

**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): September 9, 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.

Argo Group International Holdings, Ltd. 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.

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:*

<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: September 9, 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 Investor Presentation

September 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," "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 described in Item 1A, "Risk Factors," of our Annual Report on Form 10-K for the fiscal year ended December 31, 2019, as supplemented in Part II, Item 1A, "Risk Factors," of our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2020 and in 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 Premium of more than \$3.2 billion
- Presence in the U.S., London and Bermuda markets with a focus on U.S. domiciled risks

Established presence in desirable markets

- Differentiated U.S.-centric specialty insurance franchise
- Rapidly improving market conditions in core products

Diversified by product and profit streams

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

Broad and strong producer relationships

- Agents, brokers, wholesalers, MGAs and coverholders

Strong balance sheet with modest financial leverage

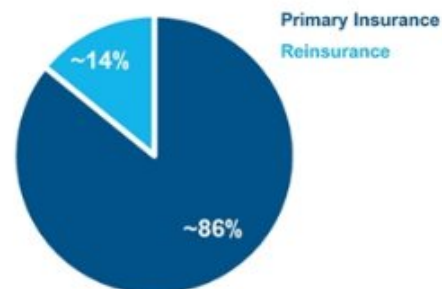
- Disciplined capital allocation process to maximize returns
- Focused on deploying capital towards growth in core markets

Focused on shareholder alignment

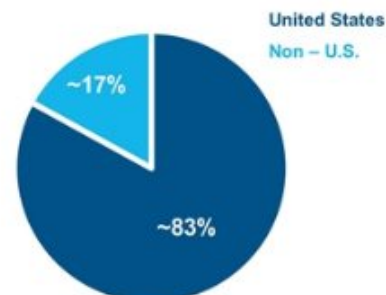
- Enhanced corporate governance and compensation structure aligned with long-term shareholder interests

2Q 2020 LTM GWP: \$3,221M

Business Type



Approximate Geography of Risk



\$ in millions.

Note: 2Q 2020 LTM represents sum of 3Q 2019 through 2Q 2020.

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
2013 - 1H 2020

- Gross written premium compound growth rate of 11% since 2013
- 200+ basis point improvement in expense ratio since 2012
- Cumulative loss ratio of 58.0%, including catastrophes and prior year development, since 2013
- Cumulative combined ratio of 90.9%, including catastrophes and prior year development, since 2013

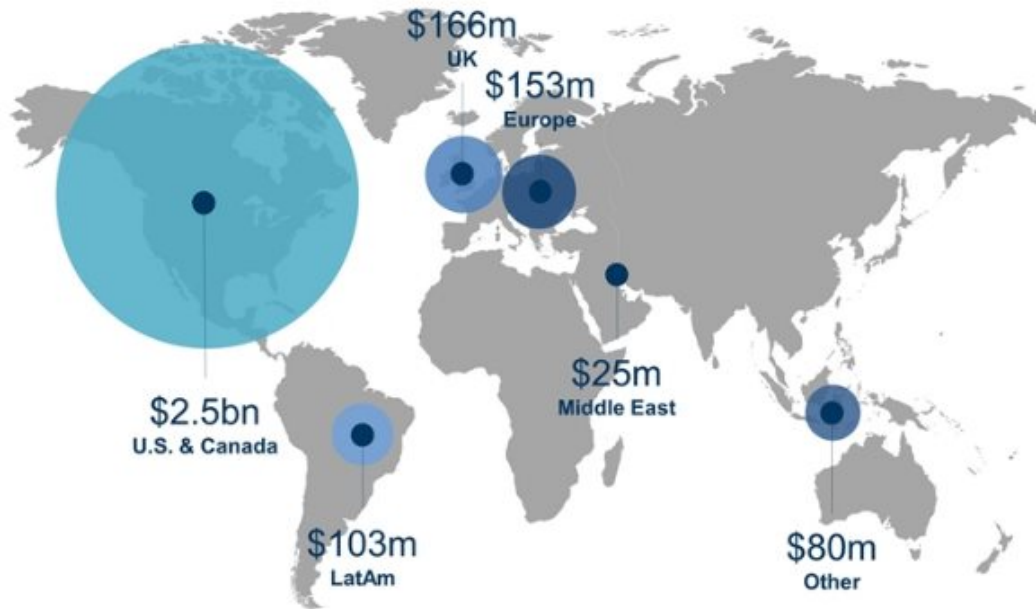
\$ in millions.

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

(1) 1H20 GWP on an LTM basis (sum of 3Q 2019 through 2Q 2020); loss ratio and expense ratio are for 1H 2020.

Argo Is A U.S. Focused Insurer and Reinsurer

The U.S. is the predominant specialty insurance market

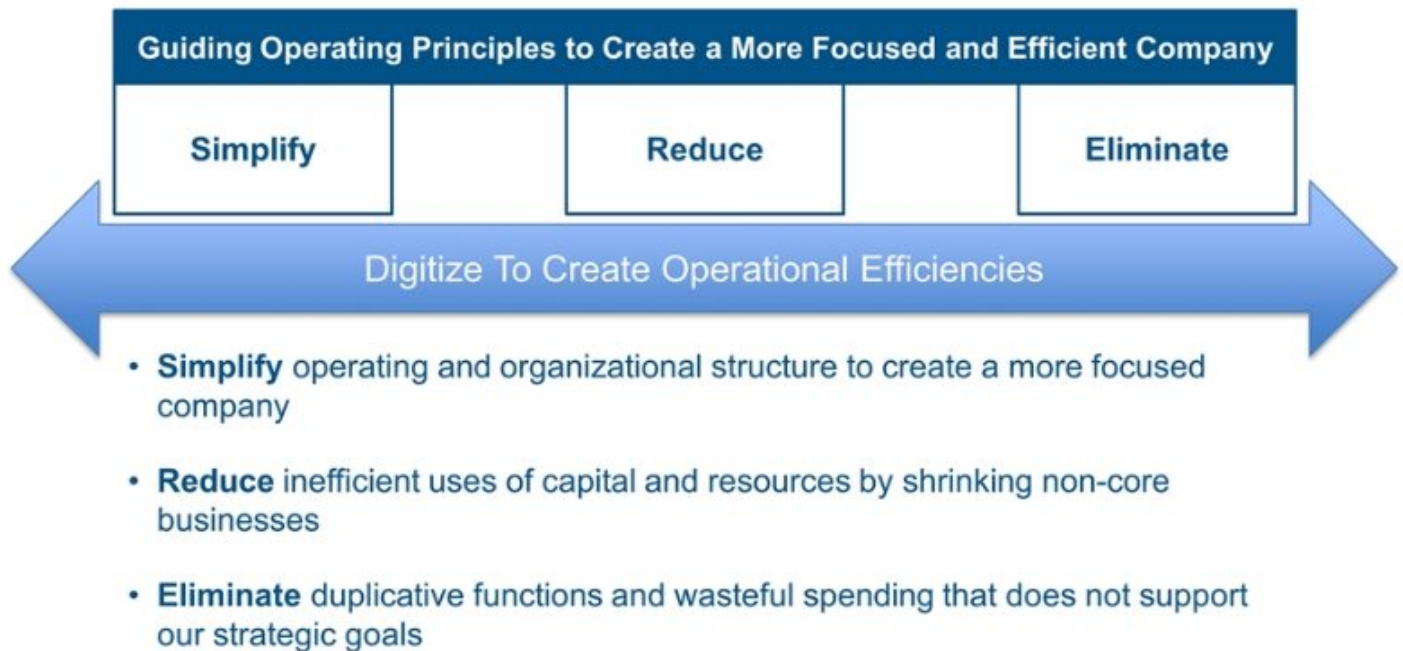


More than 80% of Argo's gross premiums come from U.S. domiciled risks today, written out of U.S. and international markets

Note: Figures represent GWP distributed based on location of risk assumed rather than writing location.

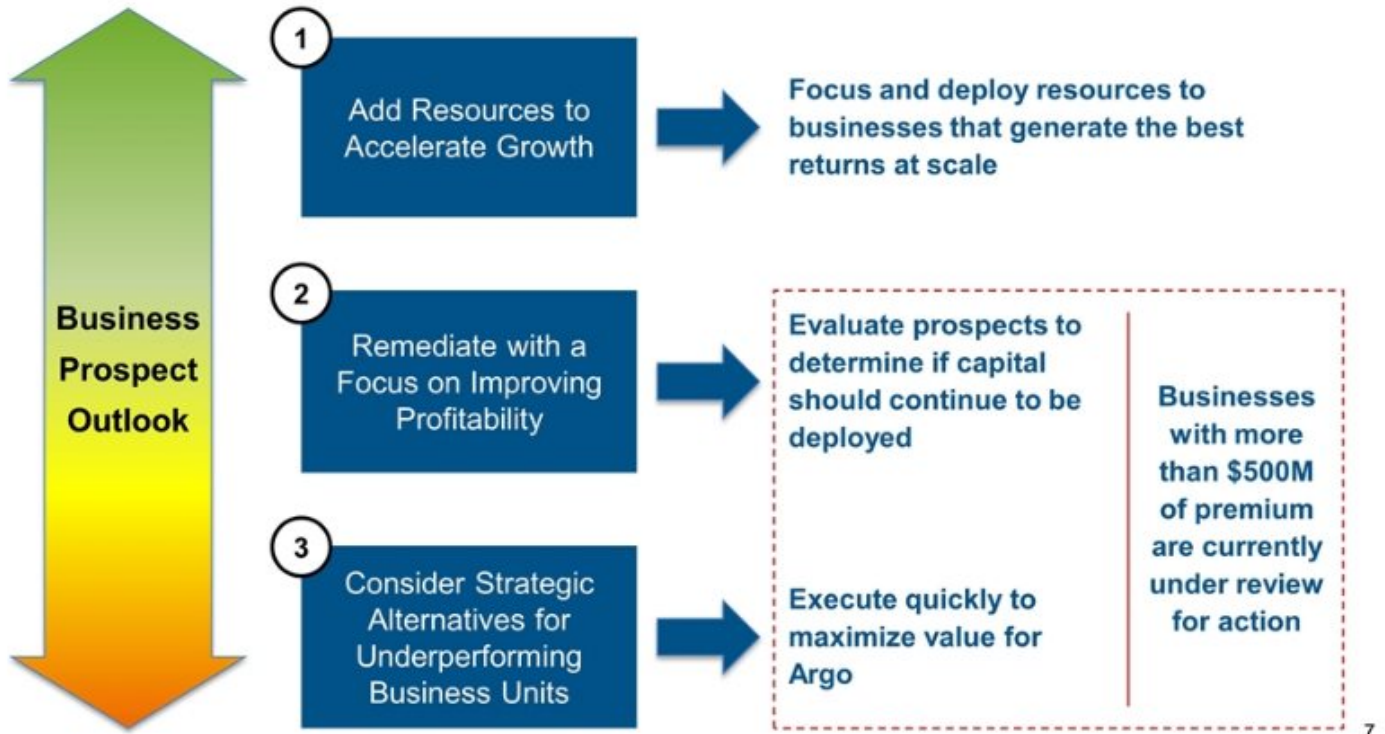
Fundamental Operating Principles

Argo's fundamental operating principles are designed to create an efficient organization that is focused on delivering underwriting 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

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

- ✓ **Announced new corporate leadership structure**
- ✓ **Exited operations in Asia and most hull business within Syndicate 1200**
- ✓ **Eliminated regional underwriting office for Latin America**
- ✓ **Closed on 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.
 Note: Ariel Re acquisition closed in February 2017.

Investing in High Margin Specialty Businesses

Argo is focused on deploying resources in niche products and business units with the highest returns on capital and sustainable growth prospects

Construction & Casualty

- Gross Written Premiums: 2015-2019 CAGR of 12%
- Offers primary and excess casualty coverage to contractors and a range of other industries
- Created digital quoting platform to help increase submissions and drive operational efficiencies

Surety

- Gross Written Premiums: 2015-2019 CAGR of 27%
- Provides commercial and contract surety bonds to a variety of industry groups
- Argo employs in-house engineers help to evaluate strength of underlying assets and assess risk

Environmental

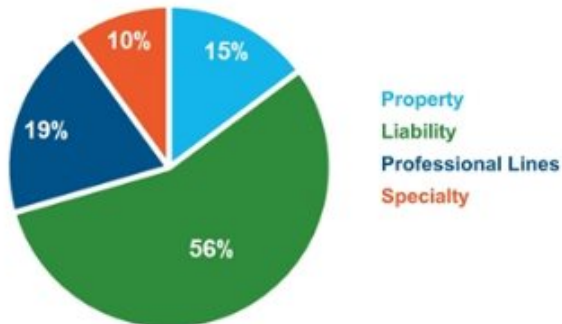
- Gross Written Premiums: 2015-2019 CAGR of 13%
- Provides coverage to businesses in the environmental industry and those that face environmental liabilities
- Driving processing efficiencies via digital implementation, aimed at expense reduction

Transportation

- Gross Written Premiums: 2015-2019 CAGR of 22%
- Provides both admitted and non-admitted garage products designed to cover a wide range of auto dealer and auto service operations
- Fully integrated RQBI system enhancing growth potential

U.S. Operations (61% 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

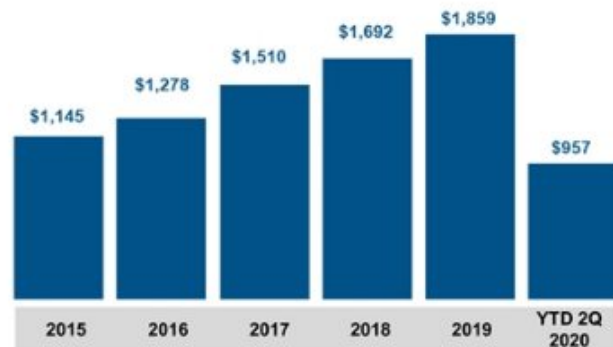
Adjusted PTI⁽¹⁾ & Combined Ratio

Combined Ratio

Adjusted PTI



Gross Written Premium

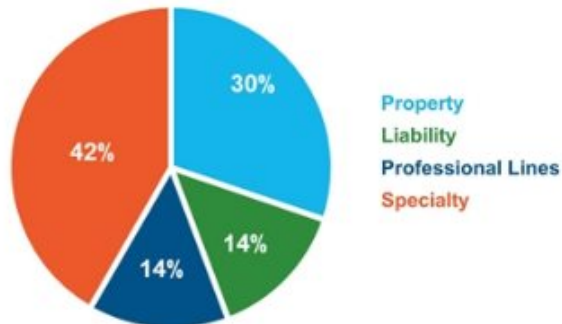


All data in millions except for ratio calculations. *TTM = trailing twelve months.

(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 (39% 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

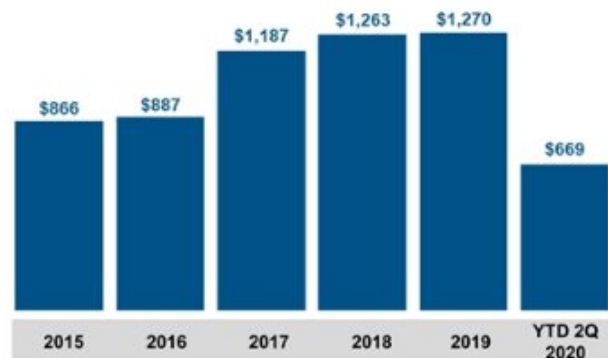
Adjusted PTI⁽¹⁾ & Combined Ratio

Combined Ratio

Adjusted PTI



Gross Written Premium



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

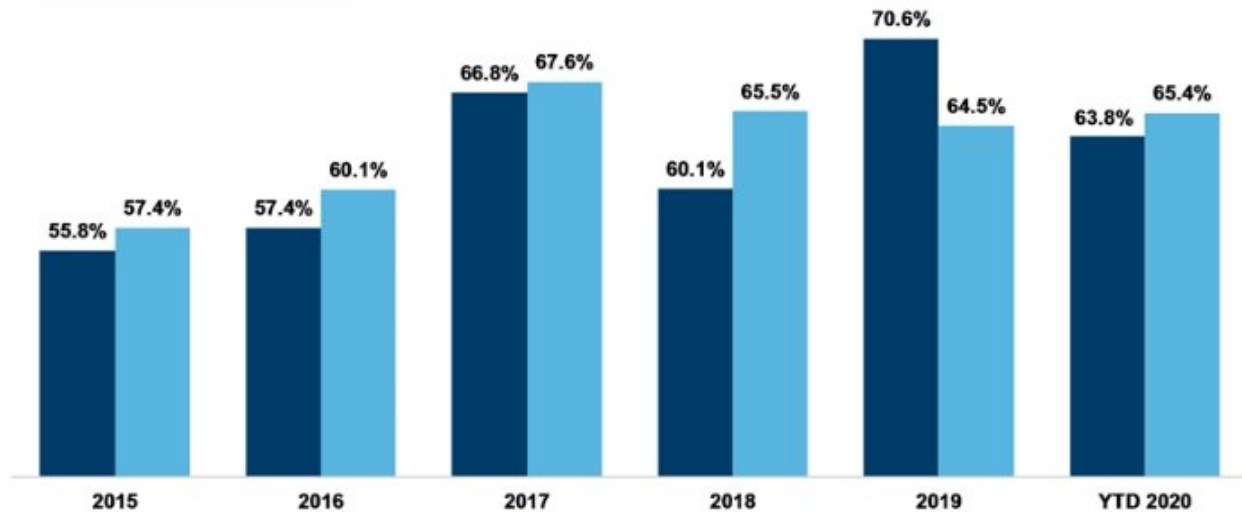
(1) Adjusted PTI = Adjusted Pre-Tax Income, which is equal to "Income Before Income Taxes" excluding "Interest Expense" as shown in Argo's 10-Qs and 10-Ks.

Loss Ratio Performance

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

2015 to YTD 2020 Average:

- Argo Group – 62.4%
- Peer Group – 63.4%



Source: SNL Financial

Note: Argo's 2019 loss ratio includes prior year reserve strengthening of \$138.1 million.

Peer Group includes: Alleghany, American Financial, Arch, Axis, Global Indemnity, Halmark, Hanover, James River, Markel, Protective, RLI, Selective and W.R. Berkley

Strategic Capital Allocation

- Argo's capital allocation process is designed to support our strategic objectives and maximize long-term returns
- We seek to allocate capital to Argo's highest performing business units where market conditions allow for growth opportunities
- In July 2020, Argo closed an offering of \$150 million preference shares to refinance an existing term loan and provide additional rating agency and regulatory capital levels to support additional growth

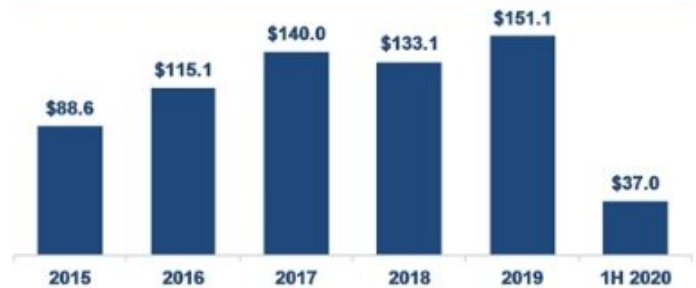


Balanced Investment Strategy

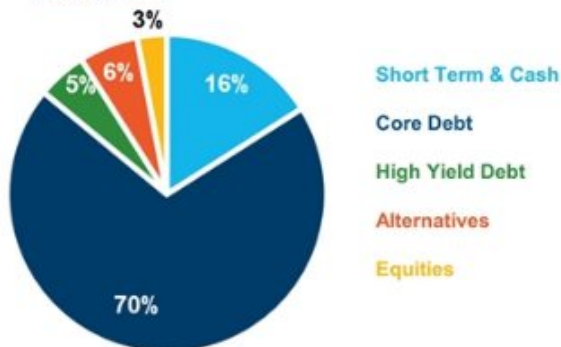
Portfolio Characteristics

- Duration of 2.1 years¹ – focused on asset-liability management
- Average rating of 'Aa3/AA-'
- Fixed income book yield of 2.5%²
- Liability-driven investment portfolio
- Reallocating internally managed accounts to external core managers

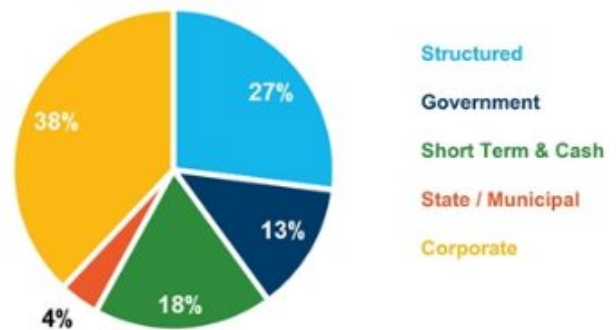
Net Investment Income



Investment Portfolio Asset Allocation (2Q 2020) Total: \$5.0BN



Fixed Maturity by Type (2Q 2020) Total: \$4.5BN



\$ in millions, unless otherwise noted
 (1) Duration includes cash & equivalents.
 (2) Book yield is pre-tax & includes all fixed maturities.

Argo's Ongoing Commitment to ESG

Argo's corporate responsibility to stakeholders requires that we hold ourselves to the highest standards by being stewards of the environment, advancing our societal impact and providing transparent corporate governance – see our first [Annual ESG Report](#)

Environmental 	Social 	Governance 
<ul style="list-style-type: none"> Argo is a founding member of ClimateWise, which supports the insurance industry so that it can better communicate, disclose and respond to climate risk management issues Argo has provided its first Greenhouse Gas (GHG) Scope 1, 2 and 3 disclosures, supported by footprint of LEED and EPA Energy Star-certified office locations with electrical conservation programs. Argo is publishing GHG reduction targets for 2021 We are an insurer of companies within the clean energy value chain Argo Group's research and development (R&D) team creates state-of-the-art models to innovate new solutions to risk management challenges 	<ul style="list-style-type: none"> Implemented a diversity and inclusion program to ensure staff have the tools and support necessary to address systemic barriers, build a diverse workforce and maintain a positive work environment Recently introduced policies for paid caregiver leave and increased flexible workplace Have responded flexibly to COVID-19 event by adapting flexible working with an emphasis on staff wellbeing Argo is a signatory with the United Nations Principles for Responsible Investments the leading international network of institutional investors committed to including environmental, social and governance factors in their investment decision making 	<ul style="list-style-type: none"> Recently underwent a Board refreshment process, adding 9 new directors since 2017 with diverse skills, backgrounds and perspectives Declassified our Board, with Directors standing for annual elections Lengthened the performance period for the company's long-term incentive program from one to three years, reduced emphasis on individual performance and increased stock ownership guidelines Concluded an extensive review of governance controls, resulting in changes to Argo's perquisite policy Engaged with largest shareholders in efforts to improve corporate governance and executive compensation practices

Well Positioned to Create Value in 2020 and Beyond

- ✓ 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 underwriting operations
- ✓ Leveraging third-party capital and reinsurance to manage underwriting volatility