

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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 5, 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))

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 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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 5.02. DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS

(b) On November 5, 2019, Mark E. Watson III retired from his position as President and Chief Executive Officer of Argo Group International Holdings, Ltd. (the “Company”), effective immediately. Mr. Watson will resign from the Board of Directors, effective December 30, 2019. A copy of the press release announcing Mr. Watson’s retirement is furnished as Exhibit 99.1 and is incorporated herein by reference.

(c) On November 5, 2019, the Company’s Board of Directors appointed Kevin J. Rehnberg, 56, to serve as the Company’s Interim President and Chief Executive Officer, effective immediately and subject to Bermuda regulatory approval. Since January 1, 2019, Mr. Rehnberg has been President, Argo Group U.S., Inc., head of the Americas and Chief Administrative Officer. From March 2013 to January 2019, Mr. Rehnberg was President of Argo’s U.S. Operations, overseeing all activities of Argo’s U.S.-based business segments. Prior to joining the Company, Mr. Rehnberg served as executive vice president for specialty lines at OneBeacon Insurance, where he oversaw specialty underwriting operations and acquired and built new lines of specialty business. Prior to that, he held positions at the St. Paul Travelers Companies, Liberty International and Chubb Corporation. He has a bachelor’s degree from Princeton University.

In connection with Mr. Rehnberg’s appointment as Interim President and Chief Executive Officer, his annual base salary will be increased from \$750,000 to \$975,000.

A copy of the press release announcing Mr. Rehnberg’s appointment is furnished as Exhibit 99.1 and is incorporated herein by reference.

(e) On November 5, 2019, the Company and Mr. Watson entered into a binding term sheet (the “Term Sheet”) that will form the basis of a separation agreement between the parties that will be negotiated and finalized in the near term (the “Separation Agreement”). A brief description of the Term Sheet is as follows:

During the period commencing on November 5, 2019 and ending on December 31, 2019, Mr. Watson will continue to serve as a full-time, non-executive employee of the Company and will continue to receive a base salary at the annual rate that is currently in effect for Mr. Watson.

Effective as of the date on which the Separation Agreement becomes fully enforceable and binding, Mr. Watson will fully vest in his unvested restricted stock from each of his (i) March 10, 2016 grant (11,285 shares), (ii) March 29, 2017 grant (14,558 shares), (iii) March 27, 2018 grant (10,500 shares) and (iv) March 15, 2019 grant (41,053 shares). The Company will pay Mr. Watson an amount equal to \$1,750,000 within ten days after he first executes the Separation Agreement and an amount equal to \$750,000 within ten days after he re-executes the Separation Agreement on or following December 31, 2019 and does not revoke his signature within the applicable revocation period specified in the Separation Agreement.

Mr. Watson will reimburse the Company for certain of his personal expenses that were paid for by the Company, in an amount to be determined after the Company concludes its investigation into such expenses. Mr. Watson will place 35,296 of the restricted shares referred to above into an escrow account. All or a portion of such shares will be returned to the Company in full satisfaction of Mr. Watson’s reimbursement obligation. If the amount that Mr. Watson is required to reimburse the Company for personal expenses is less than the aggregate value of the shares placed in the escrow account (based on the closing price of the Company’s common stock on November 1, 2019, or \$63.04), then the shares held in the escrow account that are not returned to the Company in satisfaction of Mr. Watson’s reimbursement obligation will be released to Mr. Watson.

The Term Sheet includes a general release of claims by Mr. Watson in favor of the Company. The Term Sheet and the Separation Agreement will supersede all prior agreements between Mr. Watson and the Company, including his employment agreement with the Company, dated November 5, 2018 (the “Employment Agreement”), except for certain provisions of the Employment Agreement set forth in the Term Sheet, which will survive, including provisions relating to non-disclosure of confidential information, return of Company property, mutual non-disparagement, cooperation following termination of employment, indemnification and clawback.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits:

99.1 [Press Release issued by Argo Group International Holdings, Ltd., dated November 5, 2019.](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

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

Dated: November 5, 2019

By: /s/ Jay S. Bullock

Name: Jay S. Bullock

Title: Executive Vice President and Chief Financial Officer



ARGO GROUP ANNOUNCES CEO TRANSITION

Mark E. Watson III Steps Down as CEO; Board Appoints Kevin J. Rehnberg as Interim CEO

Third Quarter Financial Results Release and Conference Call Moved to Nov. 6 and 7, Respectively

HAMILTON, Bermuda – November 5, 2019 – Argo Group International Holdings, Ltd. (NYSE: ARGO) (“Argo” or the “Company”) today announced the retirement of Mark E. Watson III as Chief Executive Officer, effective immediately. The Board of Directors has named Kevin J. Rehnberg as Interim Chief Executive Officer, effective immediately and subject to Bermuda regulatory approval. Watson will continue to serve as a member of the Board and as an advisor to the Company until December 30, 2019 to ensure a smooth transition. On behalf of Argo’s Board of Directors, Chairman Gary V. Woods said, “The Board thanks Mark for his 20 years of service and his leadership in building the business, and wishes him well in his next endeavor.” Mark Watson said, “It has been a great honor to build and lead this great company, and I look forward to its continued success under Kevin Rehnberg’s leadership.”

Since January 1, 2019, Rehnberg has been President, Argo Group U.S., Inc., head of the Americas and Chief Administrative Officer. From March 2013 to January 2019, Rehnberg was President of Argo’s U.S. Operations, overseeing all activities of Argo’s U.S.-based business segments. Chairman Woods said, “Argo’s Board of Directors has complete confidence in Kevin’s ability to lead the Company. Kevin’s extensive leadership experience, including his strong track record running our Americas business, will ensure a smooth transition and position the Company for continued growth and performance.

Rehnberg said, “It is an honor to take on the interim CEO role and along with Argo’s talented leadership team, I’m proud to serve our clients and distribution partners. Argo is well positioned to continue delivering strong results for shareholders through profitable underwriting, long-standing relationships with distribution partners, operational excellence and disciplined capital management. We have also demonstrated the ability to unlock significant efficiencies and enhance customer service through technology and innovation. I will remain focused on these operating strategies.”

Before joining the Company, Rehnberg served as executive vice president for specialty lines at OneBeacon Insurance, where he oversaw specialty underwriting operations and acquired and built new lines of specialty business. Prior to that, he held positions at The St. Paul Travelers Companies, Liberty International and Chubb Corporation. He has a bachelor’s degree from Princeton University.

The independent directors of the Board continue to conduct their review of governance and compensation matters. The Company continues to believe that the amounts involved are not material to the Company’s financial position or results of operations. The Company is also fully cooperating with an investigation by the Securities and Exchange Commission with respect the Company’s disclosures of certain compensation matters.

The Company will release third quarter 2019 financial results after the close of U.S. financial markets on Wednesday, November 6, 2019, one day earlier than previously planned. Company management will conduct an investor conference call starting at 12 noon EST on Thursday, November 7, 2019, also one day earlier than originally planned.

A live webcast of the conference call can be accessed at <https://services.choruscall.com/links/argo191108.html>. Participants in the U.S. can access the call by dialing (877) 291-5203. Callers dialing from outside the U.S. can access the call by dialing (412) 902-6610. Please ask the operator to be connected to the Argo Group earnings call.

A webcast replay will be available shortly after the live conference call and can be accessed at <https://services.choruscall.com/links/argo191108.html>. A telephone replay of the conference call will be available through November 14, 2019, to callers in the U.S. by dialing (877) 344-7529 (conference # 10136648). Callers dialing from outside the U.S. can access the telephone replay by dialing (412) 317-0088 (conference # 10136648).

ABOUT ARGO GROUP INTERNATIONAL HOLDINGS, LTD.

Argo Group International Holdings, Ltd. (NYSE: ARGO) is an international underwriter of specialty insurance and reinsurance products in the property and casualty market. Argo Group offers a full line of products and services designed to meet the unique coverage and claims handling needs of businesses in two primary segments: U.S. Operations and International Operations. Argo Group's insurance subsidiaries are A.M. Best-rated 'A' (Excellent) (third highest rating out of 16 rating classifications) with a stable outlook, and Argo Group's U.S. insurance subsidiaries are Standard and Poor's-rated 'A-' (Strong) with a stable outlook. More information on Argo Group and its subsidiaries is available at www.argolimited.com.

FORWARD-LOOKING STATEMENTS

This press release may include forward-looking statements that reflect our current views with respect to future events. 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," "does 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, voting results from and other matters related to the Annual General Meeting, including compensation matters. The foregoing 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. 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.

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