below chart reflects our gross written premiums by product type and distribution channel for the year ended December 31, 2023:



Because our clients often require highly customized solutions not available in the admitted market, our business is primarily written on an E&S basis. This approach allows us to maximize our policy flexibility and meet our policyholders’ unique needs all while delivering the differentiated level of service and execution for which we have developed a reputation.

We see an opportunity to underwrite an attractive range of risks in a sustainable and profitable manner and seek to employ underwriters with the technical expertise to structure terms and conditions and prudently manage risks across such lines of business. We execute this approach through thoughtful and careful risk selection and limit deployment while seeking to optimize our results. We aim to take advantage of a market that continues to grow as businesses and risks continue to evolve. We believe that our remote-friendly platform enables us to scale our capabilities nimbly within lines of business that we feel align with our expertise, goals and risk appetite. We believe that this approach is a key differentiator in positioning us to grow profitably across market cycles in each of our core competencies.

We are able to deliver mutually beneficial and bespoke solutions thanks to the deep, longstanding wholesale and retail distribution relationships that our underwriters have established. We go to market under the Bowhead brand, leveraging the strong reputation that we have quickly established within the broker community. We distribute our products through a network of wholesale and retail broker organizations utilizing different channels and relationships across our three underwriting divisions. In Casualty, we focus on partnering with wholesale distributors, whereas in Professional Liability and Healthcare Liability, we work with a combination of wholesale and retail partners. We source our broker relationships based on quality of business and reputation and alignment of long-term objectives. We strive to maintain a core group of brokers that consider us to be their “first call.” We take a deliberate approach to building our broker network and actively evaluate new and existing broker relationships based on the opportunities we see and choose to pursue in the market.

We handle our claims in-house, which we believe to be a key competitive differentiator. Aligning with our underwriting focus on specific product lines, our claims management teams are highly specialized to ensure that they can apply their expertise in handling claims to each market we serve. As part of our collaborative approach, our claims teams frequently participate in underwriting discussions, both internally and with our distribution partners and policyholders. We believe maintaining full control of the claims-handling process allows us to meet our rigorous quality standards and manage our losses and LAE effectively, and ultimately leads to more profitable underwriting.



We have a remote-friendly operating model with most employees working remotely supplemented by targeted, in-person collaboration. We formed our company during COVID-19 mandated lockdowns, which initially required us to be 100% remote. Our management team built our company's operating platform and developed its culture from the beginning to function nimbly in a hybrid environment. This approach has enabled us to recruit talented employees nationwide without regard for Bowhead-specific office locations. We use frequent video calls to collaborate throughout the day and hold a weekly company-wide call to align on short- and long-term goals. We encourage employees near our New York City and Chicago offices to work in the office on Wednesdays and use off-site meetings and conferences to get broader groups of employees together in person throughout the year. We believe our hybrid operating model is a competitive advantage in terms of attracting talent and maintaining our collaborative culture. Unlike other insurance companies that are trying to bring employees back to the office or learning to operate in a hybrid environment, our remote-friendly operating model is an innate part of our culture and a meaningful contributor to our success.

Our nimble business model enables us to leverage technology, data and analytics efficiently throughout each stage of the underwriting process. Our modern, cloud-based technology platform enables us to leverage technology that we have created in-house and by using leading third-party solutions. We have developed proprietary underwriting tools, BRATs, for the lines in which we write business, and which are further supplemented with customized third-party data. Our technology investments focus on development and integration of data, while our technology tools allow us to understand the underlying risks for each line of business, enabling us to provide rapid feedback to brokers on structure and price.

We believe in the profitability of the business we write, and consequently look to retain as much of that premium as possible while maintaining strict risk limits. We strategically purchase reinsurance through pro rata and excess of loss reinsurance agreements on a treaty or facultative basis with a goal of protecting our capital and minimizing volatility in our earnings from severity events. We focus on a diversified panel of high-quality reinsurance partners. As of June 30, 2024, 100.0% of our reinsurance recoverables were derived from reinsurers with an "A" (Excellent) financial strength rating from A.M. Best, or better.

### **Our Competitive Strengths**

We believe that our competitive strengths include:

***Focus on targeted, specialty P&C market segments with profitable growth opportunities.*** We primarily operate in the \$83.3 billion U.S. commercial E&S market (for the year ended December 31, 2023) that has grown 20.9% annually since 2019. We carefully selected specific segments of this market, only entering markets in which we can profitably grow by leveraging our significant underwriting expertise or by acquiring talent with proven track records of generating underwriting profits. Our target markets have experienced meaningful dislocations and have outperformed the broader U.S. commercial E&S market in loss ratio by four points annually on average over the same five-year period. We believe that we have positioned ourselves as a leader within our sectors and believe our specialized, innovative and customized underwriting approach combined with our strong broker relationships will provide us with an enduring competitive advantage.

***Disciplined approach to underwriting led by highly experienced teams with specialized expertise.*** Our underwriting team is led by industry veterans, who have each served as senior insurance executives, with more than 17 decades of combined industry experience. They bring specialized industry knowledge, strong distribution relationships and long track records of profitably underwriting the lines of business in which we specialize. We underwrite each risk individually, within prudently managed risk limits, to meet the unique demands of our policyholders. We focus on delivering accurate pricing, speed of execution and consistency to our clients across market cycles.

***Fully integrated and accountable underwriting value chain.*** We maintain strict control across our underwriting value chain that is managed in-house and fully integrated across origination, structuring, data and analytics, actuarial, claims and legal. These functional teams are not siloed, but rather work in close coordination with our underwriters in order to provide flexible solutions to our customers quickly and profitably. Our organization is singularly focused on underwriting results.

**Deep, long-term distribution relationships based on expertise, service and mutual benefit.** Our management team and underwriters have built meaningful long-term relationships with the leading distributors in their respective lines and classes of business. We are selective in choosing our distribution partners and look for those that have technical expertise in our chosen lines and a shared commitment to excellent service. Further, we seek out situations where we have the ability to write a significant portion of a distribution partner's business. We provide our brokers timely responses and feedback to submissions and mobilize resources across the organization to get the right deals done. As a result, we consistently receive high-quality business from our broker network. We believe our existing broker relationships and our approach to maintaining these relationships are key components to our long-term growth and success.

**Highly collaborative and execution-oriented culture that spans across all functions working toward a common goal of underwriting profitability.** Across our company, we collaborate at all levels and operational functions. We frequently hold roundtable discussions whereby key members of our team provide insights and perspectives to allow us to assess emerging opportunities quickly and holistically, all while establishing a common culture of excellence. We leverage technology and our flat organizational structure to mobilize our resources across the organization to execute on opportunities promptly.

**Nimble and efficient platform with hybrid operating model and modern technology.** We built our operating platform using the latest available technology on a remote-friendly basis. We believe our current hybrid operating model provides us with a significant competitive advantage to attract and retain the best industry talent from across the country to our organization and to deploy them locally to meet our clients' unique needs. Our cloud-based modern technology systems allow us to run day-to-day operations efficiently and integrate new tools seamlessly. We developed our pricing and analytics tools purposefully in-house and we strategically leverage third-party technology partnerships where we deem them to be more efficient. We have none of the typical legacy systems issues that impact many of our competitors.

**Strong balance sheet with a conservative investment portfolio and no reserves from accident years prior to 2020.** We believe our strong balance sheet is a key advantage that enables us to grow our business while delivering strong financial performance. We maintain a conservative investment portfolio concentrated in liquid and highly rated fixed income securities. We entered the market toward the end of 2020 when insurance rates were starting to increase following multiple years of rate inadequacy. Since then, we have continued to experience a favorable pricing environment, while many of our competitors are dealing with the potential for adverse developments. We have built a robust reserving process and regularly review our estimates in consultation with independent advisors to benchmark against industry experience.

**Experienced and entrepreneurial leadership team.** We have assembled what we believe is a best-in-class team of leaders from across the P&C industry. Our team is comprised of highly experienced executives who have previously held leadership roles across underwriting, claims, actuarial, technology, legal and operations at leading insurance companies. We are led by our founder and Chief Executive Officer, Stephen Sills, who has over four decades of experience launching and leading businesses in the specialty P&C industry. Prior to Bowhead, Stephen founded two specialty insurance businesses that went public: Darwin and Executive Risk. As the founder and Chief Executive Officer of those organizations, Stephen was responsible for achieving annualized stock price appreciation between their initial public offerings and sales to larger companies of 38.8% and 44.1%, respectively, as compared to 0.5% and 22.1% annualized returns of the S&P 500 during those same periods. Our Chief Underwriting Officer, David Newman, has over four decades of experience, including serving as Chief Underwriting Officer at Darwin, where he worked closely with Stephen Sills, and as the Chief Underwriting Officer at Allied World in the North America and Global Markets division, following the acquisition of Darwin. Our leadership team, including Stephen, David and each of our three underwriting leads, has an average of more than 30 years of experience in their respective areas of expertise. In addition, our board of directors includes accomplished industry practitioners who bring decades of invaluable experience from prior roles at insurance and financial services companies.

## **Our Strategy**

We believe that our approach to our business will allow us to achieve our goals of both growing our business and generating attractive returns for our stockholders. Our strategy involves:

**Attract and retain best-in-class talent across the business.** Our long-term success as an organization relies on hiring and retaining the right people to help us grow our business profitably. We seek to hire talented professionals nationwide with strong industry experience and technical expertise across our organization to help drive underwriting performance and operational efficiencies. We believe that our hybrid operating model and entrepreneurial, collaborative, execution-driven and customer-first culture have made us a company of choice for the best talent in the industry.

**Profitably grow our existing lines of business.** We are focused on generating an underwriting profit while growing our existing book of business sustainably. In 2023, our third full year of operations, we generated a 63.0% loss ratio and 95.0% combined ratio, while achieving a 42.2% year-over-year growth in gross written premiums. Our business lines are highly specialized and require deep industry knowledge and strong execution capabilities. As a result, we believe we are able to generate underwriting profitability by identifying market dislocations early and executing on these opportunities quickly. As the demand for specialized insurance solutions continues to rise, we expect to continue capitalizing on the broader market opportunity and expanding our market share to generate strong underwriting results.

**Opportunistically and strategically expand into new products and markets.** We actively evaluate new lines of business for capital deployment based on our established capabilities in the specialty P&C market. We believe we can leverage our distribution relationships and expertise in Casualty, Professional Liability and Healthcare Liability to expand into adjacent lines and classes that share a similar underwriting framework. We also believe there is an attractive opportunity in the small and micro commercial lines segment, where we can generate new and profitable growth opportunities by leveraging our existing expertise and distribution relationships. We constantly monitor the broader market to evaluate opportunities to expand organically where we believe there is a match between our broader capabilities and our perception of attractive underlying market conditions and needs.

We are focused on generating long-term value for our stockholders, including through expanding into new products and markets. As part of this effort, in the second quarter of 2024 we launched a new E&S division focused on small, niche, hard-to-place risks. We call this division “Baleen Specialty”, a streamlined, low touch “flow” underwriting operation that supplements the “craft” solutions divisions that we offer today. We write this business on a 100% non-admitted basis and our initial product is contractors’ general liability. We expect to have high submission volumes relative to the policies we will bind and have developed a tech-enabled process with low touch processing. We believe that we are able to rapidly and accurately underwrite, quote and bind policies, allowing us to provide quick and accurate feedback to our wholesale broker partners. We will maintain full underwriting authority and manage all of the claims in-house. We believe there is an attractive opportunity to underwrite profitable business within this market segment, and we believe our underwriting expertise and built for purpose technology platform will allow us to grow quickly and generate strong underwriting profitability.

**Maintain our underwriting-first culture across market cycles.** We strive to deliver consistent and strong underwriting results in all market cycles. We take a methodical approach to building our lines of business and our distribution network. We do not chase pricing trends; we aim to get ahead of them by identifying leading indicators at the micro level, forming our own view of risks and executing promptly when opportunities arise. We will only pursue lines of business that align with our expertise and expected underwriting profitability. We have developed tools and resources to enable quick and accurate decision-making and to monitor alignment between our underwriting framework and bottom-line results. We believe our continuous focus on underwriting excellence will allow us to generate profitable growth through all market cycles.

**Leverage expertise, technology, data and analytics to drive underwriting performance.** As we have established our platform, we have made significant investments in technology and will continue to do so to support our growth and operational efficiency. We leverage our BRATs to drive efficiency, accuracy and speed in our underwriting process. BRATs allow underwriters to streamline underwriting workflows and make pricing decisions that are based on a consistent view of risk informed by our own loss experience and broader industry level developments. We continue to introduce and integrate new tools into our internal system to allow our underwriters to process quotes more efficiently and perform day-to-day tasks in seamless coordination with other functions. Our goal as an organization is to build a technology stack that frees up our underwriters from performing highly repetitive, uniform tasks and allows them to apply judgment, creativity and critical thinking to form solutions that

can be executed quickly. Our focus on developing technology, data and analytics to drive efficiency is central to our “underwriting-first” strategy.

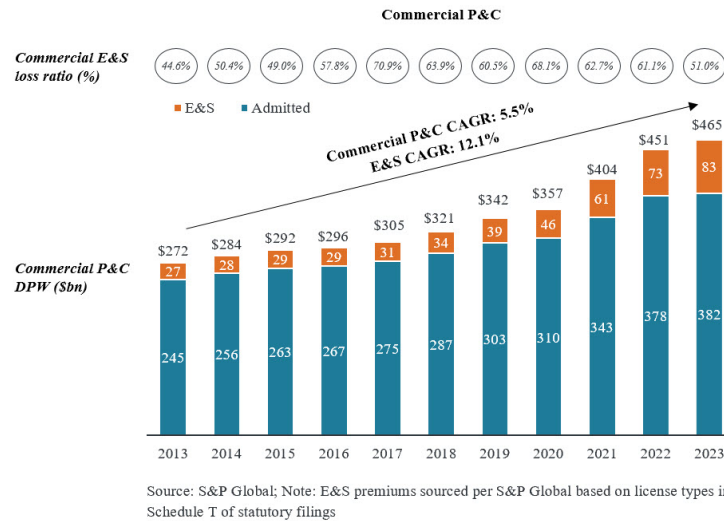
***Deliver attractive returns on capital to our stockholders.*** We intend to deliver attractive underwriting results, overall profitability and returns to our stockholders through underwriting expertise and disciplined risk management, supported by a conservative investment strategy, legacy free reserves and prudent approach to capital deployment. We aim to take advantage of our strong balance sheet to deploy capital prudently and profitably across market cycles. We believe that current market conditions present an attractive opportunity for growth and our underwriting-first approach will allow us to generate profitable and sustainable underwriting results over the long term.

## **Industry**

P&C companies provide insurance coverage under a policy in exchange for premiums paid by the customer. An insurance policy is a contract between the insurance company and the insured under which the insurance company agrees to pay for losses suffered by the insured, or a third-party claimant, covered under the contract. Generally speaking, property insurance provides protection against direct physical damage to property (such as from fire, theft and weather), while casualty insurance provides coverage for professional, healthcare and other liabilities arising from legal culpability for causing damages through malpractice or negligence. Within P&C, insurance may be provided either to individuals (“personal lines”) or to businesses (“commercial lines”). According to S&P Global, the U.S. P&C industry generated approximately \$465.4 billion in commercial lines direct premiums written (“DPW”) for the year ended December 31, 2023. For the year ended December 31, 2023, 100.0% of our DPW were written in commercial lines.

Within commercial lines, we operate in the specialty P&C market. Although no standard definition for the specialty market exists, Standard & Poor’s Ratings Services indicates that the following lines of business or exposure profiles exemplify the space: high-hazard or nonstandard insurance, niche market segments, tailored underwriting and both admitted and E&S lines. Many specialty insurers offer both admitted and E&S products, depending on the market conditions and regulatory requirements. Admitted product rates and policy forms are highly regulated and coverage tends to be standardized, while E&S products and policies have freedom of rate and form and can be highly customized. E&S coverage is generally placed only when determined to be unavailable in admitted markets. Because E&S markets typically require specialized knowledge, E&S policies tend to be priced higher and coverage more narrowly defined compared to standard policies in the admitted market. In addition to price, competition between insurance carriers in the E&S market also focuses on other value-based considerations, such as availability, service and expertise. According to S&P Global, the U.S. P&C industry generated approximately \$83.3 billion in commercial E&S DPW with a 51.0% loss ratio in 2023, representing approximately 17.9% of the overall U.S. commercial P&C market. We underwrite business on both an admitted and E&S basis,

depending on the specific product and segments that we target. For the year ended December 31, 2023, 79.2% of our gross written premiums were attributable to E&S products.



P&C companies are exposed to pricing cycles that alternate between periods of “soft” and “hard” market conditions. A soft market is characterized by stable or excessive supply of underwriting capacity, resulting in flat or declining rates or premiums, while a hard market is generally driven by a shortage of underwriting capacity whereby coverage is harder to place, resulting in elevated rates and premiums. P&C market cycles tend to correlate with catastrophic events, both natural and man-made, and developments in the macro economy that impact underwriting capacity through incurred or expected losses. We believe that over the past several years elevated attritional loss activity, increasingly frequent natural catastrophic events and social inflation have contributed to significant pricing dislocation within the broader specialty commercial markets whereby insurers have been withdrawing capacity and increasing rates, resulting in a continuous flow of P&C business into E&S markets. According to S&P Global, from 2019 to 2023, DPW for the U.S. commercial E&S market generated a compounded annual growth rate (“CAGR”) of 20.9%, compared to a CAGR of 8.0 % for overall U.S. commercial P&C DPW over the same five-year period.

The distribution of commercial specialty insurance products is typically different than that of either standard commercial lines or personal lines. Given the unique nature of many specialty risks and the specific expertise required, specialty commercial products often have multiple layers of distribution channels. As an example, a commercial enterprise seeking coverage may contact a retail broker, but given the unique circumstances and risks of that enterprise, other specialist distributors may be needed to find an insurance carrier to write the risk. These other distributors can be wholesalers or MGAs. For the year-ended December 31, 2023, 67.0% of our gross written premiums were distributed by wholesale partners and the remainder through retail brokers. Regardless of the method of distribution, we strive to maintain strict control over our entire underwriting process.

Insurance policies are often classified based on how long an insurer may have exposure to the risks covered by the policy. Property losses are generally short tailed, meaning that they are usually assessed and paid within a relatively short period of time after the underlying loss event has occurred, while casualty losses are generally longer tailed, meaning that there can be a significant delay between the occurrence of a loss and the time a loss is settled by the insurer. Insurance products are also classified as either “claims-made” or “occurrence-based” policies. Claims-made policies cover liabilities only when a claim is made during the policy period, while occurrence-based policies cover liabilities if an event occurs during the term of policy, irrespective of when a claim is submitted to the insurer. Claims-made policies are advantageous from a reserving standpoint because they have a limited claims reporting

lag. For the year ended December 31, 2023, 100.0% of our gross written premiums were for casualty lines of business, while 45.3% were written on a claims-made basis.

Within specialty P&C, we currently focus on Casualty, Professional Liability and Healthcare Liability lines in which there have been meaningful pricing dislocations over the past several years, particularly since early 2020. Casualty markets have experienced rate hardening for several years with an increasingly complex risk landscape as carriers continue to adjust pricing methodologies and available limits in the face of ongoing economic uncertainty and social inflation. In the Professional Liability markets, we have seen more capacity entering the space, particularly in management liability and D&O. Public D&O pricing has softened as transaction volumes within the financial markets have generally declined since the peak of the initial public offering and special purpose acquisition company activity during 2020 and 2021. As the D&O market appears to correct for supply-demand mismatch, the pace of the pricing decline has slowed and carriers appear to continue to write selectively based on their respective risk appetite. Healthcare Liability covers risks associated with E&O and malpractice from healthcare providers; similar to Casualty markets, Healthcare Liability markets have exhibited meaningful rate hardening since early 2020 and the surge in demand for healthcare services. As loss severity and frequency have increased in Healthcare Liability, underwriting capacity has declined as several carriers have exited the market, providing opportunities for new entrants.

## **Underwriting**

We have an underwriting-first culture. We focus on providing craft solutions in the classes of business that we write. Our underwriting approach is highly collaborative and customized. Our extensive underwriting expertise and carefully cultivated broker relationships allow us to provide consistent feedback and quick responses to our distribution partners, which is how we win business. As of June 30, 2024, we had 81 underwriters across our three underwriting divisions. We hire what we believe to be best-in-class talent nationwide, with proven track records of generating underwriting profits in the lines they write. We take pride in building a strong underwriting culture through a referral driven recruiting approach, with many new hires having previously worked with our existing employees. Many of our underwriters previously held underwriting leadership positions at high-quality insurance companies. David Newman, our Chief Underwriting Officer, has over four decades of experience, including serving as Chief Underwriting Officer at Darwin, where he worked closely with Stephen Sills, and as the Chief Underwriting Officer at Allied World in the North America and Global division following its acquisition of Darwin. The heads of each of our three underwriting divisions collectively have over 85 years of underwriting experience and have each held leadership positions at major insurance carriers.

We have initially focused on underwriting Casualty, Professional Liability and Healthcare Liability risks. Our underwriting teams are knowledgeable, experienced and have well established relationships with our key distribution partners. These characteristics are critical to operating successfully in our target markets since many of the risks we write require customized solutions and individual risk underwriting. We have a culture of collaboration and execution, with a streamlined organizational structure that focuses on flexibility and delivering feedback on price and structure in a timely manner to brokers.

We have formal underwriting rules but also utilize the expertise of our underwriters and capabilities of our platform to produce a consistent approach to pricing and risk throughout the organization. All underwriters have formal authority for the risks they bind. We provide our underwriters with the tools necessary for them to evaluate and price the complex risks on which they work; however, our underwriters do not underwrite risks in isolation.

Roundtables also form a key part of our underwriting process. Depending upon the risk, roundtables can occur at multiple levels across the organization and often involve functions outside of our underwriting teams, including actuarial, claims, legal and finance. Not only does this approach optimize the quality of the decision making on the opportunities with which our underwriters are presented but it also leads to a more consistent product for our counterparties. Our culture of collaboration and accountability reduces the number of underwriting decisions made in isolation. We believe this approach allows us to achieve superior risk selection and pricing and results in mutually beneficial relationships with our distribution partners, generating sustainable best-in-class underwriting performance across market cycles.

We are highly selective in the policies we choose to bind. In the event we determine that we are not able to profitably write coverage at the price or terms submitted, we provide appropriate feedback to our distribution partners quickly. This responsiveness is one of the reasons we believe we are often considered a broker's first call.

On the business that we do accept, we underwrite each risk on a case-by-case basis, carefully establishing price and terms that are adequate for the underlying exposure, with disciplined parameters and strict policy limits. We often customize our policies, and our underwriters use our legal department to draft all policy forms and any endorsements that modify coverage. We predominantly write non-admitted business in the E&S market and use the flexibility of rate and form to ensure that the risk and coverage we provide are customized to the unique needs of the market while always focusing on underwriting profitability.

## **Claims**

Our Chief Claims Officer, Chris Butler, who has over 20 years of experience in large commercial and specialty insurance claims departments, leads our claims handling teams, which are structured to align with our three underwriting divisions. Each of our claims handling specialists—most of whom have prior law firm experience, each with an extensive claims handling experience at traditional P&C and various specialty insurance companies and/or law firms—supports and focuses on given lines of business in which they have expertise. Our claims management teams have significant experience in the markets on which we focus and are deeply integrated across our underwriting, actuarial and legal departments, ensuring a consistent approach to all claims matters.

We handle our claims in-house with a focus on high-touch customer service and effective management of the claims resolution process. We aim to settle claims efficiently and fairly, which we believe to be a key competitive differentiator. Submitted claims are reviewed by a minimum of two or more members of the claims department, which works closely with our underwriting and actuarial teams, keeping them informed of claims trends, providing feedback on emerging areas of loss experience and identifying and addressing key issues and adjusting reserves as appropriate.

Our claims system produces real-time information on open claims and regular reporting of detailed claims metrics utilized by senior leadership and the claims team. We believe that our extensive industry experience, agile culture and technology-assisted claims processes enable us to reach fair and appropriate claim resolutions for our customers.

Our approach is to promptly investigate claims and consider all aspects of each loss, provide our customers with quality claims handling and engagement throughout the claims process, promptly establish claims reserves and leverage expert legal and other external resources as needed to deliver fair outcomes across our businesses. We do not use any third-party administrators to handle claims. We believe maintaining full control of the claims-handling process allows us to meet our rigorous quality standards and manage our losses and LAE effectively, ultimately allowing us to win business and drive underwriting profitability.

## **Marketing and Distribution**

We are able to deliver mutually beneficial and bespoke solutions to meet the demand of our wholesale and retail distribution partners. We go to market under the Bowhead brand, leveraging the strong reputation that we have quickly established within the broker community. We distribute our products through a national network of wholesale and retail broker offices. We leverage a range of distribution approaches across our three underwriting divisions. In Casualty, we partner exclusively with wholesale distributors, whereas in Professional Liability and Healthcare Liability, we work with a combination of wholesale and retail distribution partners. We source our distribution relationships based on quality of business and reputation and alignment of long-term objectives. We strive to maintain a core group of brokers that will consider us to be their first call.

We take a deliberate approach to building our broker network and actively evaluate new and existing broker relationships based on the opportunities we see and choose to pursue in the market. Many of our distribution partners have more than one office and we evaluate each office on a standalone basis. Brokers must demonstrate an ability and a willingness to consistently produce the type of high-quality business that we want to write. We leverage our strong reputation within the broker community to target the right distribution partners.

To date, our broker/agent relationships are built on long standing relationships between our underwriters and individual brokers who work at some of the industry's largest brokerage firms. These relationships are managed by a combination of our leadership, including our founder and Chief Executive Officer, Stephen Sills, our Head of Distribution, Patricia Fitzgerald, and our underwriters. We hold periodic meetings with our brokers and agents so that we can better understand their and their clients' needs and their fit within our risk appetite. These meetings may occur at industry conferences, scheduled meetings in person or by video conference. As we grow, establish new products and start to evaluate new broker/agency relationships, we are implementing a formal questionnaire to better evaluate the financial stability of the agent/broker and their lines of coverages (e.g., limits of E&O coverage and limits of fidelity coverage).

We look to grow by establishing new brokerage relationships with 1) new individuals associated with larger brokerage firms with whom we have pre-existing relationships, but who are operating in different markets (whether product or geographical), and 2) new brokerage firms to see whether we have products that may meet the needs of those individual brokers or brokerage firms. When evaluating whether to establish relationships with new brokerage firms where we do not necessarily have long standing relationships, we will evaluate that brokerage firm's portfolio of business to see whether it fits into our existing appetite as well as the brokerage firm's financial stability and reputation.

We believe that we have strong relationships with our distribution partners due to the quality, knowledge and expertise of our management team and underwriters. We believe that our underwriters have a "following" with their distribution partners and that this following creates an attractive volume of submissions fitting our underwriting appetite and for which our underwriters can provide craft solutions. We are committed to exceeding our partners' expectations through excellent service, product and expertise.

Depending on the line of business, we employ different distribution networks across our three underwriting divisions. For the year ended December 31, 2023, 67.0% of our gross written premiums were distributed through our wholesale channels and 33.0% were distributed through our retail channels.

**Wholesale Brokers:** We market and distribute all of our Casualty products and a portion of our Professional Liability and Healthcare Liability products through wholesale brokers. Wholesale brokers generate business from wide networks of retail agents that do not have the resources to place – or capability to produce – a high enough volume of specialty business to have appointments with specialty insurance companies. Additionally, some specialty insurance companies will not appoint retail agents. We are deliberate in working with leading wholesale organizations that can consistently produce a sufficient volume of business in our target lines and classes. We believe that our wholesale partners are well-known experts in their respective fields, each providing what we view to be high-quality submissions for us to evaluate. We write business with many of the industry's leading wholesalers. In addition, through one of our wholesale broker relationships, we have a program where we provide an excess casualty umbrella group policy to a real estate risk purchasing group whose members own residential and commercial real estate. The program administrator for this program has limited authority to quote, bind and issue certificates of insurance according to our underwriting guidelines under the master policy to members of the risk purchasing group through retail agents.

**Retail Agents and Brokers:** We primarily distribute our Professional Liability and Healthcare Liability products through retail agents and brokers. The retail channel is important for these products because retail distributors control much of the premiums written in these segments, particularly for larger accounts. We seek to partner with specialized retail brokers that have an ability to produce the type of business that aligns with our craft approach to underwriting. Retail agents and brokers must also demonstrate an ability to produce both the quality and quantity of business that we seek. We achieve higher retention rates on business placed through the retail channel than on business written through wholesale brokers, we believe, in part, because of the strength of the broker-policyholder relationship.



## **Operating Model and Technology Platform**

### ***Operating Model***

We have a remote-friendly operating model with employees generally working remotely supplemented by targeted, in-person collaboration. We formed our company during COVID-19 mandated lockdowns, which initially required us to be 100% remote. Founding a digital-first specialty insurer in the midst of national stay-at-home mandates reinforced the importance of finding the right balance between automated processes and human experience. Our management team built our company's operating platform and developed its culture from the beginning to function nimbly in a remote environment. This approach has enabled us to recruit talented employees nationwide without regard for Bowhead-specific office locations. We use frequent video calls to collaborate throughout the day and hold a weekly company-wide call to align on short- and long-term goals. We encourage employees near our New York City and Chicago offices to work in the office on Wednesdays and use off-site meetings and conferences to get broader groups of employees together in person throughout the year. We focus on employee productivity as opposed to tracking office attendance or hours worked.

We believe our unique operating model is a competitive advantage in terms of attracting talent and maintaining our collaborative culture. Unlike other insurance companies that are trying to bring employees back to the office or that are just now learning to operate in a hybrid model, our remote-friendly operating model is and has been an innate part of our culture and we believe contributes directly to our success. We believe that our employees value the flexibility our operating model provides them and appreciate knowing that we are not trying to change this model or require a full-time return to the office. Contrary to many companies that needed to learn a "new normal" during 2020, launching our business in a remote environment with a team-based culture encouraged our employees to communicate regularly and build virtual working habits that are now deeply ingrained in our daily practices. We believe that our organization thrives in a remote-friendly environment and our employees' ability to work collaboratively in a remote environment is unique within our industry.

### ***Technology Platform***

Our technology team is comprised of over 20 employees led by our Chief Information Officer, Bob Spina, who has over 35 years of experience in technology and data startup companies. We utilize technology, data and analytics efficiently throughout each stage of the underwriting process. Our modern, cloud-based technology underwriting platform enables us to leverage both internally-created and third-party solutions. We have developed proprietary underwriting tools, BRATs, for each of the lines in which we write business, and which are further supplemented with customized third-party data. Our technology investments focus on the development, integration and analysis of data, while our technology tools allow us to understand the underlying risks for each line of business, enabling us to provide rapid feedback to brokers on structure and price. Our technology platform is a direct result of the best practices learned from our management's extensive prior experience at leading insurance companies. We have a new technology platform and we are not burdened by legacy systems and practices that other insurance companies face. We focus our technology investments on improving our capabilities, not on maintaining or replacing outdated systems.

Our BRATs are comprehensive tools used across departments during our underwriting process to evaluate each risk. Our key business leaders leverage their respective BRATs to evaluate submissions and, over time, have built line of business-specific capabilities resulting in a custom underwriting process, capturing exposures and drivers of the losses that are relevant to each submission. Each of our three major lines of business has its own unique set of BRATs. Each BRAT stores data in our core operating system for each submission, regardless of whether we ultimately write the account. The Professional Liability BRAT data is supplemented by third-party vendor data integrated directly into its algorithm. This effective data management capability has allowed us to build a large data repository of both public and private data despite our brief operating history.

For our core operating platform, including our policy administration, billing and claims systems, we license a cloud-hosted and cloud-architected application from a leading third-party vendor that has been customized for our business. This turnkey application allows us to integrate additional applications from various third-party vendors directly into our core information technology platform, enabling capabilities to be customized by line of business,

size of account and underlying risk, among others. We leverage our internal claims system to launch claims capabilities quickly for new lines of business, allowing us to keep costs low until a business line has reached critical mass and is ready to be moved onto the third-party vendor applications.

## Reinsurance

We purchase various forms of reinsurance to manage loss exposures and safeguard our capital. Through reinsurance, we transfer certain exposures to a reinsurer, and in return the reinsurer receives a portion of the premium (less a ceding commission paid to us). We strategically use a combination of quota share and excess of loss reinsurance treaties to retain risk (and premium) we underwrite while providing balance sheet protection from larger losses.

A quota share reinsurance treaty is an agreement where reinsurers assume a percentage of the company's losses in exchange for a negotiated percentage of premium. An excess of loss reinsurance treaty is an agreement where reinsurers agree to assume a portion of losses for a specific event in excess of a specified amount in return for a negotiated premium. Reinsurance needs are determined with principal input from our Chief Underwriting Officer based on a multitude of factors, including risk appetite, market conditions, loss history and reinsurance capacity.

We place reinsurance through our subsidiary, BICI, which reinsures 100.0% of the premium placed by BSUI. In turn, BICI strategically transfers exposures to third-party reinsurers utilizing different structures depending on the line of business.

While we offer up to \$15.0 million of limit on our insurance policies, we generally seek not to retain more than \$5.0 million of risk per policy and seek to utilize reinsurance to achieve that objective. At each renewal, we consider various factors when determining our reinsurance coverage, including (i) plans to change the underlying insurance coverage we offer, (ii) trends in loss activity, (iii) the level of our capital and surplus, (iv) changes in our risk appetite and (v) the cost, terms and availability of reinsurance coverage.

Currently, all of our lines of business (except Cyber) use a quota share reinsurance treaty where 25.0% of the exposure is ceded to reinsurers. Additionally, all of our lines of business (except Cyber) use an excess of loss reinsurance treaty ceding 60.1% of losses in excess of \$5.0 million up to \$15.0 million to our reinsurers. Cyber, as a specialized line of business, is placed under a separate quota share structure under which we currently cede 64% of the exposure to reinsurers. The only reinsurance covering our Cyber line of business is pursuant to this Cyber-specific quota share reinsurance agreement. Our Cyber line of business does not benefit from our excess of loss reinsurance program and there is no separate excess of loss reinsurance program for our Cyber line of business. In addition to the core treaties outlined above, we may also place additional reinsurance on specific risk classes, as we deem prudent. For example, we have placed additional quota share reinsurance protection to address auto exposure embedded in our casualty lines of business. Our reinsurance treaties are currently subject to caps which currently range from 250% to 350% of the subject matter ceded premium and should these caps be exceeded we would retain any losses in excess of those caps.

Our reinsurance treaties typically have a 12- or 18-month term. During each renewal cycle, we may change our coverage terms or the composition of our reinsurance panel. Currently, the quota share reinsurance treaty for Cyber generally renews on January 1, 2025 while the remainder of our reinsurance treaties renew on May 1, 2025. Although exact cession percentages and specific coverage terms may vary at each treaty renewal, we intend to renew on similar terms as expiring to maintain our desired level of net risk appetite.

All reinsurance involves credit risk, since we maintain the direct obligation to pay out losses incurred by our policyholders up to our policy limits. Accordingly, when selecting our reinsurers, a potential reinsurer's financial strength is the paramount consideration. All of our reinsurance business is placed with reinsurers that have an A.M. Best rating of "A" (Excellent) or better. As of June 30, 2024, we have never had an allowance for uncollectible reinsurance.

We had reinsurance recoverables on unpaid losses of \$190.0 million and recoverables on paid losses of \$2.0 million as of June 30, 2024. The following table summarizes our top five reinsurers, their A.M. Best financial strength rating and percent of our total reinsurance recoverables as of June 30, 2024:

Reinsurer	A.M. Best Rating	% of Total
Renaissance Reinsurance U.S. Inc	A+	29.7 %
Endurance Assurance Corporation	A+	24.0 %
Markel Global Reinsurance Company	A	22.7 %
Ascot Bermuda Limited	A	9.1 %
Partner Reinsurance Company of the U.S.	A+	6.1 %
All other reinsurers	At least A	8.4 %
<b>Total</b>		<b>100.0 %</b>

## Investments

Investment income is an important component of our business model. Most premiums we collect are held in reserves until claims are paid. We conservatively invest these reserves to supplement our underwriting income between the time of premium collection and a possible claim payment. If an underwriting loss occurs during any given year, investment income can be used to cover underwriting losses before capital is affected.

We seek to maintain a diversified portfolio of fixed income instruments that prioritize capital preservation, with a secondary focus on generating predictable investment income. We generally try to match the duration of our investment portfolio to the duration of our insurance liabilities. Our asset allocation strategy focuses on high-quality fixed-income instruments, with no equity or alternative investment exposure as of June 30, 2024. One of the primary features of our asset allocation is maintaining sufficient readily available funds to pay claims and expenses. Consequently, the bulk of our reserves are invested in securities which can be expected to maintain a close relationship between market and statement values, under most conditions. Our portfolio therefore consists entirely of cash, cash equivalents and investment-grade fixed-income securities.

We actively manage and monitor our investment risk to balance the goals of capital preservation and income generation with our need to comply with the insurance regulatory frameworks within which we operate as well as the capital framework agreements with AmFam. Our board of directors reviews and approves our investment policy and strategy on a regular basis, with consideration for investment activities, performance against benchmarks and new investment opportunities as they arise. The portfolio is managed by a third-party investment management firm, NEAM. NEAM is a wholly-owned subsidiary of Berkshire Hathaway Inc. NEAM is a registered investment adviser with the Securities Exchange Commission under the Investment Advisers Act of 1940. We believe that investment decisions are best made when not excessively restrictive. Therefore, our investment managers have full discretion to carry out investment decisions within the limits of our investment policy and applicable guidelines.

Our fixed income portfolio had a weighted average effective duration of approximately 1.8 years and an average credit rating of AA+ as of June 30, 2024. Actual maturities may differ for some securities when borrowers have the right to call or prepay obligations with or without penalties.

The securities in our investment portfolio are classified as “available for sale” and are carried at fair value with unrealized gains and losses on these securities reported net of tax as a separate component of accumulated other comprehensive income (loss). Fair value represents quoted market prices traded in the public market. For those securities with unrealized losses, we intend to hold them until maturity or the point of unrealized gain.

## Reserves

We maintain loss and loss adjustment case reserves for specific claims incurred and reported and IBNR reserves for losses incurred but not yet reported. The amount that we ultimately pay out for claims may be greater or less than the reserves we hold on our balance sheet. There is always a risk that posted reserves may prove to be inadequate or redundant. We monitor case reserves and IBNR by reflecting any new information in case reserve updates and by

actuarial analysis of IBNR. Anticipated inflation is reflected implicitly in the reserving process through analysis of cost trends and the review of historical development. We do not discount our reserves for losses and loss adjustment expenses to reflect estimated present value.

When a claim is reported to us, it is assigned to a specific claim handler based on the class of business. The claim handler assigns an initial claim rating that indicates their view of potential exposure to loss based on available information at that time. Claim ratings are reviewed and updated regularly throughout the life of a claim. A case reserve is then established to indicate the estimated amount of the ultimate loss and loss adjustment exposure to us after an assessment of coverage and damages and any other investigations conducted, as applicable. The estimate is based on the claim handler's experience and knowledge of the nature and value of the specific type of claim. Individual case reserves are periodically adjusted, either increased or decreased, based on subsequent developments associated with each claim.

We establish IBNR reserves in accordance with industry practice to provide for (i) the estimated amount of future loss and loss adjustment payments on incurred claims not yet reported and (ii) potential development on reported claims. IBNR reserves are estimated based on generally accepted actuarial reserving techniques that take into account our loss experience and pricing adequacy indications as well as benchmark historical and projected loss experience of comparable lines of business written by other insurance carriers.

Reserves are monitored and updated regularly to reflect any changes in paid or reported claims and case reserves. The indicated results of standard actuarial techniques for estimating IBNR are compared with held IBNR. The indicated versus booked IBNR estimates are reviewed quarterly with members of senior management. In addition, our loss reserves are reviewed at the end of each third quarter and at year-end by an independent actuarial consulting firm, which also supports us by providing the year-end written Statement of Actuarial Opinion as required by NAIC.

The parameters for the reserve adequacy exercise and monitoring are discussed and informed by the work of the independent actuarial consulting firm. These parameters include Reporting Development Patterns and Initial Expected Loss Ratios, which are used in Loss Development, Bornhuetter-Ferguson Incurred and Expected Loss Ratio techniques for estimating IBNR. Given our short history, reserving parameters are based on industry data and benchmarks available to and analyzed by the independent actuarial consulting firm, adjusted where appropriate to reflect our claims and underwriting practices and supplemented by our pricing model data. Over time, we expect to put increasing reliance on parameters based on our own loss data and claims practices.

Separate sets of parameters are established for lines of business. Reserving cohorts are used to group data together with similar expected reporting and payout patterns. Estimates of IBNR are calculated for lines of business and then consolidated to provide an overall picture for the company. Estimates are calculated on both a gross and a net of reinsurance basis.

Case and IBNR reserves may be increased or decreased over time as claims move to ultimate settlement, dismissal or closure. Changes in reserves for historical years can impact earnings via adverse development (increases) or reserve releases (decreases). The reserve estimates contain an inherent level of uncertainty and actual results may vary, potentially significantly, from the initial estimates.

The following table presents the development of our loss reserves calculated in accordance with U.S. GAAP as of December 31 for each year:

(\$ in thousands) Accident Year	Net Ultimate Loss and Loss Adjustment Expenses					
	Calendar Year			Development		
	2021	2022	2023	2021 to 2022	2022 to 2023	
Prior	N/A	—	N/A	N/A	N/A	
2021	34,518	32,212	\$ 32,212	(2,306)	\$ —	
2022	N/A	114,066	\$ 114,066	N/A	\$ —	
2023	N/A	N/A	\$ 166,282	N/A	N/A	
<b>Total Reserve Development</b>				<b>\$ (2,306)</b>	<b>\$ —</b>	

### Competition

The specialty P&C industry is highly competitive. We compete with domestic and international insurers, MGAs and program administrators, some of which have greater financial, marketing and management resources and experience than we do. We may also compete with new market entrants in the future. Competition is based on many factors, including the perceived market strength of the insurer, pricing and other terms and conditions, services provided, the speed of claims payment, the experience and reputation of members of the underwriting and claims teams and ratings assigned by independent rating organizations, such as A.M. Best. Our competition is broad and certain competitors may be specific to only one or two of our underwriting divisions. Some of our notable competitors include American International Group, Inc., Arch Capital Group Ltd., AXA S.A., Axis Capital Holdings Ltd., Berkshire Hathaway Corporation, C.V. Starr & Co., Inc., Chubb Ltd., Cincinnati Financial Corporation, CNA Financial Corporation, Liberty Mutual Insurance Company, Nationwide Mutual Insurance Company, The Doctors Company, The Travelers Companies, Inc. and W.R. Berkley Corporation. In identifying the listed companies as some of our competitors we considered factors such as the number of policies and/or the amount of premiums written by such companies and such companies' reputations within the space. As a result, the companies listed as our competitors may be competitors with respect to some of our underwriting divisions but not others.

### Human Capital

As of June 30, 2024, we had over 220 employees. Our employees are not subject to any collective bargaining agreements, and we are not aware of any current efforts to implement such an agreement.

Our employees are our most valuable assets. We embrace and encourage our employees' differences in backgrounds, knowledge, life experiences and capabilities that we believe collectively play a significant role in our culture, reputation and achievements. Our recruitment efforts focus on hiring high-quality, talented people wherever they live throughout the country. We believe that our talent-first approach to recruitment, irrespective of geographical location, is a competitive advantage that enables us to build cost effective teams while providing a high quality of life for our employees.

Our average voluntary turnover rate over the past three years was approximately 3.6%. We believe this strong employee retention is due, in part, to our flexible, remote-friendly, results-driven, collaborative culture. We strive for our work environment to be nonpolitical, with a flat, organizational structure promoting open communication, feedback and discussion about any matter of importance. We have a policy of entering into non-compete and/or non-solicitation agreements with certain key management personnel so as to minimize the risk of disruption to our business in the event of a key employee's departure.

We offer and maintain a competitive benefits package designed to support the well-being of our employees, including, but not limited to, medical, dental and vision insurance; a 401(k) plan; paid time off; family leave; tuition reimbursement; and employee assistance programs. Our compensation is structured to align employee incentives with the long-term success, vision and direction of our organization. We also emphasize the training and development of our employees to help maximize their personal and professional growth with opportunities to further their education and careers.

**Facilities**

Although our business is run largely remotely, we lease offices located in New York, New York, and Chicago, Illinois.

We do not own any real property. We believe that our existing facilities are sufficient for our current needs.

**Legal Proceedings**

We are subject to routine legal proceedings in the normal course of operating our insurance business. We are not currently involved in any legal proceedings which reasonably could be expected to have a material adverse effect on our business, results of operations or financial condition.

## REGULATION

### Insurance Regulation

Our insurance businesses are subject to regulation and supervision in each of the United States jurisdictions in which they conduct business. State insurance laws and regulations generally are designed to protect the interests of policyholders, consumers and claimants rather than stockholders or other investors. The nature and extent of state regulation varies by jurisdiction, and state insurance regulators generally have broad administrative power relating to, among other matters, setting capital and surplus requirements, licensing of insurers, insurance producers and adjusters, review and approval of product forms and rates, establishing standards for reserve adequacy, prescribing statutory accounting methods and the form and content of statutory financial reports, regulating certain transactions with affiliates and prescribing types and amounts of investments.

### Licensing

Our operating subsidiaries, BSUI and BUSI, as well as certain designated employees, must be licensed to act as insurance producers or adjusters, as applicable, by insurance regulatory authorities in the states where they operate. Such insurance regulatory authorities are vested in most cases with relatively broad discretion as to the granting, denying, revocation, suspension and renewal of licenses.

BICI is an insurance company licensed and domiciled in the State of Wisconsin and is primarily regulated by the Wisconsin OCI. BICI reinsures specialty property and casualty insurance products offered on both an admitted and non-admitted basis, depending on the specific product and market segment. Admitted product rates and forms are highly regulated, while non-admitted insurance is subject to considerably less regulation with respect to policy rates and forms. Currently, BICI assumes 100.0% of the premium underwritten by BSUI on behalf of certain AmFam insurance company subsidiaries, which is predominantly written on a non-admitted basis.

BICI may become licensed to transact insurance in additional jurisdictions in order to write certain lines of business directly, which would subject BICI to regulation in such jurisdictions, including statutes and regulations governing the review and approval of policy rates and forms.

### Insurance Holding Company Regulation

We are subject to the insurance holding company laws of Wisconsin, which require BICI to register with the Wisconsin OCI and furnish information concerning the operations of companies within the holding company system that may materially affect the operations, management or financial condition of BICI. These statutes also provide that all transactions among members of a holding company system must be fair and reasonable and, if material or of specified types, such transactions require prior notice and approval or non-disapproval by the Wisconsin OCI.

### Changes of Control

Before a person can acquire control of a U.S. domestic insurer, prior written approval must be obtained from the insurance commissioner of the state where the insurer is domiciled, or the acquiror must request an exemption from the Form A filing and approval requirements or a determination of non-control (each, an "Exemption Request") or file a Disclaimer with the insurance department of such state and obtain approval thereon. Since BICI is domiciled in the state of Wisconsin, the insurance laws and regulations of Wisconsin would be applicable to any proposed acquisition of control of BICI. Under applicable Wisconsin insurance laws and regulations, no person may acquire control of a domestic insurer until written approval is obtained from the state insurance commissioner following a public hearing on the proposed acquisition. Such approval would be contingent upon the state insurance commissioner's consideration of a number of factors, including, among others, the financial strength of the proposed acquiror, the integrity and management of the acquiror's board of directors and executive officers, the acquiror's plans for the future operations of the domestic insurer and any anti-competitive results that may arise from the consummation of the acquisition of control.

Wisconsin law provides that control over a Wisconsin domestic insurer is presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, ten percent or

more of the voting securities of the domestic insurer. This statutory presumption of control may be rebutted by a showing that control does not exist in fact. The Wisconsin OCI, however, may find that “control” exists in circumstances in which a person owns or controls less than ten percent of the voting securities of the domestic insurer.

Wisconsin insurance laws and regulations pertaining to changes of control would apply to both the direct and indirect acquisition of ten percent or more of the voting stock of a Wisconsin-domiciled insurer (or potentially of less than ten percent of the voting stock if there is other indicia of control). Accordingly, the acquisition of ten percent or more of our common stock would be considered an indirect change of control of BICI and would trigger the applicable change of control filing requirements under Wisconsin insurance laws and regulations, absent the filing of an Exemption Request or Disclaimer and its acceptance by the Wisconsin OCI. These requirements may discourage potential acquisition proposals and may delay, deter or prevent a change of control of us, including through transactions that some or all of our stockholders might consider to be desirable.

### **Restrictions on Paying Dividends**

Substantially all of our operations are conducted through our wholly-owned insurance and service company subsidiaries. Consequently, our ability to pay dividends to stockholders and meet our debt payment obligations is largely dependent on dividends and other distributions from BICI and our other operating companies. BICI’s ability to pay dividends is restricted under the insurance laws and regulations of its domiciliary state and may only be paid from unassigned surplus. Under the insurance laws of Wisconsin, an insurer may make an ordinary dividend payment if its surplus as regards to policyholders, following such dividend, is reasonable in relation to its outstanding liabilities, is adequate to its financial needs and does not exceed the insurer’s unassigned surplus. However, no insurer may pay an extraordinary dividend without the approval or non-disapproval of the Wisconsin OCI. An extraordinary dividend is defined under Wisconsin law as a dividend whose fair market value, together with other dividends paid within the preceding 12 months, exceeds the lesser of (i) 10.0% of the insurer’s surplus with regard to policyholders as of the preceding December 31 or (ii) the greater of (A) the insurer’s net income for the calendar year preceding the date of the dividend, minus realized capital gains for that calendar year, or (B) the aggregate of the insurer’s net income for the three calendar years preceding the date of the dividend, minus realized capital gains for those calendar years and minus dividends paid within the first two of the preceding three calendar years. As of December 31, 2023, the maximum amount of dividends BICI can pay without regulatory approval is \$2.9 million.

State insurance regulators require insurance companies to maintain specified levels of statutory capital and surplus. BICI is subject to certain surplus and risk-based capital requirements under a company-specific stipulation and order from the Wisconsin OCI, which became effective on December 18, 2020 in connection with the issuance of BICI’s certificate of authority by the Wisconsin OCI. Pursuant to the Wisconsin OCI Stipulation and Order, BICI is required to (i) have a compulsory surplus equal to the greater of (A) \$3.0 million or (B) the sum of (x) 50.0% of gross written premiums for medical malpractice insurance (which business is written as part of our Healthcare Liability division) and (y) 20.0% of gross written premiums for all other covered lines of insurance, (ii) maintain surplus in excess of its required security surplus standard under Wisconsin law and (iii) maintain a ratio of total adjusted capital to authorized control level risk-based capital of not less than 400.0%. Upon the earlier of (i) a change in control of BICI that requires the filing of a Form A or (ii) the fifth anniversary of the effective date of the Wisconsin OCI Stipulation and Order, BICI may submit a written request for the Wisconsin OCI to consider whether the terms of the Wisconsin OCI Stipulation and Order should be continued or modified. Upon such written request, the Wisconsin OCI will initiate an inquiry to evaluate whether BICI’s business has maintained sufficient capitalization such that the assurances provided by the Wisconsin OCI Stipulation and Order are no longer required or whether any terms or conditions of the Wisconsin OCI Stipulation and Order should be modified. The inquiry would be expected to conclude within 120 calendar days. Insurance regulators have broad powers to prevent reduction of statutory surplus to inadequate levels, and there is no assurance that dividends of the maximum amounts calculated under any applicable formula would be permitted. State insurance regulatory authorities that have jurisdiction over the payment of dividends by our insurance company subsidiary may in the future adopt statutory provisions, or impose additional constraints more restrictive than those currently in effect.



## **Investment Regulation**

BICI is subject to Wisconsin laws that require diversification of our investment portfolios and prescribe limits on the kind, quality and concentration of investments. Failure to comply with these laws and regulations would cause nonconforming investments to be treated as non-admitted assets for purposes of measuring statutory surplus and, in some instances, would require us to sell those investments.

## **State Legislative and Regulatory Activity**

From time to time, increased scrutiny has been placed upon the insurance regulatory framework, including licensing of employees, and a number of state legislatures have considered or enacted legislative measures that alter, and in many cases increase, state authority to regulate insurance companies. In addition to legislative initiatives of this type, insurance regulators and NAIC, a standard-setting association of state insurance regulators, are continuously involved in a process of reexamining existing laws and regulations and their application to insurance companies. The NAIC also establishes statutory accounting and reporting standards and drafts model insurance laws and regulations for adoption by the states.

As part of its solvency modernization efforts, the NAIC adopted the Risk Management and Own Risk and Solvency Assessment Model Act (the “ORSA Model Act”), which has been enacted in Wisconsin. The ORSA Model Act requires insurance companies to assess the adequacy of their and their group’s risk management and current and future solvency position. Under the ORSA Model Act, an insurer must undertake an internal risk management review no less often than annually (but also at any time when there are significant changes to the risk profile of the insurer or its insurance group), in accordance with the NAIC’s ORSA Guidance Manual, and prepare a confidential summary report (“ORSA Report”) assessing the adequacy of the insurer’s risk management and capital in light of its current and future business plans. The ORSA Report is filed with a company’s lead state regulator and is available to other domiciliary regulators within the holding company system.

Also, in furtherance of its solvency modernization efforts, the NAIC adopted the Corporate Governance Annual Disclosure Model Act and Model Regulation, which has been enacted in Wisconsin and requires an insurer to provide an annual disclosure regarding its corporate governance practices to its lead state and/or domestic regulator.

In addition, in December 2020, the NAIC adopted a group capital calculation tool (“GCC”) to provide U.S. regulators with a method to aggregate the available capital and the minimum capital of each entity in a group in a way that applies to all groups regardless of their structure. In connection with the GCC, the NAIC also adopted changes to the Insurance Holding Company System Regulatory Model Act and Regulation, which have been enacted in Wisconsin, to require, subject to certain exemptions, the ultimate controlling person of every insurer subject to the holding company registration requirement to file an annual GCC with its lead state. The GCC uses an RBC aggregation methodology for all entities within an insurance holding company system group, including non-U.S. entities.

Additionally, in response to the growing threat of cyber-attacks in the insurance industry, certain jurisdictions have begun to consider new cybersecurity measures, including the adoption of cybersecurity regulations which, among other things, would require insurance companies to establish and maintain a cybersecurity program and implement and maintain cybersecurity policies and procedures. On October 24, 2017, the NAIC adopted its Insurance Data Security Model Law, which has been enacted in Wisconsin, intended to serve as model legislation for states to enact in order to govern cybersecurity and data protection practices of insurers, insurance agents and other licensed entities registered under state insurance laws.

## **Federal Regulation**

Although the federal government generally has not directly regulated the business of insurance except for certain areas of the market, such as insurance for flood, nuclear and terrorism risks, federal initiatives often affect the insurance industry in a variety of ways. The U.S. federal government’s oversight of the insurance industry was expanded under the Dodd-Frank Act, which, among other things, established the Federal Insurance Office (the “FIO”). The FIO performs various functions with respect to insurance, including the submission of reports to

Congress that could ultimately lead to changes in the regulation of insurers and reinsurers in the U.S., although the FIO has no express regulatory authority over insurance companies or other insurance industry participants.

The Dodd-Frank Act also incorporated the Nonadmitted and Reinsurance Reform Act of 2010 (“NRRA”), which became effective on July 21, 2011, and establishes national uniform standards on how states may regulate and tax surplus lines insurance. In particular, the NRRA gives regulators in the home state of an insured exclusive authority to regulate and tax surplus lines insurance transactions. In August 2023, the NAIC adopted revisions to its Nonadmitted Insurance Model Act intended to implement the changes to the regulation of surplus lines insurance resulting from the NRRA.

In addition, a number of federal laws affect and apply to the insurance industry, including various privacy laws and the economic and trade sanctions implemented by the Office of Foreign Assets Control (“OFAC”) of the U.S. Department of the Treasury. OFAC maintains and enforces economic sanctions against certain foreign countries and groups and prohibits U.S. persons from engaging in certain transactions with certain persons or entities. OFAC has imposed civil penalties on persons, including insurance and reinsurance companies, arising from violations of its economic sanctions program.

#### **Credit for Reinsurance**

State insurance laws permit U.S. insurance companies, as ceding insurers, to take financial statement credit for reinsurance that is ceded, so long as the assuming reinsurer satisfies the state’s credit for reinsurance laws. In general, credit for reinsurance is allowed if the assuming reinsurer is licensed or “accredited” in the state in which the ceding insurer is domiciled or maintains certain types of qualifying collateral.

The FIO and the Office of the U.S. Trade Representative exercised their authority under the Dodd-Frank Act and entered into a “covered agreement” with the European Union, as well as a similar “covered agreement” with the United Kingdom, which established standards on collateral requirements for reinsurance, insurance group supervision and confidentiality. In 2019, the NAIC adopted amendments to its Credit for Reinsurance Model Law to implement the reinsurance collateral provisions of the covered agreements, eliminating reinsurance collateral requirements for qualifying reinsurers domiciled in jurisdictions subject to an in-force covered agreement. The amended Credit for Reinsurance Model Law, which has been adopted in all U.S. States, including Wisconsin, also extends the zero reinsurance collateral provisions in the covered agreements to qualified reinsurers that have been approved as a “certified reinsurer” or “reciprocal jurisdiction reinsurer” and to qualified reinsurers that are domiciled in a U.S. jurisdiction that is accredited by the NAIC or in a non-U.S. jurisdiction that has not entered into a covered agreement with the U.S. but which is designated as a “reciprocal jurisdiction” by the NAIC. The NAIC list of reciprocal jurisdictions includes Bermuda, Japan and Switzerland.

#### **Periodic Financial and Market Conduct Examinations**

The Wisconsin OCI, BICI’s domiciliary state insurance regulator, is authorized to conduct on-site visits and examinations of the affairs of BICI, including its financial condition, its relationships and transactions with affiliates and its dealings with policyholders, every three to five years, and may conduct special or targeted examinations to address particular concerns or issues at any time. Insurance regulators of other states in which we do business in the future also may conduct examinations. The results of these examinations can give rise to regulatory orders requiring remedial, injunctive or other corrective action. Insurance regulatory authorities have broad administrative powers to restrict or revoke licenses to transact business and to levy fines and monetary penalties against insurers and insurance agents and brokers found to be in violation of applicable laws and regulations.

#### **Trade Practices**

The manner in which insurance companies and insurance agents and brokers conduct the business of insurance is regulated by state statutes in an effort to prohibit practices that constitute unfair methods of competition or unfair or deceptive acts or practices. Prohibited practices include, but are not limited to, disseminating false information or advertising, unfair discrimination, rebating and false statements. We set business conduct policies and provide training to make our employee-producers aware of these prohibitions, and we require them to conduct their activities in compliance with these statutes.

## **Unfair Claims Practices**

Generally, insurance companies, adjusting companies and individual claims adjusters are prohibited by state statutes from engaging in unfair claims practices on a flagrant basis or with such frequency to indicate a general business practice. Unfair claims practices include, but are not limited to, misrepresenting pertinent facts or insurance policy provisions; failing to acknowledge and act reasonably promptly upon communications with respect to claims arising under insurance policies; and attempting to settle a claim for less than the amount to which a reasonable person would have believed such person was entitled. We set business conduct policies and provide training to make our employee-producers aware of these prohibitions, and we require them to conduct their activities in compliance with these statutes.

## **Quarterly and Annual Financial Reporting**

Our insurance company subsidiary is required to file quarterly and annual financial reports with state insurance regulators using SAP rather than U.S. GAAP. In keeping with the intent to assure policyholder protection, SAP emphasizes solvency considerations. For a summary of the significant differences for our insurance company subsidiary between SAP and U.S. GAAP, see Note 16, “Insurance – Statutory Information,” to our condensed consolidated financial statements included in this prospectus.

## **Risk-Based Capital**

Risk-based capital (“RBC”) laws are designed to assess the minimum amount of capital that an insurance company needs to support its overall business operations and to ensure that it has an acceptably low expectation of becoming financially impaired. State insurance regulators use RBC to set capital requirements, considering the size and degree of risk taken by the insurer and taking into account various risk factors including asset risk, credit risk, underwriting risk and interest rate risk. As the ratio of an insurer’s total adjusted capital and surplus decreases relative to its risk-based capital, the RBC laws provide for increasing levels of regulatory intervention culminating with mandatory control of the operations of the insurer by the domiciliary insurance department at the so-called mandatory control level.

Wisconsin has largely adopted the model legislation promulgated by the NAIC pertaining to RBC, and requires annual reporting by Wisconsin-domiciled insurers to confirm that the minimum amount of RBC necessary for an insurer to support its overall business operations has been met. Wisconsin-domiciled insurers falling below a calculated threshold may be subject to varying degrees of regulatory action, including supervision, rehabilitation or liquidation by the Wisconsin OCI. Furthermore, BICI is required to maintain a ratio of total adjusted capital to authorized control level risk-based capital of not less than 400.0% under the Wisconsin OCI Stipulation and Order. Failure to maintain our risk-based capital at the required levels could adversely affect the ability of BICI to maintain the regulatory authority necessary to conduct our business. See “Risk Factors—We are subject to extensive regulation, which may adversely affect our ability to achieve our business objectives. In addition, if we fail to comply with these regulations, we may be subject to penalties, including fines, suspensions, revoking licenses, orders to cease and desist operations, and criminal prosecution, which may adversely affect our financial condition and results of operations.”

## **IRIS Ratios**

The NAIC IRIS is part of a collection of analytical tools designed to provide state insurance regulators with an integrated approach to screening and analyzing the financial condition of insurance companies operating in their respective states. IRIS is intended to assist state insurance regulators in targeting resources to those insurers in greatest need of regulatory attention. IRIS consists of two phases: statistical and analytical. In the statistical phase, the NAIC database generates key financial ratio results based on financial information obtained from insurers’ annual statutory statements. The analytical phase is a review of the annual statements, financial ratios and other automated solvency tools. The primary goal of the analytical phase is to identify companies that appear to require immediate regulatory attention. A ratio result falling outside the usual range of IRIS ratios is not considered a failing result; rather, unusual values are viewed as part of the regulatory early monitoring system. Furthermore, in some years, it may not be unusual for financially sound companies to have several ratios with results outside the usual

ranges. An insurance company may fall out of the usual range for one or more ratios because of specific transactions that are in themselves immaterial.

For the year ended December 31, 2023, BICI had results outside the normal range in three categories. We believe our results for these ratios are attributable to our continued growth during our early years of operation. Management does not anticipate regulatory action as a result of these IRIS ratio results.

## MANAGEMENT

### Executive Officers and Directors

The following table sets forth information for our executive officers and directors.

Name	Age*	Position
Stephen Sills	75	Chief Executive Officer, President and Director
Brad Mulcahey	47	Chief Financial Officer and Treasurer
David Newman	69	Chief Underwriting Officer
Matthew Botein	51	Chairperson
Tom Baker	65	Director
Angela Brock-Kyle	65	Director
Zhak Cohen	40	Director
Fabian Fondriest	63	Director
David Foy	58	Director
David Holman	64	Director
Jack Stein	30	Director
Troy Van Beek	41	Director

\* As of October 21, 2024.

### Executive Officers

**Stephen Sills.** Stephen Sills has served as our Chief Executive Officer, President and as a member of our board of directors since September 2020. Mr. Sills has also served as a member of the board of managers of the General Partner since October 2020. Mr. Sills founded Bowhead in September 2020. Prior to founding Bowhead, Mr. Sills was retired from 2019 to September 2020. From 2013 through 2019, Mr. Sills served as the Chairman and Chief Executive Officer of CapSpecialty and Professional Risk Management Services, Inc. Mr. Sills founded Darwin in 2003 and served as Chairman, President and Chief Executive Officer of Darwin from 2003 through 2008. Prior to founding Darwin, Mr. Sills founded Executive Risk in 1987, where he served as Chief Underwriting Officer and later as Chief Executive Officer until its sale to the Chubb Corporation (“Chubb”) in 1999, after which he was an Executive Vice President of Chubb until 2001. Mr. Sills currently serves on the board of directors of the Trusted Resource Underwriters, the attorney-in-fact for Trusted Resource Underwriters Exchange, a Florida reciprocal property and casualty insurer. Mr. Sills previously served as a member of the board of the Connecticut Children’s Medical Center. Mr. Sills also served as president of the Professional Liability Underwriting Society (“PLUS”) and was awarded its Founders’ Award. This award recognizes a member who has made a significant contribution to PLUS. Mr. Sills received a B.S. in Economics from the University of Tennessee. We believe Mr. Sills is qualified to serve as a member of our board of directors because of his experience building and leading our business, his insight into corporate matters as our Chief Executive Officer, his extensive leadership background and his extensive experience in the insurance industry.

**Brad Mulcahey.** Brad Mulcahey has served as our Chief Financial Officer and Treasurer since September 2022. Prior to joining Bowhead, Mr. Mulcahey was Chief Financial Officer at Berkley Select, a division of W.R. Berkley Corp (NYSE: WRB) from October 2021 to September 2022. From May 2015 to until April 2019, Mr. Mulcahey served as Controller of JLT Specialty USA (“JLT”). Following JLT’s acquisition by Marsh & McLennan Companies (NYSE: MMC), Mr. Mulcahey served as a Senior Vice President, Finance with Marsh until September 2021. Prior to joining JLT, Mr. Mulcahey held various finance roles at Aon PLC (NYSE: AON) starting in 2002. Mr. Mulcahey received a B.A. in Business Administration and Finance from Southern Illinois University and is a Certified Public Accountant in the state of Illinois.

**David Newman.** David Newman has served as the Chief Underwriting Officer since January 2024. From October 2020 to December 2023, Mr. Newman served as our Chief Underwriter. Mr. Newman was retired from

June 2016 to October 2020. Mr. Newman held various roles at Allied World from 2008 to June 2016 including Chief Underwriting Officer of the Global Markets division. Prior to Allied World acquiring Darwin in 2008, Mr. Newman served as Darwin's Chief Underwriting Officer from 2003 to 2008. Prior to 2003, Mr. Newman spent over 20 years underwriting at syndicates operating within the Lloyd's of London Market. Mr. Newman received an M.A. in Geography from Christchurch, University of Oxford.

#### **Non-Employee Directors**

**Matthew Botein.** Matthew B. Botein has served as the Chairperson of our board of directors since May 2024. Mr. Botein has served as a member of the board of managers of the General Partner from October 2020 to March 2024. Mr. Botein is a co-founder of Gallatin Point, a private investment firm and has served as a Managing Partner of Gallatin Point since 2017. Prior to founding Gallatin Point, Mr. Botein served as co-head and Chief Investment Officer for Alternatives of BlackRock Alternative Investors ("BAI") from 2009 until 2017 and as an advisor to BAI from 2017 through 2020. Prior to joining BAI, Mr. Botein served as a Managing Director and member of the Management Committee at Highfields Capital Management, a Boston-based private investment partnership. He also served as a member of the private equity departments at The Blackstone Group and Lazard Frères & Co. LLC. Mr. Botein currently serves on the board of directors of James River Group Holdings, Ltd. (Nasdaq: JRVR), Tower Hill Risk Management, LLC, the Trusted Resource Underwriters, the attorney-in-fact for Trusted Resource Underwriters Exchange, a Florida reciprocal property and casualty insurer, Insurance Supermarket, Inc., Fortuna Holdings Ltd. and Northeast Bancorp (Nasdaq: NBN). Mr. Botein previously served on the board of directors of PennyMac Financial Services (NYSE: PFSI), Aspen Insurance Holdings (NYSE: AHL), CoreLogic Inc. (NYSE: CLGX), First American Corporation (NYSE: FAF), PennyMac Mortgage Investment Trust (NYSE: PMT). Mr. Botein also serves on the Board of Managers of Beth Israel Lahey (formerly CareGroup/CJP) and Boston Medical Center. Mr. Botein received a B.A. (magna cum laude) from Harvard College and a M.B.A degree (with high distinction) from Harvard Business School, where he was awarded Baker and Loeb scholarships. We believe that Mr. Botein is qualified to serve on our board of directors due to his extensive financial leadership and management experience.

**Tom Baker.** Tom Baker has served as a member of our board of directors since May 2024. Mr. Baker has served as the William Maul Measey Professor at the University of Pennsylvania, where he teaches courses and conducts research related to insurance business, law and regulation, at the Carey School of Law and the Wharton School since July 2008. Mr. Baker co-founded Picwell, Inc., a health data analytics company, in 2012 and served as its Chief of Executive Officer from January 2013 to January 2014, and as a director from June 2014 to June 2018. In addition, Mr. Baker has run Tom Baker Consulting, an active insurance consulting business since 1994 and has served as the Reporter of the American Law Institute's Restatement of the Law Liability Insurance since 2000. Mr. Baker received a B.A. in Sociology from Harvard College and a J.D. from Harvard Law School. We believe that Mr. Baker is qualified to serve on our board of directors due to his extensive legal and business experience.

**Angela Brock-Kyle.** Angela Brock-Kyle has served as a member of our board of directors since May 2024. Ms. Brock-Kyle has served as a member of the board of managers of the General Partner since December 2020. Ms. Brock-Kyle has served as a member of the board of directors of Hunt Companies Inc. since February 2019 and as a trustee on the board of the Guggenheim Funds since 2016. Ms. Brock-Kyle previously served as a member of the board of directors and chair of the audit committee of Infinity Property & Casualty Corporation. Ms. Brock-Kyle received a B.S. in finance and marketing from California State University, East Bay and J.D. and M.B.A. degrees from the University of California, Los Angeles. We believe that Ms. Brock-Kyle is qualified to serve on our board of directors due to her extensive financial, accounting and business experience.

**Zhak Cohen.** Zhak Cohen has served as a member of our board of directors since May 2024. Mr. Cohen has served as a member of the board of managers of the General Partner since October 2020. Mr. Cohen is a Managing Director and as a member of the investment committee at Gallatin Point, and has worked at the firm since December 2017. Prior to joining Gallatin Point, Mr. Cohen served as a Vice President in the Alternative Capital Team at XL Group from May 2014 to December 2017. Mr. Cohen has served on the board of Phoenix Holdings Ltd. (TLV: PHOE) and its affiliate, The Phoenix Insurance Company Ltd. since November 2019, Victor Insurance Exchange since June 2023, and Trusted Resources Underwriters, the attorney-in-fact for Trusted Resource Underwriters Exchange, a Florida reciprocal property and casualty insurer, since January 2024. Mr. Cohen received a B.A. (summa cum laude, phi beta kappa) in Philosophy from Brandeis University and a J.D. from the University of

Pennsylvania Law School. We believe that Mr. Cohen is qualified to serve on our board of directors due to his extensive investment and management experience.

**Fabian Fondriest.** Fabian Fondriest has served as a member of our board of directors since May 2024. Mr. Fondriest served as a member of the board of managers of the General Partner from October 2020 to March 2024. Mr. Fondriest served on the board of directors of American Family Insurance Mutual Holding Company from 2017 through November 14, 2023. Mr. Fondriest retired as President of American Family Insurance Direct as of January 2022. Prior to his retirement, Mr. Fondriest served in various roles at AmFam since 2013, including as President of American Family Insurance Direct from 2016 to January 2022 and Chief Operating Officer of American Family Insurance Direct from 2014 to 2015. Mr. Fondriest also served as the Chief Executive Officer at Homesite Group Incorporated from 2001 to January 2022. Mr. Fondriest currently serves as the Chairman of the board of directors of the Trusted Resource Underwriters, the attorney-in-fact for Trusted Resource Underwriters Exchange, a Florida reciprocal property and casualty insurer. Mr. Fondriest received a B.A. in Economics from Harvard College and an M.B.A. from Harvard Business School. We believe that Mr. Fondriest is qualified to serve on our board of directors due to his extensive financial leadership and management experience.

**David Foy.** David Foy has served as a member of our board of directors since May 2024. Mr. Foy has served as a member of the board of managers of the General Partner since September 2022. Mr. Foy has served as a senior advisor to Bain Capital Insurance since October 2021. From May 2017 to October 2021, Mr. Foy served as an independent consultant for the insurance industry. Prior to this, Mr. Foy served as Executive Vice President and Chief Financial Officer of White Mountains Insurance Group from March 2003 to May 2017. Mr. Foy also serves as a director on the boards of Federal Life Insurance Company and Enhance Health. Mr. Foy received a B.S. in applied statistics from the Rochester Institute of Technology and is a Fellow in the Society of Actuaries. We believe that Mr. Foy is qualified to serve on our board of directors due to his extensive insurance, financial leadership and management experience.

**David Holman.** David Holman has served as a member of our board of directors since May 2024. Mr. Holman has served as a member of the board of managers of the General Partner since October 2020. Mr. Holman retired from AFMIC effective April 3, 2024. From October 2021 through December 2023, Mr. Holman served as the Chief Administration Officer and Corporate Secretary of AFMIC. From January 2014 through October 2021, Mr. Holman served as Chief Strategy Officer and Corporate Secretary of AFMIC. From November 2011 to January 2014, Mr. Holman served as Chief Legal Officer of AFMIC. Mr. Holman received a B.A. in Economics and Political Science from St. Olaf College and a J.D. from Hamline University. We believe that Mr. Holman is qualified to serve on our board of directors due to his extensive insurance, financial leadership and management experience.

**Jack Stein.** Jack Stein has served as a member of our board of directors since May 2024. Mr. Stein has served as a member of the board of managers of the General Partner since August 2022. Mr. Stein currently serves as a Vice President at Gallatin Point, a private investment firm, which he joined in February 2020. Prior to working at Gallatin Point, Mr. Stein served as an analyst in the investment banking division of Jefferies LLC from June 2017 to January 2020. Since January 2024, Mr. Stein has served on the board of directors and as a member of the Investment Committee of Trusted Resource Underwriters, the attorney-in-fact for Trusted Resource Underwriters Exchange, a Florida reciprocal property and casualty insurer. Mr. Stein has served on the board of Belenus Lux S.à.r.l., the controlling shareholder of Phoenix Holdings Ltd., since February 2024. Mr. Stein received a B.S. in Economics with concentrations in Finance and Management from the Wharton School at the University of Pennsylvania. We believe that Mr. Stein is qualified to serve on our board of directors due to his extensive investment and management experience.

**Troy Van Beek.** Troy Van Beek has served as a member of our board of directors since May 2024. Mr. Van Beek has served as a member of the board of managers of the General Partner since March 2024. Mr. Van Beek has served as the Chief Financial Officer and Treasurer of AFMIC since January 2022. From July 2021 through December 2021, Mr. Van Beek served as the President of Homesite Insurance Inc. From March 2020 through December 2021, Mr. Van Beek served also served as the Chief Financial Officer of Homesite Insurance Inc. and American Family Direct. Mr. Van Beek previously served as the Finance Vice President of AmFam from March 2015 through March 2020. Mr. Van Beek received a B.A. and an M.S. in Accounting from the University of

Wisconsin – Madison. We believe that Mr. Van Beek is qualified to serve on our board of directors due to his extensive insurance, financial leadership and management experience.

### **Family Relationships**

There are no family relationships among any of our directors or executive officers.

### **Board Composition and Election of Directors**

Our amended and restated bylaws provides that the number of directors constituting our entire board of directors shall be fixed from time to time by the board of directors. Our board of directors currently consists of ten members.

Our amended and restated certificate of incorporation and amended and restated bylaws divide our board of directors into three classes of approximately equal number of directors, with each director serving a three-year term and one class being elected at each annual meeting of stockholders. The classified board provisions are subject to a seven-year sunset. See “Description of Capital Stock—Anti-Takeover Effects of Our Certificate of Incorporation and Bylaws and Certain Provisions of Delaware Law—Classified Board of Directors.” Our directors are divided among the three classes as follows:

- the Class I directors are Stephen Sills, Tom Baker, Matthew Botein and Troy Van Beek, and their terms expire at our 2025 annual meeting of stockholders;
- the Class II directors are Zhak Cohen, David Foy and David Holman, and their terms expire at our 2026 annual meeting of stockholders; and
- the Class III directors are Angela Brock-Kyle, Fabian Fondriest and Jack Stein, and their terms expire at our 2027 annual meeting of stockholders.

We expect that any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one third of the directors. The division of our board of directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change in control.

As discussed under “Certain Relationships and Related Party Transactions—Board Nominee Agreement,” and “Certain Relationships and Related Party Transactions—Investor Matters Agreement,” GPC Fund and AFMIC have respective rights (but not obligations) to nominate certain of our directors.

### **Loss of Controlled Company Status**

Prior to the completion of this offering, we have been a “controlled company” within the meaning of Section 303A of the New York Stock Exchange Listed Company Manual, and as a result have been exempt from certain corporate governance requirements of the NYSE. Following the completion of this offering we will no longer be a “controlled company,” and will therefore be required to comply with all of the applicable corporate governance requirements of the NYSE, within the various transition periods provided by Section 303A. As a result, we will be required to have at least one independent director on our Compensation, Nominating and Corporate Governance Committee upon closing of this offering, a majority of independent directors on our Compensation, Nominating and Corporate Governance Committee within 90 days after the completion of this offering and a fully independent Compensation, Nominating and Corporate Governance Committee and a majority independent board of directors within one year after the completion of this offering. We will also be required to perform an annual performance evaluation of the Compensation, Nominating and Corporate Governance Committee. Currently, we do not have a majority independent board and only have one independent director on our Compensation, Nominating and Corporate Governance Committee. Should this offering be completed and accordingly, we no longer qualify as a “controlled company,” we have appointed and intend to continue to appoint additional directors or appoint certain of our existing independent directors who meet the NYSE independence requirements to our board of directors and our Compensation, Nominating and Corporate Governance Committee within the time periods required by the NYSE corporate governance standards. See “Risk factors—Following this offering, we will no longer be a “controlled



company” within the meaning of the NYSE rules. However, we may continue to rely on exemptions from certain corporate governance requirements during a one-year transition period.”

### **Director Independence**

Our current independent directors, as such term is defined by the NYSE listing standards, are Tom Baker, Angela Brock-Kyle and David Foy. While we are a “controlled company” we are not required to have a majority of independent directors. As permitted under the applicable rules and regulations of the SEC and the NYSE, we intend to phase in compliance with the heightened independence requirements prior to the end of the one-year transition period after we cease to be a “controlled company.”

### **Committees of the Board of Directors**

The standing committees of our board of directors consist of an Audit Committee and a Compensation, Nominating and Corporate Governance Committee. Our board of directors may also establish from time to time any other committees that it deems necessary or desirable.

#### ***Audit Committee***

Our Audit Committee consists of David Foy, who serves as the Chair of the Audit Committee, Tom Baker and Angela Brock-Kyle, all of whom qualify as independent directors under the corporate governance standards and the independence requirements of Rule 10A-3 under the Exchange Act. Our board of directors has determined that David Foy qualifies as an “audit committee financial expert” as such term is defined in Item 407(d)(5) of Regulation S-K. The Audit Committee assists our board of directors in fulfilling its oversight responsibilities relating to:

- accounting, financial reporting and disclosure processes;
- adequacy and soundness of systems of disclosure and internal control established by management;
- the quality and integrity of our financial statements and the annual independent audit of our financial statements;
- our independent registered public accounting firm’s qualifications and independence;
- the performance of our internal audit function and independent registered public accounting firm;
- our compliance with legal and regulatory requirements in connection with the foregoing;
- compliance with our Code of Conduct;
- overall risk management profile; and
- approving related party transactions.

Our board of directors has adopted a written charter for the Audit Committee, which is available on our website.

#### ***Compensation, Nominating and Corporate Governance Committee***

Our Compensation, Nominating and Corporate Governance Committee, consists of Matthew Botein, who serves as the chair of the Compensation, Nominating and Corporate Governance Committee, Tom Baker and Troy Van Beek. We have availed ourselves of the “controlled company” exception under the NYSE rules which exempts us from the requirement that we have a Compensation, Nominating and Corporate Governance Committee composed entirely of independent directors. Following the completion of this offering, we will cease to be a “controlled company” and must comply with the independent board committee requirements under the NYSE rules as they relate to compensation, nominating and corporate governance committees within the phase-in periods specified under the NYSE rules. The board of directors will take all action necessary to comply with the applicable NYSE rules, including appointing additional directors or appointing certain of our existing independent directors who meet

the NYSE independence requirements to our Compensation, Nominating and Corporate Governance Committee within the time periods required by the NYSE corporate governance standards.

The purpose of the Compensation, Nominating and Corporate Governance Committee is to:

- advise our board of directors concerning the appropriate composition of our board of directors and its committees;
- identify individuals qualified to become members of our board of directors;
- recommend to our board of directors the persons to be nominated by our board of directors for election as directors at any meeting of stockholders;
- recommend to our board of directors the members of our board of directors to serve on the various committees of our board of directors;
- develop and recommend to our board of directors a set of corporate governance guidelines and assist our board of directors in complying with them;
- oversee the evaluation of our board of directors, our board of directors' committees and management;
- oversee environmental, social and corporate governance strategies and initiatives;
- establish, maintain and administer compensation and benefit policies designed to attract, motivate and retain personnel with the requisite skills and abilities to contribute to our long-term success;
- set our compensation program and the compensation of our executive officers, directors and key personnel;
- monitor our incentive compensation and equity-based compensation plans;
- succession plan for our executive officers, directors and key personnel;
- maintain and administer our compliance with the compensation rules, regulations and guidelines promulgated by the NYSE, the SEC and other law, as applicable; and
- prepare the compensation committee report required to be included in our proxy statement under the rules and regulations of the SEC.

Our board of directors has adopted a written charter for the Compensation, Nominating and Corporate Governance Committee, which is available on our website

***Compensation, Nominating and Corporate Governance Committee Interlocks and Insider Participation***

None of the members of our Compensation, Nominating and Corporate Governance Committee has at any time been one of our executive officers or employees. None of our executive officers currently serves, or has served during the last completed fiscal year, on the Compensation, Nominating and Corporate Governance Committee or board of directors of any other entity that has one or more executive officers serving as a member of our board of directors or Compensation, Nominating and Corporate Governance Committee.

We have entered into certain indemnification agreements with our directors described in "Certain Relationships and Related Party Transactions—Director and Officer Indemnification Agreements."

**Board of Directors Review and Selection**

When considering whether directors and nominees have the experience, qualifications, attributes or skills, taken as a whole, to enable our board of directors to satisfy its oversight responsibilities effectively in light of our business and structure, our board of directors focused primarily on each person's background and experience as reflected in the information discussed in each of the directors' individual biographies set forth above. We believe that our directors provide an appropriate mix of experience and skills relevant to the size and nature of our business.

In evaluating director candidates, we consider, and will continue to consider in the future, factors, including personal and professional character, integrity, ethics and values, experience in corporate management, finance and other relevant industry experience, social policy concerns, judgment, potential conflicts of interest, including other commitments, practical and mature business judgment, and such factors as age, gender, race, orientation, experience and any other relevant qualifications, attributes, or skills.

**Code of Ethics and Code of Conduct**

We maintain a Code of Ethics and Business Conduct that applies to all of our directors, officers and employees, including our chief executive officer and chief financial officer. Our Code of Ethics and Business Conduct is available on our website. Our Code of Ethics and Business Conduct is a “code of ethics,” as defined in Item 406(b) of Regulation S-K. We will make any legally required disclosures regarding amendments to, or waivers of, provisions of our code of ethics on our website.

## EXECUTIVE AND DIRECTOR COMPENSATION

This section discusses the material components of the executive compensation program for our executive officers who are named in the “2023 Summary Compensation Table” below. For the fiscal year ended December 31, 2023, our “named executive officers” and their positions were as follows:

- Stephen Sills, Chief Executive Officer
- Brad Mulcahey, Chief Financial Officer; and
- David Newman, Chief Underwriting Officer

This discussion may contain forward-looking statements that are based on our current plans, considerations, expectations and determinations regarding future compensation programs. Actual compensation programs that we adopt following the completion of this offering may differ materially from the currently planned programs summarized in this discussion. As an “emerging growth company” as defined in the JOBS Act, we are not required to include a Compensation Discussion and Analysis section and have elected to comply with the scaled disclosure requirements applicable to emerging growth companies.

### 2023 Summary Compensation Table

The following table provides information regarding the compensation earned by our named executive officers for the year ended December 31, 2023.

Name and Principal Position	Year	Salary (\$) <sup>(1)</sup>	Bonus (\$) <sup>(2)</sup>	Stock Awards (\$) <sup>(3)</sup>	All Other Compensation (\$) <sup>(4)</sup>	Total (\$)
Stephen Sills <i>Chief Executive Officer</i>	2023	\$ 643,750	\$ 713,790	\$ —	\$ 35,407	\$ 1,392,947
Brad Mulcahey <i>Chief Financial Officer</i>	2023	\$ 303,973	\$ 251,432	\$ 117,251	\$ 39,605	\$ 712,261
David Newman <i>Chief Underwriting Officer</i>	2023	\$ 522,820	\$ 533,610	\$ —	\$ —	\$ 1,056,430

(1) Mr. Newman served as a consultant during 2023 and his salary figure represents monthly consulting fees he received during such time.

(2) Represents a discretionary bonus awarded to each named executive officer at their respective target bonus amounts.

(3) Amounts reflect the grant date fair value of Class P Interests in BIHL (“Class P Interests”), granted on May 16, 2023, in accordance with ASC Topic 718. For additional information regarding assumptions used to calculate the value of such awards, please refer to Note 9 to our consolidated financial statements in this registration statement.

(4) The following table sets forth the amount of each other item of compensation paid to, or on behalf of, our named executive officers in 2023 reported in the “All Other Compensation” column. Amounts for each other item of compensation are valued based on the aggregate incremental cost.

Name	Company 401(k) Contribution (\$)	Health Disability and Basic Life Insurance (\$)	Cell Phone and Internet (\$)	Total (\$)
Stephen Sills	\$ 13,200	\$ 18,117	\$ 4,090	\$ 35,407
Brad Mulcahey	\$ 12,276	\$ 26,551	\$ 778	\$ 39,605
David Newman <sup>(a)</sup>	\$ —	\$ —	\$ —	\$ —

(a) Mr. Newman’s all other compensation for fiscal year 2023 was under \$10,000 and as permitted by SEC rules, is not required to be reported.

### Narrative Disclosure to Summary Compensation Table

#### *Salaries*

In 2023, the named executive officers received an annual base salary to compensate them for services rendered to the Company or an affiliate of the Company. The base salary payable to each named executive officer is intended

to provide a fixed component of compensation reflecting the executive's skill set, experience, role and responsibilities. Effective March 1, 2023, the annual base salaries for each of Messrs. Sills, Mulcahey and Newman were \$648,900, \$304,767 and \$526,670, respectively.

#### ***Bonuses***

The named executive officers are eligible to receive discretionary service-based bonuses, with the following targets for the fiscal year 2023 (as a percentage of base salary for Mr. Sills and Mr. Mulcahey and as a percentage of annual fees for Mr. Newman): Mr. Sills (100%), Mr. Mulcahey (75%) and Mr. Newman (100%).

#### ***Equity Awards***

Our named executive officers have historically been granted Class P Interests, which were granted under the BIHL Amended and Restated Limited Partnership Agreement and represented membership interests intended to constitute "profits interests" for federal income tax purposes. On September 9, 2024, BIHL commenced its dissolution in accordance with BIHL's limited partnership agreement and our named executive officers holding any unvested Class P Interests fully vested in their respective Class P Interests at such time received distributions in accordance with the terms of BIHL's limited partnership agreement. In connection with the dissolution of BIHL, the Class P Interests will be canceled. On May 22, 2024, in connection with our initial public offering, our board of directors and stockholders of the Company approved the Bowhead Specialty Holdings, Inc. 2024 Omnibus Incentive Plan (the "2024 Plan"), pursuant to which employees, including our named executive officers, may be granted equity awards, in the form of both time and performance-based equity awards. Since adoption of the 2024 Plan, the Company has granted restricted stock units to certain employees and members of the board of directors, and performance stock units to Stephen Sills.

#### ***Retirement Benefits***

The Company maintains a retirement plan intended to provide benefits under Section 401(k) of the Code, pursuant to which employees, including the named executive officers, can make voluntary pre-tax contributions. The Company's safe harbor plan includes a 100% Company match on the first 4% contributed by employees, up to the statutory compensation limits. All matching contributions are 100% vested immediately.

#### ***Employee Benefits and Perquisites***

During their employment, named executive officers are eligible to participate in Company (or an affiliate of the Company) sponsored employee benefit plans, in each case on the same basis as all of its other employees and subject to the terms and eligibility requirements of those plans. The Company contributes to the cost of health, disability and basic life insurance for our named executive officers. Named executive officers are also provided a monthly allowance to cover costs of cell phone and internet.

#### ***Employment Agreements with Named Executive Officers***

On May 22, 2024 Bowhead Specialty Holdings Inc. and Stephen Sills entered into an employment agreement, effective as of the closing date of our initial public offering (the "Sills Agreement"). The Sills Agreement provides for an initial term of three years, which will automatically renew for one year periods unless either party provides written notice of non-renewal at least ninety days prior to the end of the then-current term.

Pursuant to the Sills Agreement, Mr. Sills will receive the following compensation and benefits (i) an annual base salary of \$675,000, (ii) annual bonus opportunity with a target of 100% of his base salary and a maximum of 150% of his base salary, provided that with respect to the period beginning January 1, 2024 through the closing date of the offering, he will be eligible to receive a pro-rata bonus targeted at 100% of his annual salary in effect as of January 1, 2024, (iii) eligible to participate in employee benefit plans and programs that are generally made available to other senior executives, provided that Mr. Sills may request the company to subsidize Medigap coverage in lieu of the company's regular medical coverage and (iv) annual equity grant of restricted stock units during the employment period with a grant date value no less than \$2,070,000. Additionally, pursuant to the Sills Agreement,

on May 22, 2024 Mr. Sills was granted performance stock units under the 2024 Plan with a grant date value equal to \$2,200,000.

The Sills Agreement also provides for certain severance benefits upon a qualifying termination or change in control as described in “—Potential Payments Upon Termination or Change in Control” below.

Bowhead Underwriting Services, Inc. and Mr. Newman entered into a consultancy agreement, effective as of October 12, 2020. The consultancy agreement provided for a fixed annual fee of \$441,570 and variable compensation based on achieving certain milestones with a target of \$400,000 per year. Following Mr. Newman’s transition to an employee at the beginning of 2024, the consultancy agreement is no longer in effect.

Mr. Mulcahey and Mr. Newman are not party to any employment agreement with the Company or an affiliate of the Company.

#### Outstanding Equity Awards at Fiscal Year-End Table

The following table sets forth information regarding outstanding equity awards held by our named executive officers as of December 31, 2023.

Stock Awards		
Name	Number of Shares or Units of Stock That Have Not Vested (#) <sup>(1)</sup>	Market Value of Shares or Units of Stock That Have Not Vested (\$) <sup>(2)</sup>
Stephen Sills	4,075,000 <sup>(3)</sup>	\$ 1,658,729
Brad Mulcahey	543,333 <sup>(4)</sup>	\$ 221,164
	339,583 <sup>(5)</sup>	\$ 138,227
David Newman	815,000 <sup>(6)</sup>	\$ 331,746

(1) This column reflects information regarding Class P Interests held by our named executive officers that were outstanding and unvested as of December 31, 2023. The Class P Interests are “profits interests” for U.S. federal income tax purposes and entitle the holder to participate in the future appreciation of BIHL on and after the date of grant. See “Narrative Disclosure to Summary Compensation Table—Equity Awards” above for additional details on outstanding Class P Interests.

(2) There is no public market for the Class P Interests. The market value of Class P Interests is determined by multiplying the value of the applicable class of interests as of December 31, 2023, as determined in accordance with BIHL’s valuation process, by the number of interests of the applicable class.

(3) The Class P Interests were approved by our board of directors and granted on December 4, 2020 and vest 20% on each of the first five anniversaries of the grant date, subject to the executive’s continued employment or service with the Company or its subsidiaries through each such vesting date.

(4) The Class P Interests were approved by our board of directors and granted on November 9, 2022 and vest 20% on each of the first five anniversaries of the grant date, subject to the executive’s continued employment or service with the Company or its subsidiaries through each such vesting date.

(5) The Class P Interests were approved by our board of directors and granted on May 16, 2023 and vest 20% on each of the first five anniversaries of the grant date, subject to the executive’s continued employment or service with the Company or its subsidiaries through each such vesting date.

(6) The Class P Interests were approved by our board of directors and granted on December 4, 2020 and vest 20% on each of the first five anniversaries of the grant date, subject to the executive’s continued employment or service with the Company or its subsidiaries through each such vesting date.

#### Potential Payments Upon Termination or Change in Control

##### Messrs. Mulcahey and Newman

Mr. Mulcahey and Mr. Newman are not entitled to any cash payments upon a qualifying termination or a change in control. If Messrs. Mulcahey and Newman are terminated without cause or resign for good reason following an exit event or consummation of a sale, their respective Class P Interests will accelerate and vest.

*Mr. Sills*

Bowhead Underwriting Services, Inc. and Mr. Sills entered into an employment agreement, effective as of October 30, 2020 (the "Prior Agreement"), which was superseded by the Sills Agreement. Pursuant to the Prior Agreement, if Mr. Sills was terminated without cause or resigned for good reason as of the end of fiscal year 2023, then he would have been entitled to the following payments and benefits: (i) accrued obligations, (ii) continued payment of base salary for a period of twelve months following the date of termination, (iii) payment equal to his target annual bonus for the year in which termination occurred, (iv) any earned but unpaid annual bonus, (v) a lump sum payment equal to twelve months' medical coverage under COBRA and (vi) 100% vesting acceleration of Class P Interests. In the event of Mr. Sills' death or disability, the Prior Agreement provided for the following payments and benefits: (i) accrued obligations, (ii) any earned but unpaid annual bonus, (iii) a lump sum payment equal to twelve months' medical coverage under COBRA (only with respect to disability) and (iv) partial accelerated vesting of his Class P Interests. Payment of the forgoing (except for accrued amounts) would have been conditioned upon Mr. Sills execution and non-revocation of a release of claims against the Company and its affiliates.

Pursuant to the Sills Agreement, if Mr. Sills is terminated without cause or he resigns for good reason (as such terms are defined in the Sills Agreement), Mr. Sills will be entitled to the following severance benefits upon his execution and nonrevocation of a general release of claims in favor of the company and continued compliance with restrictive covenant obligations: (i) continued payment of base salary for a period of thirty months, (ii) target annual bonus for the year in which the termination occurs payable at such time other officers receive bonus payments in respect of such year, (iii) payment of any earned but unpaid annual bonus, (iv) a lump sum payment equal to twelve months' monthly health coverage premium and (v) 100% vesting acceleration of all time-based equity awards and waiver of any continued employment requirements for any performance-based awards. Either party may provide the other thirty days' advance notice of such termination, provided that the company may accelerate such termination if it provides payment of base salary in lieu of such notice. In the event of a change in control, the amounts described above will become payable in a lump sum.

If Mr. Sills provides notice of non-renewal of the Sills Agreement and continues employment until, and terminates employment upon, the last scheduled day of the term of employment ("retirement"), then subject to Mr. Sills' execution and nonrevocation of a release of claims against the company and continued compliance with restrictive covenant obligations (i) any then outstanding equity awards will accelerate and vest and (ii) Mr. Sills will be entitled to a pro-rata portion of his annual bonus in respect of the year of such retirement.

In the event of Mr. Sills' termination by reason of death or disability, Mr. Sills (or his beneficiary) will be entitled to receive the following severance benefits upon his (or his estate) execution of a general release of claims in favor of the company (i) payment of any earned but unpaid annual bonus, (ii) a lump sum payment equal to twelve months' monthly health coverage premium (only in the event of disability) and (iii) 100% vesting acceleration of all time-based equity awards and waiver of any continued employment requirements for any performance-based awards.

Upon a change in control, all time-based equity awards held by Mr. Sills at such time will fully vest and settle in cash, provided that the buyer in any such transaction may elect to defer and fund with a rabbi trust (or other vehicle acceptable to Mr. Sills) the payment of such amounts until the one year anniversary of the change in control, subject to Mr. Sills' continued employment. If the buyer elects to defer payment, and Mr. Sills does not remain employed until the one year anniversary of the change in control, then the deferred amount will be forfeited, unless Mr. Sills is terminated by the company without cause, he resigns for good reason, or upon his death or disability, then any such deferred amounts will immediately vest and become payable within five business days of the date of such termination.

In the event Mr. Sills becomes entitled to any benefit in connection with a change in control that occurs within the initial employment term, and any such payments become subject to the excise tax imposed by Section 4999 of the Code, then Mr. Sills will be entitled to receive a gross-up payment up to an aggregate of \$3,000,000. Pursuant to Mr. Sills' individual Class P Interests award agreement, upon certain realization events (such as an exit event or sale) or upon a change in control (as defined in his employment agreement) Class P Interests will accelerate and vest, subject to his continued employment or service through such date. Upon Mr. Sills' termination without cause

or his resignation for good reason, subject to his execution and non-revocation of a release of claims, the Class P Interests will accelerate and vest. Additionally, upon Mr. Sills' death or disability, a pro-rata portion of the Class P Interests will accelerate and vest.

### **Equity Plans and Award Agreements**

As noted above, on September 9, 2024, BIHL commenced its dissolution in accordance with BIHL's limited partnership agreement and our named executive officers holding unvested Class P Interests fully vested in their respective Class P Interests at such time received distributions in accordance with the terms of BIHL's limited partnership agreement. In connection with the completion of the dissolution, the Class P Interests will be canceled.

Pursuant to the 2024 Plan (except as provided in an award agreement), if a change in control occurs and either (x) an outstanding award is not assumed or substituted in connection with such change in control or (y) an outstanding award is assumed or substituted in connection with such change in control and a participant's employment or service is terminated without cause or by the participant for good reason (if applicable) within 24 months following the change in control, then any unvested or unexercisable portion of an award carrying a right to exercise will become fully vested and exercisable and the restrictions, deferral limitations, payment conditions and forfeiture conditions applicable to any other award granted under the 2024 Plan will lapse, the awards will vest in full and any performance conditions will be deemed to be achieved at the greater of target or actual performance levels.

### **Director Compensation**

The following table provides the compensation provided to our non-employee directors for the fiscal year ended December 31, 2023.

<b>Director</b>	<b>Fees Earned or Paid in Cash (\$<sup>(1)</sup>)</b>	<b>Stock Awards (\$<sup>(2)</sup>)</b>	<b>All Other Compensation (\$)</b>	<b>Total (\$)</b>
Matthew Botein	\$ —	\$ —	\$ —	\$ —
Angela Brock-Kyle	\$ —	\$ 129,000	\$ —	\$ 129,000
Zhak Cohen	\$ —	\$ —	\$ —	\$ —
Fabian Fondriest	\$ —	\$ —	\$ —	\$ —
David Foy	\$ 50,000	\$ 64,500	\$ —	\$ 114,500
David Holman	\$ —	\$ —	\$ —	\$ —
Jack Stein	\$ —	\$ —	\$ —	\$ —

(1) Mr. Foy elected to receive his annual fee half in cash and half in phantom stock units.

(2) Amounts reflect the grant date fair value of phantom stock units, determined in accordance with ASC Topic 718. As of December 31, 2023, Ms. Brock-Kyle and Mr. Foy held 350,000 and 100,000 shares of phantom stock awards, respectively.

On May 22, 2024, Mr. Fondriest received a one-time grant of RSUs with a grant date value equal to \$300,000 in consideration of his past and future services. The RSUs will vest over four years, with 20% of such RSUs vesting on each of the first, second and third anniversaries of the grant date and the remaining 40% vesting on the fourth anniversary of the grant date. Mr. Fondriest will be required to hold such interests for the duration of his service on the board.

In connection with the initial offering, on May 22, 2024, the Company adopted the Bowhead Specialty Holdings Inc. Non-Employee Director Compensation Policy, which provides for an annual compensation package pursuant to which, the non-employee director may elect to receive either (i) \$80,000 in cash and RSUs with a grant date value of \$80,000, or (ii) RSUs with a grant date value of \$160,000. Additionally, the Audit Committee Chair will receive an annual cash retainer of \$50,000. The annual RSU award will vest on the earlier of the one year anniversary of the date of grant or the next annual meeting of shareholders, and directors are required to hold such interests for the duration of their service on the board.



Members of the board of directors who are employed by the Company or who are nominated by AmFam and Gallatin Point, are not eligible to receive any cash fees or other form of compensation in connection with their service on the board.

## CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

In addition to the director and executive officer compensation arrangements discussed above under “Executive and Director Compensation,” the following is a description of transactions since January 1, 2021, to which we have been a party in which the amount involved exceeded or will exceed \$120,000 and in which any of our directors, executive officers, beneficial holders of more than 5.0% of our common stock, or their immediate family members or entities affiliated with them, had or will have a direct or indirect material interest.

### **BIHL**

Prior to commencing its dissolution, BIHL owned approximately 73.5% of our common stock. BIHL contributed capital to us on an as needed basis and as of June 30, 2024, BIHL had contributed \$183.3 million to us. The BIHL Partnership Agreement governs the distribution of the profits and losses of BIHL to its partners. The BIHL Partnership Agreement requires the supermajority approval (i.e., at least 75.0% of the outstanding Class A Interests in BIHL) of certain actions of the partnership and its subsidiaries, including the Company, and also provides its limited partners with certain rights of first refusal with respect to sales of securities of BIHL and its subsidiaries.

On October 7, 2020 our subsidiaries BSUI, BUSI and BICI entered into a Services Agreement with BIHL (the “Services Agreement”). Pursuant to the Services Agreement, BIHL provided various insurance and corporate services to BSUI, BUSI and BICI. The primary services provided to BSUI, BUSI and BICI under the Services Agreement were underwriting, claims, financial and accounting, investment, legal, reinsurance and regulatory reporting services. Upon the dissolution of BIHL, as described below, the Services Agreement will remain in effect among BSHI, BSUI, BUSI and BICI.

On July 15, 2024, BIHL received regulatory approval to effectuate a divestiture of its ownership interests in BSHI after August 2, 2024. On September 19, 2024, this divestiture occurred and, except for the shares of BSHI common stock being offered by BIHL in this offering, BIHL distributed all of its shares of BSHI common stock to its limited partners in accordance with the distribution provisions of BIHL’s limited partnership agreement. Upon completion of this offering, BIHL will use the net proceeds it receives from this offering to pay for its dissolution related expenses.

### **Arrangements With AmFam and its Affiliates**

On January 31, 2021, our subsidiary, BICI, entered into the Original Quota Share Agreement with AFMIC. Under the Original Quota Share Agreement, BICI assumed 100.0% of all Casualty, Professional Liability and Healthcare Liability risks, net of inuring third-party reinsurance, written on behalf of AmFam by BSUI. Under the MGA Agreements, BSUI has authority to accept, on forms approved by AFMIC, policies, endorsements, binders and certificates of proposal for insurance of the lines and classes of business, and in the territories set forth on Schedule A thereto, which include Casualty, Professional Liability and Healthcare Liability lines of business in the USA, including Puerto Rico, and selected risks in Bermuda and the Cayman Islands where such risks are being handled by a US broker. BSUI and BICI have the authority to agree on the premium rates to be charged under the program, subject to the consent of AFMIC. AmFam received a ceding fee on net premiums assumed by BICI under the Original Quota Share Agreement. Under the Original Quota Share Agreement, the ceding fee was 2% of net premiums assumed by BICI per month. For the years ended December 31, 2023, 2022 and 2021, BICI assumed net premiums of \$507.7 million, \$356.9 million and \$223.9 million, respectively, and BICI paid ceding fees of \$7.5 million, \$5.2 million and \$3.4 million respectively to AmFam, under the Original Quota Share Agreement.

In connection with our initial public offering, on May 23, 2024, BICI entered into an Amended and Restated Quota Share Agreement with AFMIC. Except as otherwise described herein, all material terms in the Amended and Restated Quota Share Agreement are the same as in the Original Quota Share Agreement. Under the Amended and Restated Quota Share Agreement, the term of the Original Quota Share Agreement was extended for 5 years from the listing of our common stock on the NYSE and BICI is required to provide additional collateral to AFMIC in an amount equal to up to 40% of unearned premiums. BICI’s fee structure under the Amended and Restated Quota Share Agreement remains the same as the Original Quota Share Agreement except that the ceding fee will be increased to 2.75% on May 23, 2025, 3.25% on May 23, 2026 and 5.0% on May 23, 2027.

The Amended and Restated Quota Share Agreement may be terminated for new and renewal business:

- by mutual written agreement;
- by either party
  - (a) immediately, if the other party is found to be insolvent by a state insurance department or court of competent jurisdiction or is placed in liquidation, supervision or similar event, or
  - (b) if the other party materially breaches any term or condition of the Amended and Restated Quota Share Agreement and fails to cure within the time period specified therein; or
- by AFMIC
  - (a) on or after the date that is 5 years after the date of the Amended and Restated Quota Share Agreement, by giving at least 90 days prior written notice to BICI if the parties have agreed on a new ceding fee pursuant to the terms therein or by giving written notice of immediate effect to BICI if the parties have not agreed on a new ceding fee pursuant to the terms therein,
  - (b) upon prior written notice to BICI in the event the domiciliary insurance regulator of AFMIC orders cancellation of the Amended and Restated Quota Share Agreement,
  - (c) upon 45 days prior written notice to BICI with the opportunity to cure, if BICI's earned or written surplus ratio exceeds specified thresholds described therein,
  - (d) upon 180 days prior written notice to BICI, if the aggregate gross written premium produced by or through BSUI and ceded to BICI pursuant to the Amended and Restated Quota Share Agreement exceeds \$1 billion during any calendar year and the parties have not agreed to a mutually acceptable agreement within 90 days of such notice,
  - (e) if BICI breaches specified credit for reinsurance and trust provisions therein and fails to cure within the time period specified therein,
  - (f) if BICI has received an insurer financial strength rating from A.M. Best or other specified rating agency and thereafter such rating is withdrawn or reduced to below A- (or equivalent), and BICI fails to cure within the time period specified therein, or
  - (g) in the event the Company enters into an agreement within 12 months of our initial public offering that would ultimately result in a change of control (as defined in the Investment Matters Agreement) (i) the result of which is our common stock would no longer qualify for listing on the NYSE (such agreement, a "Change of Control Agreement") and (ii) involves an acquiring party identified in writing to us by Gallatin Point and AmFam as mutually agreed by Gallatin Point and AmFam; provided, however, that such termination shall only become effective upon the consummation of such change in control and if such Change in Control Agreement is terminated, the termination right shall be null and void.

The termination provisions in the Amended and Restated Quota Share Agreement are generally the same as those in the Original Quota Share Agreement, except the Amended and Restated Quota Share Agreement (i) also applies to renewal business (other than certain mandatory renewal policies) as opposed to just new business, (ii) extends the time period from January 1, 2027 to the date that is 5 years after the date of the Amended and Restated Quota Share Agreement with respect to clause (a) under termination rights by AFMIC and (iii) adds the termination provision described in clause (d) under termination rights by AFMIC. The termination provision described in clause (g) under termination rights by AFMIC is set forth in the Investor Matters Agreement.

Pursuant to the Quota Share Agreement, BICI is required to set aside assets in a trust to secure a portion of its reinsurance recoverable obligation under the Quota Share Agreement, and on March 29, 2021, BICI entered into an insurance trust agreement (the "Insurance Trust Agreement") with AFMIC and U.S. Bank National Association, as trustee. BICI must maintain assets in the trust account with a fair value as of the end of each month equal to the

greater of (i) (A) reinsured losses and allocated loss expenses paid or payable by AFMIC but not recovered from BICI, (B) reserves for reinsured losses reported and outstanding, (C) reserves for reinsured losses incurred but not reported and (D) reserves for allocated reinsurance loss expenses and unearned premiums and (ii) the trust required balance, which was \$0 commencing on July 1, 2021. Under the Quota Share Agreement and the Amended and Restated Insurance Trust Agreement which BICI entered into on May 23, 2024, BICI is required to maintain assets in the trust account with a fair value as of the end of each month equal to (A) reinsured losses and allocated loss expenses paid or payable by AFMIC but not recovered from BICI, (B) reserves for reinsured losses reported and outstanding, (C) reserves for reinsured losses incurred but not reported, (D) reserves for allocated reinsurance loss expenses and unearned premiums and (E) reserves for 40% of unearned premiums subject to certain exceptions described therein. Assets deposited in the trust account will be valued at their fair market and must consist only of cash, certificates of deposit and investments of the types permitted by the insurance laws of the state of domicile; *provided* that such certificates of deposit and investments are not issued by a parent, subsidiary or affiliate of either BICI or AFMIC.

On January 26, 2022, BICI entered into a Casualty, Professional Liability and Healthcare Quota Share Reinsurance Contract (the “2022 Ceded Quota Share Agreement”) and a Casualty, Professional Liability and Healthcare Excess Cessions Reinsurance Contract (the “2022 Ceded Excess Loss Agreement”) with reinsurers, in which American Family Connect Property and Casualty Insurance Company (“AFCPCIC”), a subsidiary of AmFam, participated. Pursuant to the 2022 Ceded Quota Share Agreement, BICI ceded 20.0% of the exposure to the reinsurers and AFCPCIC had a 0.5% (\$75,000) share in the interests and liabilities of the reinsurers. Pursuant to the 2022 Ceded Excess Loss Agreement, BICI ceded 70.1% of losses in excess of \$5.0 million up to \$15.0 million to the reinsurers and AFCPCIC had a 1.8% (\$175,000) share in the interests and liabilities of the reinsurers. In addition, on November 15, 2022, BICI, also entered into a Cyber Professional Lines Quota Share Reinsurance Agreement (the “2022 Cyber Ceded Quota Share Agreement”) with reinsurers, in which AFCPCIC, a subsidiary of AmFam, also participated, pursuant to which BICI ceded 53.5% of the exposure to the reinsurers and AFCPCIC had a 10.0% share in the interests and liabilities of the reinsurer. See “Business—Reinsurance” for additional information.

On March 7, 2023, BICI entered into a Casualty, Professional Liability and Healthcare Quota Share Reinsurance Contract (the “2023 Ceded Quota Share Agreement”) and a Casualty, Professional Liability and Healthcare Excess Cessions Reinsurance Contract (the “2023 Ceded Excess Loss Agreement”) with reinsurers, in which AFCPCIC, a subsidiary of AmFam, participated. Pursuant to the 2023 Ceded Quota Share Agreement, BICI ceded 25.0% of the exposure to the reinsurers and AFCPCIC had a 2.5% share in the interests and liabilities of the reinsurers. Pursuant to the 2023 Ceded Excess Loss Agreement, BICI ceded 65.0% of losses in excess of \$5.0 million up to \$15.0 million to the reinsurers and AFCPCIC had a 6.5% share in the interests and liabilities of the reinsurers. See “Business—Reinsurance” for additional information.

On January 1, 2024, BICI, entered into a Cyber Professional Lines Quota Share Reinsurance Agreement (the “2024 Cyber Ceded Quota Share Agreement”) with reinsurers, in which AFCPCIC, a subsidiary of AmFam, also participated, pursuant to which BICI ceded 64% of the exposure to the reinsurers and AFCPCIC had a 10.0% share in the interests and liabilities of the reinsurers. See “Business—Reinsurance” for additional information.

On May 1, 2024, BICI entered into a Casualty, Professional Liability and Healthcare Quota Share Reinsurance Contract (the “2024 Ceded Quota Share Agreement”) and a Casualty, Professional Liability and Healthcare Excess Cessions Reinsurance Contract (the “2024 Ceded Excess Loss Agreement”) with reinsurers, in which AFCPCIC, a subsidiary of AmFam, participated. Pursuant to the 2024 Ceded Quota Share Agreement, BICI ceded 25% of the exposure to the reinsurers and AFCPCIC had a 3% share in the interests and liabilities of the reinsurers. Pursuant to the 2024 Ceded Excess Loss Agreement, BICI ceded 60.13% of losses in excess of \$5.0 million up to \$15.0 million to the reinsurers and AFCPCIC had a 7.8% share in the interests and liabilities of the reinsurers. See “Business—Reinsurance” for additional information.

BSUI has separate MGA Agreements with the AmFam Issuing Carriers. Under these agreements, BSUI is permitted to issue insurance policies complying with the underwriting guidelines set forth therein, as well as cancel or non-renew such policies subject to certain terms set forth therein, on behalf of the AmFam Issuing Carriers and is also responsible for providing accounting, claims handling and other necessary services to the AmFam Issuing Carriers to support its respective regulatory, statutory and other compliance requirements. BSUI is entitled to a

commission in exchange for these services, which is adjusted to equal cost for each month in accordance with the terms of the MGA Agreements such that there is no monetary impact to us as a result of the commissions to BSUI. Under the current MGA Agreements, in addition to termination rights upon the termination of the Amended and Restated Quota Share Agreement, certain material operational changes to the parties' businesses, certain material breaches of the MGA Agreements or certain bankruptcy events, either party can terminate such agreement at the beginning of any calendar quarter occurring on the date that is two years after December 31, 2024 by providing written notice to the other party at least 180 days prior to such date. In connection with our initial public offering, the terms of the MGA Agreements were extended for five years from May 23, 2024.

On November 1, 2020, BUSI entered into a consulting agreement (the "Consulting Agreement") with Homesite Insurance Group, a subsidiary of AmFam, to provide consulting services to Homesite Insurance Group on the development of their professional liability, casualty and medical professional lines insurance underwriting. The Consulting Agreement expired on January 31, 2021.

#### **Registration Rights Agreement**

On May 28, 2024, we entered into the Registration Rights Agreement with AFMIC, GPC Fund and our Chief Executive Officer, which provides customary demand and piggyback registration rights. This offering of shares pursuant to the registration statement of which this prospectus forms a part is being conducted pursuant to certain of the selling stockholders' rights under the Registration Rights Agreement. The Registration Rights Agreement also provides that we pay customary expenses relating to registrations thereunder and indemnify against certain liabilities that may arise under the Securities Act. See "Description of Capital Stock—Registration Rights."

#### **Common Stock Purchase Warrant**

On May 28, 2024, we issued to AFMIC a common stock purchase warrant (the "Common Stock Purchase Warrant") to purchase from us 1,670,721 shares of our outstanding common stock (the "Warrant Shares"). The purchase price of one share of common stock under the Common Stock Purchase Warrant is \$17.00, subject to customary adjustments. The Warrant Shares vest ratably over five years with the first tranche vesting on the first anniversary of the date of issuance of the Common Stock Purchase Warrant. The vested portion is exercisable, in whole or in part, until the ten-year anniversary of the date of issuance of the Common Stock Purchase Warrant and further vesting will terminate in the event either the Quota Share Agreement or one or more of the Managing General Agency Agreements representing in the aggregate 25% or more of the business ceded to BICI in the prior year under the Quota Share Agreement are terminated prior to May 23, 2029. The Warrant Shares will vest in full upon a change of control of the Company if AFMIC agrees that the Quota Share Agreement and all of the Managing General Agency Agreements shall remain in effect notwithstanding such change of control and AFMIC waives, or causes its affiliate to waive, any termination rights it may have thereunder as a result of such change of control. Upon grant, the fair value of the warrant will be expensed, on a quarterly basis, over the five year vesting period.

#### **Investor Matters Agreement**

On May 23, 2024, we entered into the Investor Matters Agreement with AFMIC. The current AFMIC nominees are Troy Van Beek and David Holman. Troy Van Beek serves as a Class I director and David Holman serves as a Class II director.

From the date of the Investor Matters Agreement until the third anniversary thereof (the "Maintenance Period"), among other things, AFMIC will not undertake any sales of shares of our common stock that would result in AFMIC's ownership of shares of our common stock being less than ten percent of the issued and outstanding shares of our common stock (which shares owned by AFMIC shall include shares subject to the Common Stock Purchase Warrant, to the extent vested (assuming there is no cashless exercise)) (the "AFMIC Minimum Ownership Amount") and will report us and each of our wholly owned subsidiaries as an affiliate (as defined under SSAP No. 88, Investments in Subsidiary, Controlled and Affiliated Entities) for all statutory accounting and regulatory purposes.

During the period beginning on the date of the Investor Matters Agreement and later of (i) the end of the Maintenance Period and (ii) the expiration or termination the current terms of certain MGA Agreements (as defined

therein) and the Reinsurance Agreement (as defined therein) (the “Requisite Agreements”), AFMIC has the right (but not the obligation) to nominate two individuals to our board of directors; provided, that our Compensation, Nominating and Corporate Governance Committee of our board of directors or an equivalent duly authorized committee of our board of directors has determined that each such individual is reasonably satisfactory to serve as a director.

Upon expiration of the Maintenance Period, if AFMIC continues to own the AFMIC Minimum Ownership Amount, AFMIC has the right (but not the obligation) to nominate one individual to our board of directors; provided, that our Compensation, Nominating and Corporate Governance Committee of our board of directors or an equivalent duly authorized committee of our board of directors has determined that such individual is reasonably satisfactory to serve as a director.

#### **Call Option Agreement**

On May 22, 2024, GPC Fund entered into a call option agreement with AFMIC, pursuant to which GPC Fund granted AFMIC an exclusive option to acquire 816,471 shares of common stock, at a price per share of \$17.00, subject to customary adjustments. The option is only exercisable beginning on May 23, 2027 until May 22, 2029.

#### **Board Nominee Agreement**

On May 23, 2024, we entered into the Board Nominee Agreement. The current GPC Fund nominees are Matt Botein, Zhak Cohen and Jack Stein. Matt Botein serves as a Class I director, Zhak Cohen serves as a Class II director and Jack Stein serves as a Class III director.

Pursuant to the Board Nominee Agreement, (1) for so long as GPC Fund owns at least 35% of our outstanding common stock (the “Initial GPC Ownership Threshold”), GPC Fund will have the right (but not the obligation) to nominate three (3) individuals to our board of directors; (2) after such time that GPC Fund owns less than the Initial GPC Ownership Threshold but owns shares of our common stock equal to at least 20% of our outstanding common stock (the “Second GPC Ownership Threshold”), GPC Fund will have the right (but not the obligation) to nominate two (2) individuals to our board of directors; and (3) after such time that GPC Fund owns less than the Second GPC Ownership Threshold but owns shares of our common stock equal to at least 10% of our outstanding common stock (the “Third GPC Ownership Threshold”), GPC Fund will have the right (but not the obligation) to nominate one (1) individual to our board of directors, in each case, provided, that our Compensation, Nominating and Corporate Governance Committee of our board of directors or an equivalent duly authorized committee of our board of directors has determined that such individual is reasonably satisfactory to serve as a director.

#### **Director and Officer Indemnification Agreements**

We have entered into separate indemnification agreements with each of our directors and executive officers. Each indemnification agreement provides, among other things, for indemnification to the fullest extent permitted by law and our amended and restated certificate of incorporation and bylaws against (i) any and all expenses and liabilities, including judgments, fines, penalties, interest and amounts paid in settlement of any claim with our approval and counsel fees and disbursements, (ii) any liability pursuant to a loan guarantee, or otherwise, for any of our indebtedness and (iii) any liabilities incurred as a result of acting on behalf of us (as a fiduciary or otherwise) in connection with an employee benefit plan. The indemnification agreements provide for the advancement or payment of expenses to the indemnitee and for reimbursement to us if it is found that such indemnitee is not entitled to such indemnification under applicable law and our amended and restated certificate of incorporation and bylaws. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers or persons controlling us pursuant to the foregoing provisions, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

We believe that these indemnification agreements, as well as our maintaining directors’ and officers’ liability insurance, help us to attract and retain qualified persons as directors and officers.

### **Policy Regarding Related Party Transactions**

Our board of directors has adopted a written policy for the review of any transaction, arrangement or relationship in which we are a participant, the amount involved exceeds \$120,000 and one of our executive officers, directors, director nominees or beneficial holders of more than 5% of our common stock (or their immediate family members or affiliates) is implicated, each of whom we refer to as a “related person,” has a direct or indirect material interest.

If a related person proposes to enter into such a transaction, arrangement or relationship, which we refer to as a “related person transaction,” the related person must report the proposed related person transaction to the chairperson of our audit committee. The policy calls for the proposed related person transaction to be reviewed and, if deemed appropriate, approved by the audit committee. In approving or rejecting such proposed transactions, the audit committee will be required to consider the relevant facts and circumstances available and deemed relevant to the audit committee, including the material terms of the transaction, risks, benefits, costs, availability of other comparable services or products and, if applicable, the impact on a director’s independence. Our audit committee will approve only those transactions that, in light of known circumstances, are in, or are not inconsistent with, our best interests, as our audit committee determines in the good faith in the exercise of its discretion. In the event that any member of our audit committee is not a disinterested person with respect to the related person transaction under review, that member will be excluded from the review and approval or rejection of such related person transaction and another director may be designated to join the committee for purposes of such review. Whenever practicable, the reporting, review and approval will occur prior to entering into the transaction. If advance review and approval is not practicable, the audit committee will review and may, in its discretion, ratify the related person transaction retroactively.

## PRINCIPAL AND SELLING STOCKHOLDERS

The following table sets forth information with respect to the beneficial ownership of our common stock immediately prior to and following the completion of this offering by:

1. each person, or group of affiliated persons, known by us to beneficially own more than 5% of our outstanding shares of common stock;
2. each of our directors;
3. each of our named executive officers;
4. all of our executive officers and directors as a group; and
5. each selling stockholder.

The number of shares outstanding before and after this offering and the corresponding percentage of beneficial ownership are based on shares of common stock outstanding as of October 1, 2024, which for purposes of the table below includes all unvested restricted stock awards.

Beneficial ownership and percentage ownership are determined in accordance with the rules and regulations of the SEC. Under SEC rules, a person is deemed to be a “beneficial owner” of a security if that person has or shares voting power or investment power, which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities of which that person has a right to acquire beneficial ownership within 60 days. Securities that can be so acquired are deemed to be outstanding for purposes of computing such person’s ownership percentage, but not for purposes of computing any other person’s percentage. Under these rules, more than one person may be deemed to be a beneficial owner of the same securities and a person may be deemed to be a beneficial owner of securities as to which such person has no economic interest. Except as indicated in the footnotes to the following table or pursuant to applicable community property laws, we believe, based on information furnished to us, that each stockholder named in the table has sole voting and investment power with respect to the shares set forth opposite such stockholder’s name.

Unless otherwise noted, the address of each beneficial owner is c/o Bowhead Specialty Holdings Inc., 452 Fifth Ave, New York, NY 10018.



Name of Beneficial Owner	Shares Beneficially Owned After this Offering <sup>(1)</sup>					
	Shares Beneficially Owned Prior to this Offering <sup>(1)</sup>		Assuming No Exercise of the Underwriters' Option		Assuming Full Exercise of the Underwriters' Option	
	Number	Percentage	Number	Percentage	Number	Percentage
<b>Selling Stockholders and Greater than 5% Stockholders:</b>						
BIHL	59,053	*	—	— %	—	— %
AFMIC <sup>(2)(3)</sup>	6,063,046	18.6 %	4,880,761	14.9 %	4,700,761	14.4 %
GPC Fund <sup>(3)(4)</sup>	14,147,107	43.3 %	11,388,445	34.9 %	10,968,445	33.6 %
<b>Named Executive Officers and Directors:</b>						
Stephen Sills	951,198	2.9 %	951,198	2.9 %	951,198	2.9 %
Brad Mulcahey	77,538	*	77,538	*	77,538	*
David Newman	239,393	*	239,393	*	239,393	*
Tom Baker	—	— %	—	— %	—	— %
Matthew Botein	—	— %	—	— %	—	— %
Angela Brock-Kyle	23,324	*	23,324	*	23,324	*
Zhak Cohen	—	— %	—	— %	—	— %
Fabian Fondriest	12,000	*	12,000	*	12,000	*
David Foy	—	— %	—	— %	—	— %
David Holman	—	— %	—	— %	—	— %
Jack Stein	—	— %	—	— %	—	— %
Troy Van Beek	—	— %	—	— %	—	— %
All executive officers and directors as a group (12 persons)	1,303,453	4.0 %	1,303,453	4.0 %	1,303,453	4.0 %

\* Less than 1%.

(1) Reflects the divestiture of all but 59,053 shares of BSHI common stock owned by BIHL, which occurred on September 19, 2024 in connection with the dissolution of BIHL, to its limited partners in accordance with the distribution provisions of BIHL's limited partnership agreement. The dissolution of BIHL is expected to be completed upon completion of this offering and BIHL using its net proceeds from the sale of its remaining shares of BSHI common stock in this offering to pay for its dissolution related expenses.

(2) AFMIC is an indirect, wholly owned subsidiary of American Family Insurance Mutual Holding Company which, accordingly, may be considered a beneficial owner of the shares of common stock owned directly by AFMIC. The address of both entities is 6000 American Parkway, Madison, WI 53783.

(3) On May 22, 2024, GPC Fund and AFMIC entered into a voting agreement, pursuant to which each of GPC Fund and AFMIC is obligated, among other things, to vote at any meeting of our stockholders, all common stock beneficially owned by it in favor of the election of the applicable AFMIC Board Nominees and GPC Board Nominees to our board of directors in accordance with our amended and restated certificate of incorporation, the Investor Matters Agreement and the Board Nominee Agreement.

(4) Reflects securities held by GPC Fund. Gallatin Point is the manager of GPC Partners GP LLC ("GPC GP"), which is the general partner of GPC Fund. Matthew Botein and Lewis (Lee) Sachs (together with GPC Fund, GPC GP and Gallatin Point, the "GPC Parties") are the Co-Founders and Managing Partners of the ultimate parent of Gallatin Point and collectively make voting and investment decisions on behalf of GPC Fund. The address of the GPC Parties is 600 Steamboat Road, Greenwich, CT 06830.

## DESCRIPTION OF CAPITAL STOCK

*The following is a description of our capital stock. The following description is intended as a summary only and is qualified in its entirety by reference to our amended and restated certificate of incorporation and amended and restated bylaws, each of which are filed as exhibits to the registration statement of which this prospectus is a part, and the applicable provisions of the DGCL.*

Our authorized capital stock consists of 400,000,000 shares of our common stock, \$0.01 par value per share; and 100,000,000 shares of preferred stock, par value \$0.01 per share. No shares of preferred stock will be issued or outstanding immediately after the offering contemplated by this prospectus. Unless our board of directors determines otherwise, we will issue all shares of our capital stock in uncertificated form.

### Common Stock

Each holder of our common stock is entitled to one vote per share on all matters submitted to a vote of the stockholders. The holders of our common stock are entitled to receive dividends as may be declared from time to time by our board of directors out of legally available funds. See the section titled “Dividend Policy” for additional information. In the event of our liquidation, dissolution or winding up, holders of our common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities. Holders of our common stock have no preemptive, conversion or subscription rights, and there are no redemption or sinking fund provisions applicable to our common stock. All shares of our common stock that will be outstanding at the time of the completion of the offering will be fully paid and non-assessable.

The rights, powers, preferences and privileges of holders of our common stock will be subject to those of the holders of any shares of our preferred stock we may authorize and issue in the future.

### Preferred Stock

Our amended and restated certificate of incorporation authorizes our board of directors to establish one or more series of preferred stock (including convertible preferred stock). Unless required by law or by the NYSE rules, the authorized shares of preferred stock are available for issuance without further action by you. Our board of directors will be able to determine, with respect to any series of preferred stock, the terms and rights of that series, including:

- the designation of the series;
- the number of shares of the series, which our board of directors may, except where otherwise provided in the preferred stock designation, increase (but not above the total number of authorized shares of the class) or decrease (but not below the number of shares then outstanding);
- whether dividends, if any, will be cumulative or non-cumulative and the dividend rate of the series;
- the dates at which dividends, if any, will be payable;
- the redemption rights and price or prices, if any, for shares of the series;
- the terms and amounts of any sinking fund provided for the purchase or redemption of shares of the series;
- the amounts payable on shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding-up of the affairs of the Company;
- whether the shares of the series will be convertible into shares of any other class or series, or any other security, of the Company or any other corporation and, if so, the specification of the other class or series or other security, the conversion price or prices or rate or rates, any rate adjustments, the date or dates as of which the shares will be convertible and all other terms and conditions upon which the conversion may be made;
- restrictions on the issuance of shares of the same series or of any other class or series; and

- the voting rights, if any, of the holders of the series.

We are able to issue a series of preferred stock that could, depending on the terms of the series, impede or discourage an acquisition attempt or other transaction that some, or a majority, of the holders of our common stock might believe to be in their best interests or in which the holders of our common stock might receive a premium for their common stock over the market price of the common stock. In addition, the issuance of preferred stock may adversely affect the holders of our common stock by restricting dividends on the common stock, diluting the voting power of the common stock or subordinating the liquidation rights of the common stock. The issuance of preferred stock could have the effect of delaying, deferring or preventing a change of control, or other corporate action. As a result of these or other factors, the issuance of preferred stock may have an adverse impact on the market price of our common stock.

#### **Dividends**

The DGCL permits a corporation to declare and pay dividends out of “surplus” or, if there is no “surplus,” out of its net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year. “Surplus” is defined as the excess of the net assets of the corporation over the amount determined to be the capital of the corporation by our board of directors. The capital of the corporation is typically calculated to be (and cannot be less than) the aggregate par value of all issued shares of capital stock. Net assets equal the fair value of the total assets minus total liabilities. The DGCL also provides that dividends may not be paid out of net profits if, after the payment of the dividend, capital is less than the capital represented by the outstanding stock of all classes having a preference upon the distribution of assets.

Declaration and payment of any dividend will be subject to the discretion of our board of directors. The time and amount of dividends will be subject to applicable laws and will depend on our financial condition, results of operations, capital requirements, general business conditions, legal, tax and regulatory limitations, contractual restrictions, including restrictions under the Credit Agreement and other indebtedness we may incur, and other factors that our board of directors considers relevant. See “Dividend Policy” for additional information. Our ability to pay dividends to stockholders is also dependent on dividends and other distributions from BICI and our other operating companies. See “Regulation—Restrictions on Paying Dividends” for additional information.

#### **Anti-Takeover Effects of Our Certificate of Incorporation and Bylaws and Certain Provisions of Delaware Law**

Our amended and restated certificate of incorporation, amended and restated bylaws and the DGCL, which are summarized in the following paragraphs, contain provisions that could discourage potential acquisition proposals and could delay or prevent a change in control. These provisions are intended to enhance the likelihood of continuity and stability in the composition of our board of directors and in the policies formulated by our board of directors and to discourage certain types of transactions that may involve an actual or threatened change of control. These provisions are designed to reduce our vulnerability to an unsolicited acquisition proposal. The provisions also are intended to discourage certain tactics that may be used in proxy fights. However, such provisions could have the effect of discouraging others from making tender offers for our shares and, as a consequence, they also may inhibit fluctuations in the market price of our shares of common stock that could result from actual or rumored takeover attempts. Such provisions also may have the effect of preventing changes in our management or delaying or preventing a transaction that might benefit you or other minority stockholders.

#### ***Authorized but Unissued Capital Stock***

Delaware law does not require stockholder approval for any issuance of authorized shares. However, the listing requirements of the NYSE, which would apply if and so long as our common stock remains listed on the NYSE, require stockholder approval of certain issuances equal to or exceeding 20% of the then-outstanding voting power or then-outstanding number of shares of common stock. These additional shares may be used for a variety of corporate purposes, including future public offerings to raise additional capital or to facilitate acquisitions.

Our board of directors may issue shares of preferred stock on terms calculated to discourage, delay or prevent a change of control of the Company or the removal of our management. Moreover, our authorized but unissued shares

of preferred stock will be available for future issuances without stockholder approval and could be utilized for a variety of corporate purposes, including future offerings to raise additional capital, acquisitions or employee benefit plans.

One of the effects of the existence of unissued and unreserved common stock or preferred stock may be to enable our board of directors to issue shares to persons friendly to current management, which issuance could render more difficult or discourage an attempt to obtain control of the Company by means of a merger, tender offer, proxy contest or otherwise, and thereby protect the continuity of our management and possibly deprive our stockholders of opportunities to sell their shares of common stock at prices higher than prevailing market prices.

#### ***Classified Board of Directors***

Our amended and restated certificate of incorporation provides that our board of directors is to be divided into three classes of directors, with the classes to be as nearly equal in number as possible, and with the directors serving three-year terms. As a result, approximately one-third of our board of directors is elected each year. The classification of directors has the effect of making it more difficult for stockholders to change the composition of our board of directors. Our amended and restated certificate of incorporation and amended and restated bylaws provide that, subject to any rights of holders of preferred stock to elect additional directors under specified circumstances, the number of directors will be fixed from time to time exclusively pursuant to a resolution adopted by our board of directors. The classified board provisions are subject to a 7-year sunset.

The Board Nominee Agreement and the Investor Matters Agreement, grant GPC Fund and AFMIC respectively, rights to nominate individuals to our board of directors, provided certain ownership requirements are met. See “Certain Relationships and Related Party Transactions—Board Nominee Agreement” and “Certain Relationships and Related Party Transactions—Investor Matters Agreement,” respectively.

#### ***Business Combinations***

We opt out of Section 203 of the DGCL, and the restrictions and limitations set forth therein. However, our amended and restated certificate of incorporation contains provisions that are similar to Section 203 of the DGCL. Specifically, our amended and restated certificate of incorporation provides that, subject to certain exceptions, we are not able to engage in a “business combination” with any “interested stockholder” for three years following the time that the person became an interested stockholder, unless the interested stockholder attained such status with the approval of our board of directors, or, upon becoming an interested stockholder, owned at least 85% of the voting power of the outstanding stock or unless the business combination is approved in a prescribed manner. A “business combination” includes, among other things, a merger or consolidation involving us and the “interested stockholder” and the sale of more than 10% of our assets. In general, an “interested stockholder” is any entity or person beneficially owning 15% or more of our outstanding voting stock and any entity or person affiliated with or controlling or controlled by such entity or person.

However, in our case, GPC Fund and AmFam and any of their respective affiliates and any of their respective direct or indirect transferees of our common stock will not be deemed to be “interested stockholders” for the purposes of our amended and restated certificate of incorporation regardless of the percentage of our outstanding voting stock owned by them, and, accordingly will not be subject to such restrictions.

#### ***Removal of Directors; Vacancies***

Under the DGCL, unless otherwise provided in our amended and restated certificate of incorporation, directors serving on a classified board may be removed by the stockholders only for cause. Our amended and restated certificate of incorporation provides that directors may only be removed for cause. In addition, our amended and restated certificate of incorporation and our amended and restated bylaws also provide that, subject to the provisions of the Board Nominee Agreement, the Investor Matters Agreement and the rights granted to one or more series of preferred stock then outstanding, any newly created directorship on our board of directors that results from an increase in the number of directors and any vacancy occurring on our board of directors may only be filled by a majority of the directors then in office, even if less than a quorum, or by a sole remaining director (and not by the stockholders).

### ***No Cumulative Voting***

Under Delaware law, the right to vote cumulatively does not exist unless the certificate of incorporation specifically authorizes cumulative voting. Our amended and restated certificate of incorporation does not authorize cumulative voting. Therefore, stockholders holding a majority in voting power of the shares of our stock entitled to vote generally in the election of directors are able to elect all of our directors.

### ***Special Stockholders Meetings***

Our amended and restated certificate of incorporation provides that special meetings of our stockholders may be called at any time (i) only by or at the direction of our board of directors or the chair of our board of directors or (ii) until the date that GPC Fund ceases to beneficially own 40% or more of our outstanding common stock, at the request of holders of at least 40% of our outstanding common stock. Our amended and restated bylaws prohibit conducting any business at a special meeting other than as specified in the notice for such meeting. These provisions may have the effect of deferring, delaying or discouraging hostile takeovers, or changes in control or management of the Company.

### ***Requirements for Advance Notification of Director Nominations and Stockholder Proposals***

Our amended and restated bylaws establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors, other than nominations made by or at the direction of our board of directors or a committee of our board of directors. In order for any matter to be “properly brought” before a meeting, a stockholder has to comply with advance notice requirements and provide us with certain information. Generally, to be timely, a stockholder’s notice must be received at our principal executive offices not less than 90 days nor more than 120 days prior to the first anniversary date of the immediately preceding annual meeting of stockholders. Our amended and restated bylaws also specify requirements as to the form and content of a stockholder’s notice. Our amended and restated bylaws allow the chair of the meeting at a meeting of the stockholders to adopt rules and regulations for the conduct of meetings which may have the effect of precluding the conduct of certain business at a meeting if the rules and regulations are not followed. These provisions may defer, delay or discourage a potential acquiror from conducting a solicitation of proxies to elect the acquiror’s own slate of directors or otherwise attempting to influence or obtain control of the Company.

### ***Stockholder Action by Written Consent***

Pursuant to Section 228 of the DGCL, any action required to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote if a consent or consents in writing, setting forth the action so taken, is signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares of our stock entitled to vote thereon were present and voted, unless our amended and restated certificate of incorporation provides otherwise. Our amended and restated certificate of incorporation provides that stockholder action can be taken only at an annual or special meeting of stockholders and cannot be taken by written consent in lieu of a meeting once GPC Fund ceases to beneficially own at least 40% of our outstanding common stock.

### ***Amendment of Certificate of Incorporation or Bylaws***

The DGCL provides generally that the affirmative vote of a majority of the shares entitled to vote on any matter is required to amend a corporation’s certificate of incorporation or bylaws, unless a corporation’s certificate of incorporation or bylaws, as the case may be, requires a greater percentage. Our amended and restated bylaws may be amended or repealed by a majority vote of our board of directors or by the affirmative vote of the holders of at least 66 $\frac{2}{3}$ % of the votes which all our stockholders would be entitled to cast in any annual election of directors. In addition, the affirmative vote of the holders of at least 66 $\frac{2}{3}$ % of the votes which all our stockholders would be entitled to cast in any election of directors will be required to amend or repeal or to adopt any provisions inconsistent with any of the provisions of our amended and restated certificate of incorporation described above.

### **Dissenters' Rights of Appraisal and Payment**

Under the DGCL, with certain exceptions, our stockholders have appraisal rights in connection with a merger or consolidation of us. Pursuant to the DGCL, stockholders who properly request and perfect appraisal rights in connection with such merger or consolidation have the right to receive payment of the fair value of their shares as determined by the Delaware Court of Chancery.

### **Stockholders' Derivative Actions**

Under the DGCL, any of our stockholders may bring an action in our name to procure a judgment in our favor, also known as a derivative action; *provided* that the stockholder bringing the action is a holder of our shares at the time of the transaction to which the action relates or such stockholder's stock thereafter devolved by operation of law.

### **Exclusive Forum**

Our amended and restated certificate of incorporation provides, subject to limited exceptions, that unless we consent to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or if such court does not have jurisdiction another state or the federal courts (as appropriate) located within the State of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for any (i) derivative action or proceeding brought on behalf of the Company, (ii) action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer or other employee or stockholder of the Company to the Company, our stockholders, (iii) action asserting a claim against the Company or any director or officer of the Company arising pursuant to any provision of the DGCL or our amended and restated certificate of incorporation or our amended and restated bylaws or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware, or (iv) action asserting a claim governed by the internal affairs doctrine of the State of Delaware.

Our amended and restated certificate of incorporation further provides that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States of America will be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the federal securities laws of the United States, including any claims under the Securities Act and the Exchange Act. However, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce a duty or liability created by the Securities Act or the rules and regulations thereunder and, accordingly, we cannot be certain that a court would enforce such provision. It is possible that a court could find our forum selection provisions to be inapplicable or unenforceable and, accordingly, we could be required to litigate claims in multiple jurisdictions, incur additional costs or otherwise not receive the benefits that we expect our forum selection provisions to provide.

Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Company shall be deemed to have notice of and consented to the forum provisions in our amended and restated certificate of incorporation. Our exclusive forum provision shall not relieve the Company of its duties to comply with the federal securities laws and the rules and regulations thereunder, and our stockholders will not be deemed to have waived our compliance with these laws, rules and regulations.

### **Corporate Opportunities; Conflicts of Interest**

Our amended and restated certificate of incorporation provides that we renounce any interest or expectancy in, or in being offered an opportunity to participate in, any business opportunity of GPC Fund and AmFam and their respective members, managers, partners, shareholders, officers, directors, employees, agents, representatives and affiliates (the "Initial Investor Group") or any director that is not our employee. We will not renounce any interest in any corporate opportunity offered to any director or officer if such opportunity is expressly offered to such person solely in his or her capacity as our director or officer.

Our amended and restated certificate of incorporation provides that the Initial Investor Group has no duty to refrain from (i) engaging in a corporate opportunity in the same or similar lines of business in which we or our affiliates now engage or propose to engage or (ii) otherwise competing with us or our affiliates. In the event that the

Initial Investor Group acquires knowledge of a potential transaction or other business opportunity that may be a corporate opportunity, such person has no duty to communicate or offer such transaction or business opportunity to us or our affiliates and they may take any such opportunity for themselves or offer it to another person or entity unless such knowledge was acquired solely in such person's capacity as our director or officer.

#### **Limitations on Liability and Indemnification of Officers and Directors**

The DGCL authorizes corporations to limit or eliminate the personal liability of directors and officers to corporations and their stockholders for monetary damages for breaches of fiduciary duties, subject to certain exceptions. Our amended and restated certificate of incorporation includes a provision that eliminates the personal liability of directors and officers for monetary damages for any breach of fiduciary duty as a director or officer, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL. The effect of these provisions is to eliminate the rights of us and our stockholders, through stockholders' derivative suits on our behalf, to recover monetary damages from a director for breach of fiduciary duty as a director, including breaches resulting from grossly negligent behavior. This provision does not limit or eliminate the liability of any officer in any action by or in the right of the Company, including any derivative claims. Exculpation under this provision does not apply to any director or officer if the director or officer has breached the duty of loyalty to the corporation and its stockholders, acted in bad faith, knowingly or intentionally violated the law, authorized illegal dividends or redemptions, or derived an improper benefit from his or her actions as a director or officer.

Our amended and restated certificate of incorporation provides that we must generally indemnify, and advance expenses to, our directors and officers to the fullest extent authorized by the DGCL. We also are expressly authorized to carry directors' and officers' liability insurance providing indemnification for our directors, officers and certain employees for some liabilities. We have also entered into indemnification agreements with our directors, which agreements require us to indemnify these individuals to the fullest extent permitted under Delaware law against liabilities that may arise by reason of their service to us, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified. We believe that these indemnification and advancement provisions, and insurance are useful to attract and retain qualified directors and officers.

The limitation of liability, indemnification and advancement provisions in our amended and restated certificate of incorporation may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. In addition, your investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

#### **Registration Rights**

We entered into the Registration Rights Agreement with AFMIC, GPC Fund and our Chief Executive Officer. The Registration Rights Agreement provides that, following the expiration or waiver of any related lock-up period, AFMIC, GPC Fund and their permitted transferees can require us to register under the Securities Act all or any portion of the shares held by AFMIC, GPC Fund and our Chief Executive Officer and their permitted transferees, subject to customary requirements and limitations. AFMIC, GPC Fund and our Chief Executive Officer and their permitted transferees also have piggyback registration rights, such that AFMIC, GPC Fund and our Chief Executive Officer and their permitted transferees may include their respective shares in certain future registrations of our equity securities. The demand registration rights and piggyback registration rights are each subject to market cut-back exceptions.

The Registration Rights Agreement sets forth customary registration procedures, including an agreement by us to make our management reasonably available to participate in road show presentations in connection with any underwritten offerings. We also agreed to indemnify AFMIC, GPC Fund and our Chief Executive Officer and their permitted transferees with respect to liabilities resulting from untrue statements or omissions in any registration statement used in any such registration, other than untrue statements or omissions resulting from information furnished to us for use in a registration statement by AFMIC, GPC Fund, our Chief Executive Officer or any of their permitted transferees.

**Transfer Agent and Registrar**

The transfer agent and registrar for our common stock is Computershare Trust Company, N.A. The transfer agent's address is 150 Royall Street, Canton, Massachusetts 02021.

**Listing**

Our common stock is listed on the NYSE under the symbol "BOW."



## SHARES ELIGIBLE FOR FUTURE SALE

Future sales of substantial amounts of our common stock in the public market or the perception that such sales might occur may adversely affect market prices of our common stock prevailing from time to time and could impair our future ability to raise capital through the sale of our equity or equity-related securities at a time and price that we deem appropriate. Furthermore, there may be sales of substantial amounts of our common stock in the public market after the existing legal and contractual restrictions lapse. This may adversely affect the prevailing market price and our ability to raise equity capital in the future. See “Risk Factors.” We cannot predict the effect, if any, that future sales of shares of common stock, or the availability for future sale of shares of common stock, will have on the market price of shares of our common stock prevailing from time to time.

Upon completion of this offering, we will have a total of 32,658,823 shares of our common stock outstanding. Of the outstanding shares, 12,658,823 of common stock (or 13,258,823 shares if the underwriters exercise their option to purchase additional shares in full) will be freely tradable without restriction or further registration under the Securities Act, except that any shares held by our affiliates, as that term is defined under Rule 144, including our directors, executive officers and other affiliates, may be sold only in compliance with the limitations described below.

The remaining outstanding 20,000,000 shares of common stock, representing 61.2% of the total outstanding shares of our common stock following the completion of this offering, will be deemed restricted securities under the meaning of Rule 144 and may be sold in the public market only if registered or if they qualify for an exemption from registration, including the exemptions pursuant to Rule 144 and Rule 701 under the Securities Act (“Rule 701”), which we summarize below.

### Lock-Up Arrangements

In connection with our initial public offering, we, our executive officers, directors, BIHL, GPC Fund and AFMIC each entered into lock-up agreements with the underwriters thereto for a period of 180 days which expires on November 18, 2024.

In connection with this offering, the representatives of the underwriters of our initial public offering have given written consent to permit filing of this registration statement. Additionally, the representatives of the underwriters of our initial public offering have agreed to release the restrictions under the lock-up agreements that were executed in connection with our initial public offering with respect to the shares of our common stock being sold in this offering that are held by the selling stockholders, provided that the release of shares of our common stock held by the selling stockholders is limited to the shares actually sold in this offering.

In connection with this offering, we, our executive officers, directors and the selling stockholders (other than BIHL, which has commenced its dissolution process) will agree, subject to certain exceptions, not to sell, dispose of or hedge any shares of our common stock or securities convertible into or exchangeable for shares of our common stock, without, in each case, the prior written consent of any two or more of the representatives of the underwriters, for a period of 90 days after the date of this prospectus. See “Underwriting” for a description of the lock-up agreements applicable to our shares.

### Rule 144

In general, under Rule 144, once we have been subject to public company reporting requirements for at least 90 days, a person (or persons whose shares are aggregated) who is not deemed to be or have been one of our affiliates for purposes of the Securities Act at any time during 90 days preceding a sale and who has beneficially owned the shares proposed to be sold for at least six months, including the holding period of any prior owner other than an affiliate, is entitled to sell such shares without complying with the manner of sale, volume limitation or notice provisions of Rule 144, subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of a prior owner other than an affiliate, then such person is entitled to sell such shares without complying with any of the requirements of Rule 144.

In general, under Rule 144, our affiliates or persons selling shares of our common stock on behalf of our affiliates, who have met the six-month holding period for beneficial ownership of “restricted shares” of our common stock, are entitled to sell upon the expiration of the lock-up agreements described above, within any three-month period, a number of shares that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding, which will equal approximately 326,588 shares immediately after this offering; or
- the average reported weekly trading volume of our common stock on the NYSE during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Sales under Rule 144 by our affiliates or persons selling shares on behalf of our affiliates are also subject to certain manner of sale provisions and notice requirements, and to the availability of current public information about us. The sale of these shares, or the perception that sales will be made, could adversely affect the price of our common stock after this offering because a great supply of shares would be, or would be perceived to be, available for sale in the public market.

We are unable to estimate the number of shares that will be sold under Rule 144 since this will depend on the market price for our common stock, the personal circumstances of the stockholder and other factors.

#### **Rule 701**

In general, under Rule 701, any of our employees, directors, officers, consultants or advisors who received shares from us in connection with a compensatory stock or option plan or other written agreement before the effective date of our initial public offering are entitled to resell such shares 90 days after the effective date of our initial public offering in reliance on Rule 144, in the case of affiliates, without having to comply with the holding period requirements of Rule 144 and, in the case of non-affiliates, without having to comply with the public information, holding period, volume limitation or notice filing requirements of Rule 144.

#### **Registration Statements on Form S-8**

We have filed a registration statement on Form S-8 under the Securities Act to register all shares of common stock subject to issuance under the 2024 Plan. The Form S-8 registration statement automatically became effective upon filing. Accordingly, shares of our common stock registered under such registration statement are available for sale in the open market. The Form S-8 covers 3,152,941 shares of our common stock.

#### **Registration Rights**

We have entered into the Registration Rights Agreement with AFMIC, GPC Fund and our Chief Executive Officer which provides customary demand and piggyback registration rights. See “Description of Capital Stock.”

## MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS OF OUR COMMON STOCK

The following is a summary of U.S. federal income tax considerations generally applicable to Non-U.S. Holders (as defined below) with respect to the ownership and disposition of shares of our common stock sold pursuant to this offering and who hold such shares as a capital asset (generally, property held for investment) within the meaning of The Internal Revenue Code (the "Code"). This summary is based on the Code, Treasury Department regulations promulgated thereunder, (the "Regulations"), administrative interpretations and court decisions, each as in effect as of the date of this document and all of which are subject to change, possibly with retroactive effect. This summary is not binding on the IRS, and there can be no assurance that the IRS or a court will agree with the conclusions stated herein. This summary is not a complete description of all of the U.S. federal income tax considerations that may be relevant to a particular Non-U.S. Holder. In addition, it does not address consequences relevant to Non-U.S. Holders subject to special rules, including, without limitation:

- banks, insurance companies and other FIs;
- brokers, dealers or traders in securities;
- certain former citizens or residents of the United States;
- persons that elect to mark their securities to market;
- persons holding our common stock as part of a straddle, hedge, conversion or other integrated transaction;
- persons whose functional currency is not the U.S. dollar;
- persons deemed to sell our common stock under the constructive sale provisions of the Code;
- persons who acquired shares of our common stock as compensation or otherwise in connection with the performance of services;
- controlled foreign corporations;
- passive foreign investment companies; and
- tax-exempt organizations.

In addition, this discussion does not address any U.S. state or local or non-U.S. tax considerations or any U.S. federal estate, gift, alternative minimum tax or Medicare contribution tax considerations. Non-U.S. Holders should consult their tax advisors regarding the particular tax considerations to them of owning and disposing of our common stock.

For purposes of this discussion, a "Non-U.S. Holder" is a beneficial owner of our common stock that is not for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust (i) the administration of which is subject to the primary supervision of a court within the United States and for which one or more U.S. persons (as defined in Section 7701(a)(30) of the Code) have the authority to control all substantial decisions, or (ii) that has otherwise validly elected to be treated as a U.S. person under the applicable Regulations.

If a partnership (or other entity or arrangement treated as a partnership or other pass-through entity for U.S. federal income tax purposes) holds our common stock, the tax treatment of a partner or beneficial owner of the entity or arrangement will generally depend on the status of the partner or beneficial owner and the activities of the entity or arrangement. Partners in a partnership (or beneficial owners of another entity or arrangement treated as a partnership or other pass-through entity for U.S. federal income tax purposes) should consult their tax advisors regarding the tax considerations of an investment in our common stock.

### **Distributions**

As discussed under the section titled “Dividend Policy,” while we do not currently anticipate paying regular cash dividends to our common stockholders on an annual or quarterly basis, we may pay special dividends from time to time. If we do make distributions of cash or property (other than certain stock distributions) with respect to our common stock (or if we engage in certain redemptions that are treated as distributions with respect to common stock), any such distributions generally will be treated as dividends to the extent paid from our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). If a distribution exceeds our current and accumulated earnings and profits (as determined under U.S. federal income tax principles), the excess will be treated first as a tax-free return of capital to the extent of a Non-U.S. Holder’s adjusted tax basis in our common stock and thereafter as capital gain from the sale, exchange or other taxable disposition of our common stock, with the tax treatment described below in “—Sale or Other Disposition of Shares of Our Common Stock.”

Subject to the discussion below on effectively connected income, distributions treated as dividends paid on our common stock to a Non-U.S. Holder will generally be subject to U.S. federal withholding tax at a 30% rate, or a reduced rate specified by an applicable income tax treaty. In order to obtain a reduced rate of withholding under an applicable income tax treaty, a Non-U.S. Holder will generally be required to (i) provide a properly executed IRS Form W-8BEN or IRS Form W-8BEN-E (or any appropriate successor or replacement forms), as applicable, certifying that it is not a U.S. person as defined under the Code and that it is entitled to benefits under the treaty or (ii) if such Non-U.S. Holder’s common stock is held through certain foreign intermediaries or foreign partnerships, satisfy the relevant certification requirements of applicable Regulations, including by having the Non-U.S. Holder provide appropriate documentation to the foreign intermediary or foreign partnership, who then will be required to provide certification to the applicable withholding agent, either directly or through other intermediaries. A Non-U.S. Holder that does not timely furnish the required documentation but that is eligible for a reduced rate of U.S. federal withholding tax pursuant to an income tax treaty may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

Subject to the discussion below under “—Foreign Account Tax Compliance Act,” no amounts in respect of U.S. federal withholding tax will be withheld from dividends paid to a Non-U.S. Holder if the dividends are effectively connected with such Non-U.S. Holder’s conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, are attributable to a permanent establishment or fixed base maintained by such Non-U.S. Holder in the United States) and the Non-U.S. Holder provides a properly executed IRS Form W-8ECI or other applicable or successor form. Instead, the effectively connected dividends will generally be subject to regular U.S. income tax on a net income basis as if the Non-U.S. Holder were a U.S. person as defined under the Code. A Non-U.S. Holder that is treated as a corporation for U.S. federal income tax purposes receiving effectively connected dividends may also be subject to an additional “branch profits tax” imposed at a rate of 30% (or a lower treaty rate) on its effectively connected earnings and profits (subject to certain adjustments).

### **Sale or Other Disposition of Shares of Our Common Stock**

A Non-U.S. Holder will generally not be subject to U.S. federal income tax on gain realized on a sale, exchange or other disposition of our common stock unless:

- such gain is “effectively connected” with a trade or business of the Non-U.S. Holder in the United States (and, if required by an applicable income tax treaty, is attributable to the Non-U.S. Holder’s permanent establishment or fixed base in the United States), in which case such gain will generally be subject to U.S. federal income tax in the same manner as effectively connected dividend income as described above;

- the Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of the exchange and certain other conditions are met, in which case such gain will generally be subject to U.S. federal income tax at a rate of 30% (or a lower treaty rate), which gain may be offset by certain U.S.-source capital losses even though the individual is not considered a resident of the United States, provided the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses; or
- we are or become a United States real property holding corporation (as defined in Section 897(c) of the Code, a “USRPHC”), at any time within the shorter of the five-year period preceding the disposition or the Non-U.S. Holder’s holding period, and either (i) our common stock is not regularly traded on an established securities market prior to the beginning of the calendar year in which the sale or disposition occurs, or (ii) the Non-U.S. Holder has owned or is deemed to have owned, at any time within the shorter of the five-year period preceding the disposition or the Non-U.S. Holder’s holding period, more than 5% of our common stock.

Although there can be no assurance in this regard, we believe that we are not a USRPHC, and we do not anticipate becoming a USRPHC for U.S. federal income tax purposes.

#### **Foreign Account Tax Compliance Act**

Certain rules may require withholding at a rate of 30% on dividends in respect of our common stock held by or through certain foreign financial institutions (including investment funds), unless such institution (i) enters into, and complies with, an agreement with the Treasury Department to report, on an annual basis, information with respect to interests in, and accounts maintained by, the institution to the extent such interests or accounts are held by certain U.S. persons and by certain non-U.S. entities that are wholly or partially owned by U.S. persons and to withhold on certain payments or (ii) complies with an intergovernmental agreement between the United States and an applicable foreign country to report such information to its local tax authority, which will exchange such information with the U.S. authorities. An intergovernmental agreement between the United States and an applicable foreign country may modify these requirements. Accordingly, the entity through which our common stock is held will affect the determination of whether such withholding is required. Similarly, dividends in respect of our common stock held by an investor that is a non-financial non-U.S. entity that does not qualify under certain exemptions will be subject to withholding at a rate of 30%, unless such entity either (i) certifies that such entity does not have any “substantial United States owners” or (ii) provides certain information regarding the entity’s “substantial United States owners,” which we or the applicable withholding agent will in turn provide to the Treasury Department. We will not pay any amounts to holders in respect of any amounts withheld. Non-U.S. Holders should consult their tax advisors regarding the possible implications of this withholding tax on their investment in our common stock.

## UNDERWRITING

The selling stockholders are offering the shares of common stock described in this prospectus through a number of underwriters. J.P. Morgan Securities LLC, Morgan Stanley & Co. LLC and Keefe, Bruyette & Woods, Inc. are acting as joint book-running managers of the offering and as representatives of the underwriters. We and certain of selling stockholders have entered into an underwriting agreement with the underwriters. Subject to the terms and conditions of the underwriting agreement, the selling stockholders have agreed to sell to the underwriters, and each underwriter has severally agreed to purchase, at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus, the number of shares of common stock listed next to its name in the following table:

Name	Number of Shares
J.P. Morgan Securities LLC	
Morgan Stanley & Co. LLC	
Keefe, Bruyette & Woods, Inc.	
<b>Total</b>	

The underwriters are committed to purchase all the common shares offered by the selling stockholders if they purchase any shares. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may also be increased or the offering may be terminated.

The underwriters propose to offer the common shares directly to the public at the public offering price set forth on the cover page of this prospectus and to certain dealers at that price less a concession not in excess of \$ \_\_\_\_\_ per share. After the initial offering, the public offering price, concession or any other term of this offering may be changed. Sales of any shares made outside of the United States may be made by affiliates of the underwriters.

The underwriters have an option to buy up to 600,000 additional shares of common stock from certain of the selling stockholders to cover sales of shares by the underwriters which exceed the number of shares specified in the table above. The underwriters have 30 days from the date of this prospectus to exercise this option to purchase additional shares. If any shares are purchased with this option to purchase additional shares, the underwriters will purchase shares in approximately the same proportion as shown in the table above. If any additional shares of common stock are purchased, the underwriters will offer the additional shares on the same terms as those on which the shares are being offered.

The underwriting fee is equal to the public offering price per share of common stock less the amount paid by the underwriters to the selling stockholders per share of common stock. The underwriting fee is \$ \_\_\_\_\_ per share. The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

Name	Without option to purchase additional shares exercise	With full option to purchase additional shares exercise
Per Share	\$	\$
<b>Total</b>	\$	\$

We estimate that the total expenses of this offering, including registration, filing and listing fees, printing fees and legal and accounting expenses, but excluding the underwriting discounts and commissions, will be approximately \$ \_\_\_\_\_. We have agreed to reimburse the underwriters for certain of their expenses in an amount up to \$ \_\_\_\_\_. The underwriters have agreed to reimburse certain of our expenses in connection with the offering.

A prospectus in electronic format may be made available on the web sites maintained by one or more underwriters, or selling group members, if any, participating in the offering. The underwriters may agree to allocate

a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters and selling group members that may make Internet distributions on the same basis as other allocations.

We have agreed that we will not (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, or submit to (other than (i) any confidential or non-public submissions to the SEC of any registration statement under the Securities Act only if (i) we notify the representatives at least five business days prior to the confidential submission of any registration statement with the SEC and (ii) no press release shall be issued in connection with the confidential submission of any registration statement with the SEC during the restricted period (as defined below)), or file with, the SEC a registration statement under the Securities Act relating to, any shares of our common stock or securities convertible into or exercisable or exchangeable for any shares of our common stock, or publicly disclose the intention to make any offer, sale, pledge, loan, disposition or filing, or (ii) enter into any swap or other arrangement that transfers all or a portion of the economic consequences associated with the ownership of any shares of common stock or any such other securities (regardless of whether any of these transactions are to be settled by the delivery of shares of common stock or such other securities, in cash or otherwise), in each case without the prior written consent of any two or more of the representatives of the underwriters and with written notice of the proposed release provided to the other representative at least three business days in advance of the effectiveness of such release for a period of 90 days after the date of this prospectus (such period, the “restricted period”), other than the shares of our common stock to be sold in this offering.

The restrictions on our actions, as described above, do not apply to certain transactions, including (i) the sale of shares of our common stock to the underwriters pursuant to the underwriting agreement; the issuance of shares of common stock or securities convertible into or exercisable for shares of our common stock pursuant to the conversion or exchange of convertible or exchangeable securities or the exercise of warrants or options (including net exercise) or the settlement of restricted stock units (“RSUs”) (including net settlement), in each case outstanding on the date of the underwriting agreement and described in this prospectus; (ii) grants of stock options, stock awards, restricted stock, RSUs, or other equity awards and the issuance of shares of our common stock or securities convertible into or exercisable or exchangeable for shares of our common stock (whether upon the exercise of stock options or otherwise) to our employees, officers, directors, advisors or consultants pursuant to the terms of an equity compensation plan in effect as of the closing of this offering and described in this prospectus; (iii) our filing of any registration statement on Form S-8 relating to securities granted or to be granted pursuant to any plan in effect on the date of the underwriting agreement and described in this prospectus or any assumed benefit plan pursuant to an acquisition or similar strategic transaction; (iv) the shares of common stock to be issued and sold to AFMIC or any of its affiliates under that certain common stock purchase warrant; or (v) the issuance of up to 5% of the outstanding shares of common stock, or securities convertible into, exercisable for, or which are otherwise exchangeable for, shares of common stock, immediately following the completion of the offering, in acquisitions or other similar strategic transactions, provided that such recipients enter into a lock-up agreement with the underwriters.

Our directors and executive officers and the selling stockholders (other than BIHL, which has commenced its dissolution process) (such persons, the “lock-up parties”) have entered into lock-up agreements with the underwriters prior to the commencement of this offering pursuant to which each lock-up party, with limited exceptions, for the restricted period, may not (and may not cause any of their direct or indirect affiliates to), without the prior written consent of any two or more of the representatives of the underwriters, (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares of our common stock or any securities convertible into or exercisable or exchangeable for our common stock (including, without limitation, common stock or such other securities which may be deemed to be beneficially owned by such lock-up parties in accordance with the rules and regulations of the SEC and securities which may be issued upon exercise of a stock option or warrant (collectively with the common stock, the “lock-up securities”)), (ii) enter into any hedging, swap or other agreement or transaction that transfers, in whole or in part, any of the economic consequences of ownership of the lock-up securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of lock-up securities, in cash or otherwise, (iii) make any demand for, or exercise any right with respect to, the registration of any lock-up securities, or (iv) publicly disclose the intention to do any of the foregoing. Such

persons or entities have further acknowledged that these undertakings preclude them from engaging in any hedging or other transactions or arrangements (including, without limitation, any short sale or the purchase or sale of, or entry into, any put or call option, or combination thereof, forward, swap or any other derivative transaction or instrument, however described or defined) designed or intended, or which could reasonably be expected to lead to or result in, a sale or disposition or transfer (by any person or entity, whether or not a signatory to such agreement) of any economic consequences of ownership, in whole or in part, directly or indirectly, of any lock-up securities, whether any such transaction or arrangement (or instrument provided for thereunder) would be settled by delivery of lock-up securities, in cash or otherwise.

The restrictions described in the immediately preceding paragraph and contained in the lock-up agreements between the underwriters and the lock-up parties do not apply, subject in certain cases to various conditions, to certain transactions, including (i) transfers of lock-up securities: (A) (x) as bona fide gifts, or for bona fide estate planning purposes or (y) as a charitable contribution; (B) by will or intestacy; (C) to any member of the lock-up party's immediate family, any trust for the direct or indirect benefit of the lock-up party or its immediate family, or if the lock-up party is a trust, to a trustor, trustee or beneficiary of the trust or to the estate of a beneficiary of such trust; (D) to a partnership, limited liability company or other entity of which the lock-up party and/or its immediate family members are the legal and beneficial owner of all of the outstanding equity securities or similar interests; (E) to a nominee or custodian of a person or entity to whom a disposition or transfer would be permissible under clauses (A) through (D); (F) in the case of a corporation, partnership, limited liability company, trust or other business entity, (x) to another corporation, partnership, limited liability company, trust or other business entity that is an affiliate of the lock-up party, or to any investment fund or other entity controlling, controlled by, managing or managed by or under common control with (or managed or advised by the same management company or investment advisor (or an affiliate of such management company or investment advisor)) the lock-up party or its affiliates (including, for the avoidance of doubt, where the lock-up party is a partnership, to its general partner or a successor partnership or fund, or any other funds managed by such partnership) or (y) as part of a distribution to members or stockholders of the lock-up party (including, without limitation, to any entity or entities that directly or indirectly controls the lock-up party); (G) by operation of law or pursuant to an order of a court or regulatory agency (including a qualified domestic order, divorce settlement, divorce decree or separation agreement); (H) to us from an employee upon death, disability or termination of employment of such employee; (I) as part of a sale or transfer of lock-up securities acquired in open market transactions after the completion of this offering; (J) to us in connection with the vesting, settlement or exercise of restricted stock units, options, warrants or other rights to purchase shares of our common stock (including "net" or "cashless" exercise), including for the payment of exercise price and tax and remittance payments; (K) pursuant to a bona fide third-party tender offer, merger, consolidation or other similar transaction approved by our board of directors and made to all stockholders involving a change in control, provided that if such transaction is not completed, all such lock-up securities would remain subject to the restrictions in the immediately preceding paragraph; or (J) pursuant to that certain call option agreement established between AFMIC, and GPC Fund (ii) exercise of the options, settlement of RSUs or other equity awards, or the exercise of warrants granted pursuant to plans described in in this prospectus, provided that any lock-up securities received upon such exercise, vesting or settlement would be subject to restrictions similar to those in the immediately preceding paragraph; (iii) the conversion of outstanding preferred stock, warrants to acquire preferred stock or convertible securities into shares of our common stock or warrants to acquire shares of our common stock; *provided* that any common stock or warrant received upon such conversion would be subject to restrictions similar to those in the immediately preceding paragraph; (iv) the establishment by lock-up parties of trading plans under Rule 10b5-1 ("10b5-1 Plan") under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), provided that such plan does not provide for the transfer of lock-up securities during the restricted period and to the extent a public announcement or filing under the Exchange Act, if any, is required of or voluntarily made by or on behalf of the lock-up or us regarding the establishment of such 10b5-1 Plan during the restricted period, such announcement or filing shall include a statement to the effect that no transfer of lock-up securities may be made under such 10b5-1 Plan during the restricted period; and (v) any private demand, private request for or private exercise of, any right with respect to, or take any non-public action in preparation of, the registration by us under the Securities Act of the lock-up securities; provided that (A) no transfers of the lock-up securities registered pursuant to the exercise of any such right shall be made, and no registration statement shall be publicly filed under the Securities Act with respect to any of the lock-up securities during the restricted period (it being understood that the lock-up party may undertake non-public preparations related thereto, including the confidential submission of such registration statement) and (B)



we shall notify the representatives at least five business days prior to the confidential submission of any registration statement with the SEC and (C) for the avoidance of doubt, no press release shall be issued in connection with the registration of any such securities (including in connection with the confidential submission of any registration statement with the SEC) during the restricted period.

Any two or more of the representatives of the underwriters, in their sole discretion, may release the securities subject to any of the lock-up agreements with the underwriters described above, in whole or in part at any time.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act.

Our common stock is listed on the NYSE under the symbol "BOW."

In connection with this offering, the underwriters may engage in stabilizing transactions, which involves making bids for, purchasing and selling shares of common stock in the open market for the purpose of preventing or retarding a decline in the market price of the common stock while this offering is in progress. These stabilizing transactions may include making short sales of common stock, which involves the sale by the underwriters of a greater number of shares of common stock than they are required to purchase in this offering, and purchasing shares of common stock on the open market to cover positions created by short sales. Short sales may be "covered" shorts, which are short positions in an amount not greater than the underwriters' option to purchase additional shares referred to above, or may be "naked" shorts, which are short positions in excess of that amount. The underwriters may close out any covered short position either by exercising their option to purchase additional shares, in whole or in part, or by purchasing shares in the open market. In making this determination, the underwriters will consider, among other things, the price of shares available for purchase in the open market compared to the price at which the underwriters may purchase shares through the option to purchase additional shares. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market that could adversely affect investors who purchase in this offering. To the extent that the underwriters create a naked short position, they will purchase shares in the open market to cover the position.

The underwriters have advised us that, pursuant to Regulation M of the Securities Act, they may also engage in other activities that stabilize, maintain or otherwise affect the price of the common stock, including the imposition of penalty bids. This means that if the representatives of the underwriters purchase common stock in the open market in stabilizing transactions or to cover short sales, the representatives can require the underwriters that sold those shares as part of this offering to repay the underwriting discount received by them.

These activities may have the effect of raising or maintaining the market price of the common stock or preventing or retarding a decline in the market price of the common stock, and, as a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. If the underwriters commence these activities, they may discontinue them at any time. The underwriters may carry out these transactions on the NYSE, in the over-the-counter market or otherwise.

Other than in the United States, no action has been taken by us or the underwriters that would permit a public offering of the securities offered by this prospectus in any jurisdiction where action for that purpose is required. The securities offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

Certain of the underwriters and their affiliates have provided in the past to us and our affiliates and may provide from time to time in the future certain commercial banking, financial advisory, investment banking and other services for us and such affiliates in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. In addition, from time to time, certain of the underwriters and

their affiliates may effect transactions for their own account or the account of customers, and hold on behalf of themselves or their customers, long or short positions in our debt or equity securities or loans, and may do so in the future.

### **Selling Restrictions**

#### ***Notice to Prospective Investors in the European Economic Area (“EEA”)***

In relation to each EEA Member State (each a “Member State”), no shares of common stock have been offered or will be offered pursuant to the offering to the public in that Member State prior to the publication of a prospectus in relation to the shares of common stock which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation (as defined below), except that shares of common stock may be offered to the public in that Member State at any time:

- (a) to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the underwriters for any such offer; or
- (c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

*provided* that no such offer of shares of common stock shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to any shares of common stock in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares of common stock to be offered so as to enable an investor to decide to purchase or subscribe for any shares of common stock, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129 (as amended).

#### ***Notice to Prospective Investors in the United Kingdom***

No shares of common stock have been offered or will be offered pursuant to the offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the shares of common stock which has been approved by the Financial Conduct Authority, except that the shares of common stock may be offered to the public in the United Kingdom at any time:

- (a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation (as defined below);
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the underwriters for any such offer; or
- (c) in any other circumstances falling within Section 86 of the Financial Services and Markets Act 2000, as amended (the “FSMA”),

*provided* that no such offer of shares of common stock shall require us and/or any underwriters or any of their affiliates to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression “offer to the public” in relation to shares of common stock in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any shares of common stock to be offered so as to enable an investor to decide to purchase or subscribe for any shares of common stock and the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018.

In addition, in the United Kingdom, this prospectus is for distribution only to, and is directed only at, and any offer subsequently made may only be directed at persons who are “qualified investors” (as defined in the UK Prospectus Regulation) (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”), (ii) who are high net worth entities or other persons falling within Article 49(2)(a) to (d) of the Order or (iii) who are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of any shares of common stock may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). This prospectus is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. In the United Kingdom, any investment or investment activity that this document relates to may be made or taken exclusively by relevant persons.

#### ***Notice to Prospective Investors in Canada***

The shares of common stock may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the shares of common stock must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

#### ***Notice to Prospective Investors in Australia***

This prospectus:

- does not constitute a disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) (the “Corporations Act”);
- has not been, and will not be, lodged with the Australian Securities and Investments Commission (“ASIC”), as a disclosure document for the purposes of the Corporations Act and does not purport to include the information required of a disclosure document for the purposes of the Corporations Act; and
- may only be provided in Australia to select investors who are able to demonstrate that they fall within one or more of the categories of investors, available under section 708 of the Corporations Act (“Exempt Investors”).

The shares of common stock may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or to buy the shares of common stock may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any shares of common stock may be distributed in Australia, except where disclosure to investors is not required under Chapter 6D of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the shares of common stock, you represent and warrant to us that you are an Exempt Investor.

As any offer of shares of common stock under this document will be made without disclosure in Australia under Chapter 6D.2 of the Corporations Act, the offer of those securities for resale in Australia within 12 months may,

under section 707 of the Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the shares of common stock you undertake to us that you will not, for a period of 12 months from the date of issue of the shares of common stock, offer, transfer, assign or otherwise alienate those shares of common stock to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

***Notice to Prospective Investors in the United Arab Emirates***

The shares of common stock have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (including the Dubai International Financial Centre) other than in compliance with the laws of the United Arab Emirates (and the Dubai International Financial Centre) governing the issue, offering and sale of securities. Further, this prospectus does not constitute a public offer of securities in the United Arab Emirates (including the Dubai International Financial Centre) and is not intended to be a public offer. This prospectus has not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority, Financial Services Regulatory Authority or the Dubai Financial Services Authority.

***Notice to Prospective Investors in Hong Kong***

The shares of common stock have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “SFO”) of Hong Kong and any rules made thereunder; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “CO”) or which do not constitute an offer to the public within the meaning of the CO. No advertisement, invitation or document relating to the common stock has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares of common stock which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made thereunder.

***Notice to Prospective Investors in Japan***

The shares of common stock have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act. Accordingly, none of the common stock nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any “resident” of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to or for the benefit of a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan in effect at the relevant time.

***Notice to Prospective Investors in Singapore***

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of common stock may not be circulated or distributed, nor may the common stock be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA; (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares of common stock are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contract (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the common stock pursuant to an offer made under Section 275 of the SFA except:

- to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- where no consideration is or will be given for the transfer;
- where the transfer is by operation of law;
- as specified in Section 276(7) of the SFA; or
- as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities based Derivatives Contracts) Regulations 2018.

Singapore SFA Product Classification – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the SFA, the company has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the shares of common stock are “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

#### ***Notice to Prospective Investors in Switzerland***

This prospectus does not constitute an offer to the public or a solicitation to purchase or invest in any shares of common stock. No shares of common stock have been offered or will be offered to the public in Switzerland, except that offers of shares of common stock may be made to the public in Switzerland at any time under the following exemptions under the Swiss Financial Services Act (“FinSA”):

- (a) to any person which is a professional client as defined under the FinSA;
- (b) to fewer than 500 persons (other than professional clients as defined under the FinSA), subject to obtaining the prior consent of the joint book-running managers for any such offer; or
- (c) in any other circumstances falling within Article 36 FinSA in connection with Article 44 of the Swiss Financial Services Ordinance,

provided that no such offer of shares of common stock shall require the Company or any bank to publish a prospectus pursuant to Article 35 FinSA.

The shares of common stock have not been and will not be listed or admitted to trading on a trading venue in Switzerland.

Neither this document nor any other offering or marketing material relating to the shares of common stock constitutes a prospectus as such term is understood pursuant to the FinSA and neither this document nor any other offering or marketing material relating to the shares of common stock may be publicly distributed or otherwise made publicly available in Switzerland.

## LEGAL MATTERS

Certain legal matters will be passed upon for us by Skadden, Arps, Slate, Meagher & Flom LLP. Certain legal matters will be passed upon for the underwriters by Latham & Watkins LLP.

## EXPERTS

The financial statements as of December 31, 2023 and December 31, 2022 and for each of the two years in the period ended December 31, 2023 included in this Prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

## WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed a registration statement on Form S-1 under the Securities Act with respect to the common stock offered by this prospectus with the SEC. This prospectus is a part of the registration statement and does not contain all of the information set forth in the registration statement and its exhibits and schedules, portions of which have been omitted as permitted by the rules and regulations of the SEC. For further information about us and our common stock, you should refer to the registration statement and its exhibits and schedules. Statements contained in this prospectus regarding the contents of any contract or other document referred to in those documents are not necessarily complete, and in each instance we refer you to the copy of the contract or other document filed as an exhibit to the registration statement or other document. Each of these statements is qualified in all respects by this reference.

We are subject to the informational reporting requirements of the Exchange Act and, in accordance with the Exchange Act, we file annual, quarterly and current reports, proxy statements and other information with the SEC. Our filings with the SEC are available to the public on the SEC's website at <http://www.sec.gov>. Those filings are also available to the public on, or accessible through, our website ([www.bowheadspecialty.com](http://www.bowheadspecialty.com)) under the heading "SEC Filings." The information we file with the SEC or contained on or accessible through our corporate website or any other website that we may maintain is not part of this prospectus or the registration statement of which this prospectus is a part.

No person is authorized by us to give any information or to make any representations other than those contained in this preliminary prospectus, and, if given or made, such information or representations must not be relied upon as having been authorized by us. Neither the delivery of this preliminary prospectus nor any distribution of securities made hereunder shall imply that there has been no change in the information set forth herein or in our affairs since the date hereof.

**Bowhead Specialty Holdings Inc.**  
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Schedules other than those listed are omitted for the reason that they are not required, are not applicable or that equivalent information has been included in the financial statements or notes thereto or elsewhere herein.

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**Bowhead Specialty Holdings Inc.**  
**Condensed Consolidated Balance Sheets (Unaudited)**

	June 30, 2024	December 31, 2023
<i>(\$ in thousands, except share data)</i>		
<b>Assets</b>		
Investments		
Fixed maturity securities, available for sale, at fair value (amortized cost of \$721,782 and \$569,013, respectively)	\$ 706,199	\$ 554,624
Short-term investments, at amortized cost, which approximates fair value	12,712	8,824
<b>Total investments</b>	<b>718,911</b>	<b>563,448</b>
Cash and cash equivalents	180,324	118,070
Restricted cash and cash equivalents	18,494	1,698
Accrued investment income	6,728	4,660
Premium balances receivable	69,495	38,817
Reinsurance recoverable	192,025	139,389
Prepaid reinsurance premiums	133,992	116,732
Deferred policy acquisition costs	24,564	19,407
Property and equipment, net	7,481	7,601
Income taxes receivable	1,320	1,107
Deferred tax assets, net	17,071	14,229
Other assets	24,768	2,701
<b>Total assets</b>	<b>\$ 1,395,173</b>	<b>\$ 1,027,859</b>
<b>Liabilities</b>		
Reserve for losses and loss adjustment expenses	\$ 587,905	\$ 431,186
Unearned premiums	391,802	344,704
Reinsurance balances payable	45,767	40,440
Income taxes payable	29	42
Accrued expenses	11,287	14,900
Other liabilities	18,472	4,510
<b>Total liabilities</b>	<b>1,055,262</b>	<b>835,782</b>
Commitments and contingencies (Note 13)		
<b>Mezzanine equity</b>		
Performance stock units	46	—
<b>Stockholders' equity</b>		
Common stock	327	240
<i>(\$0.01 par value; 400,000,000 shares authorized, 32,658,823 and 24,000,000 shares issued and outstanding at June 30, 2024 and December 31, 2023, respectively)</i>		
Additional paid-in capital	314,636	178,543
Accumulated other comprehensive loss	(12,309)	(11,372)
Retained earnings	37,211	24,666
<b>Total stockholders' equity</b>	<b>339,865</b>	<b>192,077</b>
<b>Total mezzanine equity and stockholders' equity</b>	<b>339,911</b>	<b>192,077</b>
<b>Total liabilities, mezzanine equity and stockholders' equity</b>	<b>\$ 1,395,173</b>	<b>\$ 1,027,859</b>

*See accompanying Notes to the Condensed Consolidated Financial Statements.*

**Bowhead Specialty Holdings Inc.**  
**Condensed Consolidated Statements of Income and Comprehensive Income (Unaudited)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<i>(\$ in thousands, except share and per share data)</i>				
<b>Revenues</b>				
Gross written premiums	\$ 175,539	\$ 116,742	\$ 313,971	\$ 212,448
Ceded written premiums	(63,486)	(40,310)	(111,066)	(72,059)
<b>Net written premiums</b>	<b>112,053</b>	<b>76,432</b>	<b>202,905</b>	<b>140,389</b>
Change in net unearned premiums	(21,966)	(15,058)	(29,838)	(23,353)
<b>Net earned premiums</b>	<b>90,087</b>	<b>61,374</b>	<b>173,067</b>	<b>117,036</b>
Net investment income	8,777	4,048	16,437	7,401
Net realized investment gains	2	—	2	—
Other insurance-related income	32	31	63	63
<b>Total revenues</b>	<b>98,898</b>	<b>65,453</b>	<b>189,569</b>	<b>124,500</b>
<b>Expenses</b>				
Net losses and loss adjustment expenses	59,018	37,409	113,338	70,868
Net acquisition costs	7,582	4,960	14,104	9,531
Operating expenses	22,855	14,616	43,377	29,080
Non-operating expenses	1,481	—	1,698	—
Warrant expense	332	—	332	—
Credit facility interest expenses and fees	224	—	224	—
Foreign exchange (gains) losses	(4)	8	30	(19)
<b>Total expenses</b>	<b>91,488</b>	<b>56,993</b>	<b>173,103</b>	<b>109,460</b>
Income before income taxes	7,410	8,460	16,466	15,040
Income tax expense	(1,877)	(1,905)	(3,921)	(3,485)
<b>Net income</b>	<b>\$ 5,533</b>	<b>\$ 6,555</b>	<b>\$ 12,545</b>	<b>\$ 11,555</b>
<b>Other comprehensive income</b>				
Change in unrealized (loss) gain on investments (net of income tax benefit (expense) of \$6, \$722, \$249, \$(119), respectively)	(21)	(2,718)	(937)	446
<b>Total comprehensive income</b>	<b>\$ 5,512</b>	<b>\$ 3,837</b>	<b>\$ 11,608</b>	<b>\$ 12,001</b>
<b>Earnings per share:</b>				
Basic	\$ 0.20	\$ 0.27	\$ 0.49	\$ 0.48
Diluted	\$ 0.20	\$ 0.27	\$ 0.48	\$ 0.48
<b>Weighted average shares outstanding:</b>				
Basic	27,648,869	24,000,000	25,824,434	24,000,000
Diluted	27,771,108	24,000,000	25,885,554	24,000,000

*See accompanying Notes to the Condensed Consolidated Financial Statements.*

**Bowhead Specialty Holdings Inc.**  
**Condensed Consolidated Statements of Changes in Mezzanine Equity and Stockholders' Equity (Unaudited)**

	Common Stock		Mezzanine Equity	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings (Deficit)	Total Mezzanine Equity and Stockholders' Equity
	Number of Shares	Amount					
<i>(\$ in thousands, except shares)</i>							
<b>Balance, December 31, 2023</b>	<b>24,000,000</b>	<b>\$ 240</b>	<b>\$ —</b>	<b>\$ 178,543</b>	<b>\$ (11,372)</b>	<b>\$ 24,666</b>	<b>\$ 192,077</b>
Net income	—	—	—	—	—	7,012	7,012
Other comprehensive loss, net of tax	—	—	—	—	(916)	—	(916)
Capital contribution from parent	—	—	—	2,839	—	—	2,839
Capital distribution to parent	—	—	—	—	—	—	—
Stock-based compensation expense	—	—	—	225	—	—	225
<b>Balance, March 31, 2024</b>	<b>24,000,000</b>	<b>\$ 240</b>	<b>\$ —</b>	<b>\$ 181,607</b>	<b>\$ (12,288)</b>	<b>\$ 31,678</b>	<b>\$ 201,237</b>
Net income	—	—	—	—	—	5,533	5,533
Other comprehensive loss, net of tax	—	—	—	—	(21)	—	(21)
Capital contribution from parent	—	—	—	—	—	—	—
Capital distribution to parent	—	—	—	—	—	—	—
Stock-based compensation expense	—	—	46	1,801	—	—	1,847
Warrant expense	—	—	—	332	—	—	332
Proceeds from initial public offering, net	8,658,823	87	—	130,896	—	—	130,983
<b>Balance, June 30, 2024</b>	<b>32,658,823</b>	<b>\$ 327</b>	<b>\$ 46</b>	<b>\$ 314,636</b>	<b>\$ (12,309)</b>	<b>\$ 37,211</b>	<b>\$ 339,911</b>
<b>Balance, December 31, 2022</b>	<b>24,000,000</b>	<b>\$ 240</b>	<b>\$ —</b>	<b>\$ 100,204</b>	<b>\$ (16,689)</b>	<b>\$ (381)</b>	<b>\$ 83,374</b>
Net income	—	—	—	—	—	5,000	5,000
Other comprehensive income, net of tax	—	—	—	—	3,164	—	3,164
Capital contribution from parent	—	—	—	18,000	—	—	18,000
Capital distribution to parent	—	—	—	—	—	—	—
Stock-based compensation expense	—	—	—	109	—	—	109
<b>Balance, March 31, 2023</b>	<b>24,000,000</b>	<b>\$ 240</b>	<b>\$ —</b>	<b>\$ 118,313</b>	<b>\$ (13,525)</b>	<b>\$ 4,619</b>	<b>\$ 109,647</b>
Net income	—	—	—	—	—	6,555	6,555
Other comprehensive loss, net of tax	—	—	—	—	(2,718)	—	(2,718)
Capital contribution from parent	—	—	—	13,000	—	—	13,000
Capital distribution to parent	—	—	—	—	—	—	—
Stock-based compensation expense	—	—	—	157	—	—	157
<b>Balance, June 30, 2023</b>	<b>24,000,000</b>	<b>\$ 240</b>	<b>\$ —</b>	<b>\$ 131,470</b>	<b>\$ (16,243)</b>	<b>\$ 11,174</b>	<b>\$ 126,641</b>

*See accompanying Notes to the Condensed Consolidated Financial Statements.*

**Bowhead Specialty Holdings Inc.**  
**Condensed Consolidated Statements of Cash Flows (Unaudited)**

	Six Months Ended June 30,	
	2024	2023
	(\$ in thousands)	
<b>Cash flows from operating activities:</b>		
Net income	\$ 12,545	\$ 11,555
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>		
Net realized investment losses	(2)	—
Amortization of premium/discounts on fixed maturity securities	(2,066)	(1,078)
Stock-based compensation	2,073	265
Depreciation and amortization	1,719	679
Non-cash lease expense	378	288
Deferred income taxes	(2,591)	(1,745)
Warrant expense	332	—
<b>Net changes in operating assets and liabilities:</b>		
Accrued investment income	(2,068)	(1,303)
Premium balances receivable	(30,678)	(9,613)
Reinsurance recoverable	(52,636)	(31,371)
Prepaid reinsurance premiums	(17,260)	(16,545)
Deferred policy acquisition costs	(5,157)	(2,765)
Income taxes receivable	(213)	(105)
Other assets	(7,445)	(985)
Reserve for losses and loss expenses	156,719	94,451
Unearned premium	47,098	39,898
Reinsurance balances payable	5,327	8,416
Accrued expenses	(3,613)	(4,302)
Income taxes payable	(13)	(1,503)
Other liabilities	10,967	2,343
<b>Net cash provided by operating activities</b>	<b>113,416</b>	<b>86,580</b>
<b>Net cash used in investing activities</b>		
<b>Purchases of:</b>		
Fixed maturity securities	(219,832)	(161,044)
Short-term investments	(9,907)	(16,649)
<b>Proceeds from the sale and maturity of:</b>		
Fixed maturity securities	56,970	12,793
Short-term investments	6,180	51,494
Purchase of property and equipment, net	(1,599)	(1,806)
<b>Net cash used in investing activities</b>	<b>(168,188)</b>	<b>(115,212)</b>
<b>Net cash provided by financing activities</b>		
Capital contribution from parent	2,839	31,000
Proceeds from initial public offering, net	130,983	—
<b>Net cash provided by financing activities</b>	<b>133,822</b>	<b>31,000</b>
Net change in cash, cash equivalents and restricted cash	79,050	2,368
Cash, cash equivalents and restricted cash, beginning of period	119,768	80,651
<b>Cash, cash equivalents and restricted cash, end of period</b>	<b>\$ 198,818</b>	<b>\$ 83,019</b>
<b>Reconciliation of restricted cash</b>		
Cash and cash equivalents	\$ 180,324	\$ 72,623
Restricted cash and cash equivalents	18,494	10,396
<b>Total cash and cash equivalents and restricted cash</b>	<b>\$ 198,818</b>	<b>\$ 83,019</b>

*See accompanying Notes to the Condensed Consolidated Financial Statements.*

**Bowhead Specialty Holdings Inc.**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**

**1. Nature of Operations and Significant Accounting Policies**

**Nature of Operations**

Bowhead Specialty Holdings Inc. (“BSHI”, or “the Company”), formerly known as Bowhead Holdings Inc., is a Delaware domiciled insurance holding company that is majority-owned by Bowhead Insurance Holdings LP (“BIHL”). On March 19, 2024, the Company amended the certificate of incorporation of Bowhead Holdings Inc. to change the name of the Company to Bowhead Specialty Holdings Inc. BSHI provides specialty property and casualty insurance products in the U.S., initially focusing on Casualty, Professional Liability and Healthcare risks, which are primarily written on a non-admitted (or excess and surplus (“E&S”)) basis.

BSHI conducts its business operations through three wholly-owned subsidiaries. Bowhead Specialty Underwriters, Inc. (“BSUI”) is Bowhead’s managing general agency, holding a resident insurance license in the State of Texas, and is domiciled in the State of Delaware. Bowhead Insurance Company, Inc. (“BICI”) is BSHI’s insurance company subsidiary licensed and domiciled in the State of Wisconsin. Bowhead Underwriting Services, Inc. (“BUSI”) is the Company’s services company domiciled in the State of Delaware.

BSUI is party to three Managing General Agency Agreements (“MGA Agreements”) with Homesite Insurance Company, Homesite Insurance Company of Florida, and Midvale Indemnity Company (together the “AmFam Issuing Carriers”), each of which is a wholly-owned subsidiary of American Family Mutual Insurance Company, S.I., (“AFMIC” and together with its wholly-owned subsidiaries, “AmFam”). AmFam is a related party and beneficially owns approximately 18.9% of BSHI’s issued and outstanding common stock as of June 30, 2024. BSUI is also party to third-party broker agreements, allowing the direct payment of premiums from such brokers to BSUI. Through these MGA agreements, BSUI writes premium and provides claim handling services on behalf of the AmFam Issuing Carriers, and BICI assumes 100% of the premium, net of any inuring third-party reinsurance, through a Quota Share Agreement with AFMIC (the “AmFam Quota Share Agreement”). AmFam receives a ceding fee on net premiums assumed by BICI (“Ceding Fee”). BICI is also party to an Insurance Trust Agreement pursuant to which BICI provides collateral to support the obligations of the AmFam Quota Share Agreement.

The Company is organized as a single operating and reportable segment through which it offers a variety of specialty insurance products to a number of markets.

**Basis of Presentation**

The accompanying condensed consolidated financial statements for BSHI and its wholly-owned subsidiaries (“Bowhead”) are prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) for interim financial information and do not contain all of the information and footnotes required by U.S. GAAP for complete financial statements. As such, the disclosures provided herein should be read in conjunction with the Company’s latest annual financial statements. In the opinion of management, the condensed consolidated financial statements reflect all adjustments, consisting of only normal recurring adjustments, necessary for the fair statement of the Company’s financial position. All intercompany transactions and balances are eliminated in consolidation. Interim results are not necessarily indicative of results of operations for the full year.

**Use of Estimates**

The preparation of the condensed financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and accompanying notes. Changes in circumstances could cause actual results to differ materially from those estimates. Significant estimates in the Company’s condensed consolidated financial statements include, but are not limited to, reserves for losses and loss adjustment expenses, reinsurance recoverable on unpaid losses and loss adjustment expenses, fair value of investments, and income taxes.

Management bases its estimates and assumptions on historical experience and other factors, including the current economic environment and on various other judgments that it believes to be reasonable under the circumstances. Management periodically reviews its estimates and assumptions and makes adjustments thereto when

**Bowhead Specialty Holdings Inc.**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**

facts and circumstances dictate. Changes in accounting estimates and underlying assumptions are recognized prospectively in the condensed consolidated financial statements.

**Basic and Diluted Earnings Per Share**

Basic earnings per share is calculated by dividing net income by the weighted-average common stock outstanding for the period. Diluted earnings per share follows the basic earnings per share calculation, except the denominator is increased to reflect the dilution that may occur if equity based awards are converted into common stock equivalents, as calculated using the treasury stock method. Anti-dilutive equity based awards, which are awards that would increase earnings per share upon conversion under the treasury stock method, are excluded in the calculation of diluted earnings per share.

See Note 10 for the computation of basic and diluted earnings per share.

**Stock Split**

On May 9, 2024, the Company effected a 240 thousand-for-1 forward split of each outstanding share of BSHI's common stock, par value \$0.01 per share. As a result of the forward stock split, 100 shares of common stock issued and outstanding was increased to 24,000,000 shares of issued and outstanding common stock, without any change in the par value per share. All share, per share and related information presented in the condensed consolidated financial statements and accompanying notes have been retroactively adjusted, where applicable, to reflect the impact of the forward stock split.

**Initial Public Offering ("IPO")**

On May 28, 2024, the Company completed an upsized IPO with the sale of 8,658,823 shares of common stock at a price to the public of \$17.00 per share, including 1,129,411 shares sold upon the exercise in full of the underwriters' option to purchase additional shares. After underwriter discounts, commissions and offering expenses, net proceeds from the IPO were approximately \$131.0 million.

**Stock-Based Compensation**

***Class P Interests***

BIHL, the majority stockholder of BSHI, issued Class P Interests to certain employees in connection with the Company's pre-IPO employee compensation structure. Each Class P Interest is structured as a profit interest award and entitles the employees to profits after the partners of BIHL receive a return of their initial investment. The Class P Interests are accounted for as equity under accounting standards codification ("ASC") 718, Compensation – Stock Compensation ("ASC 718"). The fair value of the compensation cost incurred under these awards is measured at the date of grant based on the fair value of the award and is recognized as operating expenses within the Condensed Consolidated Statements of Income and Comprehensive Income, using a graded method over the requisite service period. The Company recognizes any award forfeitures when they occur.

***2024 Plan***

On May 22, 2024, the Company's Board of Directors (the "Board") approved and adopted the 2024 Omnibus Incentive Plan (the "2024 Plan"), which provides for the grant of stock options (including incentive stock options ("ISOs") and nonqualified stock options), stock appreciation rights, restricted stock, restricted stock units ("RSUs"), other stock-based awards, stock bonuses, cash awards and substitute awards.

Under the 2024 Plan, the Company granted RSUs to the Company's employees and certain Board directors, and performance stock units ("PSUs") to its chief executive officer (the "CEO").

**Bowhead Specialty Holdings Inc.**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**

*Restricted Stock Units*

The RSUs are subject to a service condition and are accounted for as equity under ASC 718. The RSUs are valued based on the fair value of the underlying award, which is Bowhead's common stock, at the date of grant. The Company recognizes the compensation cost for the RSUs on a straight-line basis over the awards' vesting period as operating expenses within the Company's Condensed Consolidated Statements of Income and Comprehensive Income. The Company recognizes any award forfeitures when they occur.

*Performance Stock Units*

The PSUs are subject to both a service and a market condition, and may be settled in cash upon the occurrence of an event that is outside of the Company's control. The PSUs are accounted for as mezzanine equity on the Company's Condensed Consolidated Balance Sheets under ASC 718 until the vesting date. The PSUs are measured at fair value based on a Monte Carlo simulation model. The Company recognizes the compensation cost for PSUs on a straight-line basis over the award's vesting period as operating expenses within the Company's Condensed Consolidated Statements of Income and Comprehensive Income. If the market condition is not achieved, previously recognized compensation expense is not reversed. The Company recognizes any award forfeitures when they occur.

**Warrants**

On May 22, 2024, the Board approved the issuance of warrants to AmFam, a related party of the Company, to purchase shares of the Company's common stock. The warrants are subject to a service condition and are accounted for as equity under ASC 718. The fair value of the warrants are based on Black-Scholes-Merton pricing models. The Company recognizes compensation cost for the warrants on a quarterly basis over the awards' vesting period as warrant expense within the Company's Condensed Consolidated Statements of Income and Comprehensive Income. The Company recognizes any award forfeitures when they occur.

See Note 9 for additional information on the Company's stock-based compensation.

**Deferred Financing Fees**

Costs associated with the establishment of a senior secured revolving credit facility have been deferred and are amortized using the straight-line method over the terms of such instruments. Unamortized deferred financing fees are presented within other assets on the Company's Condensed Consolidated Balance Sheets, and amortization expenses related to such costs are included in credit facility interest expenses and fees in the Company's Condensed Consolidated Statements of Income and Comprehensive Income.

**Recent Accounting Pronouncements**

*Recently Adopted Accounting Standards*

The Company has not adopted any new accounting standards during the three and six months ended June 30, 2024.

*Recently Issued Accounting Standards Not Yet Adopted*

The Company is an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act, until such time as those standards apply to private companies. The Company is provided an option to adopt new or revised accounting guidance as an "emerging growth company" under the JOBS Act either (1) within the same periods as those otherwise applicable to public business entities, or (2) within the same time periods as private companies, including early adoption when permissible.

There are no prospective accounting standards which, upon their effective date, would have a material impact on the Company's condensed consolidated financial statements.

**Bowhead Specialty Holdings Inc.**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**

**2. Investments**

The following table summarizes the amortized cost and fair value of the Company's fixed maturity securities, all of which are classified as available for sale:

As of June 30, 2024	Amortized Cost	Gross Unrealized		Fair Value
		Gains	Losses	
		(\$ in thousands)		
<b>Fixed maturity securities</b>				
U.S. government and government agency	\$ 298,225	\$ 50	\$ (495)	\$ 297,780
State and municipal	56,978	—	(5,472)	51,506
Commercial mortgage-backed securities	41,970	19	(1,083)	40,906
Residential mortgage-backed securities	148,670	827	(5,637)	143,860
Asset-backed securities	54,650	100	(858)	53,892
Corporate	121,289	63	(3,097)	118,255
<b>Total</b>	<b>\$ 721,782</b>	<b>\$ 1,059</b>	<b>\$ (16,642)</b>	<b>\$ 706,199</b>

As of December 31, 2023	Amortized Cost	Gross Unrealized		Fair Value
		Gains	Losses	
		(\$ in thousands)		
<b>Fixed maturity securities</b>				
U.S. government and government agency	\$ 252,294	\$ 579	\$ (332)	\$ 252,541
State and municipal	55,984	—	(5,264)	50,720
Commercial mortgage-backed securities	26,573	29	(1,166)	25,436
Residential mortgage-backed securities	79,032	680	(5,010)	74,702
Asset-backed securities	42,964	32	(963)	42,033
Corporate	112,166	80	(3,054)	109,192
<b>Total</b>	<b>\$ 569,013</b>	<b>\$ 1,400</b>	<b>\$ (15,789)</b>	<b>\$ 554,624</b>

**a) Contractual Maturity of Fixed Maturity Securities**

The amortized cost and fair value of fixed maturity securities at June 30, 2024 and December 31, 2023, by contractual maturity, are shown below. Actual maturities may differ from contractual maturities because certain issuers may have the right to call or prepay obligations.

As of June 30, 2024	Amortized Cost	Fair Value
	(\$ in thousands)	
<b>Fixed maturity securities</b>		
Due in one year or less	\$ 191,050	\$ 190,739
Due after one year through five years	221,169	217,001
Due after five years through ten years	46,896	44,858
Due after ten years	17,377	14,943
	476,492	467,541
Commercial mortgage-backed securities	41,970	40,906
Residential mortgage-backed securities	148,670	143,860
Asset-backed securities	54,650	53,892
<b>Total</b>	<b>\$ 721,782</b>	<b>\$ 706,199</b>



**Bowhead Specialty Holdings Inc.**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**

As of December 31, 2023	Amortized Cost	Fair Value
	(\$ in thousands)	
<b>Fixed maturity securities</b>		
Due in one year or less	\$ 254,656	\$ 254,443
Due after one year through five years	122,274	118,585
Due after five years through ten years	27,145	25,265
Due after ten years	16,369	14,160
	<u>420,444</u>	<u>412,453</u>
Commercial mortgage-backed securities	26,573	25,436
Residential mortgage-backed securities	79,032	74,702
Asset-backed securities	42,964	42,033
<b>Total</b>	<b>\$ 569,013</b>	<b>\$ 554,624</b>

**b) Net Investment Income**

The components of net investment income were derived from the following sources:

	Three Months Ended	
	June 30,	
	2024	2023
	(\$ in thousands)	
U.S. government and government agency	\$ 3,836	\$ 656
State and municipal	388	388
Commercial mortgage-backed securities	468	363
Residential mortgage-backed securities	1,920	246
Asset-backed securities	(33)	894
Corporate	1,071	893
Short-term investments	103	208
Cash and cash equivalents	1,204	511
Gross investment income	<u>8,957</u>	<u>4,159</u>
Investment expenses	(180)	(111)
<b>Net investment income</b>	<b>\$ 8,777</b>	<b>\$ 4,048</b>

**Bowhead Specialty Holdings Inc.**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**

	Six Months Ended June 30,	
	2024	2023
	<i>(\$ in thousands)</i>	
U.S. government and government agency	7,523	\$ 938
State and municipal	775	775
Commercial mortgage-backed securities	842	628
Residential mortgage-backed securities	2,164	462
Asset-backed securities	1,040	1,493
Corporate	2,003	1,589
Short-term investments	215	631
Cash and cash equivalents	2,219	1,096
Gross investment income	16,781	7,612
Investment expenses	(344)	(211)
<b>Net investment income</b>	<b>\$ 16,437</b>	<b>\$ 7,401</b>

**c) Net Realized Investment Gains (Losses)**

There were \$1.9 thousand net realized investment gains (losses) for the three and six months ended June 30, 2024 from the sale of investments and nil for the three and six months ended June 30, 2023.

**d) Restricted Assets**

The Company is required to maintain assets as collateral in trust accounts to support the obligations of the AmFam Quota Share Agreement. The assets held in trust include fixed maturity securities, short-term investments and restricted cash and cash equivalents. The Company is entitled to interest income earned on these restricted assets, which is included in net investment income in the Condensed Consolidated Statements of Income and Comprehensive Income.

The following table summarizes the value of the Company's restricted assets disclosed in the Condensed Consolidated Balance Sheets:

As of	June 30, 2024	December 31, 2023
	<i>(\$ in thousands)</i>	
U.S. government and government agency	\$ 224,415	\$ 142,297
State and municipal	19,428	19,585
Commercial mortgage-backed securities	20,781	9,333
Residential mortgage-backed securities	77,507	35,313
Asset-backed securities	33,330	23,798
Corporate	59,189	49,632
Restricted fixed maturity securities	434,650	279,958
Restricted short-term investments	12,712	4,864
Restricted cash and cash equivalents	18,494	1,698
<b>Restricted assets</b>	<b>\$ 465,856</b>	<b>\$ 286,520</b>

**Bowhead Specialty Holdings Inc.**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**

**e) Gross Unrealized Losses**

The following table summarizes available for sale securities in an unrealized loss position, the fair value and gross unrealized loss by length of time the security has been in a continual unrealized loss position:

As of June 30, 2024	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	<i>(\$ in thousands)</i>					
<b>Fixed maturity securities</b>						
U.S. government and government agency	\$ 212,928	\$ (336)	\$ 20,055	\$ (159)	\$ 232,983	\$ (495)
State and municipal	1,026	(4)	50,480	(5,468)	51,506	(5,472)
Commercial mortgage-backed securities	9,883	(98)	18,364	(985)	28,247	(1,083)
Residential mortgage-backed securities	49,110	(284)	40,197	(5,353)	89,307	(5,637)
Asset-backed securities	15,946	(81)	23,614	(777)	39,560	(858)
Corporate	34,712	(220)	76,048	(2,877)	110,760	(3,097)
<b>Total</b>	<b>\$ 323,605</b>	<b>\$ (1,023)</b>	<b>\$ 228,758</b>	<b>\$ (15,619)</b>	<b>\$ 552,363</b>	<b>\$ (16,642)</b>

As of December 31, 2023	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	<i>(\$ in thousands)</i>					
<b>Fixed maturity securities</b>						
U.S. government and government agency	\$ 48,598	\$ (69)	\$ 10,970	\$ (263)	\$ 59,568	\$ (332)
State and municipal	2,992	(14)	47,728	(5,250)	50,720	(5,264)
Commercial mortgage-backed securities	2,485	(53)	18,423	(1,113)	20,908	(1,166)
Residential mortgage-backed securities	17,536	(609)	31,502	(4,401)	49,038	(5,010)
Asset-backed securities	16,253	(71)	18,491	(892)	34,744	(963)
Corporate	24,976	(173)	62,733	(2,881)	87,709	(3,054)
<b>Total</b>	<b>\$ 112,840</b>	<b>\$ (989)</b>	<b>\$ 189,847</b>	<b>\$ (14,800)</b>	<b>\$ 302,687</b>	<b>\$ (15,789)</b>

All of the securities in an unrealized loss position are rated investment grade. For fixed maturity securities that management does not intend to sell or are required to sell, there is no portion of the decline in value that is considered to be due to credit factors that would be recognized in earnings. Declines in value are considered to be due to non-credit factors and are recognized in Other Comprehensive Income.

The Company has evaluated its fixed maturity securities in an unrealized loss position and concluded that the unrealized losses are due primarily to temporary market and sector-related factors rather than to issuer-specific factors. None of these securities are delinquent or in default under financial covenants. Based on the assessment of these issuers, the Company expects them to continue to meet their contractual payment obligations as they become due.

**Bowhead Specialty Holdings Inc.**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**

**3. Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is determined based on a fair value hierarchy that prioritizes the use of observable inputs over the use of unobservable inputs and requires the use of observable inputs when available. The Company utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels, as follows:

- Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
- Level 2: Significant other observable inputs other than Level 1 inputs, such as quoted prices in active markets for similar assets or liabilities, quoted prices in inactive markets for identical assets or liabilities, or other inputs that are directly or indirectly observable through market-corroborated inputs, such as interest rates, yield curves, prepayment speeds, default rates, or loss severities.
- Level 3: Significant unobservable inputs used to measure fair value to the extent that relevant observable inputs are not available, and that reflect the Company's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the measurement date.

The Company's investments in fixed maturity securities, all of which are classified as available for sale, are carried at fair value. All of the Company's fixed maturity securities investments were priced by independent pricing services. The prices provided by the independent pricing services are estimated based on observable market data in active markets utilizing pricing models and processes, which may include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, sector groupings, matrix pricing and reference data. Under certain circumstances, if a vendor price is unavailable, a price may be obtained from a broker. The pricing services may prioritize inputs differently on any given day for any security based on market conditions, and not all inputs are available for each security evaluation on any given day. The pricing services used by the Company have indicated that they will only produce an estimate of fair value if objectively verifiable information is available. The determination of whether markets are active or inactive is based upon the volume and level of activity for a particular asset class.

The fair values of short-term investments approximate their carrying values due to their short-term maturity.

The following table presents the Company's investments measured at fair value by level:

As of June 30, 2024	Level 1	Level 2	Level 3	Total
	<i>(\$ in thousands)</i>			
<b>Fixed maturity securities</b>				
U.S. government and government agency	\$ 296,545	\$ 1,235	\$ —	\$ 297,780
State and municipal	—	51,506	—	51,506
Commercial mortgage-backed securities	—	40,906	—	40,906
Residential mortgage-backed securities	—	143,860	—	143,860
Asset-backed securities	—	53,892	—	53,892
Corporate	—	118,255	—	118,255
Total fixed maturity securities	<u>296,545</u>	<u>409,654</u>	<u>—</u>	<u>706,199</u>
Short-term investments	9,916	2,796	\$ —	12,712
<b>Total investments</b>	<b><u>\$ 306,461</u></b>	<b><u>\$ 412,450</u></b>	<b><u>\$ —</u></b>	<b><u>\$ 718,911</u></b>

**Bowhead Specialty Holdings Inc.**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**

As of December 31, 2023	Level 1	Level 2	Level 3	Total
	(\$ in thousands)			
<b>Fixed maturity securities</b>				
U.S. government and government agency	\$ 251,332	\$ 1,209	\$ —	\$ 252,541
State and municipal	—	50,720	—	50,720
Commercial mortgage-backed securities	—	25,436	—	25,436
Residential mortgage-backed securities	—	74,702	—	74,702
Asset-backed securities	—	42,033	—	42,033
Corporate	—	109,192	—	109,192
Total fixed maturity securities	251,332	303,292	—	554,624
Short-term investments	3,960	4,864	—	8,824
<b>Total investments</b>	<b>\$ 255,292</b>	<b>\$ 308,156</b>	<b>\$ —</b>	<b>\$ 563,448</b>

**4. Reserve for Losses and Loss Adjustment Expenses**

The table below provides a reconciliation of the beginning and ending reserve balances for the six months ended June 30, 2024 and June 30, 2023:

	June 30, 2024	June 30, 2023
	(\$ in thousands)	
Gross reserves for losses and loss adjustment expenses, beginning of year	\$ 431,186	\$ 207,051
Reinsurance recoverable on unpaid losses, beginning of year	136,273	63,381
<b>Net reserves for unpaid losses and loss adjustment expenses, beginning of year</b>	<b>\$ 294,913</b>	<b>\$ 143,670</b>
<b>Net incurred losses and loss adjustment expenses related to:</b>		
Current accident year	113,338	70,411
Prior accident years	—	457
	113,338	70,868
<b>Net paid losses and loss adjustment expenses related to:</b>		
Current accident year	874	532
Prior accident years	9,502	6,092
	10,376	6,624
<b>Net reserves for unpaid losses and loss adjustment expenses, end of period</b>	<b>\$ 397,875</b>	<b>\$ 207,914</b>
Reinsurance recoverable on unpaid losses, end of period	190,030	93,588
<b>Gross reserves for losses and loss adjustment expenses, end of period</b>	<b>\$ 587,905</b>	<b>\$ 301,502</b>

During the six months ended June 30, 2024 and 2023, there was nil and \$0.5 million of prior accident year unfavorable loss development, respectively.

**Bowhead Specialty Holdings Inc.**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**

**5. Premiums and Reinsurance Related Information**

The following table summarizes the effects of reinsurance on the Company's written and earned premiums and losses and loss adjustment expenses:

Three Months Ended June 30, 2024	Written Premiums	Earned Premiums	Losses and Loss Adjustment Expenses
	<i>(\$ in thousands)</i>		
Assumed	\$ 175,539	\$ 139,015	\$ 87,927
Ceded	(63,486)	(48,928)	(28,909)
<b>Net</b>	<b>\$ 112,053</b>	<b>\$ 90,087</b>	<b>\$ 59,018</b>

Three Months Ended June 30, 2023	Written Premiums	Earned Premiums	Losses and Loss Adjustment Expenses
	<i>(\$ in thousands)</i>		
Assumed	\$ 116,742	\$ 90,966	\$ 54,439
Ceded	(40,310)	(29,592)	(17,030)
<b>Net</b>	<b>\$ 76,432</b>	<b>\$ 61,374</b>	<b>\$ 37,409</b>

Six Months Ended June 30, 2024	Premiums Written	Premiums Earned	Losses and Loss Adjustment Expenses
	<i>(\$ in thousands)</i>		
Assumed	\$ 313,971	\$ 266,873	\$ 169,206
Ceded	(111,066)	(93,806)	(55,868)
<b>Net</b>	<b>\$ 202,905</b>	<b>\$ 173,067</b>	<b>\$ 113,338</b>

Six Months Ended June 30, 2023	Premiums Written	Premiums Earned	Losses and Loss Adjustment Expenses
	<i>(\$ in thousands)</i>		
Assumed	\$ 212,448	\$ 172,549	\$ 102,389
Ceded	(72,059)	(55,513)	(31,521)
<b>Net</b>	<b>\$ 140,389</b>	<b>\$ 117,036</b>	<b>\$ 70,868</b>

All assumed amounts are assumed through the AmFam Quota Share Agreement as described in Note 11.

For the three months ended June 30, 2024 and 2023, Bowhead ceded \$7.1 million and \$4.4 million of written premium, \$4.9 million and \$1.7 million of earned premium and \$2.9 million and \$1.0 million of losses and loss adjustment expenses to a subsidiary of AmFam, respectively.

For the six months ended June 30, 2024 and 2023, Bowhead ceded \$11.9 million and \$7.3 million of written premium, \$9.4 million and \$2.6 million of earned premium and \$5.6 million and \$1.5 million of losses and loss adjustment expenses to a subsidiary of AmFam, respectively.

**Bowhead Specialty Holdings Inc.**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**

The following table summarizes reinsurance recoverable on paid and unpaid losses and loss adjustment expenses:

As of	June 30, 2024	December 31, 2023
	<i>(\$ in thousands)</i>	
Reinsurance recoverable on unpaid losses and loss adjustment expenses	\$ 190,030	\$ 136,273
Reinsurance recoverable on paid losses and loss adjustment expenses	1,995	3,116
<b>Reinsurance recoverable</b>	<b>\$ 192,025</b>	<b>\$ 139,389</b>

The following table summarizes the Company's top five reinsurers, their A.M. Best financial strength rating and percent of total reinsurance recoverable as of June 30, 2024 and December 31, 2023:

Reinsurer	A.M. Best Rating	June 30, 2024	December 31, 2023
Renaissance Reinsurance U.S. Inc	A+	29.7%	29.8%
Endurance Assurance Corporation	A+	24.0%	24.4%
Markel Global Reinsurance Company	A	22.7%	24.5%
Ascot Bermuda Limited	A	9.1%	7.3%
Partner Reinsurance Company of the U.S.	A+	6.1%	8.5%
All other reinsurers	At least A	8.4%	5.5%
<b>Total</b>		<b>100.0%</b>	<b>100.0%</b>

As of June 30, 2024 and December 31, 2023, \$11.5 million and \$5.9 million, respectively, of the Company's reinsurance recoverable balance is with a subsidiary of AmFam.

#### 6. Leases

Prior to entering into the new sublease agreement described below, the Company and its subsidiaries had a right to use two distinct office spaces in New York and Chicago under separate lease agreements. On May 6, 2024, the Company entered into a sublease agreement for the right to use ("ROU") an additional office space in New York. The term of the sublease commences on June 1, 2024, and will expire on December 30, 2027, with no option to extend. The annual rent of the sublease is approximately \$1.3 million and is payable monthly in advance. In connection with the sublease agreement, the Company delivered a security deposit in the form of a letter of credit of approximately \$1.0 million to the sublandlord. The Company is also responsible for certain other costs under the sublease, such as taxes, operating expenses, and electricity. All of the Company's leases are classified as operating leases and the Company was not party to any finance lease arrangements as of and during the three and six months ended June 30, 2024 and 2023. The ROU asset and lease liability balances as of June 30, 2024 were \$4.2 million and \$4.2 million, respectively, and the ROU asset and lease liability balances as of December 31, 2023, were \$0.5 million and \$0.7 million, respectively.

The terms of the operating leases range from three and a half years to five years, from the dates the Company gained access to the spaces, through to the stated termination dates, which expire in August 2024, May 2025, and December 2027, respectively. Although the Chicago operating lease agreement contains an option to extend the lease term, the Company is not reasonably certain it will exercise this option. Due to this uncertainty, in the measurement of the lease liability, the Company has excluded the period covered by the renewal option from the lease terms.

With the exception of the New York sublease that commenced on June 1, 2024, the lease agreements contain rent escalation features that are reflected in the Company's lease liability balances. Since the discount rates implicit in the leases are not readily available, the Company used an incremental borrowing rate to discount the remaining lease payments in measuring the lease liability. The Company did not incur any initial direct costs or make prepayments in connection with its lease arrangements; as such, these amounts are not reflected in the ROU asset.

**Bowhead Specialty Holdings Inc.**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**

Lease expense for the three months ended June 30, 2024 and 2023 was \$0.3 million and \$0.1 million, respectively, and for the six months ended June 30, 2024 and 2023 was \$0.4 million and \$0.3 million, respectively. Lease expense is recognized on a straight-line basis over the lease term in operating expenses within the Condensed Consolidated Statements of Income and Comprehensive Income. The Company has immaterial variable lease costs and no short-term leases for the three and six months ended June 30, 2024 and 2023.

The following table summarizes the Company's future minimum lease payment obligations under non-cancelable operating leases as of June 30, 2024:

As of	June 30, 2024
	(\$ in thousands)
<b>Contractual maturities:</b>	
Remaining 2024	\$ 527
2025	1,421
2026	1,331
2027	1,331
Later years	—
Total undiscounted future minimum lease payments	4,610
Less: Discount impact	375
<b>Total discounted operating lease liability</b>	<b>\$ 4,234</b>

The weighted average remaining lease term and weighted average discount rate for the Company's operating leases as of June 30, 2024 were 3.3 years and 4.8%, respectively.

Cash paid for operating leases for the three months ended June 30, 2024 and 2023 was \$0.3 million and \$0.2 million, respectively, and for the six months ended June 30, 2024 and 2023 was \$0.5 million and \$0.4 million, respectively. There were no non-cash additions from new and remeasured leases that resulted in an increase to the ROU asset and lease liability.

#### 7. Revolving Credit Facility

On April 22, 2024, the Company entered into a Credit Agreement (the "Credit Agreement") with certain lenders and JPMorgan Chase Bank, N.A., as administrative agent, swingline lender and issuing bank. The Credit Agreement provides for a senior secured revolving credit facility (the "Facility") in the aggregate principal amount of \$75 million, which includes a \$5 million sub-facility for letters of credit. All obligations under the Facility and obligations in respect of certain cash management services and swap agreements with the lenders and their affiliates are (i) unconditionally guaranteed by certain of the Company's subsidiaries and (ii) secured by a first-priority perfected lien in substantially all of the Company's and the subsidiaries guarantors' assets. The Credit Agreement contains certain customary covenants, including financial maintenance covenants. The Company was in compliance with all of the Facility's covenants as of June 30, 2024. The Facility matures on the earlier of April 22, 2027, or 91 days prior to the MGA Agreement termination date where no MGA Agreement replacement is found. The Company may request that the lenders extend the maturity date by an additional year, provided that the request is made no earlier than 90 days and no later than 55 days prior to the first or second anniversary of the effective date of the Facility.

Interest on the Facility is based on a floating rate indexed to either (i) adjusted term Secured Overnight Financing Rate ("SOFR") plus an applicable rate, (ii) the greater of (a) the prime rate, (b) the Federal Reserve Bank of New York rate plus 0.5% per annum and (c) the adjusted term SOFR rate for a one-month interest period plus 1% per annum, plus an applicable rate, or (iii) the adjusted daily simple SOFR plus an applicable rate. As of June 30, 2024, the Company did not have any borrowings outstanding under the Facility.

The Company had unamortized deferred financing fees related to the Facility of \$1.7 million as of June 30, 2024, and recognized amortization expenses for deferred financing fees of \$0.2 million for the three and six months ended June 30, 2024, respectively.



**Bowhead Specialty Holdings Inc.**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**

**8. Stockholders' Equity**

***Capital Stock***

The Company's authorized capital stock consists of 400,000,000 shares of common stock, par value \$0.01 per share.

***BIHL Contribution***

During the three months ended June 30, 2024 and 2023, BIHL contributed additional paid-in capital of \$1.4 million and \$13.2 million, respectively, to the Company without issuing additional shares.

During the six months ended June 30, 2024 and 2023, BIHL contributed additional paid-in capital of \$4.5 million and \$31.3 million, respectively, to the Company without issuing additional shares.

***Public Offerings***

On May 23, 2024, the Company completed an upsized IPO with the sale and issuance of 8,658,823 shares of its common stock at a price of \$17.00 per share. The Company received net proceeds from the offering of \$131.0 million.

**9. Stock-Based Compensation**

***Class P Interests***

On October 14, 2020, BIHL established and authorized for issuance 40,750,000 Class P Interests for certain key employees of the Company. In December 2023 and January 2024, BIHL authorized for issuance an additional 4,766,315 and 553,048 Class P Interests, respectively, for a total of 46,069,363 Class P Interests authorized for issuance as of June 30, 2024. Each grant is subject to vesting and repurchase provisions, as well as other conditions.

On June 30, 2024, in preparation for the dissolution of BIHL, the general partners of BIHL approved the valuation and the acceleration of unvested Class P Interests, which upon the dissolution of BIHL will be exchanged for shares of the Company's common stock held by BIHL with no further vesting conditions. Accordingly, on June 30, 2024, the Company accelerated the remaining unrecognized compensation cost associated with the Class P Interests of \$1.3 million through operating expenses within the Company's Condensed Consolidated Statements of Income and Comprehensive Income. See Note 15 for additional information on the dissolution of BIHL.

***2024 Plan***

On May 22, 2024, the Board approved and adopted the 2024 Plan, which provides for the grant of stock options (including ISOs and nonqualified stock options), stock appreciation rights, restricted stock, RSUs, other stock-based awards, stock bonuses, cash awards and substitute awards.

A total of 3,152,941 shares of common stock were initially authorized and reserved for issuance under the 2024 Plan. The reserve increases on January 1 of each year, starting in 2025, by an amount equal to the lesser of: (a) 2.0% of the fully-diluted shares on the preceding December 31, and (b) a smaller amount as determined by the Board.

On May 22, 2024, the Board approved the grant of RSUs to the Company's employees and certain Board directors, and PSUs to its CEO. As of June 30, 2024, 891,526 shares of common stock were granted under the 2024 Plan.

**Bowhead Specialty Holdings Inc.**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**

***Restricted Stock Units***

On May 22, 2024, the Board approved the grant of 762,115 RSUs with a grant-date fair value of \$17.00 per share. The RSUs issued to employees and a one-time issuance to one of the Company's directors have a four-year vesting period. These RSUs vest 20% per year for the first three years following issuance and 40% at the end of the fourth year, and are contingent upon the employee's continuous employment or the director's continuous service as a director with the Company throughout the vesting period. In addition, the RSUs issued to directors of the Company under the Company's non-employee director compensation policy are contingent upon the director's continuous service as a director through the vesting date, which is the earliest of: (a) the one-year anniversary of the grant date, (b) the date of the regular annual meeting of the Company's stockholders held following the grant date, or (c) the date of the consummation of a change in control.

The following table provides a summary of RSU activities during the six months ended June 30, 2024:

	Number of RSUs	Weighted Average Grant-Date Fair Value
<b>Granted and unvested at December 31, 2023</b>	—	\$ —
Granted	762,115	17.00
Vested	—	—
Forfeited	—	—
<b>Granted and unvested at June 30, 2024</b>	<b>762,115</b>	<b>\$ 17.00</b>

The Company recognizes the compensation cost for the RSUs on a straight-line basis over the awards' vesting period.

The Company recognized compensation costs associated with the RSUs of \$0.4 million in the three and six-month periods ended June 30, 2024, compared to nil for the same periods in 2023.

As of June 30, 2024, total unrecognized compensation cost for the RSUs was \$12.6 million and the weighted average period over which the cost is expected to be recognized is approximately 3.8 years.

***Performance Stock Units***

On May 22, 2024, the Board approved the grant of 129,411 PSUs to the Company's CEO. The grant-date fair value of the PSUs, which was valued based on a Monte Carlo simulation model, was \$10.04 per share. The PSUs include both a service and a market condition, and may be settled in cash upon the occurrence of an event that is outside of the Company's control. The vesting of the PSUs are contingent upon the CEO's continuous employment and service to the Company through May 22, 2027. The number of PSUs earned, which range from 0 - 125% of the PSUs granted, are based on the achievement of certain compounded annual growth rate milestones of BSHI's common stock compared its IPO price of \$17.00 per share for any 20 business day period between the second and third anniversaries of the grant date.

Since the PSUs are required to be settled in cash upon the occurrence of an event that is outside of the Company's control, the PSUs are accounted for as mezzanine equity on the Company's Condensed Consolidated Balance Sheets until the vesting date.

**Bowhead Specialty Holdings Inc.**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**

The following table provides a summary of PSU activity during the six months ended June 30, 2024:

	Number of PSUs	Weighted Average Grant-Date Fair Value
<b>Granted and unvested at December 31, 2023</b>	—	\$ —
Granted	129,411	10.04
Vested	—	—
Forfeited	—	—
<b>Granted and unvested at June 30, 2024</b>	<b>129,411</b>	<b>\$ 10.04</b>

The following table summarizes the significant inputs used in the Monte Carlo simulation model to determine the grant-date fair value of the PSUs awarded:

	Inputs
Expected term (in years)	3
Expected volatility	27.0%
Expected dividend yield	—%
Risk-free interest rate	4.6%

The Company recognizes the compensation cost for PSUs on a straight-line basis over the award's vesting period.

The Company recognized compensation costs associated with the PSUs of \$46.3 thousand in the three and six-month periods ended June 30, 2024, compared to nil for the same period in 2023.

As of June 30, 2024, total unrecognized compensation cost for the PSUs was \$1.3 million and the weighted average period over which the cost is expected to be recognized is approximately 2.9 years.

***Warrants***

On May 22, 2024, the Board approved the issuance of warrants to AmFam to purchase 1,614,250 shares of the Company's common stock (the warrants associated with such shares the "Initial Warrants") and, upon the exercise of the underwriters overallotment option, on May 28, 2024, the Company issued to AmFam warrants to purchase 56,471 additional shares of the Company's common stock (the warrants associated with such additional shares, individually, the "Overallotment Warrants" and together with the Initial Warrants, the "Warrants").

The Warrants, which are subject to a five-year service condition, are accounted for as stock-based compensation under ASC 718. The grant-date fair value of the Initial Warrants and Overallotment Warrants were \$9.13 per share and \$17.50 per share, respectively. The Warrants vest 20% per year over the five-year service period and have a stated and weighted average exercise price of \$17.00 per share. The vested portion of the Warrants may be exercised at any time, in whole or in part, until the ten-year anniversary of the issuance dates.

As of June 30, 2024, none of the Warrants have vested or have been exercised.

The following table summarizes the significant inputs used in the Black-Scholes-Merton pricing models to determine the grant-date fair value of the Warrants issued:

	Initial Warrants	Overallotment Warrants
Expected term (in years)	10	10
Expected volatility	34.0%	34.0%
Expected dividend yield	—%	—%
Risk-free interest rate	4.4%	4.5%

**Bowhead Specialty Holdings Inc.**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**

The Company recognizes compensation cost for the Warrants on a quarterly basis over the awards' vesting period.

The Company recognized compensation costs associated with the Warrants of \$0.3 million in the three and six-month periods ended June 30, 2024, compared to nil for the same period in 2023. As of June 30, 2024, total unrecognized compensation cost for the Warrants were \$15.4 million.

**10. Earnings Per Share**

The following table provides the calculation of basic and diluted earnings per share:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	<i>(\$ in thousands, except share and per share data)</i>			
<b>Numerator</b>				
Net income	\$ 5,533	\$ 6,555	\$ 12,545	\$ 11,555
<b>Denominator</b>				
Basic weighted average shares outstanding	27,648,869	24,000,000	25,824,434	24,000,000
Effect of dilutive awards:				
Restricted stock units	87,916	—	43,958	—
Performance stock units	34,323	—	17,162	—
Warrants <sup>(1)</sup>	—	—	—	—
<b>Diluted weighted average shares outstanding</b>	<b>27,771,108</b>	<b>24,000,000</b>	<b>25,885,554</b>	<b>24,000,000</b>
<b>Earnings per share</b>				
Basic	\$ 0.20	\$ 0.27	\$ 0.49	\$ 0.48
Diluted	\$ 0.20	\$ 0.27	\$ 0.48	\$ 0.48

(1) As of June 30, 2024 and 2023, there were 1,670,721 and nil anti-dilutive awards, respectively, that were excluded from the calculation of diluted weighted-average shares outstanding.

**11. Related Party Transactions**

BIHL is a limited partnership domiciled in the State of Delaware. BIHL's capital partners include GPC Partners (Investments (SPV III) LP ("GPC Fund")), AmFam, and other minority owners as partners in BIHL. BIHL owns 73.5% of the Company, and as of June 30, 2024, BIHL contributed \$183.3 million into the Company, of which \$1.4 million and \$13.2 million were contributed in the three months ended June 30, 2024 and 2023, respectively, and of which \$4.5 million and \$31.3 million were contributed in the six months ended June 30, 2024 and 2023, respectively.

BICI is party to the AmFam Quota Share Agreement, which has been effective since 2020. Under the quota share agreement, BICI assumes 100% of all Casualty, Professional Liability and Healthcare risks, net of inuring third-party reinsurance, written on behalf of AmFam by BSUI. AmFam receives a ceding fee on net premiums assumed by BICI. BICI is required to set aside assets in a trust to secure a portion of its reinsurance recoverable obligation under the agreement.

BSUI has separate MGA Agreements with each of the AmFam Issuing Carriers. Under these agreements, BSUI is permitted to issue insurance policies on behalf of the AmFam Issuing Carriers and is also responsible for providing accounting, claims handling and other necessary services to the AmFam Issuing Carriers to support its respective regulatory, statutory and other compliance requirements. BSUI is entitled to commission in exchange for

**Bowhead Specialty Holdings Inc.**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**

these services, which is adjusted to equal actual costs for each month in accordance with the terms of the MGA Agreements.

In 2024 and 2023, BICI entered into a ceded quota share reinsurance treaty and a ceded excess of loss reinsurance treaty with reinsurers, in which a separate subsidiary of AmFam participated. In addition, BICI also entered into ceded cyber professional lines quota share reinsurance treaties with reinsurers, in which a subsidiary of AmFam also participated.

For the three months ended June 30, 2024 and 2023, Bowhead incurred \$2.0 million and \$1.3 million of ceding fees under the AmFam Quota Share Agreement and ceded \$7.1 million and \$4.4 million of written premiums to AmFam under the ceded reinsurance treaties described above, respectively.

For the six months ended June 30, 2024 and 2023, Bowhead incurred \$3.8 million and \$2.5 million of ceding fees under the AmFam Quota Share Agreement and ceded \$11.9 million and \$7.3 million of written premiums to AmFam under these ceded reinsurance treaties described above, respectively.

## **12. Income Taxes**

For the three months ended June 30, 2024 and 2023, the Company recorded income tax expense of \$1.9 million in both periods. The effective tax rate was approximately 25.3% for the three months ended June 30, 2024, compared to 22.5% for the three months ended June 30, 2023. The effective tax rate for the three months ended June 30, 2024 differs from the statutory tax rate of 21.0% primarily due to state taxes and non-deductible expenses. The effective tax rate for the three months ended June 30, 2023 differs from the statutory tax rate of 21.0% primarily due to state taxes, non-deductible expenses, and the current period impact from a change of estimate in the prior year.

For the six months ended June 30, 2024 and 2023, the Company recorded income tax expense of \$3.9 million and \$3.5 million, respectively. The effective tax rate was approximately 23.8% for the six months ended June 30, 2024 compared to 23.2% for the six months ended June 30, 2023. The effective tax rate for the six months ended June 30, 2024 differs from the statutory tax rate of 21.0% primarily due to state taxes and non-deductible expenses. The effective tax rate for the six months ended June 30, 2023 differs from the statutory tax rate of 21.0% primarily due to state taxes, non-deductible expenses, and the current period impact from a change of estimate in the prior year.

## **13. Commitments and Contingencies**

### **a) Concentrations of Credit Risk**

The creditworthiness of a counterparty is evaluated by the Company, taking into account credit ratings assigned by independent agencies. The credit approval process involves an assessment of factors, including, among others, the counterparty, country, and industry credit exposure limits. Collateral may be required, at the discretion of the Company, on certain transactions based on the creditworthiness of the counterparty. The areas where significant concentrations of credit risk may exist include cash and cash equivalents, restricted cash and investments, premium balances receivable, and reinsurance recoverable.

#### ***Cash and Cash Equivalents, Restricted Cash and Investments***

The Company maintains its cash and cash equivalents and restricted cash with high credit quality financial institutions. Cash deposits are in excess of FDIC insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on its cash, cash equivalents and restricted cash.

The Company's available for sale investment portfolio is managed in accordance with guidelines that have been tailored to meet specific investment strategies, including standards of diversification, which limit the allowable holdings of any single issue. There were no investments, other than short-term investments and investments in U.S. government and government agency securities, in excess of 10.0% of the Company's mezzanine equity and stockholders' equity at June 30, 2024 and December 31, 2023.

**Bowhead Specialty Holdings Inc.**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**

***Premium Balances Receivable***

The Company underwrites a significant amount of its business through brokers and a credit risk exists should any of these brokers be unable to fulfill their contractual obligations relating to the payments of premium balances owed to the Company.

The following table summarizes the brokers that make up more than 10.0% of the Company's gross written premium for the six months ended June 30, 2024 and 2023:

Brokers	2024	2023
Ryan Specialty Group Holdings, Inc.	26.0%	28.4%
AmWINS Group, Inc.	24.5%	12.2%
Marsh & McLennan Companies	11.5%	13.8%
CRC Insurance Services, Inc.	9.4%	11.2%

For the six months ended June 30, 2024 and 2023, the Company recorded an allowance for uncollectible premiums of nil in both periods.

***Reinsurance Recoverable***

The Company is exposed to the credit risk associated with reinsurance recoverable to the extent that any of its reinsurers fail to meet their obligations under reinsurance contracts. The Company evaluates the financial condition of its reinsurers on a regular basis and monitors concentrations of credit risk with reinsurers. The Company assesses reinsurers based on the assigned credit and financial strength ratings from internationally recognized rating agencies.

At June 30, 2024 and December 31, 2023, 100% of the Company's reinsurers are rated "A" (Excellent) or better by A.M. Best. At June 30, 2024, the three largest balances by reinsurer accounted for 29.7%, 24.0%, and 22.7% of the Company's reinsurance recoverable balance and at December 31, 2023, the three largest balances by reinsurer accounted for 29.8%, 24.5%, and 24.4% of the Company's reinsurance recoverable balance. Refer to Note 5 for further information.

**b) Purchase Obligations**

The Company has entered into software service agreements that have purchase obligations depending on the amount of premiums written. The fixed and determinable portion of such purchase obligations were approximately \$0.5 million due in 2024 and \$1.8 million due for the years 2025 - 2028 at June 30, 2024. The obligations will increase depending on the amount of premium written by the Company over the respective years.

**c) Litigation**

In the ordinary course of business, the Company is subject to disputes, litigation and arbitration arising from its insurance and reinsurance operations. These matters are generally related to insurance and reinsurance claims and are considered in the establishment of reserves for losses and loss adjustment expenses. In addition, the Company may also become involved in legal actions which seek extra-contractual damages, punitive damages or penalties, including claims alleging bad faith in handling of insurance claims. The Company expects its ultimate liability with respect to such matters will not be material to its financial condition. However, adverse outcomes on such matters are possible, from time to time, and could be material to the Company's results of operations in any particular financial reporting period.

**d) Other**

The Company has incurred certain employment taxes, penalties and interests related to the employment taxes for an employee domiciled in the United Kingdom since 2021. The Company accrued approximately \$1.5 million and \$1.5 million as of June 30, 2024 and December 31, 2023, respectively, which represents its best estimate of taxes, interest, and penalties owed and for which it expects to settle in 2024.

**Bowhead Specialty Holdings Inc.**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**

**14. Segment, Geographic, and Product Line Information**

The Company is a specialty insurance group that generates revenues by underwriting and offering a variety of specialty insurance products to domestic markets through three distinct underwriting divisions. The chief operating decision maker (“CODM”) is the individual responsible for allocating resources to and assessing the financial performance of segments of the entity. The CODM of the Company, the CEO, assesses the financial health and performance of the Company and makes resource allocation decisions on a consolidated basis; accordingly, the Company has a single operating and reportable segment.

The following table presents revenues by underwriting division for the three months ended June 30, 2024 and 2023:

<b>Underwriting Division</b>	<b>2024</b>	<b>2023</b>
	<i>(\$ in thousands)</i>	
Casualty	\$ 76,350	\$ 44,472
Professional Liability	24,432	24,542
Healthcare	11,271	7,418
<b>Net written premiums</b>	<b>\$ 112,053</b>	<b>\$ 76,432</b>

The following table presents revenues by underwriting division for the six months ended June 30, 2024 and 2023:

<b>Underwriting Division</b>	<b>2024</b>	<b>2023</b>
	<i>(\$ in thousands)</i>	
Casualty	\$ 138,789	\$ 81,939
Professional Liability	38,805	38,040
Healthcare	25,311	20,410
<b>Net written premiums</b>	<b>\$ 202,905</b>	<b>\$ 140,389</b>

The Company’s operations and assets are located entirely within the United States, and all of its revenues are attributed to United States-based policyholders.

The Company has no single major customer representing ten percent or more of its total revenues during six months ended June 30, 2024 and 2023.

**15. Subsequent Events**

Management of BSHI has evaluated all events occurring after June 30, 2024 to determine whether any event required either recognition or disclosure in the financial statements.

As soon as practicable following the closing of the Company’s IPO, subject to the receipt of all applicable insurance regulatory approvals, BIHL, the Company’s majority stockholder, will be dissolved. On July 15, 2024, BIHL received regulatory approval to effectuate a divestiture of its ownership interests in BSHI after August 2, 2024. This divestiture will be effectuated through a dissolution of BIHL, which is expected to be completed prior to September 30, 2024.

## **Report of Independent Registered Public Accounting Firm**

To the Board of Managers and Stockholders of Bowhead Specialty Holdings Inc.

### ***Opinion on the Financial Statements***

We have audited the accompanying consolidated balance sheets of Bowhead Specialty Holdings Inc. (formerly known as Bowhead Holdings Inc.) and its subsidiaries (the “Company”) as of December 31, 2023 and 2022, and the related consolidated statements of income and comprehensive income (loss), of changes in stockholders’ equity and of cash flows for the years then ended, including the related notes and financial statement schedules listed in the accompanying index (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

Chicago, Illinois

March 22, 2024, except for the effects of the stock split discussed in Note 2 to the consolidated financial statements, as to which the date is May 13, 2024

We have served as the Company’s auditor since 2022.



**Bowhead Specialty Holdings Inc.**  
**Consolidated Balance Sheets**

	December 31,	
	2023	2022
	<i>(\$ in thousands, except share data)</i>	
<b>Assets</b>		
Investments		
Fixed maturity securities, available for sale, at fair value (amortized cost of \$569,013 and \$258,014, respectively)	\$ 554,624	\$ 236,888
Short-term investments, at amortized cost, which approximates fair value	8,824	46,035
<b>Total investments</b>	<b>563,448</b>	<b>282,923</b>
Cash and cash equivalents	118,070	64,659
Restricted cash and cash equivalents	1,698	15,992
Accrued investment income	4,660	1,231
Premium balances receivable	38,817	29,487
Reinsurance recoverable	139,389	63,531
Prepaid reinsurance premiums	116,732	74,541
Deferred policy acquisition costs	19,407	13,672
Property and equipment, net	7,601	6,050
Income taxes receivable	1,107	—
Deferred tax assets, net	14,229	11,281
Other assets	2,701	1,840
<b>Total assets</b>	<b>\$ 1,027,859</b>	<b>\$ 565,207</b>
<b>Liabilities</b>		
Reserve for losses and loss adjustment expenses	\$ 431,186	\$ 207,051
Unearned premiums	344,704	231,743
Reinsurance balances payable	40,440	23,687
Income taxes payable	42	1,517
Accrued expenses	14,900	12,028
Other liabilities	4,510	5,807
<b>Total liabilities</b>	<b>835,782</b>	<b>481,833</b>
Commitments and contingencies (Note 12)		
<b>Stockholders' equity</b>		
Common stock	240	240
<i>(\$0.01 par value; 24,000,000 shares authorized, 24,000,000 shares issued and outstanding)</i>		
Additional paid-in capital	178,543	100,204
Accumulated other comprehensive loss	(11,372)	(16,689)
Retained earnings (deficit)	24,666	(381)
<b>Total stockholders' equity</b>	<b>192,077</b>	<b>83,374</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 1,027,859</b>	<b>\$ 565,207</b>

*See accompanying Notes to Consolidated Financial Statements.*

**Bowhead Specialty Holdings Inc.**  
**Consolidated Statements of Income and Comprehensive Income (Loss)**

	Years Ended December 31,	
	2023	2022
	<i>(\$ in thousands, except share and per share data)</i>	
<b>Revenues</b>		
Gross written premiums	\$ 507,688	\$ 356,948
Ceded written premiums	(173,016)	(111,834)
<b>Net written premiums</b>	<b>334,672</b>	<b>245,114</b>
Change in net unearned premiums	(70,770)	(62,251)
<b>Net earned premiums</b>	<b>263,902</b>	<b>182,863</b>
Net investment income	19,371	4,725
Other insurance-related income	125	14
<b>Total revenues</b>	<b>283,398</b>	<b>187,602</b>
<b>Expenses</b>		
Net losses and loss adjustment expenses	166,282	111,761
Net acquisition costs	20,935	15,194
Operating expenses	63,456	45,986
Non-operating expenses	630	—
Foreign exchange (gains) losses	(20)	—
<b>Total expenses</b>	<b>251,283</b>	<b>172,941</b>
<b>Income before income taxes</b>	<b>32,115</b>	<b>14,661</b>
Income tax expense	(7,068)	(3,405)
<b>Net income</b>	<b>\$ 25,047</b>	<b>\$ 11,256</b>
<b>Other comprehensive income (loss)</b>		
Change in unrealized gain (loss) on investments (net of income tax (expense) benefit of \$(1,413) and \$4,247, respectively)	5,317	(15,975)
<b>Total comprehensive income (loss)</b>	<b>\$ 30,364</b>	<b>\$ (4,719)</b>
<b>Earnings per share:</b>		
Basic	\$ 1.04	\$ 0.47
Diluted	\$ 1.04	\$ 0.47
<b>Weighted average shares outstanding:</b>		
Basic	24,000,000	24,000,000
Diluted	24,000,000	24,000,000

*See accompanying Notes to Consolidated Financial Statements.*

**Bowhead Specialty Holdings Inc.**  
**Consolidated Statements of Changes in Stockholders' Equity**

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained (Deficit) Earnings	Total Stockholders' Equity
	Number of Shares	Amount				
	<i>(\$ in thousands, except share data)</i>					
<b>Balance, January 1, 2022</b>	<b>24,000,000</b>	<b>\$ 240</b>	<b>\$ 100,836</b>	<b>\$ (714)</b>	<b>\$ (11,637)</b>	<b>\$ 88,725</b>
Net income	—	—	—	—	11,256	11,256
Other comprehensive loss, net of tax	—	—	—	(15,975)	—	(15,975)
Capital contribution from parent	—	—	24,000	—	—	24,000
Capital distribution to parent	—	—	(25,000)	—	—	(25,000)
Share-based compensation expense	—	—	368	—	—	368
<b>Balance, December 31, 2022</b>	<b>24,000,000</b>	<b>\$ 240</b>	<b>\$ 100,204</b>	<b>\$ (16,689)</b>	<b>\$ (381)</b>	<b>\$ 83,374</b>
Net income	—	—	—	—	25,047	25,047
Other comprehensive income, net of tax	—	—	—	5,317	—	5,317
Capital contribution from parent	—	—	77,656	—	—	77,656
Capital distribution to parent	—	—	—	—	—	—
Share-based compensation expense	—	—	683	—	—	683
<b>Balance, December 31, 2023</b>	<b>24,000,000</b>	<b>\$ 240</b>	<b>\$ 178,543</b>	<b>\$ (11,372)</b>	<b>\$ 24,666</b>	<b>\$ 192,077</b>

*See accompanying Notes to Consolidated Financial Statements.*

**Bowhead Specialty Holdings Inc.**  
**Consolidated Statements of Cash Flows**

	Years Ended December 31,	
	2023	2022
	<i>(\$ in thousands)</i>	
<b>Cash flows from operating activities:</b>		
Net income	\$ 25,047	\$ 11,256
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>		
Amortization of premium/discounts on fixed maturity securities	(2,848)	(70)
Share-based compensation	683	368
Depreciation and amortization	2,268	727
Non-cash lease expense	577	640
Deferred income taxes	(4,362)	(2,972)
<b>Net changes in operating assets and liabilities:</b>		
Accrued investment income	(3,429)	(933)
Premium balances receivable	(9,330)	(1,945)
Reinsurance recoverable	(75,858)	(49,586)
Prepaid reinsurance premiums	(42,191)	(27,618)
Deferred policy acquisition costs	(5,735)	(5,763)
Income taxes receivable	(1,107)	—
Other assets	(1,437)	1,053
Reserve for losses and loss expenses	224,135	159,100
Unearned premium	112,961	89,869
Reinsurance balances payable	16,753	5,148
Accrued expenses	2,871	2,260
Income taxes payable	(1,475)	1,089
Other liabilities	(1,298)	(979)
<b>Net cash provided by operating activities</b>	<b>236,225</b>	<b>181,644</b>
<b>Net cash used in investing activities</b>		
Purchases of:		
Fixed maturity securities	(345,843)	(152,629)
Short-term investments	(21,406)	(45,665)
Proceeds from the sale of:		
Fixed maturity securities	36,809	14,808
Short-term investments	59,494	—
Purchase of property and equipment, net	(3,819)	(3,972)
<b>Net cash used in investing activities</b>	<b>(274,765)</b>	<b>(187,458)</b>
<b>Net cash provided by (used in) financing activities</b>		
Capital contribution from parent	77,656	24,000
Capital distribution to parent	—	(25,000)
<b>Net cash provided by (used in) financing activities</b>	<b>77,656</b>	<b>(1,000)</b>
Net change in cash, cash equivalents and restricted cash	39,117	(6,814)
Cash, cash equivalents and restricted cash, beginning of period	80,651	87,465
<b>Cash, cash equivalents and restricted cash, end of period</b>	<b>\$ 119,768</b>	<b>\$ 80,651</b>

**Bowhead Specialty Holdings Inc.**  
**Consolidated Statements of Cash Flows**

**Reconciliation of restricted cash**

Cash and cash equivalents	\$	118,070	\$	64,659
Restricted cash and cash equivalents		1,698		15,992
<b>Total cash and cash equivalents and restricted cash</b>	<b>\$</b>	<b>119,768</b>	<b>\$</b>	<b>80,651</b>

**Supplemental disclosures of cash flow information:**

Income taxes paid	\$	14,011	\$	5,291
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*See accompanying Notes to Consolidated Financial Statements.*

## **1. Nature of Operations**

Bowhead Specialty Holdings Inc. (“Bowhead”, “BSHI”, or “the Company”), formerly known as Bowhead Holdings Inc., is a Delaware domiciled insurance holding company that is wholly-owned by Bowhead Insurance Holdings LP (“BIHL”). On March 19, 2024, the Company amended the certificate of incorporation of Bowhead Holdings Inc. to change the name of the Company to Bowhead Specialty Holdings Inc. Bowhead provides specialty property and casualty insurance products in the U.S., initially focusing on Casualty, Professional Liability and Healthcare risks, which are primarily written on a non-admitted (or excess and surplus (“E&S”)) basis.

Bowhead conducts its business operations through three wholly-owned subsidiaries. Bowhead Specialty Underwriters, Inc. (“BSUI”) is Bowhead’s Managing General Agent, holding a resident insurance license in the State of Texas, and is domiciled in the State of Delaware. Bowhead Insurance Company, Inc. (“BICI”) is Bowhead’s insurance company subsidiary licensed and domiciled in the State of Wisconsin. Bowhead Underwriting Services, Inc. (“BUSI”) is the Company’s services company domiciled in the State of Delaware.

On February 1, 2021, BSUI entered into three Managing General Agency Agreements (“MGA Agreements”) with Homesite Insurance Company, Homesite Insurance Company of Florida, and Midvale Indemnity Company (together “AmFam Issuing Carriers”). BSUI also executed third-party broker agreements, allowing the direct payment of premiums from the brokers to BSUI. Through these MGA agreements, BSUI writes premium and provides claim handling services on behalf of the AmFam Issuing Carriers, and BICI assumes 100% of the premium, net of any inuring third-party reinsurance, through a Quota Share Agreement with American Family Mutual Insurance Company, S.I. (the “AmFam”). AmFam receives a ceding fee on net premiums assumed by BICI (“Ceding Fee”). BICI also entered into an Insurance Trust Agreement to support the obligations of the 100% Quota Share Agreement with AmFam.

The Company is organized as a single operating and reportable segment through which it offers a variety of specialty insurance products to a number of markets.

## **2. Significant Accounting Policies**

### **a) Basis of Presentation**

The accompanying consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and include all accounts of the Company and its wholly-owned subsidiaries as of and for the years ended December 31, 2023 and 2022. All intercompany transactions and balances are eliminated in consolidation.

### **b) Use of Estimates**

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Changes in circumstances could cause actual results to differ materially from those estimates. Significant estimates in the Company’s consolidated financial statements include, but are not limited to, reserves for losses and loss adjustment expenses, reinsurance recoverable on unpaid losses and loss adjustment expenses, fair value of investments, and income taxes.

Management bases its estimates and assumptions on historical experience and other factors, including the current economic environment and on various other judgments that it believes to be reasonable under the circumstances. Management periodically reviews its estimates and assumptions and makes adjustments thereto when facts and circumstances dictate. Changes in accounting estimates and underlying assumptions are recognized prospectively in the consolidated financial statements.

### **c) Revenue Recognition**

The Company recognizes premiums as written at the inception of the policy, which are earned on a pro-rata basis over the policy term. Unearned premium represents the portion of written premiums that relates to unexpired

terms of in-force insurance policies. Premiums balances receivable include amounts receivable from agents and brokers that are both currently due and amounts not yet due.

**d) Cash and Cash Equivalents and Restricted Cash and Cash Equivalents**

Cash and cash equivalents comprise of cash held in bank accounts and cash held in short-term securities. The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. The carrying value of the Company's cash and cash equivalents approximates fair value.

Restricted cash is substantially all comprised of funds set aside in accordance with the Insurance Trust Agreement between BICI and AmFam. The carrying value of the Company's restricted cash approximates fair value.

**e) Investments**

The Company classifies investments in fixed maturity securities as available for sale, and as such they are carried at estimated fair value. Changes in fair value are recorded as unrealized gains (losses) in accumulated other comprehensive loss. The fair value of fixed maturity securities is generally determined from quotations received from nationally recognized pricing services or when such prices are not available, by reference to other sources (including observed trading levels, pricing curves or matrices).

Short-term investments consist of treasury bills and treasury notes with maturities greater than three months but less than one year at the date of purchase and are valued at amortized cost, which approximates fair value.

Realized investment gains (losses) represent the difference between the amortized cost of securities sold and the proceeds realized upon sale, which are recorded at the trade date. Gains or losses on fixed maturity securities are determined on a specific identification basis.

Net investment income includes interest income as well as the amortization of market premiums and discounts, net of investment management and custody fees.

**f) Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is determined based on a fair value hierarchy that prioritizes the use of observable inputs over the use of unobservable inputs and requires the use of observable inputs when available. The Company utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels, as follows:

- Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
- Level 2: Significant other observable inputs other than Level 1 inputs, such as quoted prices in active markets for similar assets or liabilities, quoted prices in inactive markets for identical assets or liabilities, or other inputs that are directly or indirectly observable through market-corroborated inputs, such as interest rates, yield curves, prepayment speeds, default rates, or loss severities.
- Level 3: Significant unobservable inputs used to measure fair value to the extent that relevant observable inputs are not available, and that reflect the Company's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the measurement date.

See Note 4 for further details regarding fair value disclosures.

**g) Deferred Policy Acquisition Costs**

Acquisition costs associated with the successful acquisition of new and renewed insurance and reinsurance contracts are deferred and amortized ratably over the terms of the related contracts. Ceding commissions received on ceded reinsurance contracts are netted against acquisition costs and are recognized ratably over the life of the

**Bowhead Specialty Holdings Inc.**  
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assumed underlying contract. Deferred policy acquisition costs are comprised primarily of commissions and are presented net of unearned ceding commissions. Deferred policy acquisition costs are reviewed to determine if they are recoverable from unearned premium and, if not, are charged to expense. Anticipated investment income is considered in determining if a premium deficiency exists. The recoverability of deferred policy acquisition costs is evaluated separately by line of business.

**h) Reserves for Losses and Loss Adjustment Expenses**

The Company's reserves for losses and loss adjustment expenses are comprised of case reserves and incurred but not reported liabilities ("IBNR"). When a claim is reported, a case reserve is established for the estimated ultimate payment based upon known information about the claim. As more information about the claim becomes available over time, case reserves are adjusted as appropriate. Such adjustments are reflected in the Consolidated Statement of Operation in the period in which they are determined. Reserves are also established on an aggregate basis to provide for IBNR liabilities and expected loss reserve development on reported claims.

Loss reserves included in the Company's financial statements represent management's best estimates based upon an actuarially derived point estimate and other considerations. The Company uses a variety of actuarial techniques and methods to derive an actuarial point estimate. These methods may include expected loss ratio, paid loss development, incurred loss development, paid and incurred Bornhuetter-Ferguson methods, and frequency and severity methods. In circumstances where one actuarial method is considered more credible than the others, that method is used to set the point estimate. The actuarial point estimate may also be based on a judgmental weighting of estimates produced from each of the methods considered. Industry loss experience is used to supplement the Company's own data in selecting a priori loss ratios and loss development assumptions, where the Company's own data is limited. The actuarial data is analyzed by line of business and coverage, as appropriate. See Note 6 for further information.

**i) Reinsurance**

In the normal course of business, the Company's insurance company subsidiary cedes a portion of its premium to third-party reinsurers through pro rata and excess of loss reinsurance agreements on a treaty or facultative basis. These arrangements reduce the effect of individual or aggregate losses to the Company. Premiums are disclosed in the income statement net of ceded premiums. Reinsurance premiums, commissions, and ceded unearned premiums on reinsured business are accounted for on a basis consistent with that used in accounting for the original policies issued and the terms of the reinsurance contracts. The Company receives ceding commissions in accordance with certain reinsurance treaties. The ceding commissions are capitalized and amortized as a reduction of underwriting acquisition expenses. The unearned portion of premiums ceded to reinsurers is reported as prepaid reinsurance premiums and earned ratably over the underlying assumed policy term.

The estimated amounts of reinsurance recoverable on unpaid losses are reported as reinsurance recoverable on unpaid losses and loss adjustment expenses. Ceded reinsurance contracts do not relieve the Company of its primary obligations to its policyholders. To the extent a reinsurer does not meet its obligations under reinsurance agreements, the Company remains liable for such obligations.



**j) Property and Equipment, Net**

Property and equipment, net, is carried at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets which ranges from 3 to 10 years. For certain leasehold improvements, depreciation is calculated over the shorter of the estimated useful lives of the respective assets or the lease term. Expenditures for maintenance and repairs are charged to operations as incurred. Upon disposition, the asset cost and related depreciation are removed from the accounts and the resulting gain or loss is included in the Company's Consolidated Statements of Income and Comprehensive Income (Loss).

The Company accounts for software development costs in accordance with ASC 350-40, *Internal Use Software*. Capitalization of costs begins when two criteria are met: (1) the preliminary project stage is completed, and (2) it is probable that the software will be completed and used for its intended function. Capitalization ceases when the software is substantially complete and ready for its intended use, including the completion of all significant testing. Capitalized software costs are included in property and equipment, net on the Consolidated Balance Sheet. We evaluate the useful life of capitalized software on an annual basis and test for impairment whenever events or changes in circumstances occur that could impact the recoverability of these assets. Costs related to preliminary project activities and post-implementation operating activities are expensed as incurred. The capitalized costs are amortized on a straight-line basis over the estimated useful life of the asset, which is 3 years.

**k) Impairment of Long-Lived Assets**

Long-lived assets with finite lives are tested for impairment whenever recognized events or changes in circumstances indicate the carrying value of these assets may not be recoverable. If indicators of impairment are present, fair value is calculated using estimated future cash flows expected to be generated from the use of those assets. An impairment loss is recognized only if the carrying amount of a long-lived asset or asset group is not recoverable and exceeds its fair value. The carrying amount of a long-lived asset or asset group is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset or asset group. That assessment is based on the carrying amount of the asset or asset group at the date it is tested for recoverability. An impairment loss is measured as the amount by which the carrying amount of a long-lived asset or asset group exceeds its fair value.

**l) Leases**

The Company has lease agreements for two corporate office spaces for the years ended December 31, 2023 and 2022. These lease arrangements are accounted for in accordance with ASC 842, *Leases*, ("ASC 842"). At adoption, the Company elected the practical expedient to combine lease and non-lease components, as well as the short-term lease exception. The Company determines at inception whether an arrangement is or contains a lease. For any arrangements that meet the definition of a lease, we first assess the lease classification criteria to determine whether the lease is a finance or operating lease.

On the lease commencement date, for operating leases that have a lease term of more than 12 months, the Company recognizes a lease liability within other liabilities and a right-of-use ("ROU") asset within other assets in the Company's Consolidated Balance Sheet. The liability is initially measured and recognized at the present value of the lease payments at the lease commencement date. The discount rate used to measure the lease liability is the rate implicit in the lease or, if the rate implicit in the lease is not readily determinable, the incremental borrowing rate. The ROU asset is equal to the lease liability, adjusted for any initial direct costs and any lease payments made to the lessor at or before lease commencement.

Subsequent to initial measurement, the Company recognizes lease expense on a straight-line basis over the non-cancelable lease term and renewal periods that are considered reasonably assured at the inception of the lease. ROU assets are periodically subject to impairment tests, similar to the manner in which long-lived assets are tested for impairment in accordance with ASC 360, *Property, Plant, and Equipment*.

**m) Foreign Exchange**

The Company accounts for foreign exchange (gains) losses arising from the remeasurement of a non-U.S. dollar operating expense liability to U.S. dollars. The change in the liability due to the fluctuations in the exchange rate are included within the Consolidated Statements of Income and Comprehensive Income (Loss) at the end of each period.

**n) Comprehensive Income (Loss)**

Comprehensive income (loss) includes net income and net unrealized investment gains (losses) on available for sale fixed maturity investments, net of tax.

**o) Income Taxes**

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and deferred tax liabilities for the expected future tax consequences of events that have been included in the financial statements. Deferred tax assets and liabilities are measured using enacted tax rates expected to be applied in the years in which temporary differences are expected to be recovered or settled. The Company reduces deferred tax assets by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized.

The Company analyzes its tax filing positions in all of the U.S. federal, state, local and foreign tax jurisdictions where it is required to file income tax returns, as well as for all open tax years in these jurisdictions. The Company evaluates tax positions taken or expected to be taken in the course of preparing an entity's tax returns to determine whether it is "more-likely-than-not" that each tax position will be sustained by the applicable tax authority. There are no material tax positions taken or expected to be taken that would significantly increase or decrease unrecognized tax benefits within the next twelve months. Interest and penalties related to uncertain tax positions are recorded within operating expenses within the Consolidated Statements of Income and Comprehensive Income (Loss). None of the Company's federal or state tax income tax returns are currently under examination by the Internal Revenue Service ("IRS") or state authorities.

See Note 11 for additional information on income taxes.

**p) Share-Based Compensation**

BIHL, the parent company of BSHI, issued Class P Interests to certain employees in connection with the Company's employee compensation structure. Each Class P Interest is structured as a profit interest award and entitles the employees to profits after the partners of BIHL receive a return of their initial investment. The Class P Interests are accounted for as equity under ASC 718, *Compensation – Stock Compensation*. The fair value of the compensation cost incurred under these awards is measured at the date of grant based on the fair value of the award and is recognized as operating expense within the Consolidated Statements of Income and Comprehensive Income using a graded method over the requisite service period. Forfeitures are recognized when they occur.

See Note 9 for additional information on share-based compensation.

**q) Benefit Plans**

Pursuant to the terms of the defined contribution BIHL Safe Harbor 401(k) Retirement and Savings Plan ("the Plan"), 100.0% of employee contributions to the Plan are matched on the first 4.0% of salary up to the IRS compensation limit. Company contributions are expensed in the year for which the benefit is earned. All participants are allowed to direct the lesser of 100.0% of compensation into a pre-tax deferral plan and a Roth 401(k) account, or the maximum permitted by law.

**r) Concentrations of Credit Risk**

The creditworthiness of a counterparty is evaluated by the Company, taking into account credit ratings assigned by independent agencies. The credit approval process involves an assessment of factors, including, among others,

the counterparty, country, and industry credit exposure limits. Collateral may be required, at the discretion of the Company, on certain transactions based on the creditworthiness of the counterparty. The areas where significant concentrations of credit risk may exist include cash and cash equivalents, restricted cash and investments, premium balances receivable, and reinsurance recoverable for paid and unpaid losses and loss adjustment expenses.

**s) Allowance for Credit Losses**

The Company's reinsurance recoverables and premium balances receivable are subject to credit losses. The Company routinely monitors changes in the credit quality and concentration risks of the reinsurance counterparties and the insurance brokers and updates the allowance for credit losses accordingly. For the period ending December 31, 2023, based on the Company's analysis the allowance for credit loss is determined to be immaterial.

Investments in fixed maturity securities, all of which are classified as available for sale, are held at fair value, net of an allowance for credit losses and any decline in fair value that is believed to arise from factors other than credit is recorded as a separate component of accumulated other comprehensive income (loss) in the consolidated statement of shareholders' equity. The Company did not record any allowance for credit losses on its available for sale securities as of December 31, 2023.

**t) Basic and Diluted Earnings Per Share**

Basic earnings per share is calculated by dividing net income by the weighted-average common stock outstanding for the period. Diluted earnings per share is calculated by dividing net income by the weighted average number of common stock and dilutive potential common stock outstanding during the year. The Company does not have any potentially dilutive shares, as the only shares that are outstanding for BSHI are the common stock.

**u) Stock Split**

On May 9, 2024, the Company effected a 240 thousand-for-1 forward split of issued and outstanding shares of common stock, par value \$0.01 per share. As a result of the forward stock split, one hundred (100) shares of common stock issued and outstanding was automatically increased to 24 million shares of issued and outstanding common stock, without any change in the par value per share. All share, per share and related information presented in the consolidated financial statements and accompanying notes have been retroactively adjusted, where applicable, to reflect the impact of the forward stock split.

**v) Recent Accounting Pronouncements**

*Recently Adopted Accounting Standards*

Accounting Standards Update ("ASU") 2016-13, Financial Instruments – Credit Losses (Topic 326)

On June 16, 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-13, "Financial Instruments - Credit Losses (Topic 326)" to provide more useful information about the expected credit losses on financial instruments. The update requires a financial asset measured at amortized cost to be presented at the net amount expected to be collected by means of an allowance for credit losses that runs through net income. Credit losses relating to available-for-sale fixed-maturity securities must also be recorded through an allowance for credit losses, which is limited to the amount by which fair value is below amortized cost. The measurement of credit losses on available-for-sale securities is similar under previous U.S. GAAP, but the update requires the use of the allowance account through which amounts can be reversed, rather than through an irreversible write-down. The FASB has issued additional ASUs on Topic 326 that do not change the core principle of the guidance in ASU 2016-13 but clarify certain aspects of it.

The Company adopted ASU 2016-13 on January 1, 2023, using the modified-retrospective approach. The adoption of this ASU resulted in the recognition of an allowance for credit loss related to the Company's reinsurance recoverables and premium balances receivable. Because the Company enters into contracts with reinsurers that have A.M. Best ratings of "A" (Excellent) or better and has a history of collecting premium balances receivable, the effect of adoption was not material to the Company's consolidated financial statements.

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*Recently Issued Accounting Standards Not Yet Adopted*

The Company is an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”). Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act, until such time as those standards apply to private companies. The Company is provided an option to adopt new or revised accounting guidance as an “emerging growth company” under the JOBS Act either (1) within the same periods as those otherwise applicable to public business entities, or (2) within the same time periods as private companies, including early adoption when permissible.

There are no other prospective accounting standards which, upon their effective date, would have a material impact on the Company’s consolidated financial statements.

**3. Investments**

The following table summarizes the amortized cost and fair value of the Company’s fixed maturity securities, all of which are classified as available for sale:

As of December 31, 2023	Amortized Cost	Gross Unrealized		Fair Value
		Gains	Losses	
(\$ in thousands)				
<b>Fixed maturity securities</b>				
U.S. government and government agency	\$ 252,294	\$ 579	\$ (332)	\$ 252,541
State and municipal	55,984	—	(5,264)	50,720
Commercial mortgage-backed securities	26,573	29	(1,166)	25,436
Residential mortgage-backed securities	79,032	680	(5,010)	74,702
Asset-backed securities	42,964	32	(963)	42,033
Corporate	112,166	80	(3,054)	109,192
<b>Total</b>	<b>\$ 569,013</b>	<b>\$ 1,400</b>	<b>\$ (15,789)</b>	<b>\$ 554,624</b>

As of December 31, 2022	Amortized Cost	Gross Unrealized		Fair Value
		Gains	Losses	
(\$ in thousands)				
<b>Fixed maturity securities</b>				
U.S. government and government agency	\$ 31,192	\$ 1	\$ (614)	\$ 30,579
State and municipal	56,305	—	(7,247)	49,058
Commercial mortgage-backed securities	19,725	—	(1,456)	18,269
Residential mortgage-backed securities	50,965	55	(5,346)	45,674
Asset-backed securities	26,645	4	(1,589)	25,060
Corporate	73,182	3	(4,937)	68,248
<b>Total</b>	<b>\$ 258,014</b>	<b>\$ 63</b>	<b>\$ (21,189)</b>	<b>\$ 236,888</b>

**a) Contractual Maturity of Fixed Maturity Securities**

The amortized cost and fair value of fixed maturity securities at December 31, 2023 and 2022, by contractual maturity, are shown below. Actual maturities may differ from contractual maturities because certain issuers may have the right to call or prepay obligations.

As of December 31, 2023	Amortized Cost		Fair Value	
	(\$ in thousands)			
<b>Fixed maturity securities</b>				
Due in one year or less	\$ 254,656	\$ 254,443		
Due after one year through five years	122,274	118,585		
Due after five years through ten years	27,145	25,265		
Due after ten years	16,369	14,160		
	420,444	412,453		
Commercial mortgage-backed securities	26,573	25,436		
Residential mortgage-backed securities	79,032	74,702		
Asset-backed securities	42,964	42,033		
<b>Total</b>	<b>\$ 569,013</b>	<b>\$ 554,624</b>		

As of December 31, 2022	Amortized Cost		Fair Value	
	(\$ in thousands)			
<b>Fixed maturity securities</b>				
Due in one year or less	\$ 22,231	\$ 22,020		
Due after one year through five years	90,486	84,457		
Due after five years through ten years	27,263	24,250		
Due after ten years	20,699	17,158		
	160,679	147,885		
Commercial mortgage-backed securities	19,725	18,269		
Residential mortgage-backed securities	50,965	45,674		
Asset-backed securities	26,645	25,060		
<b>Total</b>	<b>\$ 258,014</b>	<b>\$ 236,888</b>		

**b) Net Investment Income**

The components of net investment income were derived from the following sources:

Years Ended December 31,	2023	2022
	(\$ in thousands)	
U.S. government and government agency	\$ 4,673	\$ 255
State and municipal	1,550	1,052
Commercial mortgage-backed securities	1,381	479
Residential mortgage-backed securities	962	661
Asset-backed securities	3,708	730
Corporate	3,448	1,128
Short-term investments	943	371
Cash and cash equivalents	3,190	313
Gross investment income	19,855	4,989
Investment expenses	(484)	(264)
<b>Net investment income</b>	<b>\$ 19,371</b>	<b>\$ 4,725</b>

**c) Net Realized Investment Gains or Losses**

There were no net realized gains or losses from the sale of investments for the years ended December 31, 2023 and 2022.

**d) Restricted Assets**

The Company is required to maintain assets in trust accounts to support the obligations of the 100.0% Quota Share Agreement with AmFam, a related party of the Company. The assets held in trust include fixed maturity securities, short-term investments and restricted cash and cash equivalents, as collateral for transactions with AmFam. The Company is entitled to interest income earned on these restricted assets, which is included in net investment income in the Consolidated Statements of Income and Comprehensive Income (Loss).

The following table summarizes the value of the Company's restricted assets disclosed in the Consolidated Balance Sheet:

As of December 31,	2023	2022
	(\$ in thousands)	
U.S. government and government agency	\$ 142,297	\$ 13,932
State and municipal	19,585	18,972
Commercial mortgage-backed securities	9,333	6,715
Residential mortgage-backed securities	35,313	19,570
Asset-backed securities	23,798	7,343
Corporate	49,632	24,777
Restricted fixed maturity securities	279,958	91,309
Restricted short-term investments	4,864	24,699
Restricted cash and cash equivalents	1,698	15,992
<b>Restricted assets</b>	<b>\$ 286,520</b>	<b>\$ 132,000</b>

**e) Gross Unrealized Losses**

The following table summarizes available for sale securities in an unrealized loss position, the fair value and gross unrealized loss by length of time the security has been in a continual unrealized loss position:

As of December 31, 2023	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(\$ in thousands)					
<b>Fixed maturity securities</b>						
U.S. government and government agency	\$ 48,598	\$ (69)	\$ 10,970	\$ (263)	\$ 59,568	\$ (332)
State and municipal	2,992	(14)	47,728	(5,250)	50,720	(5,264)
Commercial mortgage-backed securities	2,485	(53)	18,423	(1,113)	20,908	(1,166)
Residential mortgage-backed securities	17,536	(609)	31,502	(4,401)	49,038	(5,010)
Asset-backed securities	16,253	(71)	18,491	(892)	34,744	(963)
Corporate	24,976	(173)	62,733	(2,881)	87,709	(3,054)
<b>Total</b>	<b>\$ 112,840</b>	<b>\$ (989)</b>	<b>\$ 189,847</b>	<b>\$ (14,800)</b>	<b>\$ 302,687</b>	<b>\$ (15,789)</b>

As of December 31, 2022	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(\$ in thousands)					
<b>Fixed maturity securities</b>						
U.S. government and government agency	\$ 21,895	\$ (419)	\$ 4,854	\$ (195)	\$ 26,749	\$ (614)
State and municipal	41,036	(5,253)	8,022	(1,994)	49,058	(7,247)
Commercial mortgage-backed securities	14,323	(915)	2,024	(541)	16,347	(1,456)
Residential mortgage-backed securities	24,988	(1,407)	19,729	(3,939)	44,717	(5,346)
Asset-backed securities	10,747	(533)	11,310	(1,056)	22,057	(1,589)
Corporate	38,756	(2,362)	29,044	(2,575)	67,800	(4,937)
<b>Total</b>	<b>\$ 151,745</b>	<b>\$ (10,889)</b>	<b>\$ 74,983</b>	<b>\$ (10,300)</b>	<b>\$ 226,728</b>	<b>\$ (21,189)</b>

All of the securities in an unrealized loss position are rated investment grade. For fixed maturity securities that management does not intend to sell or be required to sell, there is no portion of the decline in value that is considered to be due to credit factors that would be recognized in earnings. Declines in value are considered to be due to non-credit factors and are recognized in Other Comprehensive Income (Loss).

The Company has evaluated its fixed maturity securities in an unrealized loss position and concluded that the unrealized losses are due primarily to temporary market and sector-related factors rather than to issuer-specific factors. None of these securities are delinquent or in default under financial covenants. Based on the assessment of these issuers, the Company expects them to continue to meet their contractual payment obligations as they become due.

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**Notes to Consolidated Financial Statements**

**4. Fair Value Measurements**

The Company's investments in fixed maturity securities, all of which are classified as available for sale, are carried at fair value. All of the Company's fixed maturity securities investments were priced by independent pricing services. The prices provided by the independent pricing services are estimated based on observable market data in active markets utilizing pricing models and processes, which may include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, sector groupings, matrix pricing and reference data. Under certain circumstances, if a vendor price is unavailable, a price may be obtained from a broker. The pricing services may prioritize inputs differently on any given day for any security based on market conditions, and not all inputs are available for each security evaluation on any given day. The pricing services used by the Company have indicated that they will only produce an estimate of fair value if objectively verifiable information is available. The determination of whether markets are active or inactive is based upon the volume and level of activity for a particular asset class.

The fair values of short-term investments approximate their carrying values due to their short-term maturity.

The following table presents the Company's investments measured at fair value by level:

As of December 31, 2023	Level 1	Level 2	Level 3	Total
	<i>(\$ in thousands)</i>			
<b>Fixed maturity securities</b>				
U.S. government and government agency	\$ 251,332	\$ 1,209	\$ —	\$ 252,541
State and municipal	—	50,720	—	50,720
Commercial mortgage-backed securities	—	25,436	—	25,436
Residential mortgage-backed securities	—	74,702	—	74,702
Asset-backed securities	—	42,033	—	42,033
Corporate	—	109,192	—	109,192
Total fixed maturity securities	251,332	303,292	—	554,624
Short-term investments	3,960	4,864	—	8,824
<b>Total investments</b>	<b>\$ 255,292</b>	<b>\$ 308,156</b>	<b>\$ —</b>	<b>\$ 563,448</b>

As of December 31, 2022	Level 1	Level 2	Level 3	Total
	<i>(\$ in thousands)</i>			
<b>Fixed maturity securities</b>				
U.S. government and government agency	\$ 29,416	\$ 1,164	\$ —	\$ 30,580
State and municipal	—	49,058	—	49,058
Commercial mortgage-backed securities	—	18,268	—	18,268
Residential mortgage-backed securities	—	45,674	—	45,674
Asset-backed securities	—	25,061	—	25,061
Corporate	—	68,247	—	68,247
Total fixed maturity securities	29,416	207,472	—	236,888
Short-term investments	—	46,035	—	46,035
<b>Total investments</b>	<b>\$ 29,416</b>	<b>\$ 253,507</b>	<b>\$ —</b>	<b>\$ 282,923</b>

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**5. Deferred Policy Acquisition Costs**

Acquisition costs deferred and amortized to net income for the years ended December 31, 2023 and 2022 are summarized as follows:

As of December 31,	2023	2022
	<i>(\$ in thousands)</i>	
<b>Deferred policy acquisition costs, beginning of year</b>	<b>\$ 13,672</b>	<b>\$ 7,909</b>
<b>Additions to deferred balance:</b>		
Broker commission	67,243	47,731
Ceding fee	7,546	5,191
Others	2,167	1,738
Ceding commission	(50,286)	(33,703)
Total net additions	26,670	20,957
Amortization of net policy acquisition costs	(20,935)	(15,194)
<b>Deferred policy acquisition costs, end of year</b>	<b>\$ 19,407</b>	<b>\$ 13,672</b>
Years Ended December 31,	2023	2022
	<i>(\$ in thousands)</i>	
<b>Net policy acquisition costs</b>		
Broker commission	\$ 51,580	\$ 34,721
Ceding fee	5,847	3,952
Others	1,938	1,475
Ceding commission	(38,430)	(24,954)
<b>Amortization of net policy acquisition costs</b>	<b>\$ 20,935</b>	<b>\$ 15,194</b>



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**6. Reserves for Losses and Loss Adjustment Expenses**

**a) Reserve Roll Forward**

The table below provides a reconciliation of the beginning and ending reserve balances for the years ended December 31, 2023 and 2022:

As of and Years Ended December 31,	2023	2022
	(\$ in thousands)	
Gross reserves for losses and loss adjustment expenses, beginning of year	\$ 207,051	\$ 47,952
Reinsurance recoverable on unpaid losses, beginning of year	63,381	13,945
<b>Net reserves for unpaid losses and loss adjustment expenses, beginning of year</b>	<b>\$ 143,670</b>	<b>\$ 34,007</b>
<b>Net incurred losses and loss adjustment expenses related to:</b>		
Current accident year	166,282	114,067
Prior accident years	—	(2,306)
	166,282	111,761
<b>Net paid losses and loss adjustment expenses related to:</b>		
Current accident year	1,814	1,030
Prior accident years	13,225	1,068
	15,039	2,098
<b>Net reserves for unpaid losses and loss adjustment expenses, end of year</b>	<b>\$ 294,913</b>	<b>\$ 143,670</b>
Reinsurance recoverable on unpaid losses, end of year	136,273	63,381
<b>Gross reserves for losses and loss adjustment expenses, end of year</b>	<b>\$ 431,186</b>	<b>\$ 207,051</b>

During the year ended December 31, 2023, there was no prior accident year loss development.

During the year ended December 31, 2022, prior accident year losses developed favorably by \$2.3 million driven by lower emergence of reported losses than expected on claims made policies for the 2021 accident year.

**b) Net Incurred and Paid Claims Development by Accident Year**

The Company measures claim frequency information on an individual claim count basis. Any claim that is reported to the Company is included in the count unless it is subsequently settled without liability to the Company.

The following tables disclose by underwriting division, the development of net losses and loss adjustment expenses incurred and paid claims by accident year, IBNR, cumulative number of reported claims and average annual percentage payout of incurred claims by age.

The first loss development table within each underwriting division section presents cumulative net losses and loss adjustment expenses. The sum of the current accident year row ties to net losses and loss adjustment expenses disclosed in the Consolidated Statements of Income and Comprehensive Income (Loss). The second loss development table within each underwriting division section presents cumulative net losses and loss adjustment expenses that have been paid to date. The difference between cumulative net losses and loss adjustment expenses in the first table and cumulative net losses and loss adjustment expenses paid to date represent the Company's net reserves for unpaid losses and loss adjustment expenses. Note 6 c) reconciles net reserves for unpaid losses and loss adjustment expenses included in these loss development tables to reserves for losses and loss adjustment expenses reported in the Consolidated Balance Sheet.

**Bowhead Specialty Holdings Inc.**  
**Notes to Consolidated Financial Statements**

*Casualty*

Accident Year	Net Losses and Loss Adjustment Expenses Incurred			As of December 31, 2023	
	For the Years Ended December 31,			IBNR	Cumulative Number of Reported Claims
	2021 (Unaudited)	2022 (Unaudited)	2023		
<i>(\$ in thousands)</i>					
2021	\$ 14,248	\$ 13,640	\$ 16,003	\$ 13,556	23
2022		55,606	58,427	51,426	111
2023			93,028	91,370	124
<b>Total incurred</b>			<b>\$ 167,458</b>		

Accident Year	Cumulative Net Paid Claims and Claims Adjustment Expenses		
	For the Years Ended December 31,		
	2021 (Unaudited)	2022 (Unaudited)	2023
<i>(\$ in thousands)</i>			
2021	\$ 16	\$ 220	\$ 352
2022		256	6,072
2023			326
<b>Total paid</b>			<b>6,750</b>

**Net reserves for unpaid losses and loss adjustment expenses** **\$ 160,708**

Years	Average Annual Percentage Payout of Net Losses and Loss Adjustment Expenses Incurred by Age (Unaudited)		
	1	2	3
Casualty	0.3%	5.6%	0.8%

*Professional Liability*

Accident Year	Net Losses and Loss Adjustment Expenses Incurred			As of December 31, 2023	
	For the Years Ended December 31,			IBNR	Cumulative Number of Reported Claims
	2021 (Unaudited)	2022 (Unaudited)	2023		
<i>(\$ in thousands)</i>					
2021	\$ 10,152	\$ 15,484	\$ 13,368	\$ 12,626	88
2022		39,442	37,129	26,013	199
2023			43,765	38,232	999
<b>Total incurred</b>			<b>\$ 94,262</b>		

**Bowhead Specialty Holdings Inc.**  
**Notes to Consolidated Financial Statements**

Accident Year	Cumulative Net Paid Claims and Claims Adjustment Expenses		
	For the Years Ended December 31,		
	2021 (Unaudited)	2022 (Unaudited)	2023
	(\$ in thousands)		
2021	\$ 213	\$ 518	\$ 643
2022		419	6,846
2023			1,034
<b>Total paid</b>			<b>8,523</b>
<b>Net reserves for unpaid losses and loss adjustment expenses</b>			<b>\$ 85,739</b>

Years	Average Annual Percentage Payout of Net Losses and Loss Adjustment Expenses Incurred by Age (Unaudited)		
	1	2	3
Professional Liability	1.7%	9.8%	0.9%

*Healthcare*

Accident Year	Net Losses and Loss Adjustment Expenses Incurred			As of December 31, 2023	
	For the Years Ended December 31,			IBNR	Cumulative Number of Reported Claims
	2021 (Unaudited)	2022 (Unaudited)	2023		
	(\$ in thousands)				
2021	\$ 10,117	\$ 3,088	\$ 2,841	\$ 1,986	23
2022		19,019	18,511	17,078	163
2023			29,489	24,561	318
<b>Total incurred</b>			<b>\$ 50,841</b>		

Accident Year	Cumulative Net Paid Claims and Claims Adjustment Expenses		
	For the Years Ended December 31,		
	2021 (Unaudited)	2022 (Unaudited)	2023
	(\$ in thousands)		
2021	\$ 282	\$ 841	\$ 854
2022		355	1,067
2023			454
<b>Total paid</b>			<b>2,375</b>
<b>Net reserves for unpaid losses and loss adjustment expenses</b>			<b>\$ 48,466</b>

Years	Average Annual Percentage Payout of Net Losses and Loss Adjustment Expenses Incurred by Age (Unaudited)		
	1	2	3
Healthcare	4.5%	11.8%	0.5%

**Bowhead Specialty Holdings Inc.**  
**Notes to Consolidated Financial Statements**

**c) Reconciliation of Net Incurred and Paid Claims Development to Consolidated Balance Sheet**

The following table reconciles total reserves for losses and loss adjustment expenses, net of reinsurance, included in the loss development tables to reserves for losses and loss adjustment expenses reported in the Consolidated Balance Sheet at December 31, 2023 and 2022:

Line of Business	December 31, 2023		
	Net Reserves for Unpaid Losses and Loss Expenses	Reinsurance Recoverable on Unpaid Losses	Gross Reserves for Losses and Loss Expenses
	<i>(\$ in thousands)</i>		
Casualty	\$ 160,708	\$ 63,710	\$ 224,418
Professional Liability	85,739	47,197	132,936
Healthcare	48,466	25,366	73,832
<b>Total</b>	<b>\$ 294,913</b>	<b>\$ 136,273</b>	<b>\$ 431,186</b>

Line of Business	December 31, 2022		
	Net Reserves for Unpaid Losses and Loss Expenses	Reinsurance Recoverable on Unpaid Losses	Gross Reserves for Losses and Loss Expenses
	<i>(\$ in thousands)</i>		
Casualty	\$ 68,770	\$ 26,504	\$ 95,274
Professional Liability	53,989	26,208	80,197
Healthcare	20,911	10,669	31,580
<b>Total</b>	<b>\$ 143,670</b>	<b>\$ 63,381</b>	<b>\$ 207,051</b>

**7. Premiums and Reinsurance Related Information**

The following table summarizes the effects of reinsurance on the Company's written and earned premiums and losses and loss adjustment expenses:

Year Ended December 31, 2023	Written Premiums	Earned Premiums	Losses and Loss
			Adjustment Expenses
	<i>(\$ in thousands)</i>		
Assumed	\$ 507,688	\$ 394,727	\$ 242,306
Ceded	(173,016)	(130,825)	(76,024)
<b>Net</b>	<b>\$ 334,672</b>	<b>\$ 263,902</b>	<b>\$ 166,282</b>

Year Ended December 31, 2022	Written Premiums	Earned Premiums	Losses and Loss
			Adjustment Expenses
	<i>(\$ in thousands)</i>		
Assumed	\$ 356,948	\$ 267,078	\$ 161,350
Ceded	(111,834)	(84,215)	(49,589)
<b>Net</b>	<b>\$ 245,114</b>	<b>\$ 182,863</b>	<b>\$ 111,761</b>

All assumed amounts are assumed through the 100.0% Quota Share Agreement with AmFam, a related party, as described in Note 10.

For the year ended December 31, 2023, and 2022, Bowhead ceded \$18.0 million and \$2.7 million of written premium, \$9.0 million and \$1.1 million of earned premium and \$5.3 million and \$0.6 million of losses and loss adjustment expenses to a subsidiary of AmFam, respectively.

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The following table summarizes reinsurance recoverables on paid and unpaid losses and loss adjustment expenses:

As of December 31,	2023	2022
	<i>(\$ in thousands)</i>	
Reinsurance recoverable on unpaid losses and loss adjustment expenses	\$ 136,273	\$ 63,381
Reinsurance recoverable on paid losses and loss adjustment expenses	3,116	150
<b>Reinsurance recoverable</b>	<b>\$ 139,389</b>	<b>\$ 63,531</b>

The following table summarizes the Company's top five reinsurers, their A.M. Best financial strength rating and percent of total reinsurance recoverable as of December 31, 2023 and 2022:

Reinsurer	A.M. Best Rating	2023	2022
Renaissance Reinsurance U.S. Inc	A+	29.8%	30.0%
Markel Global Reinsurance Company	A	24.5%	28.0%
Endurance Assurance Corporation	A+	24.4%	25.0%
Partner Reinsurance Company of the U.S.	A+	8.5%	13.0%
Ascot Bermuda Limited	A	7.3%	2.9%
All other reinsurers	At least A	5.5%	1.1%
<b>Total</b>		<b>100.0%</b>	<b>100.0%</b>

For the years ended December 31, 2023 and 2022, \$5.9 million and \$0.6 million, respectively, of the Company's reinsurance recoverable balance is with a subsidiary of AmFam.

#### 8. Stockholders' Equity

For the year ended December 31, 2023, stockholders' equity consisted of 24,000,000 authorized, issued and outstanding common shares at par value of \$0.01 per share.

In 2023 and 2022, BIHL contributed additional paid-in capital of \$77.7 million and \$24.0 million to the Company without issuing additional shares, respectively. In 2022, upon the determination that the Company's capital was in excess of Wisconsin regulatory capital requirements, the Company returned \$25.0 million of capital to BIHL.

#### 9. Share-Based Compensation

On October 14, 2020, BIHL established and authorized for issuance 40,750,000 Class P Interests for certain key employees of the Company. In December 2023, BIHL authorized for issuance an additional 4,766,315 Class P Interests for a total of 45,516,315 Class P Interests authorized for issuance as of December 31, 2023. Each grant is subject to vesting and repurchase provisions, as well as other conditions.

Each Class P Interest is structured as a profit interest award and entitles the employees to profits after the partners of BIHL receive a return of their initial investments. Pursuant to the BIHL Partnership Agreement, since the Company is a wholly-owned subsidiary of BIHL, the profits of the Company ultimately flow through to BIHL. The Class P Interests are entitled to receive distributions upon BIHL meeting certain performance and market-based conditions over a five-year period. The general partners of BIHL can determine if distributions will be made in the form of assets, including shares of the Company, common stock held by BIHL, or cash. The Class P Interests vest using a graded method over 5 years commencing on the date of grant.

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The following is a summary of activity related to the unvested Class P Interests:

	2023	
	Units	Weighted Average Grant Date Fair Value
Granted and unvested at beginning of period	25,978,125	\$ 0.06
Issued	3,253,208	0.37
Vested	(5,808,233)	0.08
Forfeited	(2,207,291)	0.03
<b>Granted and unvested at end of year</b>	<b>21,215,809</b>	<b>\$ 0.11</b>

The Company estimates the fair value of the Class P Interest using a Monte Carlo simulation method, which calculates many potential outcomes for an award and determines fair value based on the most likely outcome.

As of December 31, 2023, and 2022, total unrecognized compensation expense was \$1.5 million and \$0.9 million, respectively, and the weighted average period over which the expense is expected to be recognized is approximately 1.9 and 1.5 years, respectively.

#### 10. Related Party Transactions

BIHL is a limited partnership domiciled in the State of Delaware. BIHL's capital partners include Gallatin Point Capital, AmFam, and minority owners as partners in BIHL. BIHL owns 100.0% of the Company and contributes capital, up to the amount committed by the limited partners. As of December 31, 2023, BIHL contributed \$178.8 million into the Company, of which \$77.7 million and \$24.0 million were contributed in 2023 and 2022, respectively.

BICI has a quota share reinsurance agreement with AmFam, which has been effective since 2020. Under the quota share agreement, BICI assumes 100.0% of all Casualty, Professional Liability and Healthcare risks, net of inuring third-party reinsurance, written on behalf of AmFam by BSUI. AmFam receives a ceding fee on net premiums assumed by BICI. BICI is required to set aside assets in a trust to secure a portion of its reinsurance recoverable obligation under the agreement.

BSUI has separate MGA Agreements with the AmFam Issuing Carriers. Under these agreements, BSUI is permitted to issue insurance policies on behalf of the AmFam Issuing Carriers and is also responsible for providing accounting, claims handling and other necessary services to the AmFam Issuing Carriers to support its respective regulatory, statutory and other compliance requirements. BSUI is entitled to commission in exchange for these services, which is adjusted to equal actual costs for each month in accordance with the terms of the MGA Agreements.

In 2023 and 2022, BICI entered into a ceded Quota Share Reinsurance Agreement and a ceded Excess of Loss Reinsurance Agreement with reinsurers, in which a separate subsidiary of AmFam participated. In addition, BICI also entered into a cyber professional lines Quota Share Reinsurance Agreement with reinsurers, in which a subsidiary of AmFam also participated.

For the years ended December 31, 2023 and 2022, Bowhead incurred \$5.8 million and \$4.0 million of ceding fees and ceded \$18.0 million and \$2.7 million of written premiums to AmFam, respectively.

#### 11. Income Taxes

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and deferred tax liabilities for the expected future tax consequences of events that have been included in the financial statements. Deferred tax assets and liabilities are measured using enacted tax rates expected to be applied in the years in which temporary differences are expected to be recovered or settled. The Company

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reduces deferred tax assets by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized.

The Company analyzes its tax filing positions in all of the U.S. federal, state, local and foreign tax jurisdictions where it is required to file income tax returns, as well as for all open tax years in these jurisdictions. The Company evaluates tax positions taken or expected to be taken in the course of preparing an entity's tax returns to determine whether it is "more-likely-than-not" that each tax position will be sustained by the applicable tax authority. There are no tax positions taken or expected to be taken that would significantly increase or decrease unrecognized tax benefits within the next twelve months. Interest and penalties related to uncertain tax positions are recorded within income tax expense within the Consolidated Statement of Operations and Comprehensive Income (Loss). None of the Company's federal or state tax income tax returns are currently under examination by the Internal Revenue Service ("IRS") or state authorities.

For the tax years ended December 31, 2023 and 2022, BSHI, BSUI, BICI and BUSI filed a consolidated federal income tax return.

The income tax provision is as follows:

Years Ended December 31,	2023	2022
	<i>(\$ in thousands)</i>	
Deferred income tax benefit		
Federal	\$ (4,362)	\$ (2,972)
Total deferred income tax benefit	(4,362)	(2,972)
Current income tax expense		
Federal	11,182	6,194
State	248	183
Total current income tax expense	11,430	6,377
<b>Income tax expense</b>	<b>\$ 7,068</b>	<b>\$ 3,405</b>

The effective tax rate on income from continuing operations was higher than the prevailing statutory federal income tax rate. Among the most significant book-to-tax adjustments were the following:

Years Ended December 31,	2023	2022
	<i>(\$ in thousands)</i>	
Tax expense (benefit) at statutory tax rate of 21.0%	\$ 6,744	\$ 3,079
Tax effect of significant reconciling items:		
Permanent differences	128	181
State tax, net of federal tax	196	145
<b>Income tax expense</b>	<b>\$ 7,068</b>	<b>\$ 3,405</b>

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Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes, and the amount used for income tax purposes. Significant components of the Company's net deferred income taxes are as follows:

As of December 31,	2023	2022
	(\$ in thousands)	
<b>Deferred tax assets</b>		
Unearned premium disallowance	\$ 9,578	\$ 6,606
Unrealized losses on investments	3,023	4,436
Reserves for losses and loss adjustment expenses	5,377	2,586
Share-based compensation	338	206
Accrued benefits	281	168
Amortization of startup costs	291	159
Accrued expenses	87	92
Other	34	31
Capital loss carryforward	3	3
<b>Total deferred tax assets</b>	<b>19,012</b>	<b>14,287</b>
<b>Deferred tax liabilities</b>		
Deferred policy acquisition costs	\$ 4,075	\$ 2,421
Depreciation	219	538
Accrued bond discount	489	47
<b>Total deferred tax liabilities</b>	<b>4,783</b>	<b>3,006</b>
<b>Net deferred tax assets</b>	<b>\$ 14,229</b>	<b>\$ 11,281</b>

The Company is required to establish a valuation allowance for any gross deferred tax assets that are unlikely to reduce taxes payable in future years. For tax year 2023 and 2022, the Company has determined no valuation allowance is required based on positive current taxable income and future earnings projections.

As of December 31, 2023, the Company has zero federal net operating loss carryforwards. As of December 31, 2023, the company has capital loss carryforwards of less than \$0.1 million, which expires in 2026 and zero charitable contribution carryforwards.

As of December 31, 2023 and 2022, no liability for unrecognized tax benefits was recorded; therefore, no interest and penalties related to unrecognized tax benefits were recognized. In addition, the Company does not expect that the amount of unrecognized tax benefits will change significantly within the next 12 months. The Company's federal and state tax returns remain subject to tax examinations for the years beginning in December 31, 2020 and forward.

## 12. Commitments and Contingencies

### a) Concentrations of Credit Risk

The creditworthiness of a counterparty is evaluated by the Company, taking into account credit ratings assigned by independent agencies. The credit approval process involves an assessment of factors, including, among others, the counterparty, country, and industry credit exposure limits. Collateral may be required, at the discretion of the Company, on certain transactions based on the creditworthiness of the counterparty. The areas where significant



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concentrations of credit risk may exist include cash and cash equivalents, restricted cash and investments, premium balances receivable, and reinsurance recoverable for paid and unpaid losses and loss adjustment expenses.

***Cash and Cash Equivalents, Restricted Cash and Investments***

The Company maintains its cash and cash equivalents and restricted cash with high credit quality financial institutions. Cash deposits are in excess of FDIC insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on its cash, cash equivalents and restricted cash.

The Company's available for sale investment portfolio is managed in accordance with guidelines that have been tailored to meet specific investment strategies, including standards of diversification, which limit the allowable holdings of any single issue. There were no investments, other than investments in U.S. government and government agency securities, in excess of 10.0% of the Company's stockholders' equity at December 31, 2023. There were no investments, other than short-term investments and investments in U.S. government and government agency securities, in excess of 10.0% of the Company's stockholders' equity at December 31, 2022.

***Premium Balances Receivable***

The Company underwrites a significant amount of its business through brokers and a credit risk exists should any of these brokers be unable to fulfill their contractual obligations relating to the payments of premium balances owed to the Company.

The following table summarizes the brokers that make up more than 10.0% of the Company's gross written premium for the years ended December 31, 2023, and 2022:

<b>Brokers</b>	<b>2023</b>	<b>2022</b>
Ryan Specialty Group Holdings, Inc.	26.3%	27.9%
AmWINS Group, Inc.	15.3%	12.5%
Marsh & McLennan Companies	14.6%	15.5%
CRC Insurance Services, Inc.	9.7%	11.3%

For the years ended December 31, 2023, and 2022, the Company recorded an allowance for uncollectible premiums of \$nil and \$nil, respectively.

***Reinsurance Recoverable***

The Company is exposed to the credit risk associated with reinsurance recoverable to the extent that any of its reinsurers fail to meet their obligations under reinsurance contracts. The Company evaluates the financial condition of its reinsurers on a regular basis and monitors concentrations of credit risk with reinsurers. The Company assesses reinsurers based on the assigned credit and financial strength ratings from internationally recognized rating agencies.

At December 31, 2023 and 2022, 100.0% of the Company's reinsurers are rated "A" (Excellent) or better by A.M. Best. At December 31, 2023, the three largest balances by reinsurer accounted for 29.8%, 24.5%, and 24.4% of the Company's reinsurance recoverable balance and at December 31, 2022, the three largest balances by reinsurer accounted for 30.0%, 28.0% and 25.0% of the Company's reinsurance recoverable balance. Refer to Note 7 Premiums and Reinsurance Related Information for further information.

**b) Purchase Obligations**

The Company has entered into certain agreements within which the Company is committed to purchase services, primarily related to software service contracts. The fixed and determinable portion of such purchase

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obligations were approximately \$1.3 million at December 31, 2023, which comes due in 2024. The obligations will increase depending on the amount of premium written by the Company over the respective years.

**c) Litigation**

In the ordinary course of business, the Company is subject to disputes, litigation and arbitration arising from its insurance and reinsurance operations. These matters are generally related to insurance and reinsurance claims and are considered in the establishment of reserves for losses and loss adjustment expenses. In addition, the Company may also become involved in legal actions which seek extra-contractual damages, punitive damages or penalties, including claims alleging bad faith in handling of insurance claims. The Company expects its ultimate liability with respect to such matters will not be material to its financial condition. However, adverse outcomes on such matters are possible, from time to time, and could be material to the Company's results of operations in any particular financial reporting period.

**d) Other**

The Company owes certain employment taxes, penalties and interests related to the 2021, 2022, and 2023 employment taxes for an employee domiciled in the United Kingdom. The Company accrued approximately \$1.5 million and \$0.8 million as of December 31, 2023 and 2022 which represents its best estimate of taxes, interest, and penalties owed and for which it expects to settle in 2024.

**13. Property and Equipment, net**

As of December 31, 2023 and 2022, property and equipment, net consists of:

As of December 31,	2023	2022
	<i>(\$ in thousands)</i>	
Computer software	\$ 9,993	\$ 6,174
Leasehold improvements	503	503
Furniture and equipment	126	126
Property and equipment, cost	10,621	6,803
Accumulated depreciation	(3,020)	(753)
<b>Property and equipment, net</b>	<b>\$ 7,601</b>	<b>\$ 6,050</b>

For the year ended December 31, 2023, depreciation expense was \$2.3 million, of which \$2.1 million related to amortization of capitalized software. For the year ended December 31, 2022, depreciation expense was \$0.7 million, of which \$0.6 million related to amortization of capitalized software.

**14. Leases**

The Company and its subsidiaries have a right to use two distinct office spaces in New York and Chicago under separate lease agreements. The leases are classified as operating leases. The Company was not party to any finance lease arrangements as of and during the year ended December 31, 2023 and 2022. The ROU asset and lease liability balances as of December 31, 2023 were \$0.5 million and \$0.7 million, respectively and the ROU asset and lease liability balances as of December 31, 2022 were \$1.1 million and \$1.2 million, respectively.

The terms of the operating leases range from four to five years, from the dates the Company gained access to the spaces, through to the stated termination dates, which expire in August 2024 and May 2025, respectively. Although each operating lease agreement contains an option to extend the length of the respective lease term, the Company is not reasonably certain it will exercise these options. Due to this uncertainty, in the measurement of the lease liability, the Company has excluded the periods covered by each renewal option from the lease terms.

The lease agreements contain rent escalation features that are reflected in the Company's lease liability balances. Since the discount rates implicit in the leases are not readily available, the Company used an incremental borrowing rate to discount the remaining lease payments in measuring our lease liability. The Company also did not

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incur any initial direct costs or make prepayments in connection with these lease arrangements; as such, these amounts are not reflected in the ROU asset.

Lease expense for the years ended December 31, 2023 and 2022 was \$0.6 million and \$0.6 million, respectively. Lease expense is recognized on a straight-line basis over the lease term in operating expenses within the Consolidated Statements of Income and Comprehensive Income (Loss). The Company has immaterial variable lease costs and no short-term leases for the year ended The following table summarizes the Company's future minimum lease payment obligations under non-cancelable operating leases as of December 31, 2023:

As of December 31,	2023
	(\$ in thousands)
<b>Contractual maturities:</b>	
2024	564
2025	90
2026	—
2027	—
Later years	—
Total undiscounted future minimum lease payments	654
Less: Discount impact	(4)
<b>Total discounted operating lease liability</b>	<b>\$ 650</b>

The weighted average remaining lease term and weighted average discount rate for the Company's operating leases as of December 31, 2023 were 1 year and 1.2%, respectively.

Cash paid for operating leases for the years ended December 31, 2023 and 2022 was \$0.6 million and \$0.5 million, respectively. There were no non-cash additions from new and remeasured leases that resulted in an increase to the ROU asset and lease liability.

#### 15. Segment, Geographic, and Product Line Information

The Company is a specialty insurance group that generates revenues by underwriting and offering a variety of specialty insurance products to domestic markets through three distinct underwriting divisions. The chief operating decision maker ("CODM") is the individual responsible for allocating resources to and assessing the financial performance of segments of the entity. The CODM of the Company, the Chief Executive Officer, assesses the financial health and performance of the Company and makes resource allocation decisions on a consolidated basis; accordingly, the Company has a single operating and reportable segment.

The following table presents revenues by underwriting division for the years ended December 31, 2023 and 2022:

Underwriting Division	2023	2022
	(\$ in thousands)	
Casualty	\$ 192,062	\$ 136,672
Professional Liability	87,588	69,532
Healthcare	55,022	38,910
<b>Net written premiums</b>	<b>\$ 334,672</b>	<b>\$ 245,114</b>

The Company's operations and assets are located entirely within the United States, and all of its revenues are attributed to United States-based policyholders.

The Company has no single major customer representing ten percent or more of its total revenues during fiscal years 2023 and 2022.

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**16. Insurance – Statutory Information**

The Company’s insurance company subsidiary, BICI, received its Certificate of Authority from the Wisconsin Office of the Commissioner of Insurance, which authorized BICI to transact business effective December 18, 2020. BICI is restricted by Wisconsin law as to the amount of dividends it can pay without the approval of regulatory authorities. BICI is restricted from paying dividends by the lesser of: (1) 10.0% of statutory capital and surplus as of the preceding December 31, or; (2) the greater of: (a) statutory net income for the calendar year preceding the date of the dividend distribution, minus realized capital gains for that year, or (b) aggregate of net income for the three calendar years preceding the date of the dividend or distribution, minus realized capital gains for those calendar years and minus dividends paid or credited and distributions made within the first two of the preceding three calendar years. At December 31, 2023 and 2022, the maximum dividend that BICI could pay without the approval of regulatory authorities was \$2.9 million and \$0.0 million, respectively.

BICI’s net income and statutory capital and surplus, as determined in accordance with statutory accounting practices (“SAP”), are as follows:

	2023	2022
	<i>(\$ in thousands)</i>	
Net income	\$ 16,106	\$ 2,914
Statutory capital and surplus	191,463	108,764

The significant variances between SAP and GAAP are that for statutory purposes acquisition costs are charged to income as incurred, bonds are carried at amortized cost, deferred federal and state income taxes are subject to limitations, and certain assets designated as non-admitted assets are disallowed.

The National Association of Insurance Commissioners has risk-based capital (“RBC”) requirements that require insurance companies to calculate and report information under a risk-based formula, which measures statutory capital and surplus needs based on a regulatory definition of risk in a company’s mix of products and its balance sheet. This guidance is used to calculate two capital measurements: Total Adjusted Capital and RBC Authorized Control Level. Total Adjusted Capital is equal to the Company’s statutory capital and surplus excluding capital and surplus derived from the use of permitted practices that differ from statutory accounting practices. RBC Authorized Control Level is the capital level used by regulatory authorities to determine whether remedial action is required. Generally, no remedial action is required if Total Adjusted Capital is 200.0% or more of the RBC Authorized Control Level. At December 31, 2023, BICI’s Total Adjusted Capital of \$191.5 million was 401.6% of its RBC Authorized Control Level.

**17. Subsequent Events**

As of March 22, 2024, the Company received in cash, \$2.8 million of capital contributions from BIHL.

Management of BSHI has evaluated all events occurring after December 31, 2023 through March 22, 2024, the date the consolidated financial statements were issued, to determine whether any event required either recognition or disclosure in the financial statements. The Company has also evaluated subsequent events through May 13, 2024 for the reissuance of the consolidated financial statements to reflect the effects of the stock split on May 9, 2024 described in Note 2.

**Bowhead Specialty Holdings Inc.**  
**Schedule II — Condensed Financial Information of Registrant**  
**Balance Sheet (Parent Company)**

	December 31,	
	2023	2022
	<i>(\$ in thousands, except share data)</i>	
<b>Assets</b>		
Investments		
Investment in subsidiaries	\$ 192,075	\$ 83,373
<b>Total investments</b>	<b>192,075</b>	<b>83,373</b>
Cash and cash equivalents	1	1
<b>Total assets</b>	<b>\$ 192,076</b>	<b>\$ 83,374</b>
Commitments and contingencies (Note 12)		
<b>Stockholders' equity</b>		
Common stock	\$ 240	\$ 240
<i>(\$0.01 par value; 24,000,000 shares authorized, issued and outstanding as of December 31, 2023 and 2022)</i>		
Additional paid-in capital	178,542	100,204
Accumulated other comprehensive loss	(11,372)	(16,689)
Retained earnings	24,666	(381)
<b>Total stockholders' equity</b>	<b>192,076</b>	<b>83,374</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 192,076</b>	<b>\$ 83,374</b>

**Bowhead Specialty Holdings Inc.**  
**Schedule II — Condensed Financial Information of Registrant**  
**Statement of Income (Parent Company)**

	Years Ended December 31,	
	2023	2022
<i>(\$ in thousands, except share and per share data)</i>		
<b>Revenues</b>		
Gross written premiums	—	—
Ceded written premiums	—	—
Net written premiums	—	—
Change in net unearned premiums	—	—
<b>Net earned premiums</b>	—	—
Net investment income	—	—
Net realized investment gains	—	—
Other insurance-related income	—	—
<b>Total revenues</b>	—	—
<b>Expenses</b>		
Net losses and loss adjustment expenses	—	—
Net acquisition costs	—	—
Operating expenses	—	—
<b>Total expenses</b>	—	—
<b>Income before income taxes</b>	—	—
Income tax expense	—	—
<b>Income before net income of subsidiaries</b>	—	—
Net income of subsidiaries	25,047	11,256
<b>Net income</b>	<u>\$ 25,047</u>	<u>\$ 11,256</u>
<b>Other comprehensive income (loss)</b>		
Change in unrealized gain (loss) on investments	—	—
<b>Other comprehensive income (loss) before other comprehensive loss of subsidiaries</b>	—	—
Other comprehensive income (loss) of subsidiaries	5,317	(15,975)
<b>Total comprehensive income (loss)</b>	<u>\$ 30,364</u>	<u>\$ (4,719)</u>

**Bowhead Specialty Holdings Inc.**  
**Schedule II — Condensed Financial Information of Registrant**  
**Statement of Cash Flows (Parent Company)**

	December 31,	
	2023	2022
	<i>(\$ in thousands)</i>	
<b>Cash flows from operating activities:</b>		
Net income	\$ 25,047	\$ 11,256
Adjustments to reconcile net income to net cash provided by operating activities:		
Equity in net income of subsidiaries	(25,047)	(11,256)
<b>Net cash provided by operating activities</b>	<b>—</b>	<b>—</b>
<b>Cash flows from investing activities:</b>		
Contribution to investment in subsidiary	\$ (77,655)	\$ (24,000)
Distribution from investment in subsidiary	—	25,000
<b>Net cash used in (provided by) investing activities</b>	<b>(77,655)</b>	<b>1,000</b>
<b>Cash flows from financing activities:</b>		
Contribution from parent	77,655	24,000
Distribution to parent	—	(25,000)
<b>Net cash provided by (used in) financing activities</b>	<b>77,655</b>	<b>(1,000)</b>
Net change in cash, cash equivalents and restricted cash	\$ —	\$ —
Cash, cash equivalents and restricted cash, beginning of period	1	1
Cash, cash equivalents and restricted cash, end of period	<u>\$ 1</u>	<u>\$ 1</u>
<b>Supplemental disclosures of cash flow information:</b>		
Cash paid for income taxes	\$ —	\$ —
<b>Non-cash investing and financing activities:</b>		
Deemed contribution related to share-based compensation to investment in subsidiary	(682)	(368)
Deemed contribution to related to share-based compensation from parent	682	368

**Bowhead Specialty Holdings Inc.**  
**Schedule IV - Reinsurance**

December 31, 2023				
	Premiums Ceded to Other Companies	Premiums Assumed from Other Companies	Net Amount	Percentage of Amount Assumed to Net
<i>(\$ in thousands, except percentages)</i>				
Casualty	\$ (85,393)	\$ 277,455	\$ 192,062	144.5 %
Professional Liability	(57,663)	145,251	\$ 87,588	165.8 %
Healthcare	(29,960)	84,982	\$ 55,022	154.5 %
	<b>\$ (173,016)</b>	<b>\$ 507,688</b>	<b>\$ 334,672</b>	<b>151.7 %</b>

December 31, 2022				
	Premiums Ceded to Other Companies	Premiums Assumed from Other Companies	Net Amount	Percentage of Amount Assumed to Net
<i>(\$ in thousands, except percentages)</i>				
Casualty	\$ (55,920)	\$ 192,592	\$ 136,672	140.9 %
Professional Liability	(35,835)	105,367	69,532	151.5 %
Healthcare	(20,079)	58,989	38,910	151.6 %
	<b>\$ (111,834)</b>	<b>\$ 356,948</b>	<b>\$ 245,114</b>	<b>145.6 %</b>



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**4,000,000 Shares**



**Bowhead Specialty Holdings Inc.**  
**Common Stock**

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PRELIMINARY PROSPECTUS

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**J.P. Morgan**

**Morgan Stanley**

**Keefe, Bruyette & Woods**  
*A Stifel Company*

, 2024

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**PART II**  
**INFORMATION NOT REQUIRED IN PROSPECTUS**

**Item 13. Other Expenses of Issuance and Distribution**

The following table sets forth the expenses payable by the Registrant expected to be incurred in connection with the issuance and distribution of the common stock being registered hereby (other than the underwriting discounts and commissions). All of such expenses are estimates, except for the Securities and Exchange Commission, or the SEC, registration fee, the Financial Industry Regulatory Authority Inc., or FINRA, filing fee and the stock exchange listing fee.

	<b>Amount to be Paid</b>
SEC registration fee	\$ 20,529
FINRA filing fee	\$ 20,614
Listing fee	\$ —
Printing fees and expenses	\$ 135,000
Accounting fees and expenses	\$ 150,000
Legal fees and expenses	\$ 500,000
Transfer agent and registrar fees and expenses	\$ 5,700
Miscellaneous	\$ —
<b>Total</b>	<b>\$ 831,843</b>

**Item 14. Indemnification of Directors and Officers**

Section 102(b)(7) of the DGCL, allows a corporation to provide in its certificate of incorporation that a director or executive officer of the corporation will not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except where the director or officer breached the duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law or obtained an improper personal benefit or the executive officer in any action by or in the right of the corporation. The amended and restated certificate of incorporation of Bowhead Specialty Holdings Inc. provides for this limitation of liability.

Section 145 of the DGCL ("Section 145") provides that a Delaware corporation may indemnify any person who was, is or is threatened to be made, party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of such corporation), by reason of the fact that such person is or was an officer, director, employee or agent of such corporation or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, provided such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the corporation's best interests and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was illegal. A Delaware corporation may indemnify any persons who are, were or are a party to any threatened, pending or completed action or suit by or in the right of the corporation by reason of the fact that such person is or was a director, officer, employee or agent of such corporation or is or was serving at the request of such corporation as a director, officer employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, provided such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the corporation's best interests; *provided* that no indemnification is permitted without judicial approval if the officer, director, employee or agent is adjudged to be liable to the corporation. Where an officer or director is successful on the merits or otherwise in the defense of any action referred to above, the corporation must indemnify him against the expenses which such officer or director has actually and reasonably incurred.

Section 145 further authorizes a corporation to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of their status as such, whether or not the corporation would otherwise have the power to indemnify him under Section 145.

The amended and restated certificate of incorporation of Bowhead Specialty Holdings Inc. provides that Bowhead Specialty Holdings Inc. shall, to the fullest extent legally permissible under the DGCL, indemnify and hold harmless officers, employees and directors of the Company for certain liabilities reasonably incurred in connection with such person's capacity as an officer, employee or director.

#### Item 15. Recent Sales of Unregistered Securities

Within the past three years, the registrant has issued the following securities of the registrant which were not registered under the Securities Act:

- On May 9, 2024, the registrant issued 24,000,000 shares of its common stock in connection with a stock split, whereby each one share of outstanding common stock was reclassified into 240,000 shares of common stock.

The foregoing transaction did not involve any underwriters, underwriting discounts or commissions, or any public offering. The issuance of the above securities was deemed to be exempt from registration under the Securities Act in reliance upon Section 4(a)(2) of the Securities Act (or Regulation D or Regulation S promulgated thereunder) as transactions by an issuer not involving any public offering.

#### Item 16. Exhibits and Financial Statement Schedules

##### (a) Exhibits

Number	Description
1.1	<a href="#">Form of Underwriting Agreement</a>
3.1	<a href="#">Amended and Restated Certificate of Incorporation of Bowhead Specialty Holdings Inc. (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q filed with the SEC on August 8, 2024)</a>
3.2	<a href="#">Amended and Restated Bylaws of Bowhead Specialty Holdings Inc. (incorporated by reference to Exhibit 3.2 to the Company's Quarterly Report on Form 10-O filed with the SEC on August 8, 2024)</a>
5.1	<a href="#">Opinion of Skadden, Arps, Slate, Meagher &amp; Flom LLP</a>
10.1	<a href="#">Investor Matters Agreement, dated as of May 23, 2024, between Bowhead Specialty Holdings Inc. and American Family Mutual Insurance Company, S.I. (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-O filed with the SEC on August 8, 2024)</a>
10.2	<a href="#">Board Nominee Agreement, dated as of May 23, 2024, between Bowhead Specialty Holdings Inc. and GPC Partners Investments (SPV III) LP (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-O filed with the SEC on August 8, 2024)</a>
10.3	<a href="#">Common Stock Purchase Warrant, dated as of May 23, 2024 (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-O filed with the SEC on August 8, 2024)</a>
10.4	<a href="#">Registration Rights Agreement, dated as of May 28, 2024, between Bowhead Specialty Holdings Inc. and the investors party thereto (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-O filed with the SEC on August 8, 2024)</a>
10.5	<a href="#">Amended and Restated Managing General Agency Agreement, dated as of May 23, 2024 between Midvale Indemnity Company and Bowhead Specialty Underwriters, Inc. (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-O filed with the SEC on August 8, 2024)</a>
10.6	<a href="#">Amended and Restated Managing General Agency Agreement, dated as of April 1, 2022, between Homesite Insurance Company of Florida and Bowhead Specialty Underwriters, Inc. (incorporated by reference to Exhibit 10.7 to the Company's Registration Statement on S-1/A filed with the SEC on May 3, 2024)</a>
10.7	<a href="#">Amended and Restated Managing General Agency Agreement, dated as of May 23, 2024, between Homesite Insurance Company and Bowhead Specialty Underwriters, Inc. (incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-O filed with the SEC on August 8, 2024)</a>
10.8	<a href="#">Amended and Restated Quota Share Reinsurance Agreement, dated as of May 23, 2024, between American Family Mutual Insurance Company, S.I. and Bowhead Insurance Company, Inc. (incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-O filed with the SEC on August 8, 2024)</a>

Number	Description
10.9	<a href="#">Amended and Restated Insurance Trust Agreement, dated as of May 23, 2024, among Bowhead Insurance Company, Inc., American Family Mutual Insurance Company, S.I. and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q filed with the SEC on August 8, 2024)</a>
10.10+	<a href="#">Bowhead Specialty Holdings Inc. 2024 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.17 to the Company's Registration Statement on S-1/A filed with the SEC on May 13, 2024)</a>
10.11+	<a href="#">Form of Employee Restricted Stock Unit Award Agreement under the Bowhead Specialty Holdings Inc. 2024 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.18 to the Company's Registration Statement on S-1/A filed with the SEC on May 13, 2024)</a>
10.12+	<a href="#">Form of Director Restricted Stock Unit Award Agreement under the Bowhead Specialty Holdings Inc. 2024 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.19 to the Company's Registration Statement on S-1/A filed with the SEC on May 13, 2024)</a>
10.13+	<a href="#">Employment Agreement between Stephen Sills and Bowhead Specialty Holdings Inc., dated as of May 22, 2024 (incorporated by reference to Exhibit 10.9 to the Company's Quarterly Report on Form 10-Q filed with the SEC on August 8, 2024)</a>
10.14	<a href="#">Form of Indemnification Agreement between Bowhead Specialty Holdings Inc. and each of its directors and officers (incorporated by reference to Exhibit 10.21 to the Company's Registration Statement on S-1/A filed with the SEC on May 13, 2024)</a>
10.15	<a href="#">Credit Agreement, dated as of April 22, 2024, among Bowhead Specialty Holdings Inc., the lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as administrative agent, swingline lender and issuing bank (incorporated by reference to Exhibit 10.25 to the Company's Registration Statement on S-1/A filed with the SEC on May 3, 2024)</a>
10.16	<a href="#">Services Agreement, dated as of October 7, 2020, among Bowhead Insurance Holdings LP, Bowhead Specialty Underwriters, Inc., Bowhead Underwriting Services, Inc. and Bowhead Insurance Company, Inc. (incorporated by reference to Exhibit 10.14 to the Company's Registration Statement S-1/A filed with the SEC on May 3, 2024)</a>
10.17	<a href="#">Joinder to the Services Agreement, dated as of May 2, 2024, among Bowhead Specialty Holdings Inc., Bowhead Insurance Holdings LP, Bowhead Specialty Underwriters, Inc., Bowhead Underwriting Services, Inc. and Bowhead Insurance Company, Inc. (incorporated by reference to Exhibit 10.15 to the Company's Registration Statement S-1/A filed with the SEC on May 3, 2024)</a>
10.18	<a href="#">Amendment to the Services Agreement, dated as of May 2, 2024, among Bowhead Specialty Holdings Inc., Bowhead Insurance Holdings LP, Bowhead Specialty Underwriters, Inc., Bowhead Underwriting Services, Inc. and Bowhead Insurance Company, Inc. (incorporated by reference to Exhibit 10.16 to the Company's Registration Statement S-1/A filed with the SEC on May 3, 2024)</a>
21.10	<a href="#">Subsidiaries of the Registrant (incorporated by reference to Exhibit 21.1 to the Company's Registration Statement on S-1 filed with the SEC on April 12, 2024)</a>
23.1	<a href="#">Consent of PricewaterhouseCoopers LLP Independent Registered Public Accounting Firm</a>
23.2	<a href="#">Consent of Skadden, Arps, Slate, Meagher &amp; Flom LLP (included in Exhibit 5.1 hereto)</a>
24.1	<a href="#">Power of Attorney (included as part of the signature page hereto)</a>
107	<a href="#">Filing Fee Table</a>

+ Indicates management contract or compensatory plan.

(b) Financial Statement Schedules

Schedules not listed above have been omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or notes thereto.

**Item 17. Undertakings**

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act, and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer, or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of their counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by them is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

- (1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.
- (2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the undersigned registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York on October 21, 2024.

### BOWHEAD SPECIALTY HOLDINGS INC.

By: /s/ Stephen Sills  
Name: Stephen Sills  
Title: Chief Executive Officer and President

## POWER OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints Stephen Sills and H. Matthew Crusey, and each of them, as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, and full power to act without the other, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments (including pre-effective and post-effective amendments and registration statements filed pursuant to Rule 462 under the Securities Act of 1933) to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto the said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that the said attorneys-in-fact and agents, or any of them, or their or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Stephen Sills</u> Stephen Sills	Chief Executive Officer, President and Director ( <i>Principal Executive Officer</i> )	October 21, 2024
<u>/s/ Brad Mulcahey</u> Brad Mulcahey	Chief Financial Officer and Treasurer ( <i>Principal Financial Officer</i> )	October 21, 2024
<u>/s/ Shirley Yap</u> Shirley Yap	Chief Accounting Officer ( <i>Principal Accounting Officer</i> )	October 21, 2024
<u>/s/ Matthew Botein</u> Matthew Botein	Chairperson	October 21, 2024
<u>/s/ Tom Baker</u> Tom Baker	Director	October 21, 2024
<u>/s/ Angela Brock-Kyle</u> Angela Brock-Kyle	Director	October 21, 2024
<u>/s/ Zhak Cohen</u> Zhak Cohen	Director	October 21, 2024
<u>/s/ Fabian Fondriest</u> Fabian Fondriest	Director	October 21, 2024
<u>/s/ David Foy</u> David Foy	Director	October 21, 2024
<u>/s/ David Holman</u> David Holman	Director	October 21, 2024
<u>/s/ Jack Stein</u> Jack Stein	Director	October 21, 2024
<u>/s/ Troy Van Beek</u> Troy Van Beek	Director	October 21, 2024

**Calculation of Filing Fee Table**

**Form S-1**  
(Form Type)

**Bowhead Specialty Holdings Inc.**  
(Exact Name of Registrant as Specified in its Charter)

Table 1: Newly Registered and Carry Forward Securities

	Security Type	Security Class Title	Fee Calculation or Carry Forward Rule	Amount Registered <sup>(1)</sup>	Proposed Maximum Offering Price Per Unit <sup>(2)</sup>	Maximum Aggregate Offering Price <sup>(1)(2)</sup>	Fee Rate	Amount of Registration Fee
<b>Newly Registered Securities</b>								
Fees to Be Paid	Equity	Common stock, \$0.01 par value per share	Rule 457(c)	4,600,000	\$29.15	\$134,090,000	\$153.10 per \$1,000,000	\$20,529.18
Fees Previously Paid	—	—	—	—	—	—	—	—
<b>Carry Forward Securities</b>								
Carry Forward Securities	—	—	—	—	—	—	—	—
		<b>Total Offering Amounts</b>				<b>\$134,090,000</b>		<b>\$20,529.18</b>
		<b>Total Fees Previously Paid</b>						<b>—</b>
		<b>Total Fee Offsets</b>						<b>—</b>
		<b>Net Fee Due</b>						<b>\$20,529.18</b>

(1) Includes 600,000 additional shares that may be purchased by the underwriters upon the exercise of their option to purchase additional shares, if any.

(2) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(c) under the Securities Act of 1933 based on the average high and low sales prices of the Registrant's Common Stock as reported by the New York Stock Exchange on October 14, 2024.

Bowhead Specialty Holdings Inc.

[4,000,000] Shares of Common Stock, par value \$0.01 per share

Underwriting Agreement

October [ 1 ], 2024

J.P. Morgan Securities LLC  
Morgan Stanley & Co. LLC  
Keefe, Bruyette & Woods, Inc.  
As Representatives of the  
several Underwriters listed  
in Schedule 1 hereto

c/o J.P. Morgan Securities LLC  
383 Madison Avenue  
New York, New York 10179

c/o Morgan Stanley & Co. LLC  
1585 Broadway  
New York, New York 10036

c/o Keefe, Bruyette & Woods, Inc.  
787 Seventh Avenue  
New York, New York 10019

Ladies and Gentlemen:

Certain stockholders named in Schedule 2 hereto (the “Selling Stockholders”) of Bowhead Specialty Holdings Inc., a Delaware corporation (the “Company”), propose, severally and not jointly, to sell to the several underwriters listed in Schedule 1 hereto (the “Underwriters”), for whom you are acting as representatives (the “Representatives”), an aggregate of [4,000,000] shares of common stock, par value \$0.01 per share (“Common Stock”), of the Company (the “Underwritten Shares”) and, at the option of the Underwriters, up to an additional [600,000] shares of Common Stock of the Company (the “Option Shares”). The Underwritten Shares and the Option Shares are herein referred to as the “Shares”. The shares of Common Stock of the Company to be outstanding after giving effect to the sale of the Shares are referred to herein as the “Stock.”

The Company and the Selling Stockholders hereby confirm, severally and not jointly, their agreement with the several Underwriters concerning the purchase and sale of the Shares, as follows:

1. Registration Statement. The Company has prepared and filed with the Securities and Exchange Commission (the “Commission”) under the Securities Act of 1933, as amended, and the rules and regulations of the Commission thereunder (collectively, the “Securities Act”), a

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registration statement on Form S-1 (File No. 333-[ ]), including a prospectus, relating to the Shares. Such registration statement, as amended at the time it became effective, including the information, if any, deemed pursuant to Rule 430A, 430B or 430C under the Securities Act to be part of the registration statement at the time of its effectiveness (“Rule 430 Information”), is referred to herein as the “Registration Statement”; and as used herein, the term “Preliminary Prospectus” means each prospectus included in such registration statement (and any amendments thereto) before effectiveness, any prospectus filed with the Commission pursuant to Rule 424(a) under the Securities Act and the prospectus included in the Registration Statement at the time of its effectiveness that omits Rule 430 Information, and the term “Prospectus” means the prospectus in the form first used (or made available upon request of purchasers pursuant to Rule 173 under the Securities Act) in connection with confirmation of sales of the Shares. If the Company has filed an abbreviated registration statement pursuant to Rule 462(b) under the Securities Act (the “Rule 462 Registration Statement”), then any reference herein to the term “Registration Statement” shall be deemed to include such Rule 462 Registration Statement. Capitalized terms used but not defined herein shall have the meanings given to such terms in the Registration Statement and the Prospectus.

At or prior to the Applicable Time (as defined below), the Company had prepared the following information (collectively with the pricing information set forth on Annex A, the “Pricing Disclosure Package”): a Preliminary Prospectus dated September [ ], 2024 and each “free-writing prospectus” (as defined pursuant to Rule 405 under the Securities Act) listed on Annex A hereto.

“Applicable Time” means [ ] [A.M./P.M.], New York City time, on September [ ], 2024.

## 2. Purchase of the Shares.

(a) Each of the Selling Stockholders agrees, severally and not jointly, to sell the Underwritten Shares to the several Underwriters as provided in this underwriting agreement (this “Agreement”), and each Underwriter, on the basis of the representations, warranties and agreements set forth herein and subject to the conditions set forth herein, agrees, severally and not jointly, to purchase at a price per share of \$[ ] (the “Purchase Price”) from each of the Selling Stockholders the number of Underwritten Shares (to be adjusted by you so as to eliminate fractional shares) determined by multiplying the aggregate number of Underwritten Shares to be sold by each of the Selling Stockholders as set forth opposite their respective names in Schedule 2 hereto by a fraction, the numerator of which is the aggregate number of Underwritten Shares to be purchased by such Underwriter as set forth opposite the name of such Underwriter in Schedule 1 hereto and the denominator of which is the aggregate number of Underwritten Shares to be purchased by all of the Underwriters from all of the Selling Stockholders hereunder.

In addition, certain of the Selling Stockholders agree, severally and not jointly, as and to the extent indicated in Schedule 2 hereto, to sell the Option Shares to the several Underwriters as provided in this Agreement, and the Underwriters, on the basis of the representations, warranties and agreements set forth herein and subject to the conditions set forth herein, shall have the option to purchase, severally and not jointly, from each such Selling Stockholder the Option

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Shares at the Purchase Price less an amount per share equal to any dividends or distributions declared by the Company and payable on the Underwritten Shares but not payable on the Option Shares.

If any Option Shares are to be purchased, the number of Option Shares to be purchased by each Underwriter shall be the number of Option Shares which bears the same ratio to the aggregate number of Option Shares being purchased as the number of Underwritten Shares set forth opposite the name of such Underwriter in Schedule 1 hereto (or such number increased as set forth in Section 12 hereof) bears to the aggregate number of Underwritten Shares being purchased from the Selling Stockholders by the several Underwriters, subject, however, to such adjustments to eliminate any fractional Shares as the Representatives in their sole discretion shall make. Any such election to purchase Option Shares shall be made in proportion to the maximum number of Option Shares to be sold by each Selling Stockholder as set forth in Schedule 2 hereto.

The Underwriters may exercise the option to purchase Option Shares at any time in whole, or from time to time in part, on or before the thirtieth day following the date of the Prospectus, by written notice from the Representatives to the Selling Stockholders. Such notice shall set forth the aggregate number of Option Shares as to which the option is being exercised and the date and time when the Option Shares are to be delivered and paid for, which may be the same date and time as the Closing Date (as hereinafter defined) but shall not be earlier than the Closing Date nor later than the tenth full business day (as hereinafter defined) after the date of such notice (unless such time and date are postponed in accordance with the provisions of Section 12 hereof). Except with respect to Option Shares, if any, to be delivered and paid for on the Closing Date (for which notice shall be given at least one business day prior to the Closing Date) any such notice shall be given at least two business days prior to the date and time of delivery specified therein.

(b) The Selling Stockholders understand that the Underwriters intend to make a public offering of the Shares, and initially to offer the Shares on the terms set forth in the Pricing Disclosure Package. The Selling Stockholders acknowledge and agree that the Underwriters may offer and sell Shares to or through any affiliate of an Underwriter.

(c) Payment for the Shares shall be made by wire transfer in immediately available funds to the applicable accounts specified by the Selling Stockholders to the Representatives in the case of the Underwritten Shares, at the offices of Latham & Watkins, 1271 Avenue of the Americas, New York, New York 10020, at 10:00 A.M. New York City time on October [ 1 ], 2024, or at such other time or place on the same or such other date, not later than the fifth business day thereafter, as the Representatives and the Selling Stockholders may agree upon in writing or, in the case of the Option Shares, on the date and at the time and place specified by the Representatives in the written notice of the Underwriters' election to purchase such Option Shares. The time and date of such payment for the Underwritten Shares is referred to herein as the "Closing Date", and the time and date for such payment for the Option Shares, if other than the Closing Date, is herein referred to as the "Additional Closing Date."

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Payment for the Shares to be purchased on the Closing Date or the Additional Closing Date, as the case may be, shall be made against delivery to the Representatives for the respective accounts of the several Underwriters of the Shares to be purchased on such date or the Additional Closing Date, as the case may be, with any transfer taxes payable in connection with the sale of such Shares duly paid by the applicable Selling Stockholders. Delivery of the Shares shall be made through the facilities of The Depository Trust Company (“DTC”) unless the Representatives shall otherwise instruct.

(d) Each of the Company and each Selling Stockholder acknowledges and agrees, severally and not jointly, that the Representatives and the other Underwriters are acting solely in the capacity of an arm’s length contractual counterparty to the Company and the Selling Stockholders with respect to the offering of Shares contemplated hereby (including in connection with determining the terms of the offering) and not as a financial advisor or a fiduciary to, or an agent of, the Company, the Selling Stockholders or any other person. Additionally, neither the Representatives nor any other Underwriter is advising the Company, the Selling Stockholders or any other person as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. None of the activities of the Representatives and the other Underwriters in connection with the transactions contemplated herein constitutes a recommendation, investment advice, or solicitation of any action by the Representatives and the other Underwriters with respect to any entity or natural person. The Company and the Selling Stockholders shall consult with their own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated hereby, and neither the Representatives nor the other Underwriters shall have any responsibility or liability to the Company or the Selling Stockholders with respect thereto. Any review by the Representatives and the other Underwriters of the Company, the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of the Underwriters and shall not be on behalf of the Company or the Selling Stockholders. Moreover, each Selling Stockholder acknowledges and agrees that, although the Representative may be required or choose to provide certain Selling Stockholders with certain Regulation Best Interest and Form CRS disclosures in connection with the offering, the Representative and the other Underwriters are not making a recommendation to any Selling Stockholder to participate in the offering, enter into a “lock-up” agreement, or sell any Shares at the price determined in the offering, and nothing set forth in such disclosures is intended to suggest that the Representative or any Underwriter is making such a recommendation.

3. Representations and Warranties of the Company. The Company represents and warrants to each Underwriter and the Selling Stockholders that:

(a) *Preliminary Prospectus*. No order preventing or suspending the use of any Preliminary Prospectus has been issued by the Commission, and each Preliminary Prospectus included in the Pricing Disclosure Package, at the time of filing thereof, complied in all material respects with the Securities Act, and no Preliminary Prospectus, at the time of filing thereof, contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation or warranty with

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respect to any statements or omissions made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in any Preliminary Prospectus, it being understood and agreed that the only such information furnished by any Underwriter consists of the Underwriter Information (as defined below).

(b) *Pricing Disclosure Package.* The Pricing Disclosure Package as of the Applicable Time did not, and as of the Closing Date and as of the Additional Closing Date, as the case may be, will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation or warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in such Pricing Disclosure Package, it being understood and agreed that the only such information furnished by any Underwriter consists of the Underwriter Information. No statement of material fact included in the Prospectus has been omitted from the Pricing Disclosure Package and no statement of material fact included in the Pricing Disclosure Package that is required to be included in the Prospectus has been omitted therefrom.

(c) *Issuer Free Writing Prospectus.* Other than the Registration Statement, the Preliminary Prospectus and the Prospectus, the Company (including its agents and representatives, other than the Underwriters in their capacity as such) has not prepared, made, used, authorized, approved or referred to and will not prepare, make, use, authorize, approve or refer to any “written communication” (as defined in Rule 405 under the Securities Act) that constitutes an offer to sell or solicitation of an offer to buy the Shares (each such communication by the Company or its agents and representatives (other than a communication referred to in clause (i) below) an “Issuer Free Writing Prospectus”) other than (i) any document not constituting a prospectus pursuant to Section 2(a)(10)(a) of the Securities Act or Rule 134 under the Securities Act or (ii) the documents listed on Annex A hereto, each electronic road show and any other written communications approved in writing in advance by the Representatives. Each such Issuer Free Writing Prospectus complies in all material respects with the Securities Act, has been or will be (within the time period specified in Rule 433) filed in accordance with the Securities Act (to the extent required thereby) and does not conflict with the information contained in the Registration Statement or the Pricing Disclosure Package, and, when taken together with the Preliminary Prospectus accompanying, or delivered prior to delivery of, such Issuer Free Writing Prospectus, did not, and as of the Closing Date and as of the Additional Closing Date, as the case may be, will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation or warranty with respect to any statements or omissions made in each such Issuer Free Writing Prospectus or Preliminary Prospectus in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in such Issuer Free Writing

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Prospectus or Preliminary Prospectus, it being understood and agreed that the only such information furnished by any Underwriter consists of the Underwriter Information.

(d) *Emerging Growth Company.* From the time of the Company's initial public offering of Common Stock through the date hereof, the Company has been and is an "emerging growth company," as defined in Section 2(a) of the Securities Act (an "Emerging Growth Company").

(e) *Testing-the-Waters Materials.* With respect to the transactions contemplated by this Agreement, the Company (i) has not alone engaged in any Testing-the-Waters Communications and (ii) has not authorized anyone to engage in Testing-the-Waters Communications. The Company has not distributed or approved for distribution any Written Testing-the-Waters Communications. "Testing-the-Waters Communication" means any oral or written communication with potential investors undertaken in reliance on either Section 5(d) of, or Rule 163B under, the Securities Act. "Written Testing-the-Waters Communication" means any Testing-the-Waters Communication that is a written communication within the meaning of Rule 405 under the Securities Act.

(f) *Registration Statement and Prospectus.* The Registration Statement has been declared effective by the Commission. No order suspending the effectiveness of the Registration Statement has been issued by the Commission, and no proceeding for that purpose or pursuant to Section 8A of the Securities Act against the Company or related to the offering of the Shares has been initiated or, to the knowledge of the Company, threatened by the Commission; as of the applicable effective date of the Registration Statement and any post-effective amendment thereto, the Registration Statement and any such post-effective amendment complied and will comply in all material respects with the Securities Act, and did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading; and as of the date of the Prospectus and any amendment or supplement thereto and as of the Closing Date and as of the Additional Closing Date, as the case may be, the Prospectus will comply in all material respects with the Securities Act and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation or warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in the Registration Statement and the Prospectus and any amendment or supplement thereto, it being understood and agreed that the only such information furnished by any Underwriter consists of the Underwriter Information.

(g) *Financial Statements.* The financial statements (including the related notes thereto) of the Company and its consolidated subsidiaries included in the Registration Statement, the Pricing Disclosure Package and the Prospectus comply in all material respects with the applicable requirements of the Securities Act and the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as applicable, and present fairly in all material respects the

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financial position of the Company and its consolidated subsidiaries as of the dates indicated and the results of their operations and the changes in their cash flows for the periods specified; such financial statements have been prepared in conformity with generally accepted accounting principles (“GAAP”) in the United States applied on a consistent basis throughout the periods covered thereby, and any supporting schedules included in the Registration Statement present fairly in all material respects the information required to be stated therein; and the other financial information included in the Registration Statement, the Pricing Disclosure Package and the Prospectus has been derived from the accounting records of the Company and its consolidated subsidiaries and presents fairly in all material respects the information shown thereby; all disclosures included in the Registration Statement, the Pricing Disclosure Package and the Prospectus regarding “non-GAAP financial measures” (as such term is defined by the rules and regulations of Commission) comply with Regulation G of the Exchange Act and Item 10 of Regulation S-K of the Securities Act, to the extent applicable.

(h) *No Material Adverse Change.* Since the date of the most recent financial statements of the Company included in the Registration Statement, the Pricing Disclosure Package and the Prospectus, (i) there has not been any change in the capital stock (other than the issuance of shares of Common Stock upon exercise of stock options and warrants described as outstanding in, and the grant of options and awards under existing equity incentive plans described in, the Registration Statement, the Pricing Disclosure Package and the Prospectus) of the Company, any material change in the short-term debt or long-term debt of the Company or any of its subsidiaries, or any dividend or distribution of any kind declared, set aside for payment, paid or made by the Company on any class of capital stock, or any material adverse change, or any development involving a prospective material adverse change, in or affecting the business, properties, management, financial position, stockholders’ equity, results of operations or prospects of the Company and its subsidiaries taken as a whole; (ii) neither the Company nor any of its subsidiaries has entered into any transaction or agreement (whether or not in the ordinary course of business) that is material to the Company and its subsidiaries taken as a whole or incurred any liability or obligation, direct or contingent, that is material to the Company and its subsidiaries taken as a whole; and (iii) neither the Company nor any of its subsidiaries has sustained any loss or interference with its business that is material to the Company and its subsidiaries taken as a whole and that is either from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor disturbance or dispute or any action, order or decree of any court or arbitrator or governmental or regulatory authority, except in each case as otherwise disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

(i) *Organization and Good Standing.* The Company and each of its subsidiaries has been duly incorporated and are validly existing and in good standing (to the extent such concept exists in the relevant jurisdictions) under the laws of their respective jurisdictions of organization, are duly qualified to do business and are in good standing in each jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses requires such qualification, and have all power and authority necessary to own or hold their respective properties and to conduct the businesses in which they are engaged, except where the failure to be so qualified or in good standing or have such power or authority would not,

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individually or in the aggregate, have a material adverse effect on the business, properties, management, financial position, stockholders' equity, results of operations or prospects of the Company and its subsidiaries taken as a whole or on the performance by the Company of its obligations under this Agreement (a "Material Adverse Effect"). The subsidiaries listed in Schedule 3 to this Agreement are the only significant subsidiaries of the Company.

(j) *Capitalization.* The Company has an authorized capitalization as set forth in the Registration Statement, the Pricing Disclosure Package and the Prospectus; all the outstanding shares of capital stock of the Company (including the Shares to be sold by the Selling Stockholders) have been duly authorized and validly issued and are fully paid and non-assessable and are not subject to any pre-emptive or similar rights; except as described in or expressly contemplated by the Registration Statement, the Pricing Disclosure Package and the Prospectus, there are no outstanding rights (including, without limitation, pre-emptive rights), warrants or options to acquire, or instruments convertible into or exchangeable for, any shares of capital stock or other equity interest in the Company or any of its subsidiaries, or any contract, commitment, agreement, understanding or arrangement of any kind relating to the issuance of any capital stock of the Company or any such subsidiary, any such convertible or exchangeable securities or any such rights, warrants or options; the capital stock of the Company conforms in all material respects to the description thereof contained in the Registration Statement, the Pricing Disclosure Package and the Prospectus; and all the outstanding shares of capital stock or other equity interests of each subsidiary owned, directly or indirectly, by the Company have been duly authorized and validly issued, are fully paid and non-assessable and are owned directly or indirectly by the Company, free and clear of any lien, charge, encumbrance, security interest, restriction on voting or transfer or any other claim of any third party (other than as described in the Pricing Disclosure Package and the Prospectus).

(k) *Stock Options.* With respect to the stock options (the "Stock Options") granted pursuant to the stock-based compensation plans of the Company and its subsidiaries (the "Company Stock Plans"), (i) each Stock Option intended to qualify as an "incentive stock option" under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), so qualifies, (ii) each grant of a Stock Option was duly authorized no later than the date on which the grant of such Stock Option was by its terms to be effective by all necessary corporate action, including, as applicable, approval by the board of directors of the Company (or a duly constituted and authorized committee thereof) and any required stockholder approval by the necessary number of votes or written consents, and the award agreement governing such grant (if any) was duly executed and delivered by each party thereto, (iii) each such grant was made in accordance with the terms of the Company Stock Plans, the Exchange Act and all other applicable laws and regulatory rules or requirements, including the rules of the New York Stock Exchange (the "Exchange") and any other exchange on which Company securities are traded, and (iv) each such grant was properly accounted for in accordance with GAAP in the financial statements (including the related notes) of the Company and disclosed in the Company's filings with the Commission in accordance with the Exchange Act and all other applicable law. The Company has not knowingly granted, and there is no and has been no policy or practice of the Company of granting, Stock Options prior to, or otherwise coordinating the grant of Stock Options with, the

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release or other public announcement of material information regarding the Company or its subsidiaries or their results of operations or prospects.

(l) *Due Authorization.* The Company has full corporate rights, power and authority to execute and deliver this Agreement and to perform its obligations hereunder; and all action required to be taken for the due and proper authorization, execution and delivery by it of this Agreement and the consummation by the Company of the transactions contemplated hereby has been duly and validly taken.

(m) *Underwriting Agreement.* This Agreement has been duly authorized, executed and delivered by the Company.

(n) *[Reserved]*.

(o) *Descriptions of the Underwriting Agreement.* This Agreement conforms in all material respects to the description thereof contained in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

(p) *No Violation or Default.* Neither the Company nor any of its subsidiaries is (i) in violation of its charter or by-laws or similar organizational documents; (ii) in default, and no event has occurred that, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any property or asset of the Company or any of its subsidiaries is subject; or (iii) in violation of any law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority having jurisdiction over the Company or any of its subsidiaries, except, in the case of clauses (ii) and (iii) above, for any such default or violation that would not, individually or in the aggregate, have a Material Adverse Effect.

(q) *No Conflicts.* The execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the transactions contemplated by this Agreement or the Pricing Disclosure Package and the Prospectus will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, result in the termination, modification or acceleration of, or result in the creation or imposition of any lien, charge or encumbrance upon any property, right or asset of the Company or any of its subsidiaries pursuant to, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any property, right or asset of the Company or any of its subsidiaries is subject, (ii) result in any violation of the provisions of the charter or by-laws or similar organizational documents of the Company or any of its subsidiaries or (iii) result in the violation of any law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority having jurisdiction over the Company or any of its subsidiaries, except, in the case of clauses (i) and (iii) above, for any such conflict, breach, violation, default, lien, charge or encumbrance that would not, individually or in the aggregate, have a Material Adverse Effect.

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(r) *No Consents Required.* No consent, approval, authorization, order, registration or qualification of or with any court or arbitrator or governmental or regulatory authority is required for the execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the transactions contemplated by this Agreement, except for the registration of the Shares under the Securities Act and such consents, approvals, authorizations, orders and registrations or qualifications as may be required by the Exchange, Financial Industry Regulatory Authority, Inc. (“FINRA”) and under applicable state securities laws in connection with the purchase and distribution of the Shares by the Underwriters.

(s) *Legal Proceedings.* Except as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, there are no legal, governmental or regulatory investigations, actions, demands, claims, suits, arbitrations, inquiries or proceedings (“Actions”) pending to which the Company or any of its subsidiaries is or may reasonably be expected to become a party or to which any property of the Company or any of its subsidiaries is or may reasonably be expected to become the subject that, individually or in the aggregate, if determined adversely to the Company or any of its subsidiaries, could reasonably be expected to have a Material Adverse Effect; to the knowledge of the Company, no such Actions are threatened or contemplated by any governmental or regulatory authority or threatened by others; and (i) there are no current or pending Actions that are required under the Securities Act to be described in the Registration Statement, the Pricing Disclosure Package or the Prospectus that are not so described in the Registration Statement, the Pricing Disclosure Package and the Prospectus and (ii) there are no statutes, regulations or contracts or other documents that are required under the Securities Act to be filed as exhibits to the Registration Statement or described in the Registration Statement, the Pricing Disclosure Package or the Prospectus that are not so filed as exhibits to the Registration Statement or described in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

(t) *Independent Accountants.* PricewaterhouseCoopers LLP, which has certified certain financial statements of the Company and its subsidiaries and, which has certified certain financial statements of Bowhead Specialty Holdings Inc., is an independent registered public accounting firm with respect to the Company and its subsidiaries within the applicable rules and regulations adopted by the Commission and the Public Company Accounting Oversight Board (United States) and as required by the Securities Act.

(u) *Title to Real and Personal Property.* The Company and its subsidiaries have good and marketable title in fee simple to, or have valid rights to lease or otherwise use, all items of real and personal property (other than with respect to Intellectual Property (as defined below), which is addressed exclusively in subsection (v) below) that are material to the business of the Company and its subsidiaries, taken as a whole, in each case free and clear of all liens, encumbrances, claims and defects and imperfections of title except those that (i) secure the credit facility governed by the credit agreement dated as of April 22, 2024, by and among the Company, the lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as administrative agent, swingline lender and issuing bank, together with any other documents, agreements or instruments delivered in connection therewith, (ii) do not materially interfere with the use made and proposed to be made of such property by the Company and its subsidiaries or

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(iii) could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(v) *Intellectual Property*. Except as would not, individually or in the aggregate, have a Material Adverse Effect, (i) the Company and its subsidiaries own or have the right to use all patents, patent applications, trademarks, service marks, trade names, trademark registrations, service mark registrations, domain names and other source indicators, copyrights and copyrightable works, know-how, trade secrets, systems, procedures, proprietary or confidential information and all other worldwide intellectual property, industrial property and proprietary rights (collectively, “Intellectual Property”) necessary in the conduct of their respective businesses as currently conducted; (ii) to the knowledge of the Company, the Company’s and its subsidiaries’ conduct of their respective businesses does not infringe, misappropriate or otherwise violate any Intellectual Property of any person; (iii) the Company and its subsidiaries have not received any written notice of any claim relating to Intellectual Property; and (iv) to the knowledge of the Company, the Intellectual Property of the Company and its subsidiaries is not being infringed, misappropriated or otherwise violated by any person.

(w) *No Undisclosed Relationships*. No relationship, direct or indirect, exists between or among the Company or any of its subsidiaries, on the one hand, and the directors, officers, stockholders, customers, suppliers or other affiliates of the Company or any of its subsidiaries, on the other, that is required by the Securities Act to be described in each of the Registration Statement and the Prospectus and that is not so described in such documents and in the Pricing Disclosure Package.

(x) *[Reserved]*.

(y) *Investment Company Act*. The Company is not required to register as an “investment company” or an entity “controlled” by an “investment company” within the meaning of the Investment Company Act of 1940, as amended, and the rules and regulations of the Commission thereunder.

(z) *Taxes*. The Company and its subsidiaries have paid all federal, state, local and foreign taxes (except as are currently being contested in good faith and for which appropriate reserves are being maintained in accordance with GAAP) and filed all tax returns (or timely filed applicable extensions therefor) required to be paid or filed through the date hereof; and except as otherwise disclosed in each of the Registration Statement, the Pricing Disclosure Package and the Prospectus, there is no tax deficiency that has been, or would reasonably be expected to be, asserted against the Company or any of its subsidiaries or any of their respective properties or assets, except, in each case, as would not, individually or in the aggregate, have a Material Adverse Effect.

(aa) *Licenses and Permits*. The Company and its subsidiaries possess all licenses, sub-licenses, certificates, permits and other authorizations issued by, and have made all declarations and filings with, the appropriate federal, state, local or foreign governmental or regulatory authorities that are necessary for the ownership or lease of their respective properties or the conduct of their respective businesses as described in each of the Registration Statement, the

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Pricing Disclosure Package and the Prospectus, except where the failure to possess or make the same would not, individually or in the aggregate, have a Material Adverse Effect; and except as described in each of the Registration Statement, the Pricing Disclosure Package and the Prospectus, neither the Company nor any of its subsidiaries has received notice of any revocation or modification of any such license, sub-license, certificate, permit or authorization or has any reason to believe that any such license, sub-license, certificate, permit or authorization will not be renewed in the ordinary course, except, in each case, as would not, individually or in the aggregate, have a Material Adverse Effect.

(bb) *No Labor Disputes.* No labor disturbance by or dispute with employees of the Company or any of its subsidiaries exists or, to the knowledge of the Company, is contemplated or threatened, and the Company is not aware of any existing or imminent labor disturbance by, or dispute with, the employees of any of its or its subsidiaries' principal suppliers, contractors or customers, except as would not have a Material Adverse Effect. Neither the Company nor any of its subsidiaries has received any notice of cancellation or termination with respect to any collective bargaining agreement to which it is a party, except as would not be reasonably expected to have a Material Adverse Effect.

(cc) *Certain Environmental Matters.* (i) The Company and its subsidiaries (x) are in compliance with all, and have not violated any, applicable federal, state, local and foreign laws (including common law), rules, regulations, requirements, decisions, judgments, decrees, orders and other legally enforceable requirements relating to pollution or the protection of human health or safety, the environment, natural resources, hazardous or toxic substances or wastes, pollutants or contaminants (collectively, "Environmental Laws"); (y) have received and are in compliance with all, and have not violated any, permits, licenses, certificates or other authorizations or approvals required of them under any Environmental Laws to conduct their respective businesses; and (z) have not received notice of any actual or potential liability or obligation under or relating to, or any actual or potential violation of, any Environmental Laws, including for the investigation or remediation of any disposal or release of hazardous or toxic substances or wastes, pollutants or contaminants, and have no knowledge of any event or condition that would reasonably be expected to result in any such notice; (ii) to the knowledge of the Company, there are no costs or liabilities associated with Environmental Laws of or relating to the Company or its subsidiaries, except in the case of each of (i) and (ii) above, for any such matter as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and (iii) except as described in each of the Pricing Disclosure Package and the Prospectus, (x) there is no proceeding that is pending or, to the knowledge of the Company, contemplated, against the Company or any of its subsidiaries under any Environmental Laws in which a governmental entity is also a party, other than such proceedings regarding which the Company reasonably believes no monetary sanctions of \$300,000 or more will be imposed, (y) the Company and its subsidiaries are not aware of any facts or issues regarding compliance with Environmental Laws, or liabilities or other obligations under Environmental Laws or concerning hazardous or toxic substances or wastes, pollutants or contaminants, that could reasonably be expected to have a Material Adverse Effect, and (z) none of the Company or its subsidiaries anticipates material capital expenditures relating to any Environmental Laws.

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(dd) *Compliance with ERISA.* (i) Each employee benefit plan, within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), for which the Company or any member of its “Controlled Group” (defined as any entity, whether or not incorporated, that is under common control with the Company within the meaning of Section 4001(a)(14) of ERISA or any entity that would be regarded as a single employer with the Company under Section 414(b),(c),(m) or (o) of the Code) would have any liability (each, a “Plan”) has been maintained in compliance with its terms and the requirements of any applicable statutes, orders, rules and regulations, including but not limited to ERISA and the Code; (ii) no prohibited transaction, within the meaning of Section 406 of ERISA or Section 4975 of the Code, has occurred with respect to any Plan, excluding transactions effected pursuant to a statutory or administrative exemption; (iii) no Plan has failed (whether or not waived), or is reasonably expected to fail, to satisfy the minimum funding standards (within the meaning of Section 302 of ERISA or Section 412 of the Code) applicable to such Plan; (iv) no Plan is, or is reasonably expected to be, in “at risk status” (within the meaning of Section 303(i) of ERISA) and no Plan that is a “multiemployer plan” within the meaning of Section 4001(a)(3) of ERISA is in “endangered status” or “critical status” (within the meaning of Sections 304 and 305 of ERISA); (v) the fair market value of the assets of each Plan exceeds the present value of all benefits accrued under such Plan (determined based on those assumptions used to fund such Plan); (vi) no “reportable event” (within the meaning of Section 4043(c) of ERISA and the regulations promulgated thereunder) has occurred or is reasonably expected to occur; (vii) each Plan that is intended to be qualified under Section 401(a) of the Code is so qualified, and nothing has occurred, whether by action or by failure to act, which would cause the loss of such qualification; (viii) neither the Company nor any member of the Controlled Group has incurred, nor reasonably expects to incur, any liability under Title IV of ERISA (other than contributions to the Plan or premiums to the Pension Benefit Guarantee Corporation, in the ordinary course and without default) in respect of a Plan (including a “multiemployer plan” within the meaning of Section 4001(a)(3) of ERISA); (ix) there is no pending audit or investigation by the U.S. Internal Revenue Service, the U.S. Department of Labor, the Pension Benefit Guarantee Corporation or any other governmental entity or any non-U.S. regulatory agency with respect to any Plan, and (x) there is no increase in the aggregate amount of contributions required to be made to all Plans by the Company or its Controlled Group affiliates in the current fiscal year of the Company and its Controlled Group affiliates compared to the amount of such contributions made in the Company’s and its Controlled Group affiliates’ most recently completed fiscal year; and (xi) none of the Company nor any of its subsidiaries have or have had any “accumulated post-retirement benefit obligations” (within the meaning of Accounting Standards Codification Topic 715-60) with respect to any Plan or otherwise, except, in each case, with respect to the actions, events or conditions set forth in (i) through (xi) hereof, as would not, individually or in the aggregate, have a Material Adverse Effect.

(ee) *Disclosure Controls.* The Company and its subsidiaries, taken as a whole, maintain an effective system of “disclosure controls and procedures” (as defined in Rule 13a-15(e) under the Exchange Act) that complies with the applicable requirements of the Exchange Act and that has been designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Commission’s rules and forms,

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including controls and procedures designed to ensure that such information is accumulated and communicated to the Company's management as appropriate to allow timely decisions regarding required disclosure. The Company and its subsidiaries have carried out evaluations of the effectiveness of their disclosure controls and procedures as required by Rule 13a-15 under the Exchange Act.

(ff) *Accounting Controls.* The Company and its subsidiaries, taken as a whole, maintain systems of "internal control over financial reporting" (as defined in Rule 13a-15(f) under the Exchange Act) that comply with the applicable requirements of the Exchange Act and have been designed by, or under the supervision of, their respective principal executive and principal financial officers, or persons performing similar functions, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. The Company and its subsidiaries, taken as a whole, maintain internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences; and (v) interactive data in eXtensible Business Reporting Language included in the Registration Statement, the Prospectus and the Pricing Disclosure Package fairly presents the information called for in all material respects and is prepared in accordance with the Commission's rules and guidelines applicable thereto. There are no material weaknesses in the Company's internal controls. The Company's auditors and the Audit Committee of the Board of Directors of the Company have been advised of: (i) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which have adversely affected or are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls over financial reporting. For the avoidance of doubt, it is understood that this subsection shall not require the Company to comply with Section 404 of the Sarbanes Oxley Act of 2002 as of an earlier date than it would otherwise be required to so comply under applicable law.

(gg) *eXtensible Business Reporting Language.* The interactive data in eXtensible Business Reporting Language included in the Registration Statement fairly presents the information called for in all material respects and has been prepared in accordance with the Commission's rules and guidelines applicable thereto.

(hh) *Insurance.* The Company and its subsidiaries have insurance covering their respective properties, operations, personnel and businesses, including business interruption insurance, which insurance is in amounts and insures against such losses and risks as the Company believes in good faith are adequate to protect the Company and its subsidiaries and their businesses, taken as a whole; and neither the Company nor any of its subsidiaries has (i) received notice from any insurer or agent of such insurer that capital improvements or other

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expenditures are required or necessary to be made in order to continue such insurance or (ii) any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage at reasonable cost from similar insurers as may be necessary to continue its business.

(ii) *Cybersecurity; Data Protection.* The Company and its subsidiaries' information technology assets and equipment, computers, systems, networks, hardware, software, websites, applications, and databases (collectively, "IT Systems") are reasonably adequate for, and operate and perform in all material respects as required in connection with the operation of the business of the Company and its subsidiaries as currently conducted free and clear of all material bugs, errors, defects, Trojan horses, time bombs, malware and other corruptants. The Company and its subsidiaries have implemented and maintained commercially reasonable controls, policies, procedures, and safeguards to maintain and protect their material confidential information and the integrity, continuous operation, redundancy and security of all IT Systems and data (including all personal, personally identifiable, sensitive, confidential or regulated data ("Personal Data")) used in connection with their businesses, and, to the knowledge of the Company, there have been no breaches, violations, outages or unauthorized uses of or accesses to same, except, in each case, that would not, individually or in the aggregate, have a Material Adverse Effect. The Company and each of its subsidiaries are presently in material compliance with all internal and external privacy policies, contractual obligations, industry standards, applicable laws, statutes, judgments, orders, binding rules and regulations of any court or arbitrator or other governmental or regulatory authority that has jurisdiction over the Company or its subsidiaries and any other applicable legal obligations relating to the privacy and security of IT Systems and Personal Data and to the protection of such IT Systems and Personal Data from unauthorized use, access, misappropriation or modification.

(jj) *[Reserved]*.

(kk) *No Unlawful Payments.* Neither the Company nor any of its subsidiaries nor any director, officer or employee of the Company or any of its subsidiaries nor, to the knowledge of the Company, any agent, affiliate or other person associated with or acting on behalf of the Company or any of its subsidiaries has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made or taken an act in furtherance of an offer, promise or authorization of any direct or indirect unlawful payment or benefit to any foreign or domestic government official or employee, including of any government-owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office; (iii) violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977, as amended, or any applicable law or regulation implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, or committed an offence under the Bribery Act 2010 of the United Kingdom or any other applicable anti-bribery or anti-corruption law (collectively, the "Anti-Corruption Laws"); or (iv) made, offered, agreed, requested or taken an act in furtherance of any unlawful bribe or other unlawful benefit, including, without limitation,

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any rebate, payoff, influence payment, kickback or other unlawful or improper payment or benefit.

(ll) *Compliance with Anti-Money Laundering Laws.* The operations of the Company and its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements, including those of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the applicable money laundering statutes of all jurisdictions where the Company or any of its subsidiaries conducts business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by any governmental agency (collectively, the “Anti-Money Laundering Laws”) and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

(mm) *No Conflicts with Sanctions Laws.* Neither the Company nor any of its subsidiaries nor any director, officer or employee of the Company or any of its subsidiaries nor, to the knowledge of the Company, any agent, affiliate, or representative of the Company or any of its subsidiaries, is an individual or entity (“Person”) that is, or is owned or controlled by one or more Persons that are: (A) the subject or the target of any sanctions administered or enforced by the United States Government (including the U.S. Department of the Treasury’s Office of Foreign Assets Control and the U.S. Department of State and including, without limitation, the designation as a “specially designated national” or “blocked person”), the United Nations Security Council, the European Union, His Majesty’s Treasury, or any other relevant sanctions authority (collectively, “Sanctions”), or (B) located, organized or resident in a country or territory that is the subject or the target of comprehensive territorial Sanctions, including, without limitation, the so-called Donetsk People’s Republic, the so-called Luhansk People’s Republic, or any other Covered Region of Ukraine identified pursuant to Executive Order 14065, Crimea, Cuba, Iran, North Korea and Syria (each, a “Sanctioned Country”). The Company and each of its subsidiaries have not engaged in, are not now engaged in, and will not engage in, any dealings or transactions with any Person, or in any country or territory, that at the time of the dealing or transaction is or was, or whose government is or was, the subject or the target of Sanctions. The Company and its subsidiaries have not knowingly engaged in and are not now knowingly engaged in any dealings or transactions with any person that at the time of the dealing or transaction is or was the subject or the target of Sanctions or with any Sanctioned Country. The Company and its subsidiaries and controlled affiliates have instituted and maintained and will continue to maintain policies and procedures reasonably designed to promote and achieve compliance with the Anti-Corruption Laws, the Anti-Money Laundering Laws and Sanctions.

(nn) *Insurance Companies.* Each subsidiary of the Company that is required to be organized and licensed as an insurance company under the supervisory jurisdiction of a U.S. or non-U.S. insurance regulator (each, an “Insurance Company,” and collectively the “Insurance Companies”) is duly incorporated and licensed as an insurance company under the supervisory jurisdiction of a U.S. or non-U.S. insurance regulator in the jurisdiction in which it is chartered or organized and is duly licensed or authorized as an insurer under the supervisory jurisdiction of

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a U.S. or non-U.S. insurance regulator in each other jurisdiction where it is required to be so licensed or authorized to conduct its business as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, except in each case where the failure to be so organized, licensed or authorized would not reasonably be expected to have a Material Adverse Effect. Each of the Insurance Companies is in compliance with all applicable insurance laws and regulations, except in each case as would not, individually or in the aggregate, have a Material Adverse Effect. Each of the Insurance Companies has made all required filings under applicable insurance laws and regulations and has filed all notices, reports and declarations required to be filed thereunder (including, as applicable, statutory annual and quarterly statements and statutory balance sheets and income statements included therein), except in each case where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

Except as set forth in or contemplated in the Registration Statement, the Pricing Disclosure Package or the Prospectus, each of the Insurance Companies has obtained and currently holds all necessary licenses, permits, and authorizations (collectively, the “Permits”), of and from all insurance regulatory authorities necessary to conduct their respective existing businesses as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, except where the failure to have such Permits would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. None of the Insurance Companies has received any notification from any insurance regulatory authority to the effect that any additional Permit from any insurance regulatory authority is needed to be obtained by any of the Insurance Companies other than in any case where the failure to acquire such additional Permit would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Except as set forth in the Registration Statement, the Pricing Disclosure Package or the Prospectus, there is no pending or, to the knowledge of the Company, threatened action, suit, proceeding or investigation against any of the Insurance Companies from any insurance regulatory authority that could reasonably be expected to lead to the revocation, termination or suspension of any Permit, except in each case where such revocation, termination or suspension would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Except as set forth in the Registration Statement, the Pricing Disclosure Package or the Prospectus, no insurance regulatory authority having jurisdiction over any Insurance Company has issued any order or decree impairing, restricting or prohibiting (A) the payment of dividends by any of the Insurance Companies to its parent, other than those restrictions applicable to insurance or reinsurance companies under such jurisdiction generally, or (B) the continuation of the business of any of the Insurance Companies in all material respects as presently conducted, in each case except where such orders or decrees would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

No Insurance Company has received any written notice from any of the other parties to any material reinsurance treaties, contracts or agreements to which any of the Insurance Companies is a party that such other party intends not to perform its obligations thereunder, except to the extent that such nonperformance would not have a Material Adverse Effect.

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(oo) *No Restrictions on Subsidiaries.* Except as set forth in the Registration Statement, the Pricing Disclosure Package and the Prospectus, no subsidiary of the Company is currently prohibited, directly or indirectly, under any agreement or other instrument to which it is a party or is subject, from paying any dividends to the Company, from making any other distribution on such subsidiary's capital stock or similar ownership interest, from repaying to the Company any loans or advances to such subsidiary from the Company or from transferring any of such subsidiary's properties or assets to the Company or any other subsidiary of the Company.

(pp) *No Broker's Fees.* Neither the Company nor any of its subsidiaries is a party to any contract, agreement or understanding with any person (other than this Agreement) that would give rise to a valid claim against any of them or any Underwriter for a brokerage commission, finder's fee or like payment in connection with the offering and sale of the Shares.

(qq) *No Registration Rights.* No person has the right to require the Company or any of its subsidiaries to register any securities for sale under the Securities Act by reason of the filing of the Registration Statement with the Commission or, to the knowledge of the Company, the sale of the Shares to be sold by the Selling Stockholders hereunder, except as have been validly waived or complied with.

(rr) *No Stabilization.* Neither the Company nor any of its subsidiaries or affiliates has taken, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in any stabilization or manipulation of the price of the Shares.

(ss) *[Reserved]*.

(tt) *Forward-Looking Statements.* No forward-looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) included in any of the Registration Statement, the Pricing Disclosure Package or the Prospectus has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

(uu) *Statistical and Market Data.* Nothing has come to the attention of the Company that has caused the Company to believe that the statistical and market-related data included in each of the Registration Statement, the Pricing Disclosure Package and the Prospectus is not based on or derived from sources that are reliable and accurate in all material respects.

(vv) *Sarbanes-Oxley Act.* There is and has been no failure on the part of the Company or any of the Company's directors or officers, in their capacities as such, to comply with any provision of the Sarbanes-Oxley Act of 2002, as amended and the rules and regulations promulgated in connection therewith applicable to the Company as of or prior to the date hereof, including Section 402 related to loans.

(ww) *Status under the Securities Act.* At the time of filing the Registration Statement and any post-effective amendment thereto, at the earliest time thereafter that the Company or any offering participant made a *bona fide* offer (within the meaning of Rule 164(h)(2) under the Securities Act) of the Shares and at the date hereof, the Company was not and is not an

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“ineligible issuer,” as defined in Rule 405 under the Securities Act. The Company has paid the registration fee for this offering pursuant to the Securities Act.

(xx) *No Ratings.* There are (and prior to the Closing Date, will be) no debt securities, convertible securities or preferred stock issued or guaranteed by the Company or any of its subsidiaries that are rated by a “nationally recognized statistical rating organization,” as such term is defined in Section 3(a)(62) of the Exchange Act.

4. Representations and Warranties of the Selling Stockholders. Each of the Selling Stockholders represents and warrants, severally and not jointly, to each Underwriter and the Company that:

(a) *Required Consents; Authority.* All consents, approvals, authorizations and orders necessary for the execution and delivery by such Selling Stockholder of this Agreement, and for the sale and delivery of the Shares to be sold by such Selling Stockholder hereunder, have been obtained, except for such consents, approvals, authorizations, orders and registrations or qualifications as may be required by the Exchange, FINRA and under applicable state securities laws, including but not limited to, Blue Sky laws, in connection with the purchase and distribution of the Shares by the Underwriters; and such Selling Stockholder has full right, power and authority to enter into this Agreement and to sell, assign, transfer and deliver the Shares to be sold by such Selling Stockholder hereunder; this Agreement has been duly authorized, executed and delivered by such Selling Stockholder.

(b) *No Conflicts.* The execution, delivery and performance by such Selling Stockholder of this Agreement, the sale of the Shares to be sold by such Selling Stockholder and the consummation by such Selling Stockholder of the transactions contemplated herein or therein will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, result in the termination, modification or acceleration of, or result in the creation or imposition of any lien, charge or encumbrance upon any property, right or asset of such Selling Stockholder pursuant to, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which such Selling Stockholder is a party or by which such Selling Stockholder is bound or to which any of the property, right or asset of such Selling Stockholder is subject, (ii) result in any violation of the provisions of the charter or by-laws or similar organizational documents of such Selling Stockholder or (iii) result in the violation of any law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory agency, except in the case of clauses (i) and (iii), as would not, individually or in the aggregate, have a material adverse effect on the ability of such Selling Stockholder to perform its obligations under this Agreement or to consummate the transactions as contemplated hereby.

(c) *Title to Shares.* Such Selling Stockholder has, and immediately prior to the Closing Date and the Additional Closing Date, as applicable, such Selling Stockholder will have, good and valid title to, or a valid “security entitlement” within the meaning of Section 8-102 of the New York Uniform Commercial Code as in effect in the State of New York on the date hereof (the “UCC”) in respect of, the Shares to be sold by such Selling Stockholder hereunder at the Closing Date and the Additional Closing Date, as the case may be, free and clear of all liens,

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encumbrances, equities or claims; and, in the case of Shares delivered in certificated or uncertificated form, upon delivery of such Shares and payment therefor pursuant hereto, good and valid title to such Shares, free and clear of all liens, encumbrances, equities or claims will pass to the Underwriter. Pursuant to Article 8 of the UCC, upon (i) payment for the Shares to be sold by the Selling Stockholder to the Underwriters as provided in this Agreement, (ii) the delivery of such Shares to Cede & Co. (“Cede”) or such other nominee as may be designated by DTC, (iii) the registration of such Shares in the name of Cede or such other nominee as may be designated by DTC and (iv) the indication by book entry on the records of DTC maintained for such purpose, that the number of Shares set forth opposite the name of each Underwriter on Schedule 1 to this Agreement have been credited to a securities account (as defined in Section 8-501(a) of the UCC) at DTC in the name of each Underwriter (A) pursuant to Section 8-501 of the UCC, the Underwriters will acquire a security entitlement (as defined in Section 8-102 of the UCC) in respect of such Shares and (B) assuming that no Underwriter has notice of any adverse claim (as such phrase is defined in Section 8-105 of the UCC) to the Shares to which the security entitlement relates, no action based on any “adverse claim” (as defined in Section 8-102 of the UCC) to such Shares may be asserted against the Underwriters with respect to the security entitlement, assuming, in each case, that when such payment, delivery and crediting occur, (w) such Shares have been registered in the name of Cede or such other nominee as may be designated by DTC, in each case on the Company’s share registry in accordance with its certificate of incorporation, by laws and applicable law, (x) DTC is a “clearing corporation” and a “securities intermediary” each within the meaning of Section 8-102 of the UCC, (y) appropriate entries to the securities account in the name of each Underwriter on the records of DTC will have been made pursuant to the UCC and (z) the State of New York is the “securities intermediary’s jurisdiction” (within the meaning of Section 8-110(e) of the UCC) of DTC with respect to each Underwriter’s securities account to which the Shares have been credited.

(d) *No Stabilization.* Such Selling Stockholder has not taken, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in any stabilization or manipulation of the price of the Shares.

(e) *Pricing Disclosure Package.* The Pricing Disclosure Package, at the Applicable Time did not, and as of the Closing Date and as of the Additional Closing Date, as the case may be will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the representation and warranty in this Section 4(e) made by such Selling Stockholder, shall be limited solely to statements or omissions made in reliance upon and in conformity with information relating to such Selling Stockholder furnished to the Company in writing by such Selling Stockholder expressly for use in the Registration Statement, any Preliminary Prospectus, the Prospectus or any amendment or supplement thereto, any Issuer Free Writing Prospectus or the Pricing Disclosure Package, it being understood and agreed that the only information furnished by such Selling Stockholder consists of the name of such Selling Stockholder, the number of offered Shares, the address and any other information of such Selling Stockholder which appears in the table (and corresponding footnotes) under the caption “Principal and Selling Stockholders” in the Registration Statement (with respect to each Selling Stockholder, the “Selling Stockholder Information”).

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(f) *Issuer Free Writing Prospectus.* Other than the Registration Statement, the Preliminary Prospectus and the Prospectus, such Selling Stockholder (including its agents and representatives, other than the Underwriters in their capacity as such) has not prepared, made, used, authorized, approved or referred to and will not prepare, make, use, authorize, approve or refer to any Issuer Free Writing Prospectus other than (i) any document not constituting a prospectus pursuant to Section 2(a)(10)(a) of the Securities Act or Rule 134 under the Securities Act or (ii) the documents listed on Annex A hereto, each electronic road show and any other written communications approved in writing in advance by the Company and the Representatives.

(g) *Registration Statement and Prospectus.* As of the applicable effective date of the Registration Statement and any post-effective amendment thereto, the Registration Statement and any such post-effective amendment complied and will comply in all material respects with the Securities Act, and did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading; and as of the date of the Prospectus and any amendment or supplement thereto and as of the Closing Date and as of the Additional Closing Date, as the case may be, the Prospectus will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the representation and warranty made by such Selling Stockholder in this Section 4(g), shall be limited solely to statements or omissions made in reliance upon and in conformity with the Selling Stockholder Information.

(h) *Material Information.* As of the date hereof, the sale of the Shares by such Selling Stockholder pursuant to this Agreement is not prompted by any material non-public information concerning the Company or any of its subsidiaries that is not disclosed in the Pricing Disclosure Package.

(i) *No Unlawful Payments.* Neither such Selling Stockholder nor any of its subsidiaries nor any director, officer or employee of such Selling Stockholder or any of its subsidiaries nor, to the knowledge of such Selling Stockholder, any agent, affiliate or other representative of such Selling Stockholder or any of its subsidiaries has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made or taken an act in furtherance of an offer, promise or authorization of any direct or indirect unlawful payment or benefit to any foreign or domestic government official or employee, including of any government-owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office; (iii) violated or is in violation of any provision of the Anti-Corruption Laws; or (iv) made, offered, agreed, requested or taken an act in furtherance of any unlawful bribe or other unlawful benefit, including, without limitation, any rebate, payoff, influence payment, kickback or other unlawful or improper payment or benefit.

(j) *Compliance with Anti-Money Laundering Laws.* The operations of such Selling Stockholder and its subsidiaries are and have been conducted at all times in compliance with

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applicable financial recordkeeping and reporting requirements, including those of the Anti-Money Laundering Laws, and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving such Selling Stockholder or any of its subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of such Selling Stockholder, threatened.

(k) *No Conflicts with Sanctions Laws.* Neither such Selling Stockholder nor any of its subsidiaries nor any director, officer or employee of such Selling Stockholder or any of its subsidiaries nor, to the knowledge of such Selling Stockholder, any agent, affiliate, or representative of such Selling Stockholder or any of its subsidiaries, is a person that is, or is 50% or more owned or controlled by one or more Persons that are: (A) the subject or the target of any Sanctions, or (B) located, organized or resident in a Sanctioned Country. Such Selling Stockholder and each of its subsidiaries have not engaged in, are not now engaged in, and will not knowingly engage in, any dealings or transactions with any Person, or in any country or territory, that at the time of the dealing or transaction is or was, or whose government is or was, the subject or the target of Sanctions; and such Selling Stockholder will not directly or indirectly use the proceeds of the offering of the Shares hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity (i) to fund or facilitate any activities of or business with any person that, at the time of such funding or facilitation, is the subject or the target of Sanctions, (ii) to fund or facilitate any activities of or business in any Sanctioned Country, (iii) to fund or facilitate any money laundering or terrorist financing activities; or (iv) in any other manner that will result in a violation by any person (including any person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions. Such Selling Stockholder and its subsidiaries have not knowingly engaged in and are not now knowingly engaged in any dealings or transactions with any person that at the time of the dealing or transaction is or was the subject or the target of Sanctions or with any Sanctioned Country. Such Selling Stockholder and its subsidiaries and controlled affiliates have instituted and maintained and will continue to maintain policies and procedures reasonably designed to promote and achieve compliance with Sanctions.

(l) *Organization and Good Standing.* Such Selling Stockholder has been duly organized and is validly existing and in good standing under the laws of its respective jurisdiction of organization.

5. Further Agreements of the Company. The Company covenants and agrees with each Underwriter that:

(a) *Required Filings.* The Company will file the final Prospectus with the Commission within the time periods specified by Rule 424(b) and Rule 430A, 430B or 430C under the Securities Act, will file any Issuer Free Writing Prospectus to the extent required by Rule 433 under the Securities Act; and the Company will furnish copies of the Prospectus and each Issuer Free Writing Prospectus (to the extent not previously delivered) to the Underwriters in New York City on the business day next succeeding the date of this Agreement (or such other time as may be agreed to by the Representatives and the Company) in such quantities as the Representatives may reasonably request.

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(b) *Delivery of Copies.* The Company will deliver, without charge, (i) upon the written request of the Representatives, to the Representatives, two signed copies of the Registration Statement as originally filed and each amendment thereto, in each case including all exhibits and consents filed therewith; and (ii) to each Underwriter (A) a conformed copy of the Registration Statement as originally filed and each amendment thereto (without exhibits) and (B) during the Prospectus Delivery Period (as defined below), as many copies of the Prospectus (including all amendments and supplements thereto and each Issuer Free Writing Prospectus) as the Representatives may reasonably request. As used herein, the term “Prospectus Delivery Period” means such period of time after the first date of the public offering of the Shares as in the opinion of counsel for the Underwriters a prospectus relating to the Shares is required by law to be delivered (or required to be delivered but for Rule 172 under the Securities Act) in connection with sales of the Shares by any Underwriter or dealer.

(c) *Amendments or Supplements, Issuer Free Writing Prospectuses.* Before making, preparing, using, authorizing, approving, referring to or filing any Issuer Free Writing Prospectus, and before filing any amendment or supplement to the Registration Statement, the Pricing Disclosure Package or the Prospectus, the Company will furnish to the Representatives and counsel for the Underwriters a copy of the proposed Issuer Free Writing Prospectus, amendment or supplement for review and will not make, prepare, use, authorize, approve, refer to or file any such Issuer Free Writing Prospectus or file any such proposed amendment or supplement to which the Representatives reasonably object by written notice (which may be by electronic mail).

(d) *Notice to the Representatives.* The Company will advise the Representatives promptly, and confirm such advice in writing (which may be by electronic mail), (i) when the Registration Statement has become effective; (ii) when any amendment to the Registration Statement has been filed or becomes effective; (iii) when any supplement to the Pricing Disclosure Package, the Prospectus, any Issuer Free Writing Prospectus or any amendment to the Prospectus has been filed or distributed; (iv) of any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to the Prospectus or the receipt of any comments from the Commission relating to the Registration Statement or any other request by the Commission for any additional information; (v) of the issuance by the Commission or any other governmental or regulatory authority of any order suspending the effectiveness of the Registration Statement or preventing or suspending the use of any Preliminary Prospectus, any of the Pricing Disclosure Package, the Prospectus or the initiation or, to the knowledge of the Company, threatening of any proceeding for that purpose or pursuant to Section 8A of the Securities Act; (vi) of the occurrence of any event or development within the Prospectus Delivery Period as a result of which the Prospectus, any of the Pricing Disclosure Package or any Issuer Free Writing Prospectus as then amended or supplemented would include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing when the Prospectus, the Pricing Disclosure Package or any such Issuer Free Writing Prospectus is delivered to a purchaser, not misleading; and (vii) of the receipt by the Company of any notice with respect to any suspension of the qualification of the Shares for offer and sale in any jurisdiction or the initiation or, to the knowledge of the Company, threatening of any proceeding for such purpose; and the Company

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will use its reasonable best efforts to prevent the issuance of any such order suspending the effectiveness of the Registration Statement, preventing or suspending the use of any Preliminary Prospectus, any of the Pricing Disclosure Package or the Prospectus or suspending any such qualification of the Shares and, if any such order is issued, will use its reasonable best efforts to obtain as soon as possible the withdrawal thereof.

(e) *Ongoing Compliance.* (1) If during the Prospectus Delivery Period (i) any event or development shall occur or condition shall exist as a result of which the Prospectus as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances existing when the Prospectus is delivered to a purchaser, not misleading or (ii) it is necessary to amend or supplement the Prospectus to comply with law, the Company will promptly notify the Underwriters thereof and forthwith prepare and, subject to paragraph (c) above, file with the Commission and furnish to the Underwriters and to such dealers as the Representatives may designate such amendments or supplements to the Prospectus as may be necessary so that the statements in the Prospectus as so amended or will not, in the light of the circumstances existing when the Prospectus is delivered to a purchaser, be misleading or so that the Prospectus will comply with law and (2) if at any time prior to the Closing Date (i) any event or development shall occur or condition shall exist as a result of which the Pricing Disclosure Package as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances existing when the Pricing Disclosure Package is delivered to a purchaser, not misleading or (ii) it is necessary to amend or supplement the Pricing Disclosure Package to comply with law, the Company will promptly notify the Underwriters thereof and forthwith prepare and, subject to paragraph (c) above, file with the Commission (to the extent required) and furnish to the Underwriters and to such dealers as the Representatives may designate such amendments or supplements to the Pricing Disclosure Package as may be necessary so that the statements in the Pricing Disclosure Package as so amended or supplemented will not, in the light of the circumstances existing when the Pricing Disclosure Package is delivered to a purchaser, be misleading or so that the Pricing Disclosure Package will comply with law.

(f) *Blue Sky Compliance.* The Company will qualify the Shares for offer and sale under the securities or Blue Sky laws of such jurisdictions as the Representatives shall reasonably request and will continue such qualifications in effect so long as required for distribution of the Shares; provided that the Company shall not be required to (i) qualify as a foreign corporation or other entity or as a dealer in securities in any such jurisdiction where it would not otherwise be required to so qualify, (ii) file any general consent to service of process in any such jurisdiction or (iii) subject itself to taxation in any such jurisdiction if it is not otherwise so subject.

(g) *Earning Statement.* The Company will make generally available (which may be satisfied by filing with the Commission's Electronic Data Gathering Analysis and Retrieval System ("EDGAR")) to its security holders and the Representatives as soon as practicable an earning statement (which need not be audited) that satisfies the provisions of Section 11(a) of the Securities Act and Rule 158 of the Commission promulgated thereunder covering a period of at

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least twelve months beginning with the first fiscal quarter of the Company occurring after the “effective date” (as defined in Rule 158) of the Registration Statement.

(h) *Clear Market*. For a period of 90 days after the date of the Prospectus (the “Restricted Period”), the Company will not, and will not publicly disclose the intention to, (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, or submit to (other than any confidential or non-public submissions to the Commission of any registration statement under the Securities Act only if (i) the Company shall notify the Representatives at least five business days prior to the confidential submission of any registration statement with the Commission and (ii) no press release shall be issued in connection with the confidential submission of any registration statement with the Commission during the Restricted Period), or file with, the Commission a registration statement under the Securities Act relating to, any shares of Stock or any securities convertible into or exercisable or exchangeable for Stock, or (ii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Stock or any such other securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Stock or such other securities, in cash or otherwise, without the prior written consent of any two of the Representatives and with written notice of the proposed release provided to the other Representative at least three business days in advance of the effectiveness of such release, other than the Shares to be sold hereunder.

The restrictions described above do not apply to (i) the Shares to be sold hereunder; (ii) the issuance of shares of Stock or securities convertible into or exercisable for shares of Stock pursuant to the conversion or exchange of convertible or exchangeable securities or the exercise of warrants or options (including net exercise) or the settlement of RSUs (including net settlement), in each case outstanding on the date of this Agreement and described in the Prospectus; (iii) grants of stock options, stock awards, restricted stock, RSUs, or other equity awards and the issuance of shares of Stock or securities convertible into or exercisable or exchangeable for shares of Stock (whether upon the exercise of stock options or otherwise) to the Company’s employees, officers, directors, advisors, or consultants pursuant to the terms of an equity compensation plan in effect as of the Closing Date and described in the Prospectus; (iv) the filing of any registration statement on Form S-8 relating to securities granted or to be granted pursuant to any plan in effect on the date of this Agreement and described in the Prospectus or any assumed benefit plan pursuant to an acquisition or similar strategic transaction; (v) the Shares to be issued and sold to American Family Mutual Insurance Company, S.I. (“AFMIC”) or any of its affiliates pursuant to that certain common stock purchase warrant as described in the Prospectus; or (vi) the issuance of up to 5% of the outstanding shares of Stock, or securities convertible into, exercisable for, or which are otherwise exchangeable for, Stock, immediately following the Closing Date, in acquisitions or other similar strategic transactions, provided that such recipients enter into a lock-up agreement with the Underwriters substantially in the form of Exhibit A hereto.

(i) *[Reserved]*.

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(j) *No Stabilization.* Neither the Company nor its subsidiaries or affiliates will take, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in any stabilization or manipulation of the price of the Shares.

(k) *[Reserved]*.

(l) *Reports.* For a period of three years from the date of this Agreement, so long as the Shares are outstanding, the Company will furnish to the Representatives, as soon as they are available, copies of all reports or other communications (financial or other) furnished to holders of the Shares, and copies of any reports and financial statements furnished to or filed with the Commission or any national securities exchange or automatic quotation system; provided that the Company will be deemed to have furnished such reports and financial statements to the Representatives to the extent they are filed on EDGAR.

(m) *Record Retention.* For a period of three years from the date of this Agreement, the Company will, pursuant to reasonable procedures developed in good faith, retain copies of each Issuer Free Writing Prospectus that is not filed with the Commission in accordance with Rule 433 under the Securities Act.

(n) *[Reserved]*.

(o) *Certification Regarding Beneficial Owners of Legal Entity Customers.* The Company will deliver to each Underwriter (or its agent), on or before the date of execution of this Agreement, a properly completed and executed Certification Regarding Beneficial Owners of Legal Entity Customers, together with copies of identifying documentation, and the Company undertakes to provide such additional supporting documentation as each Underwriter may reasonably request in connection with the verification of the foregoing certification.

(p) *[Reserved]*.

(q) *Emerging Growth Company.* The Company will promptly notify the Representatives if the Company ceases to be an Emerging Growth Company at any time prior to the later of (i) completion of the distribution of Shares within the meaning of the Securities Act and (ii) completion of the 90-day restricted period referred to in Section 5(h) hereof.

6. Further Agreements of the Selling Stockholders. Each of the Selling Stockholders severally and not jointly covenants and agrees with each Underwriter that:

(a) *No Stabilization.* Such Selling Stockholder will not take, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in any stabilization or manipulation of the price of the Stock.

(b) *Tax Form.* Such Selling Stockholder has or will deliver to the Representatives prior to or at the Closing Date a properly completed and executed United States Treasury Department Form W-9 (or other applicable form or statement specified by the Treasury Department regulations in lieu thereof) certifying its status as a United

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States person within the meaning of Section 7701(a)(30) of the U.S. Internal Revenue Code of 1986, as amended, and provide any other information reasonably requested in order to facilitate the Underwriters' documentation of their compliance with the reporting and withholding provisions of the Tax Equity and Fiscal Responsibility Act of 1982 with respect to the transactions herein contemplated.

(c) *Use of Proceeds.* Such Selling Stockholder will not directly or indirectly use the proceeds of the offering of the Shares hereunder, or lend, contribute or otherwise make available such proceeds to a subsidiary, joint venture partner or other Person or entity (i) to fund or facilitate any activities of or business with any Person that, at the time of such funding or facilitation, is the subject of target of Sanctions, (ii) to fund or facilitate any activities of or business in any Sanctioned Country or (iii) in any other manner that will result in a violation by any Person (including any Person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions.

7. Certain Agreements of the Underwriters. Each Underwriter hereby represents and agrees that:

(a) It has not and will not use, authorize use of, refer to or participate in the planning for use of, any "free writing prospectus", as defined in Rule 405 under the Securities Act (which term includes use of any written information furnished to the Commission by the Company and not incorporated by reference into the Registration Statement and any press release issued by the Company) other than (i) a free writing prospectus that contains no "issuer information" (as defined in Rule 433(h)(2) under the Securities Act) that was not included (including through incorporation by reference) in the Preliminary Prospectus or a previously filed Issuer Free Writing Prospectus, (ii) any Issuer Free Writing Prospectus listed on Annex A or prepared pursuant to Section 3(c) or Section 5(c) above (including any electronic road show approved in writing in advance by the Company), or (iii) any free writing prospectus prepared by such underwriter and approved by the Company in advance in writing.

(b) It has not and will not, without the prior written consent of the Company, use any free writing prospectus that contains the final terms of the offering of the Shares unless such terms have previously been included in a free writing prospectus filed with the Commission; provided that Underwriters may use a term sheet substantially in the form of Annex B hereto without the consent of the Company; provided, further that any Underwriter using such term sheet shall notify the Company, and provide a copy of such term sheet to the Company, prior to, or substantially concurrently with, the first use of such term sheet.

(c) It is not subject to any pending proceeding under Section 8A of the Securities Act with respect to the offering (and will promptly notify the Company and the Selling Stockholders if any such proceeding against it is initiated during the Prospectus Delivery Period).

8. Conditions of Underwriters' Obligations. The obligation of each Underwriter to purchase the Underwritten Shares on the Closing Date or the Option Shares on the Additional Closing Date, as the case may be, as provided herein is subject to the performance by the

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Company and each of the Selling Stockholders of their respective covenants and other obligations hereunder and to the following additional conditions:

(a) *Registration Compliance; No Stop Order.* No order suspending the effectiveness of the Registration Statement shall be in effect, and no proceeding for such purpose or pursuant to Section 8A of the Securities Act shall be pending before or, to the knowledge of the Company, threatened by the Commission; the Prospectus and each Issuer Free Writing Prospectus shall have been timely filed with the Commission under the Securities Act (in the case of an Issuer Free Writing Prospectus, to the extent required by Rule 433 under the Securities Act) and in accordance with Section 5(a) hereof; and all requests by the Commission for additional information shall have been complied with to the reasonable satisfaction of the Representatives.

(b) *Representations and Warranties.* The respective representations and warranties of the Company and the Selling Stockholders contained herein shall be true and correct on the date hereof and on and as of the Closing Date or the Additional Closing Date, as the case may be; and the statements of the Company and its officers and each of the Selling Stockholders and their officers made in any certificates delivered pursuant to this Agreement shall be true and correct on and as of the Closing Date or the Additional Closing Date, as the case may be.

(c) *No Material Adverse Change.* No event or condition of a type described in Section 3(h) hereof shall have occurred or shall exist, which event or condition is not described in the Pricing Disclosure Package (excluding any amendment or supplement thereto) and the Prospectus (excluding any amendment or supplement thereto) and the effect of which in the judgment of the Representatives makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Shares on the Closing Date or the Additional Closing Date, as the case may be, on the terms and in the manner contemplated by this Agreement, the Pricing Disclosure Package and the Prospectus.

(d) *Officer's Certificate.* The Representatives shall have received on and as of the Closing Date or the Additional Closing Date, as the case may be, (x) a certificate of the chief financial officer or chief accounting officer of the Company and one additional senior executive officer of the Company who is reasonably satisfactory to the Representatives (i) confirming that such officers have carefully reviewed the Registration Statement, the Pricing Disclosure Package and the Prospectus and, to the knowledge of such officers, the representations set forth in Sections 3(b) and 3(f) hereof are true and correct, (ii) confirming that the other representations and warranties of the Company in this Agreement are true and correct and that the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to the Closing Date or the Additional Closing Date, as the case may be, and (iii) to the effect set forth in paragraphs (a), (b) and (c) above and (y) a certificate of each of the Selling Stockholders, in form and substance reasonably satisfactory to the Representatives, (i) confirming that the representations of such Selling Stockholder set forth in Sections 4(e), 4(f) and 4(g) hereof is true and correct and (ii) confirming that the other representations and warranties of such Selling Stockholder in this agreement are true and correct and that the such Selling Stockholder has complied with all agreements and satisfied all conditions on their part to be performed or satisfied hereunder at or prior to such Closing Date.

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(e) *Comfort Letters and CFO Certificates.* (i) On the date of this Agreement and on the Closing Date or the Additional Closing Date, as the case may be, PricewaterhouseCoopers LLP, shall have furnished to the Representatives, at the request of the Company, letters, dated the respective dates of delivery thereof and addressed to the Underwriters, in form and substance reasonably satisfactory to the Representatives, containing statements and information of the type customarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in each of the Registration Statement, the Pricing Disclosure Package and the Prospectus; provided that the letter delivered on the date of this Agreement, on the Closing Date or the Additional Closing Date, as the case may be, shall use a "cut-off" date no more than two business days prior to the date of this Agreement, the Closing Date or the Additional Closing Date, as the case may be, and (ii) on the date of this Agreement and on the Closing Date or the Additional Closing Date, as the case may be, the Company shall have furnished to the Representatives a certificate, dated the respective dates of delivery thereof and addressed to the Underwriters, of its chief financial officer with respect to certain financial data contained in the Pricing Disclosure Package and the Prospectus, providing "management comfort" with respect to such information, in form and substance reasonably satisfactory to the Representatives.

(f) *Opinions and Negative Assurance Letter of Counsel for the Company.* Skadden, Arps, Slate, Meagher & Flom LLP, counsel for the Company, shall have furnished to the Representatives, at the request of the Company, their written opinions and negative assurance letter, dated the Closing Date or the Additional Closing Date, as the case may be, and addressed to the Underwriters, in form and substance reasonably satisfactory to the Representatives.

(g) *Opinion of Counsel for the Selling Stockholders.* Willkie Farr & Gallagher LLP, counsel for AFMIC other than with respect to matters relating to Wisconsin law and [•], counsel for AFMIC with respect to matters relating to Wisconsin law, Skadden, Arps, Slate, Meagher & Flom LLP, counsel for Bowhead Insurance Holdings LP, and Goodwin Procter LLP, counsel for GPC Partners Investments (SPV III) LP ("GPC"), shall have each furnished to the Representatives, at the request of the respective Selling Stockholder, their written opinions dated the Closing Date or the Additional Closing Date, as the case may be, and addressed to the Underwriters, in form and substance reasonably satisfactory to the Representatives.

(h) *Opinion and 10b-5 Statement of Counsel for the Underwriters.* The Representatives shall have received on and as of the Closing Date or the Additional Closing Date, as the case may be, an opinion and 10b-5 statement, addressed to the Underwriters, of Latham & Watkins LLP, counsel for the Underwriters, with respect to such matters as the Representatives may reasonably request, and such counsel shall have received such documents and information as they may reasonably request to enable them to pass upon such matters.

(i) *No Legal Impediment to Sale.* No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any federal, state or foreign governmental or regulatory authority that would, as of the Closing Date or the Additional Closing Date, as the case may be, prevent the sale of the Shares by the Selling Stockholders; and no injunction or order of any federal, state or foreign court shall have been issued that would, as

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of the Closing Date or the Additional Closing Date, as the case may be, prevent the sale of the Shares by the Selling Stockholders.

(j) *Good Standing.* The Representatives shall have received on and as of the Closing Date or the Additional Closing Date, as the case may be, satisfactory evidence of the good standing of the Company and its subsidiaries in their respective jurisdictions of organization and their good standing in such other jurisdictions as the Representatives may reasonably request, in each case in writing or any standard form of telecommunication from the appropriate governmental authorities of such jurisdictions.

(k) *Exchange Listing.* The Shares to be delivered on the Closing Date or the Additional Closing Date, as the case may be, shall have been duly listed for quotation on the Exchange.

(l) *Lock-up Agreements.* The “lock-up” agreements, each substantially in the form of Exhibit A hereto, between the Representatives and certain shareholders, officers and directors of the Company, including AFMIC and GPC, relating to sales and certain other dispositions of shares of Stock or certain other securities, delivered to the Representatives on or before the date hereof, shall be in full force and effect on the Closing Date or the Additional Closing Date, as the case may be.

(m) *Additional Documents.* On or prior to the Closing Date or the Additional Closing Date, as the case may be, the Company and the Selling Stockholders shall have furnished to the Representatives such further certificates and documents as the Representatives may reasonably request.

All opinions, letters, certificates and evidence mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Underwriters.

#### 9. Indemnification and Contribution.

(a) *Indemnification of the Underwriters by the Company.* The Company agrees to indemnify and hold harmless each Underwriter, its affiliates, directors and officers and each person, if any, who controls such Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages and liabilities (including, without limitation, reasonably incurred legal fees and other expenses incurred in connection with any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred), joint or several, that arise out of, or are based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, not misleading, or (ii) any untrue statement or alleged untrue statement of a material fact contained in the Prospectus (or any amendment or supplement thereto), any Preliminary Prospectus, any Issuer Free Writing Prospectus, any “issuer information” filed or required to be filed pursuant to Rule 433(d) under the Securities Act, any road show as defined in Rule 433(h) under the Securities Act (a “road

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show”) or any Pricing Disclosure Package (including any Pricing Disclosure Package that has subsequently been amended), or caused by any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, in each case, except insofar as such losses, claims, damages or liabilities arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use therein, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in paragraph (c) below.

(b) *Indemnification of the Underwriters by the Selling Stockholders.* Each of the Selling Stockholders, severally and not jointly, agrees to indemnify and hold harmless each Underwriter, its affiliates, directors and officers and each person, if any, who controls such Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages and liabilities (including, without limitation, reasonably incurred legal fees and other expenses incurred in connection with any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred), joint or several, that arise out of, or are based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, not misleading, or (ii) any untrue statement or alleged untrue statement of a material fact contained in the Prospectus (or any amendment or supplement thereto), any Preliminary Prospectus, any Issuer Free Writing Prospectus, any “issuer information” filed or required to be filed pursuant to Rule 433(d) under the Securities Act, any road show or any Pricing Disclosure Package (including any Pricing Disclosure Package that has subsequently been amended), or caused by any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, but in each case, (x) only with respect to any losses, claims, damages or liabilities that arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with the Selling Stockholder Information and (y) except insofar as such losses, claims, damages or liabilities arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use therein, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in paragraph (c) below; provided, further that the aggregate liability under this subsection of any Selling Stockholder shall not exceed an amount equal to the net proceeds (after deducting underwriting commissions and discounts but before deducting expenses) received by such Selling Stockholder from the sale of Shares sold by it as contemplated herein (“Selling Stockholder Proceeds”).

(c) *Indemnification of the Company and the Selling Stockholders.* Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Company, its directors, its

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officers who signed the Registration Statement and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act and each of the Selling Stockholders from and against any and all losses, claims, damages and liabilities (including, without limitation, reasonably incurred legal fees and other expenses incurred in connection with any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred), joint or several, that arise out of, or are based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, not misleading, or (ii) any untrue statement or alleged untrue statement of a material fact contained in the Prospectus (or any amendment or supplement thereto), any Preliminary Prospectus, any Issuer Free Writing Prospectus, any “issuer information” filed or required to be filed pursuant to Rule 433(d) under the Securities Act, any road show or any Pricing Disclosure Package (including any Pricing Disclosure Package that has subsequently been amended), or caused by any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, but in each case, (x) only with respect to any losses, claims, damages or liabilities that arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to such Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in the Registration Statement, the Prospectus (or any amendment or supplement thereto), any Preliminary Prospectus, any Issuer Free Writing Prospectus, any road show or any Pricing Disclosure Package (including any Pricing Disclosure Package that has subsequently been amended), it being understood and agreed upon that the only such information furnished by any Underwriter consists of the following information in the Prospectus furnished on behalf of each Underwriter: the concession and reallowance figures appearing in the third paragraph under the caption “Underwriting” and the information contained in the fifteenth, sixteenth, and seventeenth paragraphs under the caption “Underwriting” (collectively, the “Underwriter Information”) and (y) except insofar as such losses, claims, damages or liabilities arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any Selling Stockholder Information.

(d) *Notice and Procedures.* If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any person in respect of which indemnification may be sought pursuant to the preceding paragraphs of this Section 9, such person (the “Indemnified Person”) shall promptly notify the person against whom such indemnification may be sought (the “Indemnifying Person”) in writing; provided that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have under the preceding paragraphs of this Section 9 except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and provided, further, that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have to an Indemnified Person otherwise than under the preceding paragraphs of this Section 9. If any such proceeding shall be brought or asserted against an Indemnified Person and it shall have notified the Indemnifying Person thereof, the Indemnifying Person shall retain counsel reasonably satisfactory to the Indemnified Person (who

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shall not, without the consent of the Indemnified Person, be counsel to the Indemnifying Person) to represent the Indemnified Person and any others entitled to indemnification pursuant to this Section that the Indemnifying Person may designate in such proceeding and shall pay the reasonable and documented fees and expenses in such proceeding and shall pay the reasonable and documented fees and expenses of such counsel related to such proceeding, as incurred. In any such proceeding, any Indemnified Person shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless (i) the Indemnifying Person and the Indemnified Person shall have mutually agreed to the contrary; (ii) the Indemnifying Person has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Person; (iii) the Indemnified Person shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to the Indemnifying Person; or (iv) the named parties in any such proceeding (including any impleaded parties) include both the Indemnifying Person and the Indemnified Person and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood and agreed that the Indemnifying Person shall not, in connection with any proceeding or related proceeding in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all Indemnified Persons, and that all such fees and expenses shall be paid or reimbursed as they are incurred. Any such separate firm for any Underwriter, its affiliates, directors and officers and any control persons of such Underwriter shall be designated in writing by the Representatives and any such separate firm for the Company, its directors, its officers who signed the Registration Statement and any control persons of the Company shall be designated in writing by the Company and any such separate firm for the Selling Stockholders shall be designated in writing by the Selling Stockholders. The Indemnifying Person shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent, the Indemnifying Person agrees to indemnify each Indemnified Person from and against any loss or liability by reason of such settlement. Notwithstanding the foregoing sentence, if at any time an Indemnified Person shall have requested that an Indemnifying Person reimburse the Indemnified Person for fees and expenses of counsel as contemplated by this paragraph, the Indemnifying Person shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 60 days after receipt by the Indemnifying Person of such request, and (ii) the Indemnifying Person shall not have reimbursed the Indemnified Person in accordance with such request or disputed in good faith the Indemnified Person's entitlement to such reimbursement prior to the date of such settlement. No Indemnifying Person shall, without the written consent of the Indemnified Person, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnification could have been sought hereunder by such Indemnified Person, unless such settlement (x) includes an unconditional release of such Indemnified Person, in form and substance reasonably satisfactory to such Indemnified Person, from all liability on claims that are the subject matter of such proceeding and (y) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person.

(e) *Contribution.* If the indemnification provided for in paragraphs (a), (b) or (c) above is unavailable to an Indemnified Person or insufficient in respect of any losses, claims,

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damages or liabilities referred to therein, then each Indemnifying Person under such paragraph, in lieu of indemnifying such Indemnified Person thereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Selling Stockholders, on the one hand, and the Underwriters on the other, from the offering of the Shares or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) but also the relative fault of the Company and the Selling Stockholders, on the one hand, and the Underwriters on the other, in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company and the Selling Stockholders, on the one hand, and the Underwriters on the other, shall be deemed to be in the same respective proportions as the net proceeds (before deducting expenses) received by the Selling Stockholders from the sale of the Shares and the total underwriting discounts and commissions received by the Underwriters in connection therewith, in each case as set forth in the table on the cover of the Prospectus, bear to the aggregate offering price of the Shares. The relative fault of the Company and the Selling Stockholders, on the one hand, and the Underwriters on the other, shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company and the Selling Stockholders (provided that, with respect to each of the Selling Stockholders, such determination shall be limited by reference only to such Selling Stockholder's Selling Stockholder Information) or by the Underwriters (provided that, with respect to the Underwriters, such determination shall be limited by reference only to the Underwriter Information) and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(f) *Limitation on Liability.* The Company, the Selling Stockholders and the Underwriters agree that it would not be just and equitable if contribution pursuant to paragraph (e) above were determined by pro rata allocation (even if the Selling Stockholders or the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph (e) above. The amount paid or payable by an Indemnified Person as a result of the losses, claims, damages and liabilities referred to in paragraph (e) above shall be deemed to include, subject to the limitations set forth above, any legal or other expenses incurred by such Indemnified Person in connection with any such action or claim. Notwithstanding the provisions of paragraphs (e) and (f), (i) in no event shall an Underwriter be required to contribute any amount in excess of the amount by which the total underwriting discounts and commissions received by such Underwriter with respect to the offering of the Shares exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission and (ii) in no event shall a Selling Stockholder be required to contribute any amount in excess of the Selling Stockholder Proceeds. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute pursuant to paragraphs (e) and (f) are several in proportion to their respective purchase obligations hereunder and not joint.

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(g) *Non-Exclusive Remedies.* The remedies provided for in paragraphs (a) through (f) are not exclusive and shall not limit any rights or remedies which may otherwise be available to any Indemnified Person at law or in equity.

10. Effectiveness of Agreement. This Agreement shall become effective as of the date first written above.

11. Termination. This Agreement may be terminated in the absolute discretion of the Representatives, by notice to the Company and the Selling Stockholders, if after the execution and delivery of this Agreement and on or prior to the Closing Date or, in the case of the Option Shares, prior to the Additional Closing Date (i) trading generally shall have been suspended or materially limited on or by any of the New York Stock Exchange or The Nasdaq Stock Market; (ii) trading of any securities issued or guaranteed by the Company shall have been suspended on any exchange or in any over-the-counter market; (iii) a general moratorium on commercial banking activities shall have been declared by federal or New York State authorities; or (iv) there shall have occurred any outbreak or escalation of hostilities or any change in financial markets or any calamity or crisis, either within or outside the United States, that, in the judgment of the Representatives, is material and adverse and makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Shares on the Closing Date or the Additional Closing Date, as the case may be, on the terms and in the manner contemplated by this Agreement, the Pricing Disclosure Package and the Prospectus.

12. Defaulting Underwriter.

(a) If, on the Closing Date or the Additional Closing Date, as the case may be, any Underwriter defaults on its obligation to purchase the Shares that it has agreed to purchase hereunder on such date, the non-defaulting Underwriters may in their discretion arrange for the purchase of such Shares by other persons satisfactory to the Company and the Selling Stockholders on the terms contained in this Agreement. If, within 36 hours after any such default by any Underwriter, the non-defaulting Underwriters do not arrange for the purchase of such Shares, then the Company and the Selling Stockholders shall be entitled to a further period of 36 hours within which to procure other persons satisfactory to the non-defaulting Underwriters to purchase such Shares on such terms. If other persons become obligated or agree to purchase the Shares of a defaulting Underwriter, either the non-defaulting Underwriters or the Company and the Selling Stockholders may postpone the Closing Date or the Additional Closing Date, as the case may be, for up to five full business days in order to effect any changes that in the opinion of counsel for the Company, counsel for the Selling Stockholders or counsel for the Underwriters may be necessary in the Registration Statement and the Prospectus or in any other document or arrangement, and the Company agrees to promptly prepare any amendment or supplement to the Registration Statement and the Prospectus that effects any such changes. As used in this Agreement, the term "Underwriter" includes, for all purposes of this Agreement unless the context otherwise requires, any person not listed in Schedule 1 hereto that, pursuant to this Section 12, purchases Shares that a defaulting Underwriter agreed but failed to purchase.

(b) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by the non-defaulting Underwriters, the Company and

the Selling Stockholders as provided in paragraph (a) above, the aggregate number of Shares that remain unpurchased on the Closing Date or the Additional Closing Date, as the case may be, does not exceed one-eleventh of the aggregate number of Shares to be purchased on such date, then the Company and the Selling Stockholders shall have the right to require each non-defaulting Underwriter to purchase the number of Shares that such Underwriter agreed to purchase hereunder on such date plus such Underwriter's pro rata share (based on the number of Shares that such Underwriter agreed to purchase on such date) of the Shares of such defaulting Underwriter or Underwriters for which such arrangements have not been made.

(c) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by the non-defaulting Underwriters, the Company and the Selling Stockholders as provided in paragraph (a) above, the aggregate number of Shares that remain unpurchased on the Closing Date or the Additional Closing Date, as the case may be, exceeds one-eleventh of the aggregate amount of Shares to be purchased on such date, or if the Company and the Selling Stockholders shall not exercise the right described in paragraph (b) above, then this Agreement or, with respect to any Additional Closing Date, the obligation of the Underwriters to purchase Shares on the Additional Closing Date, as the case may be, shall terminate without liability on the part of the non-defaulting Underwriters. Any termination of this Agreement pursuant to this Section 12 shall be without liability on the part of the Company, except that the Company and the Selling Stockholders will continue to be liable for the payment of expenses as set forth in Section 13 hereof and except that the provisions of Section 9 hereof shall not terminate and shall remain in effect.

(d) Nothing contained herein shall relieve a defaulting Underwriter of any liability it may have to the Company, the Selling Stockholders or any non-defaulting Underwriter for damages caused by its default.

### 13. Payment of Expenses.

(a) Whether or not the transactions contemplated by this Agreement are consummated or this Agreement is terminated, the Company will pay or cause to be paid all costs and expenses incident to the performance of its obligations hereunder, including without limitation, (i) the costs incident to the authorization, issuance, sale, preparation and delivery of the Shares and any taxes payable in that connection; (ii) the costs incident to the preparation, printing and filing under the Securities Act of the Registration Statement, the Preliminary Prospectus, any Issuer Free Writing Prospectus, any Pricing Disclosure Package and the Prospectus (including all exhibits, amendments and supplements thereto) and the distribution thereof; (iii) the costs of reproducing and distributing this Agreement; (iv) the fees and expenses of the Company's counsel and independent accountants; (v) the fees and expenses incurred in connection with the registration or qualification and determination of eligibility for investment of the Shares under the laws of such jurisdictions as the Representatives may designate and the preparation, printing and distribution of a Blue Sky Memorandum (including the related fees and expenses of counsel for the Underwriters); (vi) the cost of preparing stock certificates; (vii) the costs and charges of any transfer agent and any registrar; (viii) all expenses and application fees incurred in connection with any filing with, and clearance of the offering by, FINRA; (ix) all

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expenses incurred by the Company in connection with any “road show” presentation to potential investors; and (x) all expenses and application fees related to the listing of the Shares on the Exchange; provided, however, that the amounts payable by the Company for fees and disbursements of counsel to the Underwriters described in clauses (v) and (viii) shall not exceed \$35,000 in the aggregate. Notwithstanding the foregoing, it is understood and agreed that except as expressly provided in Section 9 or Section 13 of this Agreement, the Underwriters will pay all of their own costs and expenses.

(b) If (i) this Agreement is terminated pursuant to Section 11, (ii) the Company or the Selling Stockholders for any reason fail to tender the Shares for delivery to the Underwriters (other than by reason of a default by any Underwriter) or (iii) the Underwriters decline to purchase the Shares for any reason permitted under this Agreement, the Company agrees to reimburse the Underwriters for all accountable out-of-pocket costs and expenses (including the reasonable and documented fees and expenses of their counsel), other than those of a defaulting Underwriter, actually incurred by the Underwriters in connection with this Agreement and the offering contemplated hereby.

14. Persons Entitled to Benefit of Agreement. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and the officers and directors and any controlling persons referred to herein, and the affiliates of each Underwriter referred to in Section 9 hereof. Nothing in this Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein. No purchaser of Shares from any Underwriter shall be deemed to be a successor merely by reason of such purchase.

15. Survival. The respective indemnities, rights of contribution, representations, warranties and agreements of the Company, the Selling Stockholders and the Underwriters contained in this Agreement or made by or on behalf of the Company, the Selling Stockholders or the Underwriters pursuant to this Agreement or any certificate delivered pursuant hereto shall survive the delivery of and payment for the Shares and shall remain in full force and effect, regardless of any termination of this Agreement or any investigation made by or on behalf of the Company, the Selling Stockholders or the Underwriters or the directors, officers, controlling persons or affiliates referred to in Section 9 hereof.

16. Certain Defined Terms. For purposes of this Agreement, (a) except where otherwise expressly provided, the term “affiliate” has the meaning set forth in Rule 405 under the Securities Act; (b) the term “business day” means any day other than a day on which banks are permitted or required to be closed in New York City; (c) the term “subsidiary” has the meaning set forth in Rule 405 under the Securities Act; and (d) the term “significant subsidiary” has the meaning set forth in Rule 1-02 of Regulation S-X under the Exchange Act.

17. Compliance with USA Patriot Act. In accordance with the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the Underwriters are required to obtain, verify and record information that identifies their respective clients, including the Company and the Selling Stockholders, which information may include the

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name and address of their respective clients, as well as other information that will allow the Underwriters to properly identify their respective clients.

18. Miscellaneous.

(a) *Notices.* All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted and confirmed by any standard form of telecommunication. Notices to the Underwriters shall be given to the Representatives c/o J.P. Morgan Securities LLC, 383 Madison Avenue, New York, New York 10179 (fax: (212) 622-8358); Attention Equity Syndicate Desk; c/o Morgan Stanley & Co. LLC, 1585 Broadway, New York, New York 10036; Attention: Equity Syndicate Deck, with a copy to Legal Department; c/o Keefe, Bruyette & Woods, Inc., 787 Seventh Avenue, New York, New York 10019; Attention: Capital Markets (email: USCapitalMarkets@kbw.com). Notices to the Company shall be given to it at 1411 Broadway, Suite 3800, New York, NY 10018; Attention: General Counsel. Notices to the Selling Stockholders shall be given to, for AFMIC, 6000 American Parkway, Madison, WI 53783, Attention: Jeff Preston and Thomas Hrdlick, with a copy (which shall not constitute notice hereunder) to Jeffrey S. Hochman, Esq., Willkie Farr & Gallagher LLP, 787 7th Avenue, New York, NY 10019, for Bowhead Insurance Holdings LP, Matthew Crusey, 452 Fifth Avenue, New York, NY 10018, and for GPC, Kathleen Servidea, General Counsel and Chief Compliance Officer, 660 Steamboat Road, First Floor Greenwich CT 06830.

(b) *Governing Law.* This Agreement and any claim, controversy or dispute arising under or related to this Agreement shall be governed by and construed in accordance with the laws of the State of New York.

(c) *Submission to Jurisdiction.* Each of the Company and the Selling Stockholders hereby submit to the exclusive jurisdiction of the U.S. federal and New York state courts in the Borough of Manhattan in The City of New York in any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby. Each of the Company and the Selling Stockholders waive any objection which it may now or hereafter have to the laying of venue of any such suit or proceeding in such courts. Each of the Company and the Selling Stockholders agree that final judgment in any such suit, action or proceeding brought in such court shall be conclusive and binding upon the Company and each Selling Stockholder, as applicable, and may be enforced in any court to the jurisdiction of which Company and each Selling Stockholder, as applicable, is subject by a suit upon such judgment.

(d) ***WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT.***

(e) *Recognition of the U.S. Special Resolution Regimes.*

(i) In the event that any Underwriter that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from such Underwriter of this Agreement, and any interest and obligation in or under this Agreement, will be

effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(ii) In the event that any Underwriter that is a Covered Entity or a BHC Act Affiliate of such Underwriter becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement that may be exercised against such Underwriter are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

As used in this Section 18(e):

“BHC Act Affiliate” has the meaning assigned to the term “affiliate” in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k).

“Covered Entity” means any of the following:

- (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);
- (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or
- (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“U.S. Special Resolution Regime” means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

(f) *Counterparts.* This Agreement may be signed in counterparts (which may include counterparts delivered by any standard form of telecommunication), each of which shall be an original and all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including any electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, e.g., [www.docusign.com](http://www.docusign.com)) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

(g) *Amendments or Waivers.* No amendment or waiver of any provision of this Agreement, nor any consent or approval to any departure therefrom, shall in any event be effective unless the same shall be in writing and signed by the parties hereto.

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(h) *Headings*. The headings herein are included for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

*[Signature Pages Follow]*

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If the foregoing is in accordance with your understanding, please indicate your acceptance of this Agreement by signing in the space provided below.

Very truly yours,

BOWHEAD SPECIALTY HOLDINGS INC.

By: \_\_\_\_\_  
Name:  
Title:

AMERICAN FAMILY MUTUAL INSURANCE  
COMPANY, S.I.

By: \_\_\_\_\_  
Name:  
Title:

BOWHEAD INSURANCE HOLDINGS LP

By: \_\_\_\_\_  
Name:  
Title:

GPC PARTNERS INVESTMENTS (SPV III) LP

By: GPC Partners GP LLC, its general partner  
By: Gallatin Point Capital LLC, its managing member

By: \_\_\_\_\_  
Name:  
Title:

Accepted: As of the date first written above

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J.P. MORGAN SECURITIES LLC  
MORGAN STANLEY & CO. LLC  
KEEFE, BRUYETTE & WOODS, INC.

For themselves and on behalf of the  
several Underwriters listed  
in Schedule 1 hereto.

J.P. MORGAN SECURITIES LLC

By: \_\_\_\_\_  
Authorized Signatory

MORGAN STANLEY & CO. LLC

By: \_\_\_\_\_  
Authorized Signatory

KEEFE, BRUYETTE & WOODS, INC.

By: \_\_\_\_\_  
Authorized Signatory

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<u>Underwriter</u>	<u>Number of Underwritten Shares</u>
J.P. Morgan Securities LLC	[1]
Morgan Stanley & Co. LLC	[1]
Keefe, Bruyette & Woods, Inc.	[1]
Citizens JMP Securities, LLC	[1]
RBC Capital Markets, LLC	[1]
Dowling & Partners Securities, LLC	[1]
Siebert Williams Shank & Co., LLC	[1]
Total	[1]

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<u>Selling Stockholder</u>	<u>Number of Underwritten Shares:</u>	<u>Number of Option Shares:</u>
American Family Mutual Insurance Company, S.I.	[ 1 ]	[ 1 ]
Bowhead Insurance Holdings LP	[ 1 ]	—
GPC Partners Investments (SPV III) LP	[ 1 ]	[ 1 ]

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**Significant Subsidiaries**

Bowhead Insurance Company, Inc.  
Bowhead Specialty Underwriters, Inc.  
Bowhead Underwriting Services, Inc.

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a. **Pricing Disclosure Package**

[None.]

b. **Pricing Information Provided Orally by Underwriters**

Number of Underwritten Shares: [ 1 ]

Number of Option Shares: [ 1 ]

Public Offering Price: \$[ 1 ] per Share

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Bowhead Specialty Holdings Inc.

Pricing Term Sheet

[None.]

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FORM OF LOCK-UP AGREEMENT

[Separately Circulated]

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

ONE MANHATTAN WEST

NEW YORK, NY 10001

TEL: (212) 735-3000

FAX: (212) 735-2000

www.skadden.com

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SEOUL  
SHANGHAI  
SINGAPORE  
TOKYO  
TORONTO

October 21, 2024

Bowhead Specialty Holdings Inc.  
452 Fifth Avenue  
New York, New York 10018

Re: Bowhead Specialty Holdings Inc.  
Registration Statement on Form S-1

Ladies and Gentlemen:

We have acted as special United States counsel to Bowhead Specialty Holdings Inc., a Delaware corporation (the “Company”), in connection with the resale by certain selling stockholders (the “Selling Stockholders”) of 4,000,000 shares of common stock, par value \$0.01 per share, of the Company (including up to 600,000 shares of Common Stock subject to an over-allotment option) (the “Shares”).

This opinion is being furnished in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Securities Act of 1933 (the “Securities Act”).

In rendering the opinion stated herein, we have examined and relied upon the following:

(a) the registration statement on Form S-1 of the Company relating to the Shares filed with the Securities and Exchange Commission (the “Commission”) on October 21, 2024 under the Securities Act, including the information deemed to be a part of the registration statement



pursuant to Rule 430A of the General Rules and Regulations under the Securities Act (the "Rules and Regulations") (such registration statement being hereinafter referred to as the "Registration Statement");

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(b) the form of the Underwriting Agreement (the “Underwriting Agreement”) proposed to be entered into among the Selling Stockholders, the Company and J.P. Morgan Securities LLC, Morgan Stanley & Co. LLC and Keefe Bruyette & Woods, Inc., as representatives of the several Underwriters named therein (the “Underwriters”), relating to the sale by the Selling Stockholders to the Underwriters of the Shares, filed as Exhibit 1.1 to the Registration Statement;

(c) an executed copy of a certificate of H. Matthew Crusey, Secretary of the Company, dated the date hereof (the “Secretary’s Certificate”);

(d) a copy of the Company’s Certificate of Incorporation, as amended, in effect as of May 9, 2024, certified pursuant to the Secretary’s Certificate;

(e) a copy of the Company’s Amended and Restated Certificate of Incorporation, as in effect the date hereof, certified by the Secretary of State of the State of Delaware as of October 21, 2024, and certified pursuant to the Secretary’s Certificate;

(f) a copy of the Company’s Bylaws, in effect as of May 9, 2024, certified pursuant to the Secretary’s Certificate;

(g) a copy of the Company’s Amended and Restated Bylaws, as in effect on the date hereof, certified pursuant to the Secretary’s Certificate; and

(h) copies of certain resolutions of the Board of Directors of the Company, adopted on May 9, 2024 and October 21, 2024, certified pursuant to the Secretary’s Certificate.

We have also examined originals or copies, certified or otherwise identified to our satisfaction, of such records of the Company and such agreements, certificates and receipts of public officials, certificates of officers or other representatives of the Company and others, and such other documents as we have deemed necessary or appropriate as a basis for the opinions stated below.

In our examination, we have assumed the genuineness of all signatures, including electronic signatures, the legal capacity and competency of all natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as facsimile, electronic, certified or photocopied copies, and the authenticity of the originals of such copies. As to any facts relevant to the opinions stated herein that we did not independently establish or verify, we have relied upon statements and representations of officers and other representatives of the Company and others and of public officials, including the facts and conclusions set forth in the Secretary’s Certificate and the factual representations and warranties set forth in the Underwriting Agreement. In addition, we have assumed that the issuance of the Shares will not violate or conflict with any agreement or instrument binding on the Company (except that we do not make this assumption with respect to the Organizational Documents or those agreements or instruments expressed to be governed by the laws of the State of New York which are listed in Part II of the Registration Statement).

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We do not express any opinion with respect to the laws of any jurisdiction other than the General Corporation Law of the State of Delaware (the “DGCL”).

As used herein, “Organizational Documents” means those documents listed in paragraphs (d) through (g) above.

Based upon the foregoing and subject to the qualifications and assumptions stated herein, we are of the opinion that the Shares have been duly authorized by all requisite corporate action on the part of the Company under the DGCL and have been validly issued and are fully paid and nonassessable.

In addition, in rendering the foregoing opinion we have also assumed that:

(a) the Company’s issuance of the Shares did not (i) except to the extent expressly stated in the opinions contained herein, violate any statute to which the Company or such issuance is subject or (ii) constitute a violation of, or a breach under, or require the consent or approval of any other person under, any agreement or instrument binding on the Company (except that we do not make this assumption with respect to the Organizational Documents or those agreements or instruments expressed to be governed by the laws of the State of New York which are listed in Part II of the Registration Statement, although we have assumed compliance with any covenant, restriction or provision with respect to financial ratios or tests or any aspect of the financial condition or results of operations of the Company contained in such agreements or instruments); and

(b) the Company’s authorized capital stock is as set forth in the Certificate of Incorporation, and we have relied solely on the certified copy thereof issued by the Secretary of State of the State of Delaware and have not made any other inquiries or investigations.

This opinion letter shall be interpreted in accordance with customary practice of United States lawyers who regularly give opinions in transactions of this type.

We hereby consent to the reference to our firm under the heading “Legal Matters” in the prospectus forming part of the Registration Statement. We also hereby consent to the filing of this opinion with the Commission as an exhibit to the Registration Statement. In giving this consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act or the Rules and Regulations.

Very truly yours,

/s/ Skadden, Arps, Slate, Meagher & Flom LLP

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form S-1 of Bowhead Specialty Holdings Inc. of our report dated March 22, 2024, except for the effects of the stock split discussed in Note 2 to the consolidated financial statements, as to which the date is May 13, 2024, relating to the financial statements and financial statement schedules of Bowhead Specialty Holdings Inc., which appears in this Registration Statement. We also consent to the reference to us under the heading “Experts” in such Registration Statement.

/s/ PricewaterhouseCoopers LLP  
Chicago, Illinois  
October 21, 2024