
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 11, 2019

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))

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.

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, 2018.

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 [Argo Group International Holdings, Ltd. Presentation](#)

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 11, 2019

2018 Investor
Presentation

Q4

Exhibit 99.1



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) rating agency actions; 3) adequacy of our risk management and loss limitation methods; 4) cyclicity 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 finance; 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; and 17) availability of reinsurance and retrocessional coverage, as well as management's response to any of the aforementioned factors.

In addition, any estimates relating to loss events involve the exercise of considerable judgments and reflect a combination of ground-up evaluations, information available to date from brokers and pedants, 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 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.

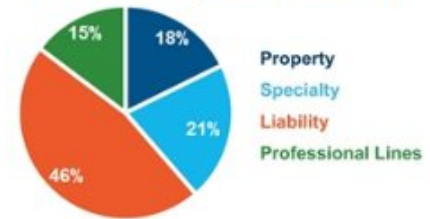
The foregoing review of important factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included herein and elsewhere, including the risk factors included in our most recent reports on Form 10-K and Form 10-Q and other documents of Argo Group on file with or furnished to the U.S. Securities and Exchange Commissions ("SEC"). Any forward-looking statements made in this presentation 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 forward-looking statements, whether as a result of new information, future developments or otherwise.

Leading Specialty Platform

Argo Franchise Overview

- Global underwriter of specialty insurance and reinsurance
- Strategically located in major insurance centers
 - Across the U.S.
 - Bermuda
 - London
 - Zurich
 - Dubai
 - Singapore
- Established presence in desirable markets
 - Consistent Leader in U.S. excess and surplus lines for more than two decades
 - Strong U.S. retail specialty franchise
 - Top Lloyd's Syndicate in 2018 by stamp capacity
 - Leading Bermuda insurance and reinsurance platforms
- Diversified by geography, product and strategy
- Broad and strong producer relationships
 - Agents, brokers, wholesalers and coverholders
- "A" (Excellent) A.M. Best rating, stable outlook
- "A-" (Strong) S&P rating, positive outlook

TTM* NWP** by Business Mix



TTM NWP by Business Type



TTM NWP by Geography



*TTM = trailing twelve months
**NWP = net written premiums

Strategy Aligned Toward Shareholder Value

*Capital Management * (Underwriting Margin + Return on Invested Assets)=Shareholder Value*

Sustainable competitive advantages

- Successfully operating in niche markets and attractive geographies
- Underwriting expertise with a focus on risk selection
- Industry leader in developing and leveraging digital platform
- Continued product innovation
- Superior customer service across platform

Profitable organic and strategic growth

- Profitable through underwriting cycles
- 7.1 point improvement in loss ratio from 2012 to 2016
- Talented underwriting teams with proven track record
- Disciplined M&A strategy

Capital management a key driver in value creation

- Practice total return investment strategies
- Strong track record of returning capital to shareholders

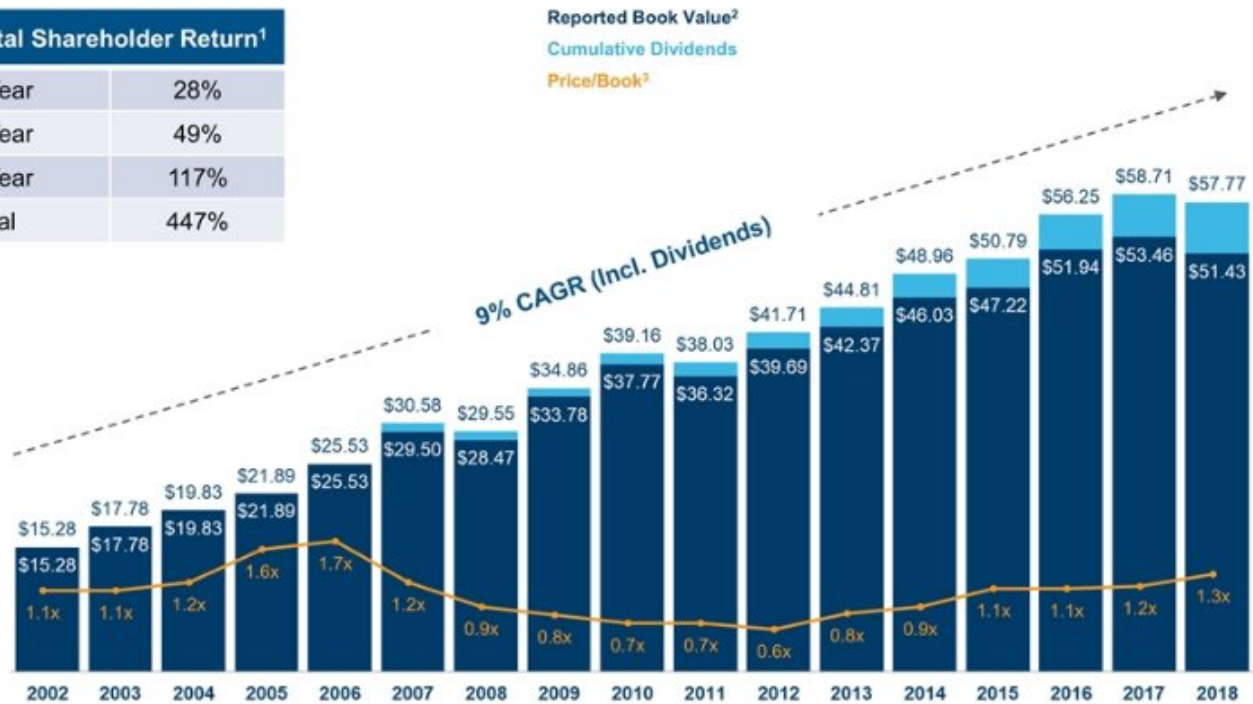
Deep, tenured and experienced management team

- Senior leadership team averages more than 10 years at Argo and over 26 years of industry experience
- CEO is the largest individual shareholder, with 3.45% beneficial ownership
- Compensation structure for underwriters aligned with loss ratio performance

**Maximize Shareholder Value Creation Through Growth in
Book Value per Share**

Maximizing Shareholder Value - BVPS Growth

Total Shareholder Return ¹	
1 Year	28%
3 Year	49%
5 Year	117%
Total	447%



(1) Total shareholder return metrics as of the end of the most recent quarter.

(2) Book value per common share:

- Adjusted for June 2013, March 2015, June 2016 and March 2018 stock dividends

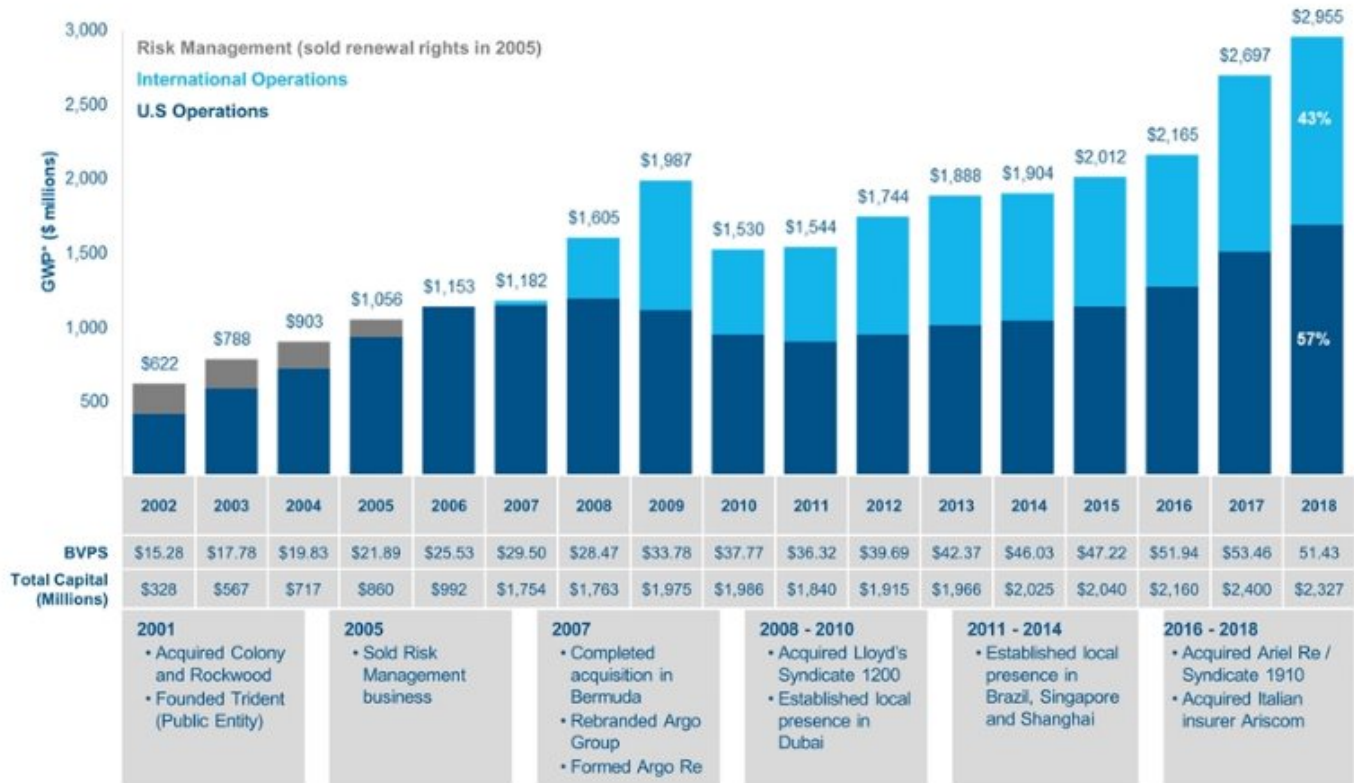
- 2008-2011 restated to reflect adoption of ASU 2010-26 (related to accounting for costs associated with acquiring or renewing insurance contracts); 2007 and prior not restated

- 2006 and prior years adjusted for PXRE merger

- 2003-2006 includes impact of Series A Mandatory Convertible Preferred on an as-if-converted basis. Preferred stock fully converted into common shares as of Dec. 31, 2007

(2) Price/book represents the high for the YTD period

Evolution of Growth and Diversification



* Excludes GWP recorded in runoff and corporate and other.
 Note: BVPS (book value per common share) adjusted for June 2013, March 2015, June 2016 and March 2018 stock dividends.

Substantial Growth and Financial Strength

Scale	2002	2006	2018	'02-'18 Factor
Gross Written Premiums	\$622	\$1,156	\$2,955	4.8x
Net Written Premiums	484	847	1,766	3.6x
Net Earned Premiums	378	813	1,732	4.6x

Financial Strength	2002	2006	2018	'02-'18 Factor
Total Assets	\$2,209	\$3,722	\$9,558	4.3x
Total Investments	1,181	2,514	4,787	4.1x
Shareholder's Equity	328	848	1,747	5.3x
BVPS ¹	\$15.28	\$29.36	\$51.43	3.4x
Debt+TRUPs / Total Capital	0.0%	14.5%	24.9%	

\$ in millions, except per share

(1) Book value per common share:

- Adjusted for June 2013, March 2015, June 2016 and March 2018 stock dividends

- 2006 adjusted for PXRE merger and includes impact of Series A Mandatory Convertible Preferred on an as-if converted basis. Preferred stock fully converted into common shares as of Dec. 31, 2007

Innovative and Diverse Platform

U.S. Operations

- **Leader in U.S. Excess & Surplus lines**
 - 20+ year underwriting history
 - Strong relationships with national, local, and regional wholesale brokers
 - Seasoned underwriting expertise
 - Target all sizes of non-standard risks with focus on small/medium accounts
 - Underwrites on largely non-admitted basis and across all business enterprises
- **Sizable amount of business distributed through retail brokers / agents**
 - Argo Pro – Customer service focused D&O and E&O specialty platform
 - Trident – Small and medium sized public-sector U.S. entities
 - Rockwood – Designs custom workers comp and other programs for businesses in the mining sector
 - Surety – Top 20 commercial underwriter
 - Programs – Underwrites select specialty programs and partners with State-sponsored funds

International Operations

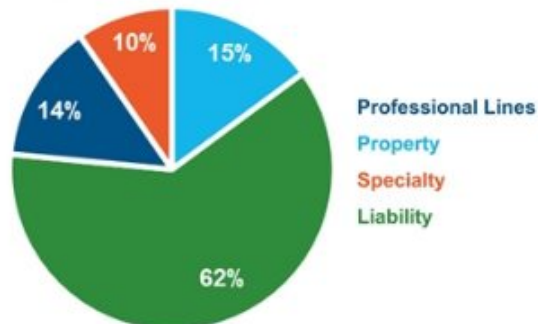
- **Well-established multi-class Lloyd's Syndicate platform**
 - Syndicate 1200 – Multi-class platform
 - Syndicate 1910 – Property, Specialty Insurance and Reinsurance platform
 - A top Lloyd's Syndicate platform by stamp capacity
 - Regional offices in Bermuda, Dubai, Singapore and Shanghai
- **Strong Bermuda trading platform**
 - Includes property insurance and reinsurance business in Bermuda and Brazil
 - Seasoned book of mid / large account professional lines and excess casualty business
 - Building diversity through international expansion in Brazil and throughout Europe
- **Brazil – Specialty product & local presence**
 - A growing portion of the business being distributed via digital channels through the in-house Protector platform



Transforming Argo into a digital-first carrier using a unique thesis-driven and iterative approach

U.S. Operations *(57% of TTM GWP)*

GWP by Business Mix (TTM 12/31/2018)



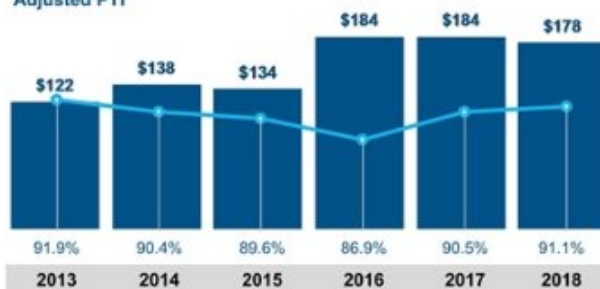
Segment Overview

- **Excess & Surplus Lines** – Non-standard (hard-to-place) risks, with focus on small/medium accounts
- **Argo Pro** – Customer service focused D&O and E&O specialty platform
- **Trident** – One of the largest specialty commercial insurance providers for small to middle market public-sector entities in the U.S.
- **Rockwood** – Leading provider of workers compensation and other programs for the mining industry
- **Surety** – Top 20 commercial surety writer
- **Programs** – Underwrites select specialty programs and provides fronting for state-sponsored funds
- **Argo Insurance** – Designs customized commercial insurance programs for retail grocery stores

Adjusted PTI⁽¹⁾ & Combined Ratio

Combined Ratio

Adjusted PTI



Gross Written Premium

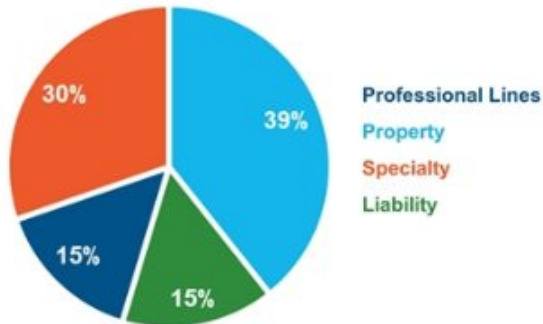


All data in millions except for ratio calculations. *TTM = trailing twelve months.

(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 (43% of TTM GWP)

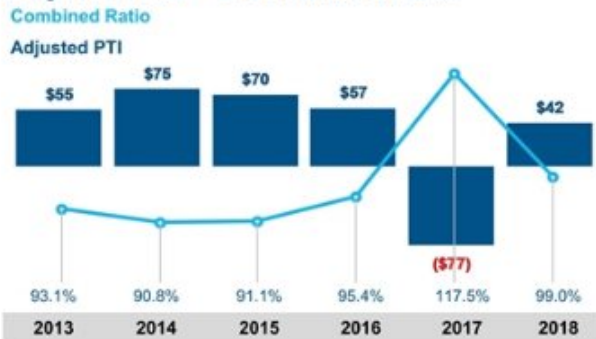
GWP by Business Mix (TTM 12/31/2018)



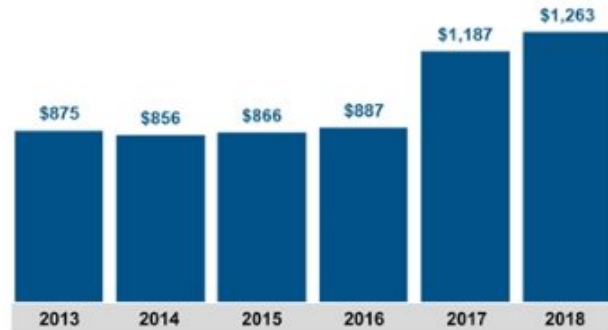
Segment Overview

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

Adjusted PTI⁽¹⁾ & Combined Ratio



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.

Multi-Channel Distribution Strategy

	Retail Broker/Agent	General Agency	Wholesale Broker	Lloyd's Market	Reinsurance Broker
U.S. Operations	Rockwood	X			
	Argo Insurance	X			
	Trident	X			
	E&O	X	X		
	D&O	X	X		
	Surety	X	X		
	Programs	X			
	E&S Contract	X			
	E&S Transportation	X			
	E&S Casualty		X		
	E&S Environmental		X		
	E&S Specialty Property		X		
International Operations	Liability			X	
	Property			X	
	Aviation			X	
	Marine			X	
	Excess Casualty	X	X		
	Professional Liability	X	X		
	Emerging Markets	X	X		
	Reinsurance				X

Differentiated Approach to Digital Innovation

Through iterative tech product development, investments and partnerships, we leverage advancements in digital technology to enhance customer intimacy, increase automation, improve risk selection and enter new markets.



How we are organized

- Cross-functional product squads, each focused on solving a particular user-focused pain point
- Squads are comprised of product owners, engineers, data scientists, and designers
- Early-stage investment team with investing, operating, and industry expertise

How we work

- Hypothesis-driven, iterative approach to building digital products
- Prioritize opportunities that can generate 2x-10x return on invested capital
- Decisions grounded in a bottom-up, internally developed thesis on how technology will impact the commercial insurance ecosystem
- Partner with and invest in external ventures that can further enable our Digital approach

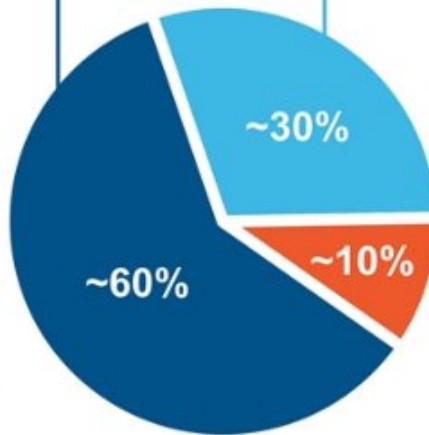
Our Focus

- Leverage new data sources, machine learning, and predictive analytics to enable faster and smarter underwriting
- More efficiently, with regards to both time and cost, connect to distribution partners digitally
- Automate internal processes and workflows
- Explore emerging tech-enabled categories

Digital Transformation Outcomes

Transform Core Business

- Processed over **\$1.4B GWP** through our flagship policy administration platform, currently supporting 14 products
- Launched **Argo Risk Tech**, a custom, sensor-based technology that allows retail merchants to manage risk through reduction in on-premises accidents. Achieved full year loss reduction and expense reduction for Argo Insurance.
- Partnered with **Coalition**, a startup cybersecurity MGA, for our cyber book
- Continued growth in our digitization of our Casualty business to 50% of our brokers getting self-service quotes with 80% being full automated.
- Launched a fully digital self-service management liability product for a key partner 3 months ahead of schedule now driving MoM self-service GWP growth.
- Built a **data platform** for the retrieval, processing, and machine learning on proprietary and external data sources
- Launched our first predictive analytics tool for D&O underwriters using machine learning
- Employed robotic process automation (**RPA**) across multiple use cases



Explore Adjacencies

- Built a self-serve **digital portal** driving engagement with Argo's brokers and insureds which continues to see engagement increase QonQ. Expanded use to new business units.
- Announced our partnership with Corvus, on their Smart Cargo Insurance product designed to help food and beverage companies reduce loss of perishable goods
- Invested in a startup helping brokers focus on risk advisory through custom built digital tools and automation of back-office tasks

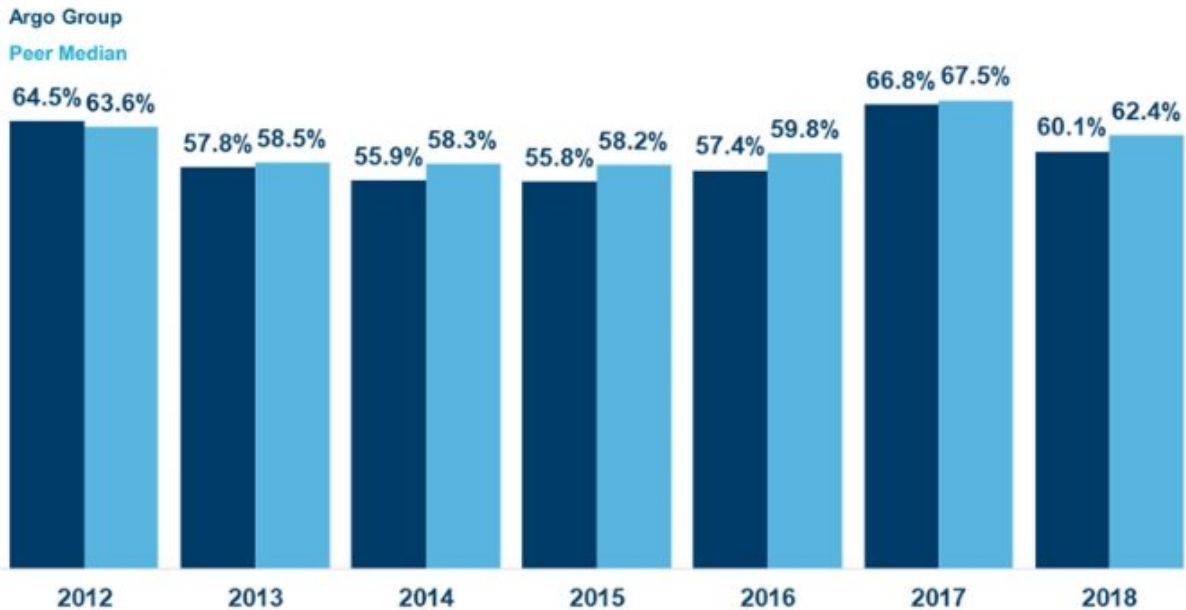
Disrupt Traditional Insurance

- Incubated a Brazil-based startup focused on enabling stronger membership engagement for affinity groups and associations - 58 corporate clients signed up as of 2018 YE, representing **~1.6M users**
- Exploring ways to use **blockchain** for insurance applications
- Leveraged our quick quote applications into a new platform which will allow us to launch new digital self-service lines quickly including into new areas of business with minimal operational staff

Superior Loss Ratios Compared to Peers

Continued focus on cycle management has delivered best in class loss ratios

- Portfolio optimization has enabled superior loss ratios
- Prior year development has been positive for 14 consecutive years



Source: SNL Financial
 Note: 2018 reflects 3Q18-YTD results for companies that have not reported Q4 2018 results as of 2/8/2019
 Peer Group consists of: Allegheny, American Financial, Arch Capital, Aspen, Axis, Global Indemnity, Hallmark, Hanover, James River, Markel, Navigators, Protective Insurance Corporation, RLI, Selective and W.R. Berkley

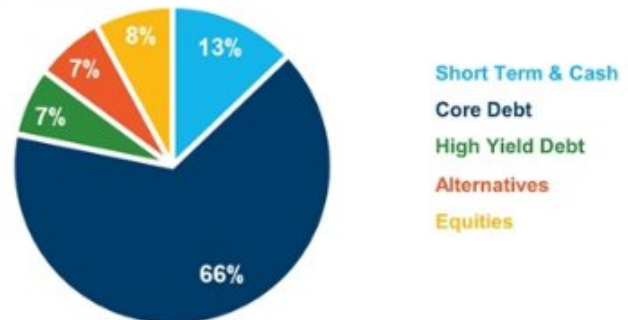
Balanced Investment Strategy

Portfolio Characteristics

- Duration of 2.5 years⁽¹⁾
- Average rating of 'A1/A+'
- Book yield of 3.3%⁽²⁾

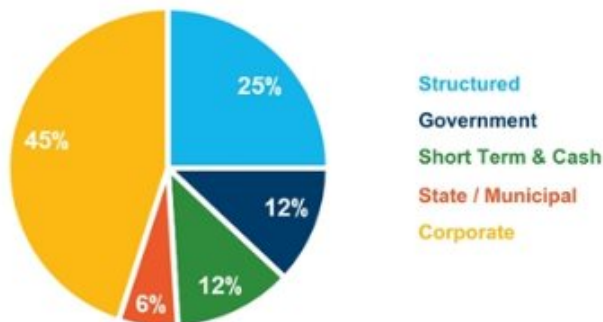
Asset Allocation

Total: \$4.9B



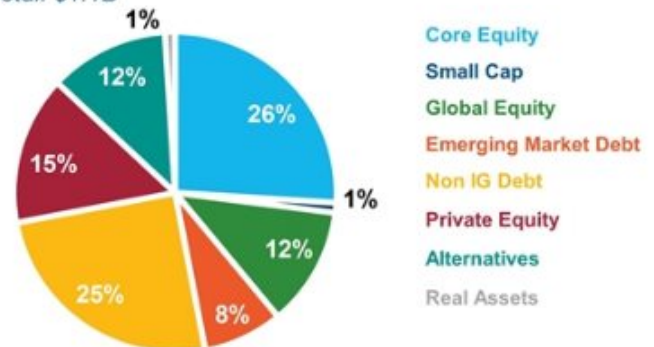
Fixed Maturities by Type

Total: \$4.0B⁽³⁾



Capital Appreciation Portfolio by Class

Total: \$1.1B



(1) Duration includes cash & equivalents

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

(3) \$3.5B in fixed maturities, \$0.5B in short term & cash

4Q 2018 Operating Results

	4Q 2017	4Q 2018	2017	2018
Gross Written Premiums	\$606.3	\$702.0	\$2,697.2	\$2,955.2
Net Written Premiums	389.8	424.5	1,653.5	1,765.5
Earned Premiums	404.5	452.4	1,572.3	1,731.7
Losses and Loss Adjustment Expenses	270.7	280.6	1,050.2	1,040.8
Underwriting, Acquisition and Insurance Expenses	161.0	169.7	635.4	654.7
Underwriting Income	(\$27.2)	\$2.1	(\$113.3)	\$36.2
Net Investment Income	35.0	29.4	140.0	133.1
Fee and other income (expense), net	(0.1)	0.2	7.9	1.9
Interest Expense	7.3	8.2	27.7	31.6
Operating Income	\$0.4	\$23.5	\$6.9	\$139.6
Net Realized Investment and Other Gains	14.2	2.0	39.3	33.1
Change in fair value of equity securities	0.0	(83.0)	0.0	(105.1)
Foreign Currency Exchange Gain (Loss)	(2.3)	(2.2)	(6.3)	0.1
Income Before Taxes	\$12.3	(\$59.7)	\$39.9	\$67.7
Income Tax (Benefit) Provision	(16.6)	(16.1)	(10.4)	4.1
Net Income	\$28.9	(\$43.6)	\$50.3	\$63.6
Operating Income per Common Share (Diluted)¹	\$0.01	\$0.55	\$0.16	\$3.22
Net Income per Common Share (Diluted)	\$0.83	(\$1.29)	\$1.42	\$1.83
Loss Ratio	66.9%	62.0%	66.8%	60.1%
Expense Ratio ²	39.8%	37.5%	40.4%	37.8%
Combined Ratio	106.7%	99.5%	107.2%	97.9%

Note: 2018 net income was negatively impacted by the adoption of the recent accounting rule change

All data in millions except for per share data and ratio calculations

(1) Operating income calculated using an assumed tax rate of 20%; share count adjusted for stock dividend

(2) Includes all acquisition, G&A and corporate expenses

Active Capital Management

Through share repurchases and dividends, Argo has returned more than \$635 million of capital to shareholders from 2010 through 4Q 2018

- **Management has prudently repurchased shares at a meaningful discount to book value**
 - Repurchases have exceeded the amount of shares issued in PXRE transaction (8.2 million¹ shares were issued at 1.35x book value)
 - Transactions have been accretive to book value
- **Dividend per share has increased by more than 3X since 2012 (adjusted for stock dividends)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2010-2018 Total
Total Shares O/S	31.2	31.3	31.4	34.1	34.3	37.1	40.0	40.4	45.3	
Less: Treasury Shares	3.4	5.0	6.5	7.6	8.6	9.2	10.0	10.8	11.3	
Net Shares	27.8	26.3	24.9	26.5	25.7	27.9	30.0	29.6	34.0	
Shares Repurchased	3.2	1.6	1.5	1.1	1.0	0.6	0.8	0.8	0.5	11.2
<i>As % of Beg. Net Shares</i>	10.4%	5.8%	5.7%	4.4%	4.0%	2.2%	3.0%	2.5%	1.8%	36.2%
Avg. Repurchase Price/sh	\$33.05	\$30.69	\$29.89	\$41.02	\$48.45	\$51.55	\$55.61	\$59.73	\$59.80	\$40.26
Total Repurchased (\$mm)	\$106	\$49	\$44	\$45	\$51	\$30	\$47	\$45	\$32	\$450
Dividends/sh	\$0.48	\$0.48	\$0.48	\$0.60	\$0.69	\$0.82	\$0.88	\$1.08	\$1.08	\$6.59
Dividend Payments (\$mm)	\$15	\$14	\$13	\$16	\$18	\$23	\$27	\$33	\$37	\$197
Repurchases + Dividends (\$mm)	\$122	\$64	\$58	\$61	\$69	\$52	\$74	\$78	\$69	\$646

(1) Calculated as difference between Q2 2007 and Q3 2007 shares outstanding

Stock Price Performance – Last 3 Years



Source: SNL Financial (as of 2/8/19)

Note: Peer Group consists of: Alleghany, American Financial, Arch Capital, Aspen, Axis, Global Indemnity, Hallmark, Hanover, James River, Markel, Navigators, Protective Insurance Corporation, RLI Selective and W.R. Berkley

Well Positioned to Create Value in 2019 and Beyond

Operations

- Established leader in niche insurance and reinsurance segments across attractive geographies
- Best in class loss ratios, leading to solid underwriting profitability
- Sustained, double-digit revenue growth driven by strong U.S. platform
- Digital tools and process optimization driving improved risk selection and increased efficiency and scale
- Scaling International platform through growth while transitioning out of unprofitable businesses

Capital

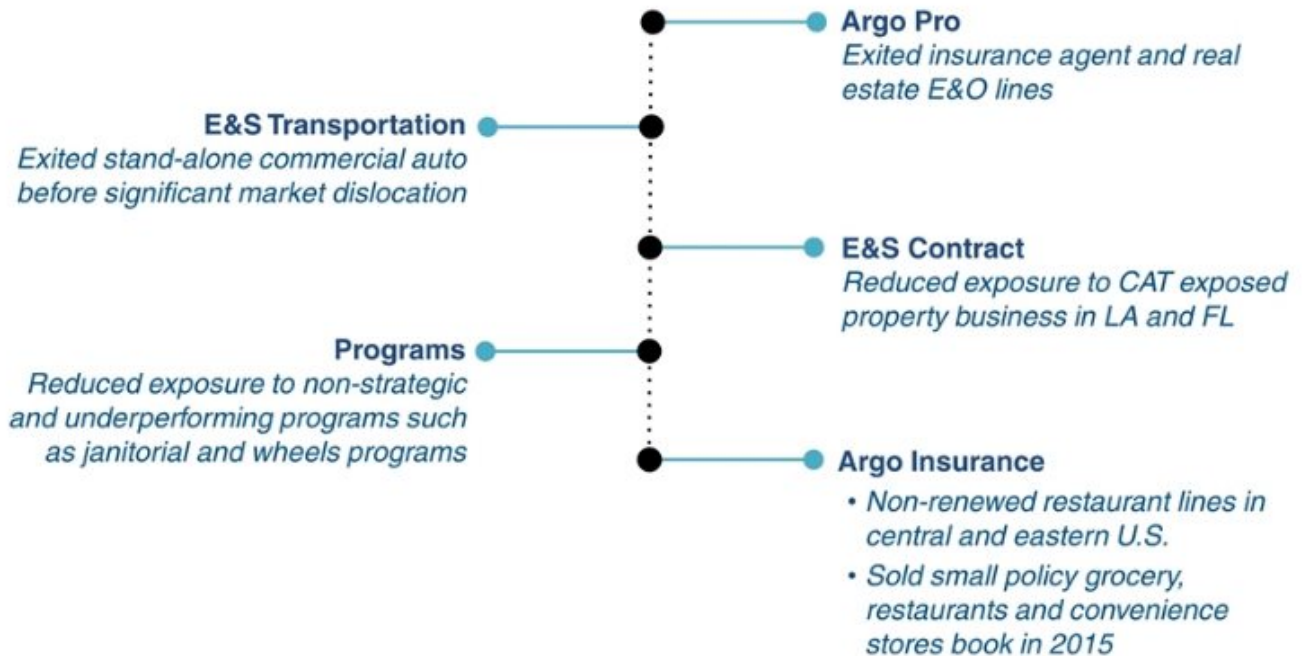
- Balanced investment strategy
- Strong balance sheet with 14 years of overall redundant loss reserves
- Effective use of third party capital to leverage strengths and reduce volatility
- Strategic focus on deploying capital through organic growth, opportunistic M&A, share buybacks and dividends

Best in class loss ratios; improving expense ratio; balanced investment portfolio; disciplined capital management; driving results toward return on equity target of 700 basis points above the risk free rate

Appendix

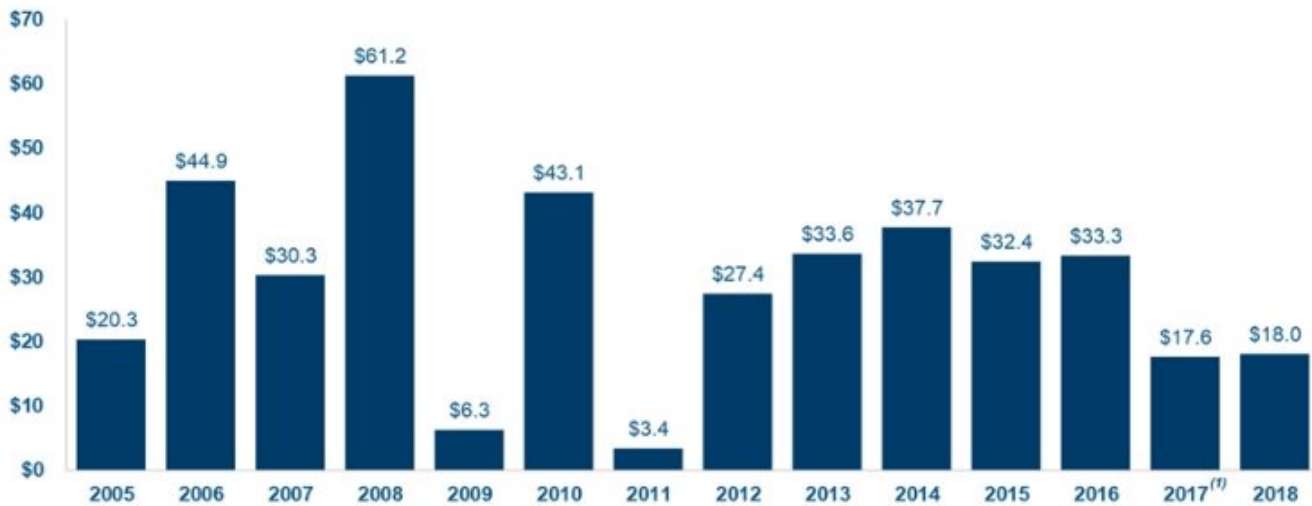
Portfolio Rationalization

Argo has maintained a track record of making thoughtful decisions to improve performance within existing product lines; Below are examples of prior portfolio rationalization that is now evident in financial results



Long-Term Favorable Reserve Development

14 consecutive years of favorable reserve development



(1) Excludes Q1 adverse development of \$4.5 million from the Ogden rate change and \$4.9 million from late reported Hurricane Matthew claims