
**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 14, 2016

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))
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ITEM 7.01. REGULATION FD DISCLOSURE.

In connection with the acquisition described below in Item 8.01, Argo Group International Holdings, Ltd. (“Argo Group”) expects to make presentations to shareholders and other members of the investment community from time to time using the presentation materials attached hereto as Exhibit 99.2 to this Current Report on Form 8-K.

Note: The information in this Item 7.01 and Exhibit 99.2 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 8.01. OTHER EVENTS.

On November 14, 2016, Argo Group issued a press release regarding the execution of an agreement to acquire Ariel Re, a global underwriter of insurance and reinsurance business. A copy of the press release is attached as Exhibit 99.1 to this Form 8-K and is incorporated herein by reference.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits:

- 99.1 Press Release of Argo Group International Holdings, Ltd., dated November 14, 2016
- 99.2 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.

Dated: November 14, 2016

By: /s/ Jay S. Bullock
Name: Jay S. Bullock
Title: Executive Vice President and Chief Financial Officer

Argo Group announces acquisition of Ariel Re

- Investor Call scheduled for 8:30 a.m. ET, 11/14/16

HAMILTON, Bermuda (Nov. 14, 2016) – Argo Group International Holdings, Ltd. (NASDAQ: AGII), an international underwriter of specialty insurance and reinsurance products, today announced it has entered into an agreement to acquire Ariel Re, a global underwriter of insurance and reinsurance business for approximately \$235 million cash. The acquisition, which is expected to be complete during the first quarter of 2017, is subject to relevant regulatory approvals.

“Ariel Re is a terrific fit for Argo Group – operationally and culturally,” says Argo Group CEO Mark E. Watson III. “We remain focused on delivering enhanced shareholder value. This transaction enables us to build upon the successes realized individually by Argo Group and Ariel Re, utilizing our combined strength to deploy capital in selected areas to produce maximum return and continued growth.

“Under the leadership of Jose A. Hernandez, head of Argo Group’s International Business, the combination of Ariel Re and Argo Re will result in a market-leading business and will make a meaningful and immediate contribution to earnings and return on equity.

“This acquisition is part of Argo Group’s strategic initiative to build scale in its London- and Bermuda-based platforms by adding complementary lines of specialty business. After the acquisition, Argo Group will have a well-balanced portfolio mix of approximately 88 percent insurance and 12 percent reinsurance,” adds Watson.

This transaction provides Argo Group with added diversification, which improves the company’s ability to manage through changing market cycles. It also adds new capabilities that can be leveraged throughout the entire organization, including Ariel Re’s unique modeling and risk analysis tools, which will enhance Argo’s already robust underwriting analytics.

“Ariel Re is a group of proven insurance experts who rely on deep domain expertise, rigorous research and development, and innovative thinking – values and capabilities that align with those of Argo Group,” says Hernandez.

Ariel Re is jointly owned by Banco BTG Pactual S.A. and the Abu Dhabi Investment Council and underwrites a global portfolio of insurance and reinsurance business through Lloyd’s Syndicate 1910. Ariel Re’s book of business is well diversified by distribution, regional exposure and peril. The company has achieved superior returns by sourcing low-frequency/higher-severity, high-margin business.

“Argo Group have long been supporters of Ariel Re and we are delighted to take this relationship forward by bringing Ariel Re under the Argo banner,” says Ryan Mather, Ariel Re CEO. “There is great synergy between the teams from both companies and we are looking forward to working together to strengthen the offering for our clients.”

Argo Group's financial advisor in connection with the transaction is Aon Securities. Its legal counsel is Willkie Farr & Gallagher LLP.

Investor Conference Call to Discuss Acquisition

Argo Group management will conduct a special investor conference call to discuss the recent agreement to acquire Ariel Re. Company management will conduct this call starting at 8:30 a.m. ET on Monday, Nov. 14, 2016.

Joining the Conference Call

A live webcast of the conference call can be accessed by visiting <http://services.choruscall.com/links/agii161114.html>. Participants inside the U.S. can access the call by phone 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 conference call.

For those unable to attend the live conference, Argo Group will post a webcast replay of the call on its investor relations website, or at the following link: <https://services.choruscall.com/ccforms/replay.html>. In addition, a telephone replay of the call will be available through Nov. 21, 2016, to callers from inside the U.S. by dialing 877-344-7529 (conference #10096859). Callers dialing from outside the U.S. can access the telephone replay by dialing 412-317-0088 (conference #10096859).

Contacts:

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Senior Vice President, Investor Relations
212-607-8835

David Snowden

Senior Vice President, Corporate Communications
210-321-2104

ABOUT ARGO GROUP INTERNATIONAL HOLDINGS, LTD.

Argo Group International Holdings, Ltd. (NASDAQ: AGII) 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 four primary segments: Excess & Surplus Lines, Commercial Specialty, International Specialty and Syndicate 1200. Argo Group's insurance subsidiaries are A. M. Best-rated 'A' (Excellent) (fourth highest rating out of 16 rating classifications) with a stable outlook, and Argo'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.

ABOUT ARIEL RE

Ariel Re is a (re)insurance company based in Bermuda that underwrites a global portfolio of insurance and reinsurance business through offices in London, Bermuda, Atlanta and Kansas City via Lloyd's Syndicate 1910, which is rated 'A' by A.M. Best and 'A+' by Standard & Poor's. Ariel Re was established by Don Kramer with a consortium of private equity sponsors, which

included Blackstone, Thomas H. Lee and Oak Hill. It is currently jointly owned by Banco BTG Pactual S.A. and the Abu Dhabi Investment Council. Ariel Re is an industry leader in the (re)insurance marketplace known for its state-of-the-art proprietary pricing and portfolio management system, deep industry expertise, innovative approach, and intense focus on customers. For more information, visit www.arielre.com.

FORWARD-LOOKING STATEMENTS

This press release 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 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; and 17) availability of reinsurance and retrocessional coverage, as well as management’s response to any of the aforementioned factors.



Acquisition of Ariel Re: Scale and Diversification

Investor Presentation

November 2016

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) 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; 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 judgment and reflect a combination of ground-up evaluations, information available to date from brokers and cedants, 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 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 any forward-looking statement, whether as a result of new information, future developments or otherwise.

Transaction Summary

Transaction	<ul style="list-style-type: none"> ▪ Acquisition of Ariel Re ("Ariel" or the "Company") by Argo Group⁽¹⁾ <ul style="list-style-type: none"> – Ariel is a market leading underwriter in specialty reinsurance and insurance – With underwriting teams in London, Bermuda and the U.S., Ariel underwrites virtually all of its risks through its Lloyd's Syndicate – 1910 – Ariel's Lloyd's Syndicate 1910 is consistently a top performer at Lloyd's based on profitability⁽²⁾ <ul style="list-style-type: none"> ○ #1 ranked in 2015 based on loss ratio ○ #3 ranked during 2010 – 2015 based on combined ratio
Transaction Value	<ul style="list-style-type: none"> ▪ Approximately \$235 million⁽³⁾ <ul style="list-style-type: none"> – Approximately 1.25x 2016E Tangible Book Value – Transaction Value / Last Twelve Months net income of approximately 8.1x
Consideration Mix	<ul style="list-style-type: none"> ▪ Argo will fund the acquisition with existing cash and available credit facilities
Business Leadership	<ul style="list-style-type: none"> ▪ Collective business leadership committed to Argo's broad and diversified platform ▪ Both teams to play a key role in the ongoing business
Approvals and Timing	<ul style="list-style-type: none"> ▪ Regulatory approvals and other customary closing conditions ▪ Expected closing in the first quarter of 2017

(1) As part of the transaction, Argo will not acquire Ariel Indemnity Ltd. ("AIL"), which is a run-off subsidiary

(2) Ranking calculated on a year of account basis and relative to the Lloyd's Top 40 reinsurance syndicates

(3) Subject to purchase price adjustments based on year end book value; transaction multiples pro forma for the exclusion of AIL

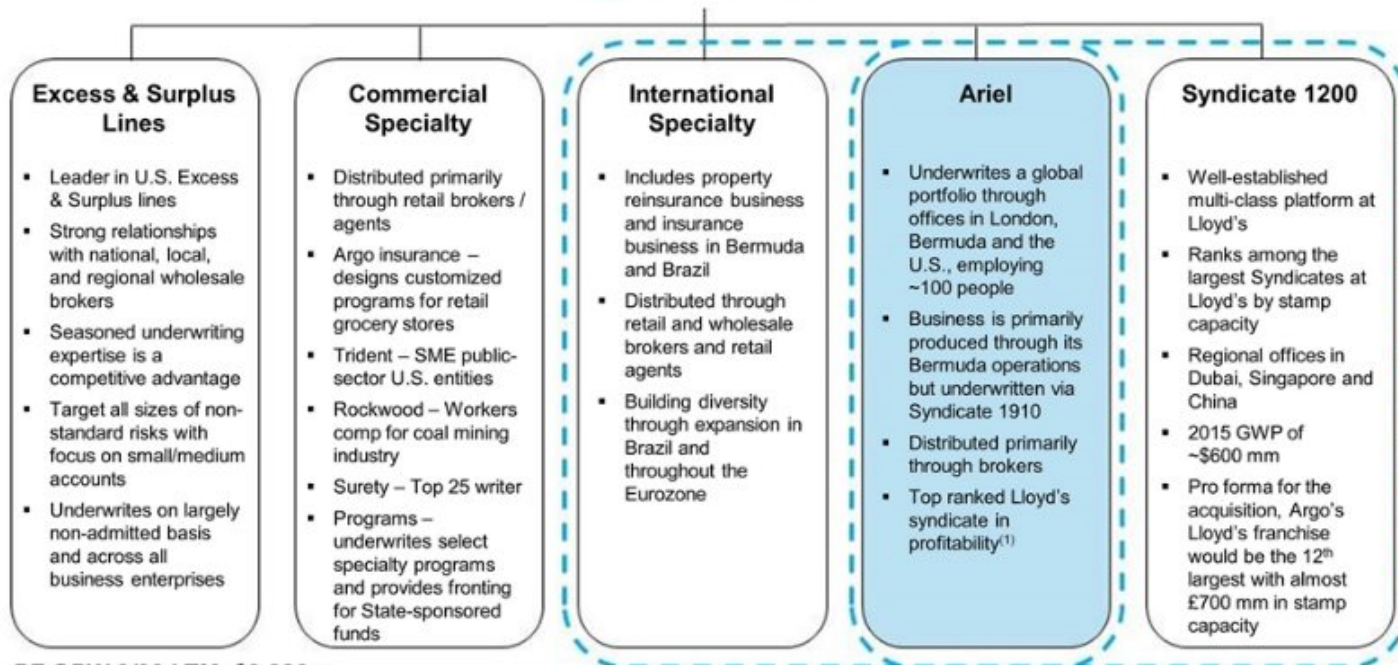
Transaction Highlights

Increased Scale and Market Presence	<ul style="list-style-type: none"> • Achieves strategic goal of enhancing scale at Lloyd's and Bermuda • Allows Argo to better advance distribution relationships and more effectively compete across all market cycles
Diversified Platform Across Products and Geographies	<ul style="list-style-type: none"> • Ariel's established platform expands distribution and product capabilities and provides access to new markets to further diversify Argo's specialty insurance and reinsurance growth strategy • The addition of Ariel's established third party capital management franchise expands Argo's market presence, enhances capital flexibility and provides a stable source of fee based income • Ariel's attractive property catastrophe and specialty businesses complement Argo's existing reinsurance portfolio
Financially Attractive	<ul style="list-style-type: none"> • Expected to be immediately accretive to EPS and ROE⁽¹⁾ • Neutral to book value per share and modestly dilutive to tangible book value per share • Improved pro forma loss ratio performance and enhanced operational efficiencies through approximately \$15 mm in synergies, which approximates 20% of Ariel's 2015 Other Operating Expenses • Capital diversity enhances financial flexibility
Continued Specialty Insurance Focus	<ul style="list-style-type: none"> • Ariel represents a strategic "bolt-on" to Argo's specialty underwriting focus • Argo's specialty insurance business will continue to be the Group's primary focus • Management expects the portfolio's 2017 composition to be approximately 88% and 12% reinsurance
Limited Integration Risk	<ul style="list-style-type: none"> • Ariel maintains business in lines where Argo has significant underwriting and management expertise • Similar corporate cultures and analytical view of risk • Straightforward corporate and organizational structure

(1) Based on historical and expected results

Important “Bolt-On” Addition to the Argo Franchise

- Ariel enhances Argo’s scale at Lloyd’s and in Bermuda but does not alter Argo’s focus on specialty insurance



PF GPW 9/30 LTM: \$2,386m

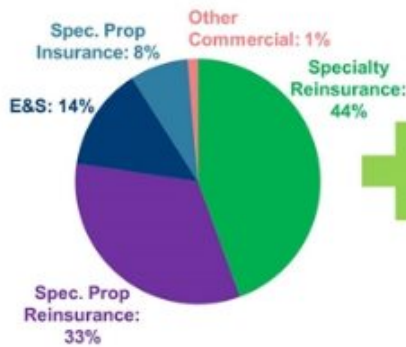
\$579m	\$668m	\$258m	\$274m	\$607m
24% of Total GPW	28% of Total GPW	11% of Total GPW	12% of Total GPW	25% of Total GPW

(1) Ranking calculated on a year of account basis and relative to the Lloyd’s Top 40 reinsurance syndicates

Argo's Continued Specialty Focus

- Argo remains primarily a specialty insurance underwriter, with a well diversified portfolio mix
- Management expects the portfolio's 2017 composition to be approximately 88% and 12% reinsurance
- Combination provides greater scale in reinsurance and at Lloyd's to more efficiently leverage existing infrastructure

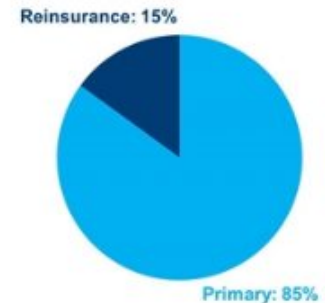
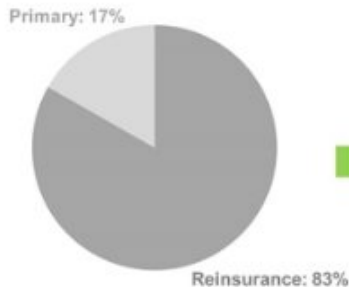
Ariel GWP 9/30 LTM: \$274m



AGII GWP 9/30 LTM: \$2,112m



AGII PF GWP 9/30 LTM: \$2,386m⁽¹⁾



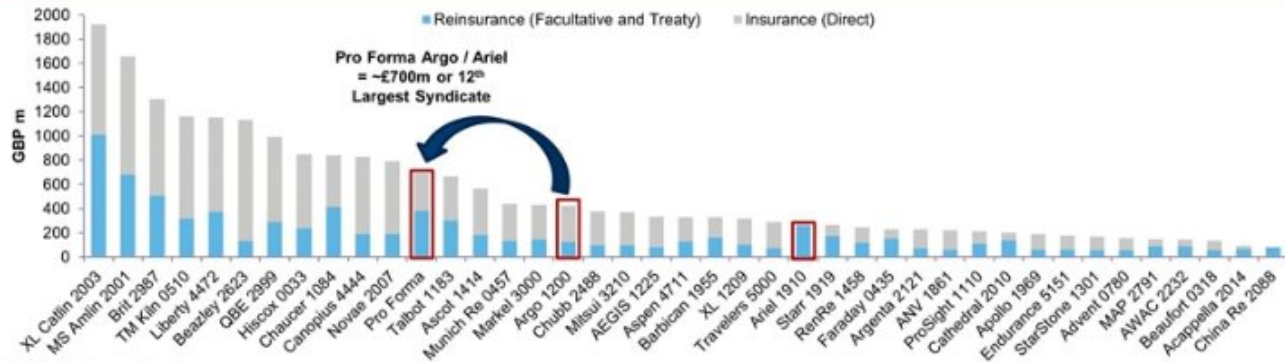
(1) Based on Argo management estimates

Enhanced Scale, Diversification and Profitability

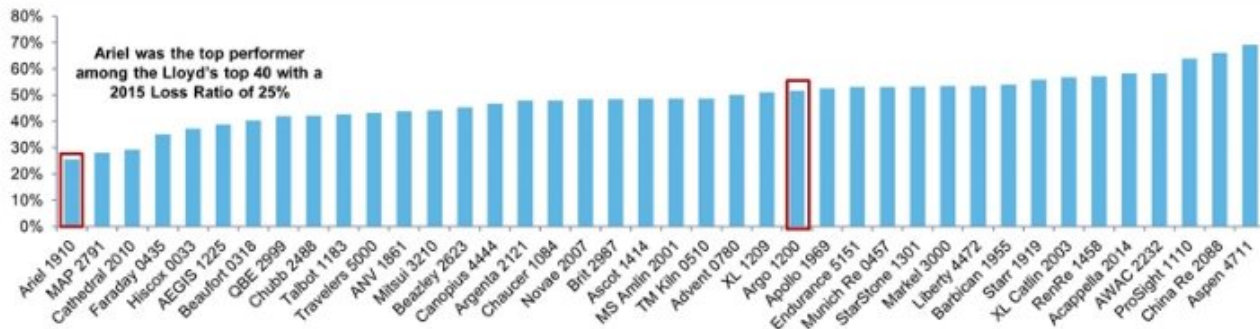
- A combination with Ariel would make Argo the 12th largest (re)insurer at Lloyd's, with a 2015 pro forma gross written premium base of ~£700m, and would allow Argo to participate in Ariel's compelling UW results

Top 40 (Re)insurers at Lloyd's

2015 Gross Written Premium (£m)



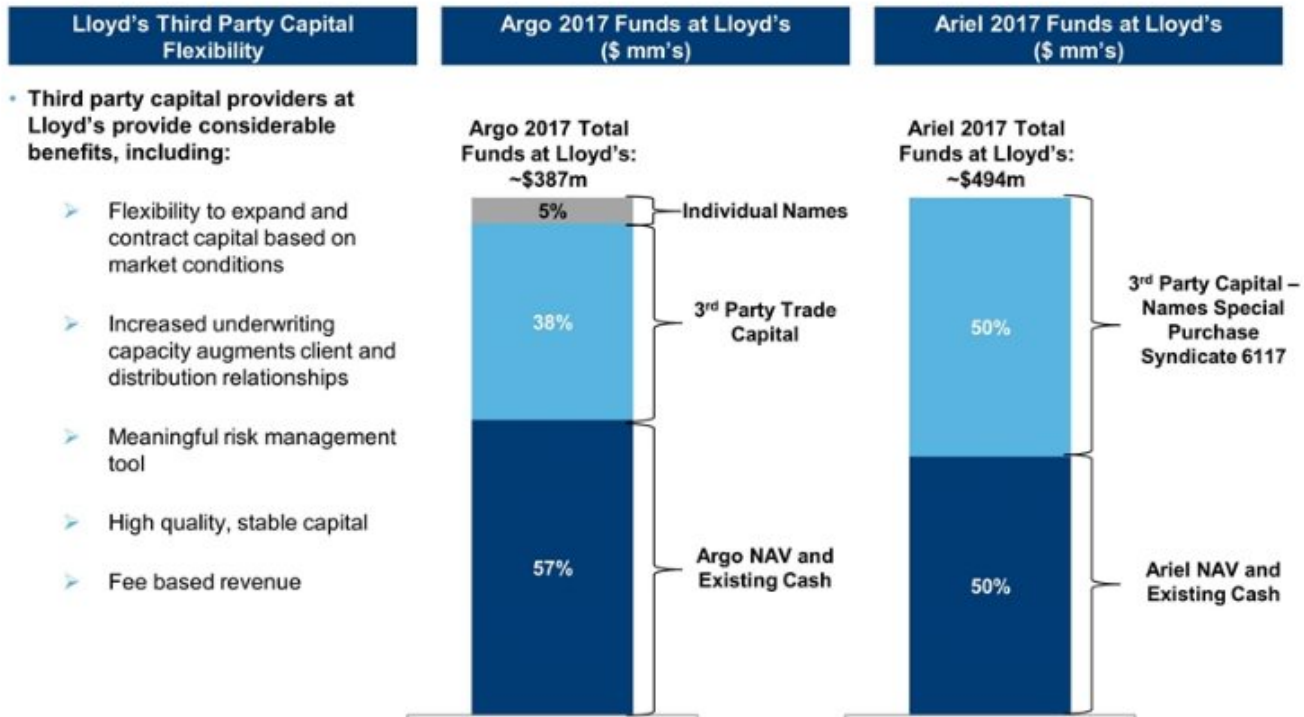
2015 Net Loss Ratio



Source: Syndicate Information, Aon Benfield Market Analysis

Strategic Deployment of Third Party Capital

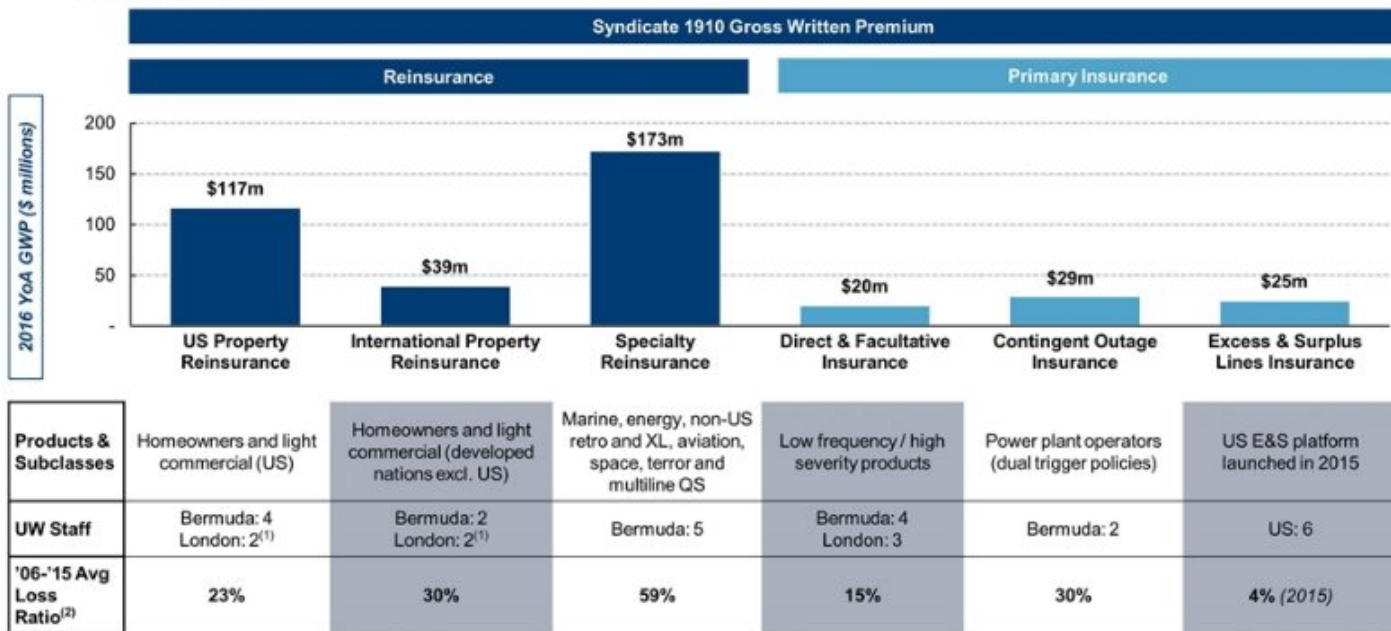
- Both Argo and Ariel strategically deploy a diverse array of third party capital at Lloyd's to enhance capital flexibility and respond to market opportunities



Source: Ariel, Argo management

Ariel Business Overview

- Ariel maintains a leading global (re)insurance position focused on property and specialty risks – marine, energy, and a growing insurance platform targeting contingent outage, U.S. E&S and property exposures
 - As noted below, Ariel's historical loss ratios have been very compelling
- The Company's business is primarily produced through its Bermuda operations but underwritten via its Lloyd's Syndicate – 1910



Notes: (1) Support both the US and International lines of business; (2) Calculated on a year of account basis and includes merged companies from the year of merger

Continued Balance Sheet Strength

- Pro Forma capital structure is well within management risk limits and rating agency guidelines

As of 9/30/2016 (\$ millions)	Argo	Ariel	Transaction Adjustments	Estimated Pro Forma
Cash and Invested Assets	\$4,437	\$450	(\$98)	\$4,789
Total Assets	\$7,181	\$895	(\$153)	\$7,922
Tangible Common Equity	\$1,567	NA	(\$50)	\$1,517
Total Debt + Hybrid	\$369	\$83	\$135	\$587
Debt / Total Capital	9.1%	0%	4.9%	14.0%
Debt + Hybrid / Total Capital	17.1%	21.9%	7.6%	24.7%
Book Value per Share	\$59.64	NA		\$59.64
Tangible Book Value per Share	\$52.27	NA	(\$1.67)	\$50.60

Argo's Selective and Disciplined Success in M&A

Colony & Rockwood	PXRE (Bermuda Merger)	Syndicate 1200	Ariel
<i>Transforms Argonaut into a diversified underwriter of specialty risk in the U.S.</i>	<i>Re-domicile to Bermuda gives Argo Group a platform for international expansion</i>	<i>Argo Group adds presence at major insurance hub with access to worldwide risks</i>	<i>Argo Group adds scale and diversification at Lloyd's and Bermuda</i>
<ul style="list-style-type: none"> Year: 2001 Price: \$165m Funding: Cash 	<ul style="list-style-type: none"> Year: 2007 Price / Book: 0.85x Funding: 9.2m Shares 	<ul style="list-style-type: none"> Year: 2008 Price: \$272m Funding: Cash 	<ul style="list-style-type: none"> Year: 2016 Price: ~\$235m Funding: Cash
<ul style="list-style-type: none"> <i>Market leader</i> in the specialty insurance sector Since acquisition, Colony & Rockwood have <i>returned more than 8x</i> the purchase price <i>89.5% 3Q 2016 YTD E&S combined ratio</i> 	<ul style="list-style-type: none"> <i>100%</i> of shares issued in connection with transaction have been repurchased <i>\$29 million</i> of favorable reserve development since acquisition <i>Enabled</i> the establishment of three profitable businesses: Argo Re, Excess Casualty & Professional Liability <i>Significant</i> Group-wide bottom-line enhancement <i>Excess Capital</i> funded acquisition of Syndicate 1200 	<ul style="list-style-type: none"> <i>Global licenses</i> and meaningful capital efficiency <i>Among largest</i> Syndicates at Lloyd's by Stamp Capacity <i>Upgraded</i> talent and strengthened management depth <i>Completed re-underwriting</i> of the book with significant reduction in cat exposure Since the beginning of 2013, Syndicate 1200 has produced <i>cumulative PTI of ~\$136m⁽¹⁾</i> 	<ul style="list-style-type: none"> A strategic move to provide <i>scale and diversity</i> to Argo's Bermuda and London platforms Opportunity to <i>leverage and enhance Argo's already robust underwriting analytics</i> with unique modeling and risk analysis tools Good <i>cultural and management fit</i> between Argo and Ariel teams

PTI = Pre-Tax Income.

(1) See Argo Group's Form 10-Q and 10-K filings for full segment data and applicable reconciliations

Enhancing Scale and Diversification

- A strategic move to provide scale and diversity to Argo's Bermuda and London platforms
- Opportunity to leverage and enhance Argo's already robust underwriting analytics with unique modeling and risk analysis tools
- Complementary to Argo's specialty insurance focus
- Good cultural and management fit between Argo and Ariel teams
- Advances Argo's cycle management abilities
- Financially compelling – expected to be immediately accretive to EPS