

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, DC 20549

**FORM 8-K**

**Current Report**  
**Pursuant to Section 13 or 15(d)**  
**of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): February 27, 2020**

**Argo Group International Holdings, Ltd.**

(Exact name of registrant as specified in its charter)

**Bermuda**  
(State or other jurisdiction  
of incorporation)

**1-15259**  
(Commission  
File Number)

**98-0214719**  
(I.R.S. Employer  
Identification No.)

**110 Pitts Bay Road**  
**Pembroke HM 08**  
**Bermuda**  
(Address, Including Zip Code,  
of Principal Executive Offices)

**P.O. Box HM 1282**  
**Hamilton HM FX**  
**Bermuda**  
(Mailing Address)

**Registrant's telephone number, including area code: (441) 296-5858**

**Not Applicable**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of Each Class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value of \$1.00 per share	ARGO	New York Stock Exchange
Guarantee of Argo Group U.S., Inc. 6.500% Senior Notes due 2042	ARGD	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company ☐

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

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**ITEM 7.01. REGULATION FD DISCLOSURE.**

Argo Group International Holdings, Ltd. (“Argo Group”) may make presentations to members of the investment community using, or otherwise refer to, the presentation materials attached hereto as Exhibit 99.1 to this Current Report on Form 8-K, including in respect of Argo Group’s financial results for the fiscal quarter and year ended December 31, 2019.

Note: The information in this report and Exhibit 99.1 attached hereto are furnished pursuant to Item 7.01 and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section. This report will not be deemed an admission as to the materiality of any information in the report that is required to be disclosed solely by Regulation FD.

**ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.**

(d) Exhibits:

- |      |   |
|------|---|
| 99.1 | <a href="#">Argo Group International Holdings, Ltd. Presentation</a>        |
| 104  | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ARGO GROUP INTERNATIONAL HOLDINGS, LTD.

By: /s/ Jay S. Bullock

Name: Jay S. Bullock

Title: Executive Vice President and Chief Financial Officer

Dated: February 27, 2020

# Argo Group Investor Presentation

February 2020



## Forward-Looking Statements

This presentation may include forward-looking statements, both with respect to Argo Group and its industry, that reflect our current views with respect to future events and financial performance. These statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements that do not relate solely to historical or current facts, and can be identified by the use of words such as "expect," "intend," "plan," "believe," "do not believe," "aim," "project," "anticipate," "seek," "will," "likely," "assume," "estimate," "may," "continue," "guidance," "objective," "outlook," "trends," "future," "could," "would," "should," "target," "on track" and similar expressions of a future or forward-looking nature. All forward-looking statements address matters that involve risks and uncertainties, many of which are beyond Argo Group's control. Accordingly, there are or will be important factors that could cause actual results to differ materially from those indicated in such statements and, therefore, you should not place undue reliance on any such statements. We believe that these factors include, but are not limited to, the following: 1) unpredictability and severity of catastrophic events; 2) regulatory or rating agency actions; 3) adequacy of our risk management and loss limitation methods; 4) cyclicalities of demand and pricing in the insurance and reinsurance markets; 5) statutory or regulatory developments including tax policy, reinsurance and other regulatory matters; 6) our ability to implement our business strategy; 7) adequacy of our loss reserves; 8) continued availability of capital and financing; 9) retention of key personnel; 10) competition; 11) potential loss of business from one or more major insurance or reinsurance brokers; 12) our ability to implement, successfully and on a timely basis, complex infrastructure, distribution capabilities, systems, procedures and internal controls, and to develop accurate actuarial data to support the business and regulatory and reporting requirements; 13) general economic and market conditions (including inflation, volatility in the credit and capital markets, interest rates and foreign currency exchange rates); 14) the integration of businesses we may acquire or new business ventures we may start; 15) the effect on our investment portfolios of changing financial market conditions including inflation, interest rates, liquidity and other factors; 16) acts of terrorism or outbreak of war; 17) availability of

reinsurance and retrocessional coverage, as well as management's response to any of the aforementioned factors and; 18) costs associated with shareholder activism and the independent directors' review of governance and compensation matters.

In addition, any estimates relating to loss events involve the exercise of considerable judgment and reflect a combination of ground-up evaluations, information available to date from brokers and cedents, market intelligence, initial tentative loss reports and other sources. The actuarial range of reserves and management's best estimate is based on our then current state of knowledge including explicit and implicit assumptions relating to the pattern of claim development, the expected ultimate settlement amount, inflation and dependencies between lines of business. Our internal capital model is used to consider the distribution for reserving risk around this best estimate and predict the potential range of outcomes. However, due to the complexity of factors contributing to the losses and the preliminary nature of the information used to prepare these estimates, there can be no assurance that Argo Group's ultimate losses will remain within the stated amount.

The foregoing review of important factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included herein and elsewhere, including the risk factors included in our most recent reports on Form 10-K and Form 10-Q and other documents of Argo Group on file with or furnished to the U.S. Securities and Exchange Commission ("SEC"). Any forward-looking statements made in this press release are qualified by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by Argo Group will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, Argo Group or its business or operations. Except as required by law, Argo Group undertakes no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.



# Distinctive Specialty Insurance Platform

- **Underwriter of specialty insurance and reinsurance with meaningful scale**

- Gross Written Premiums of \$3.1BN

- **Established presence in desirable markets**

- Differentiated U.S. specialty franchise
- Strong insurance and reinsurance platforms in Bermuda and at Lloyd's

- **Diversified by product and profit streams**

- Niche business units across Argo's platform create a balanced earnings profile

- **Strategically located in select major insurance centers**

- Significant presence in the U.S., London and Bermuda markets, with a focus on U.S. domiciled risks

- **Broad and strong producer relationships**

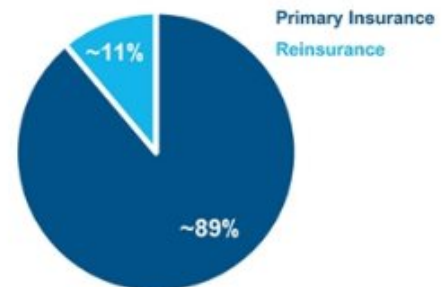
- Agents, brokers, wholesalers MGAs and coverholders

- **Strong balance sheet with modest financial leverage**

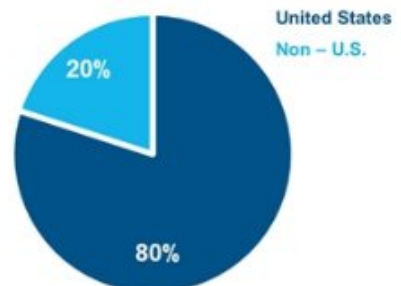
- Disciplined capital allocation process to maximize returns

2019 GWP: \$3,192MM

Business Type



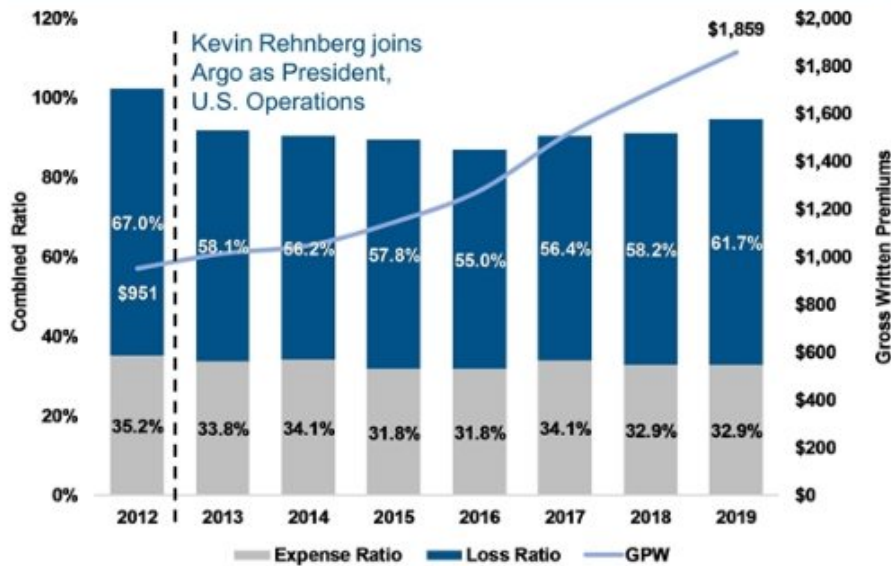
Approximate Geography of Risk



# Leadership With A Track Record of Performance

CEO Kevin Rehnberg oversaw a successful turnaround of Argo's U.S. Operations since joining in 2013, and has maintained consistent and profitable results

Argo U.S. Historical Results



## Key Accomplishments Since 2013

- Gross written premium compound growth rate of 11% since 2013
- 200+ basis point improvement in expense ratio since 2012
- Cumulative loss ratio of 57.8%, including catastrophes and prior year development, since 2013
- Cumulative combined ratio of 90.9%, including catastrophes and prior year development, since 2013

\$ in millions.  
Note: Argo U.S. Operations reflect Excess and Surplus Lines and Commercial Specialty segments historically.

# Argo Is A U.S. Focused Insurer and Reinsurer

*The U.S. is the predominant specialty insurance market*



*Approximately 80% of Argo's gross premiums come from U.S. domiciled risks today, written out of U.S. and international markets*

Note: Based on 2019 GWP, distributed based on location of risk assumed rather than writing location.



## Fundamental Operating Principles

*Argo's fundamental operating principles are designed to create an efficient organization that is focused on delivering results and improved shareholder value creation*



## Establishing The Way Forward

*Foster a culture of accountability for successful execution of strategic plans to improve returns by deploying capital to the businesses with the best outlook for return on capital*



## Recent Actions Taken

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*Actions taken in recent months to shrink non-core businesses, accelerate growth and reduce our expense base are initial steps aimed at achieving our long term strategic and financial goals*

- ✓ Exited operations in Asia and most hull business within Syndicate 1200
- ✓ Eliminated regional underwriting office for Latin America
- ✓ Announced an agreement to sell Trident Public Risk Solutions
- ✓ Exited aircraft lease and put certain corporate real estate up for sale
- ✓ Ended most marketing and sponsorship contracts

# Argo's Growing Specialty Insurance Platform

*Argo has delivered sustainable premium growth through both organic channels and selective acquisitions, while also exiting underperforming business lines*

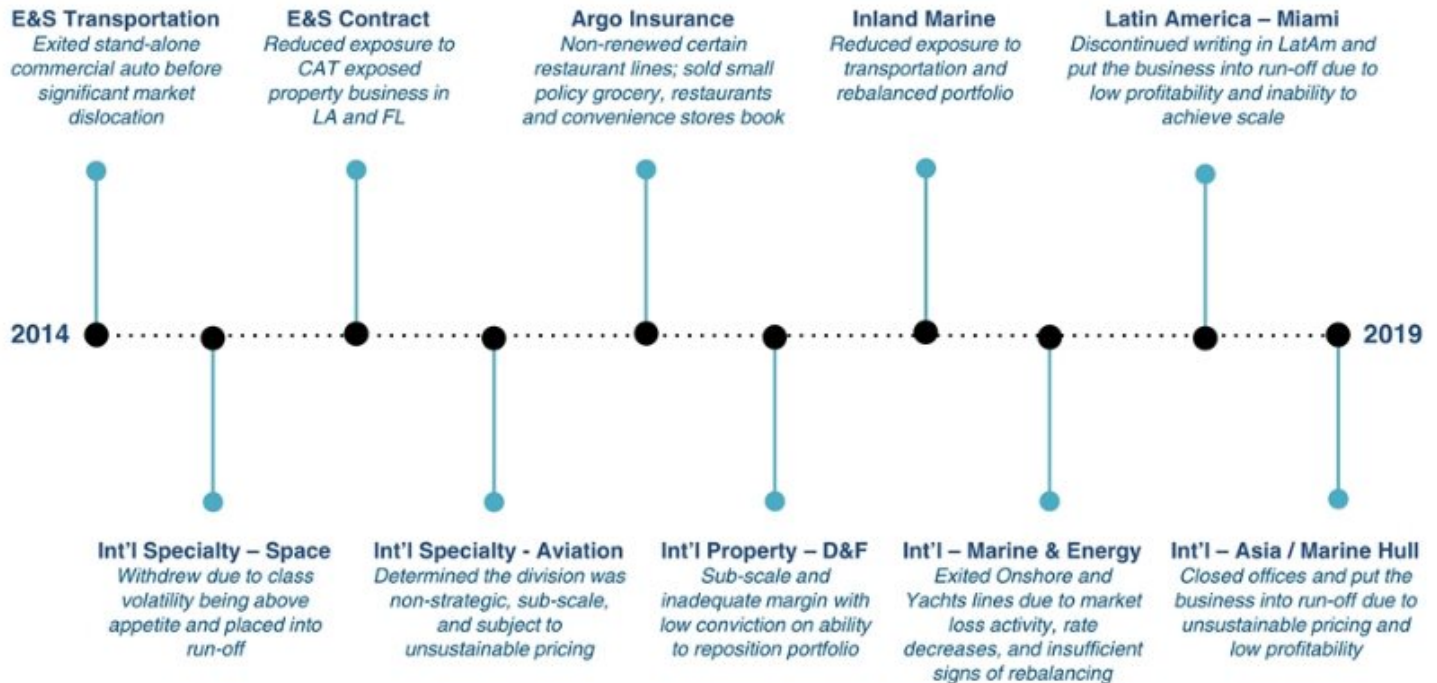


\$ in millions.

(1) Commercial Line Direct Premium Written CAGR per SNL Financial.

## Portfolio Rationalization: An Ongoing Process

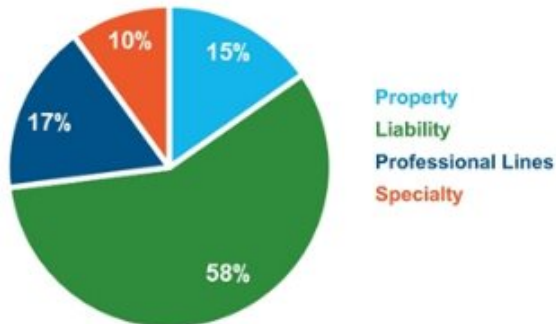
*Argo takes thoughtful and strategic action to improve underwriting performance, by reducing exposure or exiting certain product lines when returns are not expected meet our targets*





## U.S. Operations (59% of GWP)

### GWP by Business Mix



### Segment Overview

- **Argo Construction** – Offers primary and excess casualty coverage to the construction segment, including Owner's Edge digital product
- **Argo Pro** – Customer service focused D&O and E&O specialty platform
- **Argo Surety** – Top 10 surety writer in the U.S.
- **Rockwood** – Leading provider of workers' compensation and other programs for the mining industry
- **Programs** – Underwrites select specialty programs and provides fronting for state-sponsored funds
- **Transportation** – Focused on garage and related risks
- **Inland Marine** – Small, growing operation offering specialist coverage

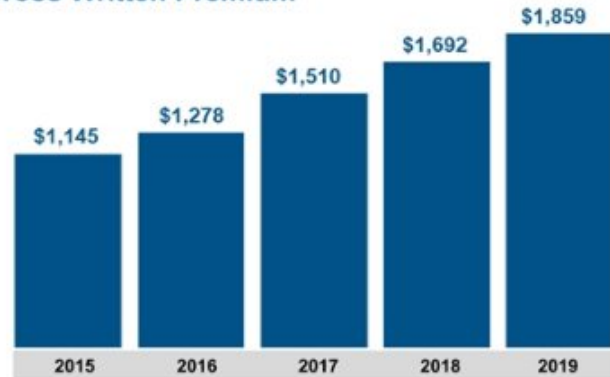
### Adjusted PTI<sup>(1)</sup> & Combined Ratio

Combined Ratio

Adjusted PTI



### Gross Written Premium

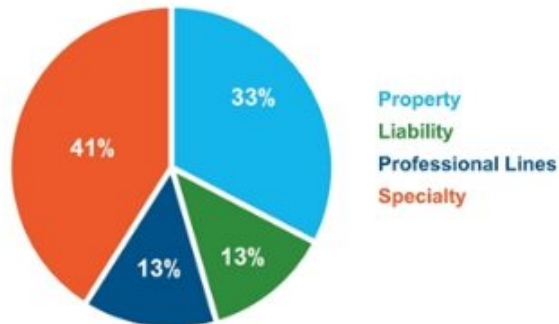


All data in millions except for ratio calculations. \*TTM = trailing twelve months.

(1) Adjusted PTI = Adjusted Pre-Tax Income, which is equal to "Income Before Income Taxes" excluding "Interest Expense" as shown in Argo's 10-Qs and 10-Ks.

## International Operations (41% of GWP)

### GWP by Business Mix



### Segment Overview

- **Well-established multi-class platform at Lloyd's of London**
  - Underwritten through Syndicates 1200 and 1910 (Ariel Re)
  - Top quartile Lloyd's Syndicate by stamp capacity
- **Bermuda platform underwrites excess casualty, professional lines as well as property insurance and reinsurance**
  - Property cat, short tail per risk and proportional treaty reinsurance worldwide
  - Excess casualty, professional liability, and property insurance for Fortune 1000 accounts

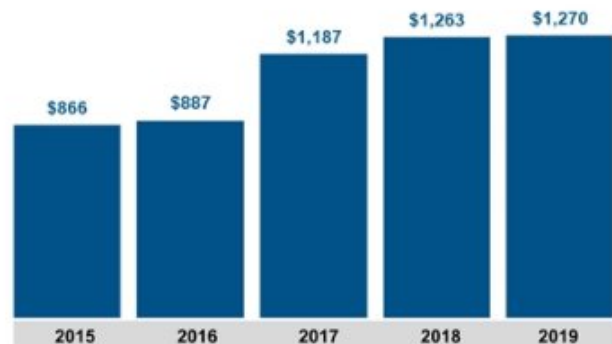
### Adjusted PTI<sup>(1)</sup> & Combined Ratio

Combined Ratio

Adjusted PTI



### Gross Written Premium

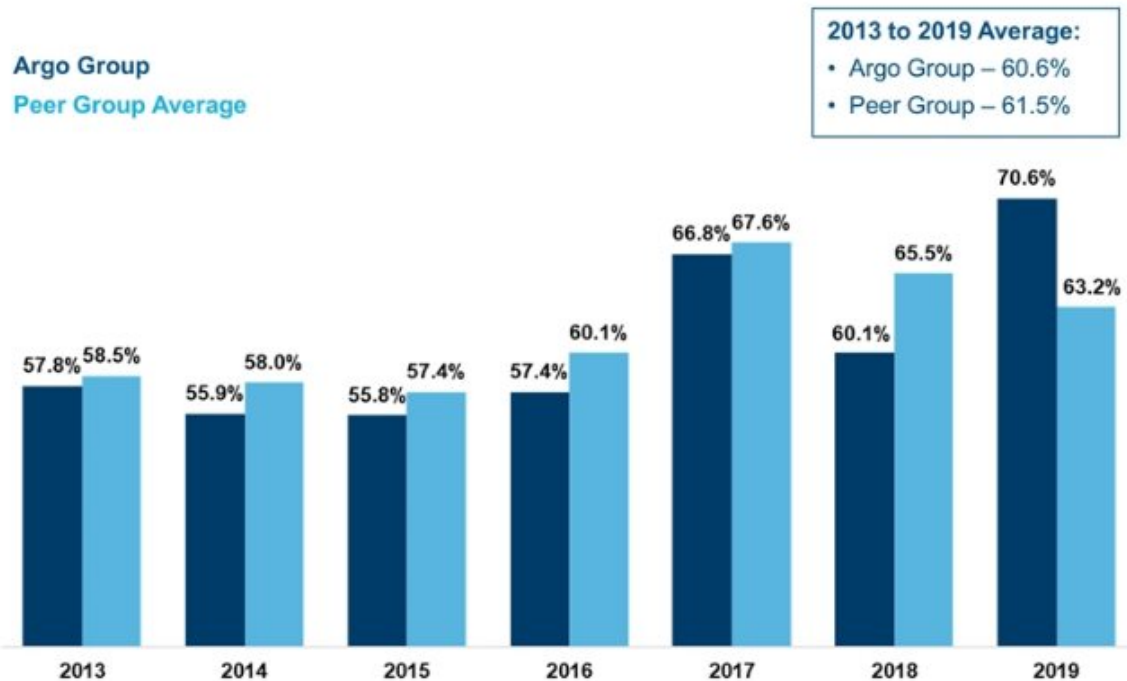


All data in millions except for ratio calculations. \*TTM = trailing twelve months.

(1) Adjusted PTI = Adjusted Pre-Tax Income, which is equal to "Income Before Income Taxes" excluding "Interest Expense" as shown in Argo's 10-Qs and 10-Ks.

## Loss Ratio Performance

*Argo's loss ratio performance reflects our specialty product focus and disciplined risk selection*



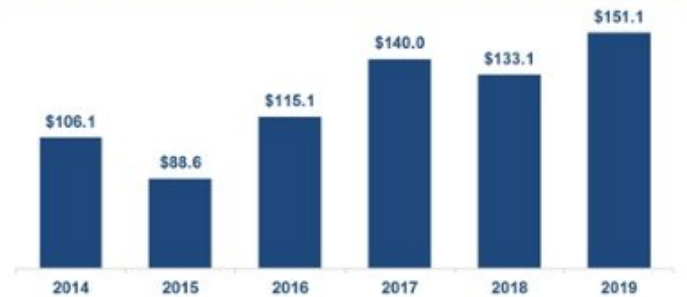
Source: SNL Financial  
2019 includes prior year reserve strengthening of \$76.5 million and all other years reflect favorable reserve development.  
Peer Group consists of: Allegheny, American Financial, Arch, Axis, Global Indemnity, Hallmark, Hanover, James River, Market, Protective, RLI, Selective and W.R. Berkley

# Balanced Investment Strategy

## Portfolio Characteristics

- Duration of 2.4 years<sup>1</sup> – focused on asset-liability management
- Average rating of 'A1/A+'
- Fixed income book yield of 2.9%<sup>2</sup>
- Liability-driven investment portfolio

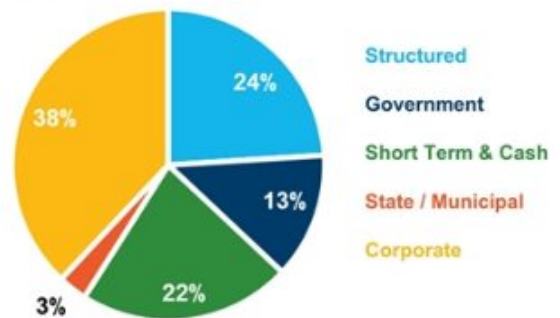
## Net Investment Income



## Investment Portfolio Asset Allocation (4Q 2019) Total: \$5.2BN



## Fixed Maturity by Type (4Q 2019) Total: \$4.6BN



\$ in millions

(1) Duration includes cash & equivalents.

(2) Book yield is pre-tax & includes all fixed maturities.

## Active Steward of Shareholder Capital

*From 12/31/10 to 12/31/19, shareholders equity grew from \$1.6BN to \$1.8BN and \$690 million of capital was returned to shareholders*

- While our #1 priority remains deploying capital into the businesses where we see attractive returns, we have a strong track record of returning excess capital to shareholders
- Approximately 15% dividend per share CAGR from 2010 to 2019 (~300% increase)

Cumulative Capital Returned to Shareholders

Cash Dividends

Share Repurchases



\$ in millions unless otherwise noted.



## Well Positioned to Create Value in 2020 and Beyond

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- ✓ Specialty P&C insurer and reinsurer focused on niche products
- ✓ Positioned for growth in attractive markets, primarily U.S. domiciled risks
- ✓ Benefitting from improving market conditions
- ✓ Creating a more focused organization by reducing underperforming businesses
- ✓ Investing in technology to improve operating efficiency and risk selection, while reducing overall expenses
- ✓ Balanced investment portfolio to support our underwriting operations
- ✓ Leveraging third-party capital and reinsurance to manage underwriting volatility