



UNDERSTORY AND SKYWARD SPECIALTY LAUNCH REVOLUTIONARY INSURANCE CAPTIVE SOLUTION FOR THE AUTOMOTIVE DEALER MARKET

Madison, WI and Houston, TX (November 09, 2022) – Understory Inc. (“Understory”), a leading provider of innovative insurance solutions for climate risk, and Skyward Specialty Insurance Group Inc.™ (“Skyward Specialty”), a leader in the specialty property and casualty (P&C) market, have partnered to launch a new insurance solution to help U.S. automotive dealerships control the rising cost and instability of dealership inventory coverage, or dealers open lot (DOL).

“To date, insurers haven’t addressed the growing threat of hail, which is the biggest risk within standard open lot coverage. Instead, they have asked dealerships to write bigger checks for less coverage,” said Alex Kubicek, co-founder and CEO of Understory.

The new solution combines Understory’s breakthrough weather technology and expertise in risk mitigation with Skyward Specialty’s deep underwriting, claims and captive experience to pioneer a mutualized captive property insurance structure. The program is member-owned and controlled with competitive premiums and allows dealerships to make decisions to enhance their asset protection. Additionally, the program’s members share in underwriting profits, which standard insurance companies typically retain.

Understory’s proprietary, hyperlocal climate risk engine aims to price risk accurately and fairly while utilizing unsurpassed forecasting capabilities. In addition, Understory’s science-based insurance combines real-time underwriting, early weather warnings, loss mitigation support and automated weather claims processes to create a sustainable insurance product for all partners involved.

“We’re thrilled to partner with Skyward Specialty to deliver this innovative solution,” said Kubicek. “Marrying our weather modeling and technology with their track record and expertise in P&C and captives solves dealerships’ ongoing struggle to find superior coverage in a market that continues to see increasing rates and volatility from standard DOL models.”

Skyward Specialty continues to innovate for its customers by utilizing new types of risk data, advanced analytics and emerging technologies to amplify its deep understanding of climate risks to property. Combining Skyward Specialty’s focus on technology with its underwriting knowledge in the automotive dealership market makes partnering with Understory a natural step in its strategy to better address the complexities of underserved markets.

"The severity and unpredictability of hailstorms and other risks have driven the market to provide inadequate insurance solutions for dealerships. We are proud to partner with Understory to create an unmatched innovative risk solution to solve this challenge," said Andrew Robinson, CEO at Skyward Specialty. "Applying this level of data science to solve the climate challenges unique to this market and combining it with our highly specialized underwriting and claims talent will ultimately reinvent risk management and risk transfer for owners of automotive dealerships. Our partnership with Understory is another example of our strategy in action."

The program, which launched on September 1, 2022, already has its first members and an impressive pipeline of potential members generated in partnership with a select group of specialty DOL brokers. Additionally, the program is backed by several of the industry's top reinsurers, who have an A- A.M. Best rating or better. For more specific information on the captive, Understory's innovative technology and its target participants, follow [this link](#) to learn more.

About Understory

Understory is a leading provider of insurance solutions built for the era of climate change. The company's global network of Dot weather sensors powers the world's most sophisticated weather risk model. By combining mutualized, optimized risk structures with precision weather technology and modeling, Understory develops affordable, stable property insurance solutions. Understory is based in Madison, Wisconsin. To learn more, visit www.understoryweather.com.

About Skyward Specialty

Skyward Specialty is a rapidly growing specialty insurance company, delivering commercial property and casualty products and solutions on a non-admitted and admitted basis. The Company operates through eight underwriting divisions -- Accident & Health, Captives, Global Property, Industry Solutions, Professional Lines, Programs, Surety and Transactional E&S.

Skyward Specialty's subsidiary insurance companies consist of Houston Specialty Insurance Company, Imperium Insurance Company, Great Midwest Insurance Company, and Oklahoma Specialty Insurance Company. These insurance companies are rated A- (Excellent) by A.M. Best Company. For more information about Skyward Specialty, its people, and its products, please visit www.skywardinsurance.com.

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