

**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): November 3, 2020

Argo Group International Holdings, Ltd.

(Exact Name of Registrant as Specified in Charter)

Bermuda
(State or other jurisdiction
of incorporation)

001-15259
(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 communication 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 communication pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communication 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
Depository Shares, Each Representing a 1/1,000th Interest in a 7.00% Resettable Fixed Rate Preference Share, Series A, par value \$1.00 per share	ARGOPrA	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. ☐

Item 7.01. Regulation FD Disclosure

The Company has prepared a presentation that will be used in conjunction with its conference call and webcast regarding its financial results for the fiscal quarter ended September 30, 2020, which will be held on Tuesday, November 3, 2020 at 10:00 a.m. EDT. A copy of this presentation is furnished as Exhibit 99.1 to this report and is incorporated herein by reference.

Exhibit 99.1 is furnished pursuant to Item 7.01 of this Form 8-K and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, or incorporated by reference in any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits:

<u>No.</u>	<u>Exhibit</u>
99.1	Argo Group International Holdings, Ltd. Presentation
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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.

Dated: November 3, 2020

ARGO GROUP INTERNATIONAL HOLDINGS, LTD.

By: /s/ Jay S. Bullock

Name: Jay S. Bullock

Title: Executive Vice President and
Chief Financial Officer



ARGO GROUP

CONFERENCE CALL SUPPLEMENT

NOVEMBER 3, 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. 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," "remain optimistic," "path toward," "outlook," "trends," "future," "could," "would," "should," "target," "on track" and similar expressions of a future or forward-looking nature.

There can be no assurance that actual developments will be those anticipated by Argo Group. Actual results may differ materially as a result of significant risks and uncertainties including but not limited to: the continuing impact of the novel coronavirus (COVID-19) pandemic and related economic matters; changes in the pricing environment including those due to the cyclical nature of the insurance and reinsurance industry; increased competition; the adequacy of our projected loss reserves including development of claims that varies from that which was expected when loss reserves were established, adverse legal rulings which may impact the liability under insurance and reinsurance contracts beyond that which was anticipated when the reserves were established, development of new theories related to coverage which may increase liabilities under insurance and reinsurance contracts beyond that which were anticipated when the loss reserves were established, reinsurance coverage being other than what was anticipated when the loss reserves were established; changes to regulatory and tax conditions and legislation; natural and/or man-made disasters, including terrorist acts and civil unrest; impact of global climate change; the inability to secure reinsurance; the inability to collect reinsurance recoverables; a downgrade in our financial strength ratings; changes in interest rates; changes in the financial markets that impact investment income and the fair market values of our investments; changes in asset valuations; failure to execute information technology strategies; exposure to information security breach; failure of outsourced service providers; failure to execute expense targets; inability to successfully execute mergers or acquisitions; and costs associated with shareholder activism.

For a more detailed discussion of such risks and uncertainties, see Item 1A, "Risk Factors" in Argo's Annual Report on Form 10-K for the fiscal year ended December 31, 2019, as supplemented in Part II, Item 1A, "Risk Factors" of Argo's subsequent Quarterly Reports on Form 10-Q and in other filings with the Securities and Exchange Commission. The inclusion of a forward-looking statement herein should not be regarded as a representation by Argo that Argo's objectives will be achieved. Argo undertakes no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on any such statements.

Becoming a U.S.-Focused Specialty Insurance Company

Significant progress has been made toward our strategic priority of becoming a leading U.S.-focused specialty insurance company

Recent Achievements

- **Management Restructuring:** Completed senior management changes to streamline and enhance the executive team
- **Governance Enhancement:** Board implemented governance and compensation changes to create strong alignment with long-term shareholder interests
- **Transaction Execution:** Rationalizing footprint to focus on core markets
 - Announced an agreement to sell reinsurance business, Ariel Re
 - Announced reinsurance-to-close (RITC) transaction for Syndicate 1200 for 2017 and prior years
 - Planned exit of European underwriting operations outside of Lloyd's
 - Announced exit of U.S. grocery and retail business
- **Capital:** Completed preferred stock issuance and subsequent repayment of outstanding term loan
- **Other:** Settlement regarding compensation disclosures with the SEC

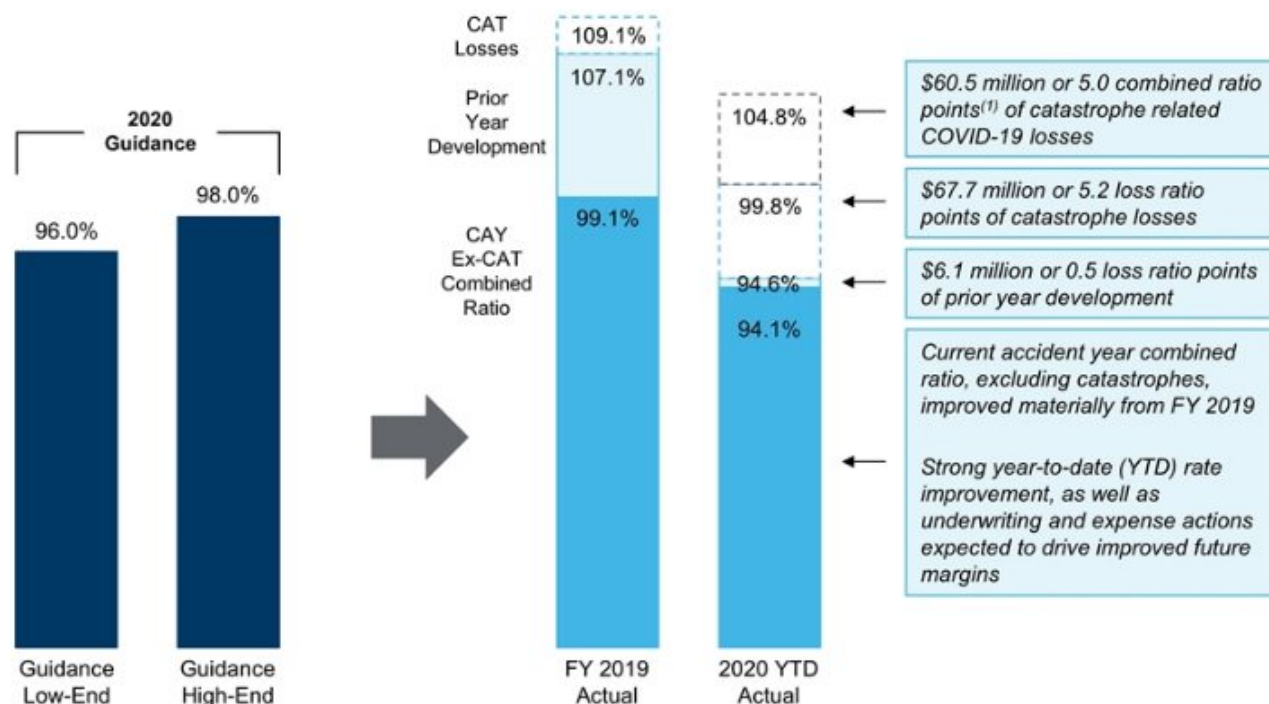
Expense Actions

- Initiatives to remove \$100 million of 2019 total expenses incurred by 2022
- Expense reductions to be partially reinvested in ongoing businesses and operations
- Targeting a 36% expense ratio⁽¹⁾ by year-end 2022, or a 250 basis point reduction relative to 2019

(1) The expense ratio is calculated as underwriting, acquisition and insurance expense divided by earned premiums.

Underwriting Progress vs. FY 2019 and 2020 Guidance

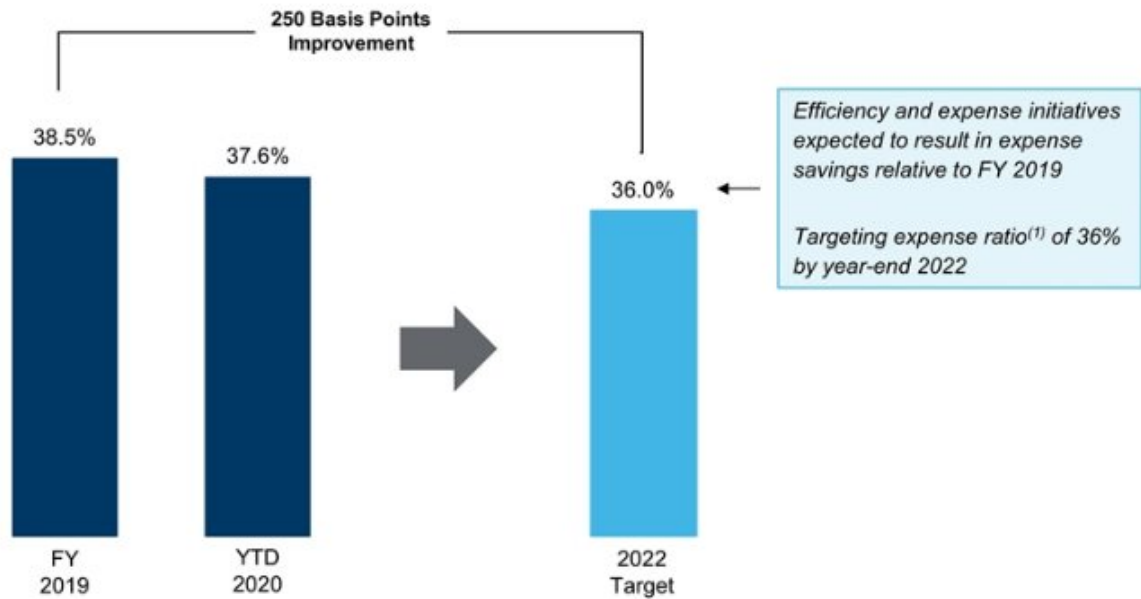
Underlying underwriting results are strong with modest reserve development, reflecting significant improvement vs. 2019, while the overall combined ratio was impacted by catastrophes and the impact of the COVID-19 pandemic



(1) Includes 0.2 point expense ratio impact from catastrophe related outwards reinstatement premiums.
Note: For more information regarding current accident year (CAY) ex-CAT combined ratio and a more detailed reconciliation to GAAP combined ratio, please refer to our earnings release filed as an exhibit to Form 8-K with the SEC on November 2, 2020 for 2020 YTD, and filed on February 24, 2020 for FY 2019.

Expense Ratio Trajectory

Cost and efficiency initiatives are expected to contribute to near- and medium-term expense ratio improvement



(1) The expense ratio is calculated as underwriting, acquisition and insurance expense divided by earned premiums.

Areas of Near-Term Expense Focus

Expense initiatives are focused on four key areas and are expected to remove approximately \$100 million of 2019 total expenses



Organizational Restructuring

- Reorganized and realigned management to reduce the size and cost associated with senior leadership
- Go-forward team more aligned with Argo's current strategy



Marketing T&E Real Estate

- Reducing and focusing any sponsorship and event costs
- Strict travel and entertainment (T&E) policies and procedures in place, as well as enhanced internal controls



Business Rationalization

- Exiting business units that are not meeting return hurdles, have an unmanageable expense base or don't fit Argo's strategy
- Simplifying and rationalizing legal entity structure



Other General Expenses

- Reduced holding company and investment expenses
- Disciplined use of external resources

Investing in Efficiency Opportunities for the Future

Deploying resources to make Argo a more efficient specialty insurer for the future, reduce staffing costs and improve underwriting performance and enhance customer service

Process and System Mapping

- Deploying business process engineers across business units to eliminate unnecessary workflow

Increase Automation

- Implementing digital solutions that allow Argo to handle more submissions and provide best-in-class customer service through automation
- 15% of U.S. GWP is handled via a digital solution
- In the last two years combined digital GWP is \$400M which is nearly 50% of the digital premium since 2012

Leverage Data and Analytics

- Using data and analytics to provide better tools and information to underwriters, allowing them to make informed decisions more quickly and increase business volume
- One underwriting tool saves underwriters 30-40% of their time on every submission

Enterprise Solutions

- Investing in key enterprise solutions to further reduce manual workload and drive a greater volume of business to Argo
- Full automation of our intake and submission process, using AI and Machine Learning reduces human interaction, improves efficiencies and reduces mistakes
- Plan to reduce offshore costs and further reduce turnaround times for producers
- Goal of full rollout by the end of 2022

Efficiency Measures in U.S. Operations

Investments in technology and operations have enabled Argo's U.S. Operations to handle significantly more premium without increasing headcount; premium per employee has more than doubled in last 10 years



\$ in millions.