

**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): March 12, 2021

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.)

**90 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 2.02. Results of Operations and Financial Condition.

Please refer to the disclosure set forth in Item 8.01 below, incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

Argo Group International Holdings, Ltd. (the “Company”) has prepared a presentation that will be used in conjunction with its investor update webcast which will be held on Friday, March 12, 2021 at 10:00 a.m. Eastern Time. 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 8.01. Other Events

As previously reported on March 1, 2021, the Company’s Form 10-K filing for the fiscal year ended December 31, 2020 (the “2020 10-K”) was delayed due to the unforeseen consequences of the recent winter storms in San Antonio, Texas, the location of the Company’s primary financial reporting center, which caused widespread power outages in the area. Further, in connection with the preparation, review and audit of the Company’s 2020 10-K, management identified and corrected certain immaterial errors in the Company’s historical financial statements primarily related to the accounting for (1) foreign currency exchange gains and losses associated with a specific reinsurance contract and (2) errors in the Company’s tax provision primarily related to the Company’s allocation of certain corporate level expenses to its subsidiary companies, as well as other previously identified immaterial errors.

As a result of the adjustments identified above, certain financial results vary from those furnished in our earnings press release filed with the Securities and Exchange Commission as an exhibit to the Company’s Form 8-K on February 17, 2021. Each variation is immaterial to the Company’s financial statements. For the quarter and year ended December 31, 2020, such variations include a reduction in the net loss attributable to common shareholders of \$16.2 million and \$17.8 million, respectively; an improvement in combined ratio of 0.4% and 0.2%, respectively; and a reduction in the expense ratio by 0.3% and 0.2%, respectively. Each of the adjustments will be reflected in the 2020 10-K.

Further, as a result of the adjustments identified above, management re-evaluated its assessment of the effectiveness of its internal control over financial reporting. Management concluded that certain design and operating effectiveness deficiencies in the Company’s internal controls, when evaluated collectively, aggregated to a material weakness in internal control. The deficiencies in the Company’s internal controls included deficiencies related to the timeliness and completeness of internal communication of certain relevant financial information within the Company as well as in controls that used such information. These matters were identified in the following areas: intercompany transactions, such as foreign currency exchange gains and losses associated with a specific reinsurance contract, the allocation of certain corporate-level expenses to subsidiary companies, the accounting for federal and state income taxes, including the tax implications of certain intercompany transactions, the completeness and accuracy of information used in recording deferred tax balances, and the timeliness of analyses of income tax accounting.

There have been no material misstatements identified in the Company’s previously issued financial statements.

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: March 12, 2021

ARGO GROUP INTERNATIONAL HOLDINGS, LTD.

By: /s/ Jay S. Bullock

Name: Jay S. Bullock

Title: Executive Vice President and Chief Financial Officer



Investor Update

March 12, 2021

Disclaimer

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.

Please refer to the Company's Form 8-K filed with the Securities and Exchange Commission on March 12, 2021, disclosing that, in connection with the preparation, review and audit of the Company's 2020 10-K, management identified and corrected certain immaterial errors in the Company's historical financial statements. As a result of these adjustments, certain financial results vary from those furnished in our earnings press release filed with the Securities and Exchange Commission as an exhibit to the Company's Form 8-K on February 17, 2021. This presentation includes certain corrected figures. Each variation is immaterial to the Company's financial statements.

Agenda

- Overview & Vision
- U.S. Business Opportunities
- International Platform
- Digital Tools
- Financial Analysis
- Execution
- Q&A



Introduction: Non-Executive Chairman of the Board

- Aligned with shareholders
- Engaged and supportive of the management team's vision for Argo
- Oversight and guidance to management in developing strategy
- Committed to achieving financial targets and strong stewards of capital
- Actively participates in shareholder outreach
- Compensation and governance changes to align with shareholder interests

Corporate Responsibility Actions

We are stewards of the environment, advancing our societal impact and providing transparent corporate governance

Environmental

- Objectives based on United Nations Sustainable Development Goals
- Climate-related disclosures
- Greenhouse Gas reduction targets
- ClimateWise membership
- Climate risk management framework
- Energy Star-certified office locations
- Clean energy value chain insurer

Social

- Established diversity and inclusion program
- Sponsored the Spencer Foundation's first Diversity Scholarship
- Established paid caregiver leave and enhanced flexible workplace policies
- Signatory of the United Nations Principles for Responsible Investments

Governance

- Completed a Board refreshment process in 2020, adding 9 new directors with diverse backgrounds
- Declassified our Board, with Directors standing for annual elections
- Enhanced long-term incentive program
- Extensive review and enhancement of governance controls
- Engaged with shareholders to improve corporate governance and executive compensation practices

Overview & Vision

Argo Overview

A distinctive U.S.-focused specialty insurer with well established businesses operating in key specialty markets

Financial Objectives:

Margins

Low 90%
Combined Ratio

Returns

10+% Return on
Common Equity

Growth

Double-Digit
Premium Growth

Expect to reach target returns by year-end 2022

Streamlined Management Selected for Refocused Strategy Executive Officers



Kevin Rehnberg
President & CEO
Years in current role: 1
Years at Argo: 8
Years in the industry: 32



Scott Kirk
EVP & CFO
Years in current role: <1
Years at Argo: <1
Years in the industry: 20



Tim Carter
EVP & CUO
Years in current role: 1
Years at Argo: 2
Years in the industry: 32



Andy Borst
Chief Admin. Officer
Years in current role: 1
Years at Argo: 7
Years in the industry: 25



Allison Kiene
SVP, General Counsel
Years in current role: <1
Years at Argo: <1
Years in the industry: 14



Matt Harris
Head of International
Years in current role: 2
Years at Argo: 4
Years in the industry: 30

Note: Scott Kirk will become the Chief Financial Officer on the first business day after the Company files the 2020 10-K with the Securities and Exchange Commission.

Streamlined Management Selected for Refocused Strategy Executive Leadership

Tony Cicio

Chief Human Resources Officer
Years in current role: 2
Years at Argo: 2
Years in the industry: 2

Susan Comparato

SVP, U.S.
Years in current role: 1
Years at Argo: 3
Years in the industry: 20

Gary Grose

EVP, U.S.
Years in current role: 1 / 7
Years at Argo: 7
Years in the industry: 33

Alex Hindson

Chief Risk & Sustainability Officer
Years in current role: 5
Years at Argo: 5
Years in the industry: 23

Michael Murphy

SVP, Head of Internal Audit
Years in current role: <1
Years at Argo: <1
Years in the industry: 25

Mark Rose

Chief Investment Officer
Years in current role: 8
Years at Argo: 8
Years in the industry: 26

Mark Wade

Chief Claims Officer
Years in current role: 5
Years at Argo: 5
Years in the industry: 30

Argo Group: A U.S.-Focused Specialty Insurer

ARGO GROUP

~90% of Companywide Premium
from U.S. Domiciled Risks

U.S. Operations

- Differentiated E&S and specialty admitted platform
- Strong history of profitability and growth
- Organized into 12 business units segmented by niche specialty

Bermuda Insurance

- Underwriting risks that are not placed in U.S. markets in casualty, professional and property lines
- Robust historical underwriting results over 10+ year period

Syndicate 1200

- Focused on U.S. non-admitted and global specialty risks
- Class profile narrowed following re-underwriting actions
- Reinsurance to close (RITC) transaction creates focused risk profile

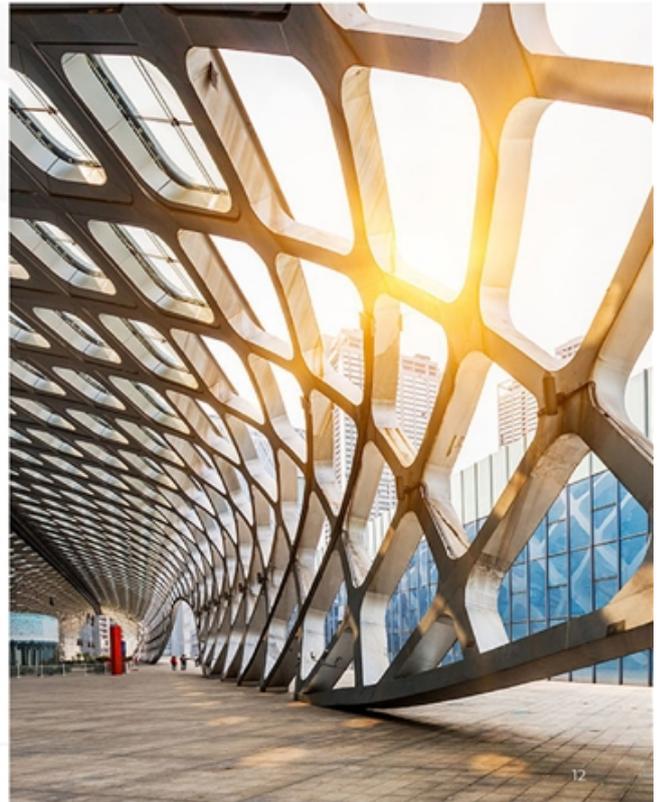
What is Specialty Insurance?

Specific coverage or coverage for an industry group in which underwriting, claims or risk management expertise is valued by the customer

Specialty Insurance

Argo's Competitive Advantage

- Deep, longstanding, multi-channel distribution relationships – retail, wholesale and managing general agents (MGA)
- Responsiveness and service
- Talented underwriting and claims personnel
- Partner with producers by providing highly specialized counsel and industry knowledge
- Innovative and customized solutions
- Digital capabilities



Vision of Transformation

- Business Optimization
- Underwriting Focus
- Reduce Volatility
- Efficiency Gains
- Financial Targets



Our Business Line Optimization Process

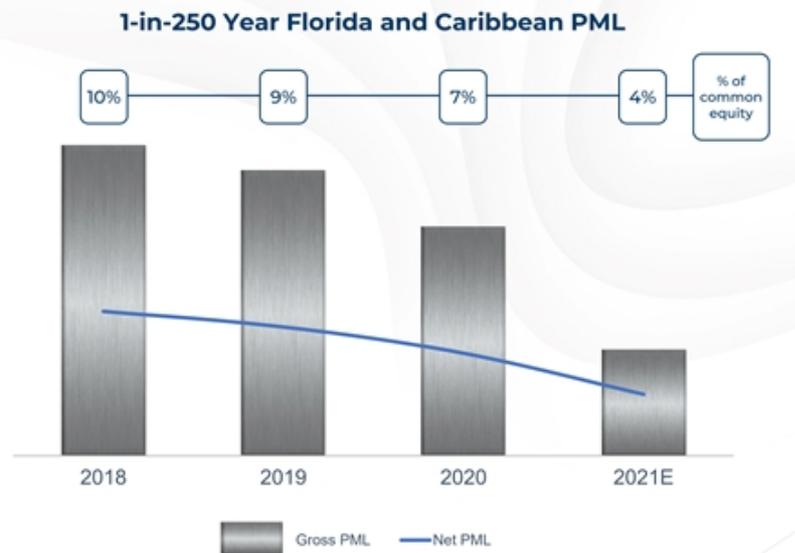
Characteristics	Grow & Invest	Remediate	Reduce or Exit
Competitive Standing	<ul style="list-style-type: none"> • Industry leader • Specialized expertise • Deep relationships • Superior analytics 	<ul style="list-style-type: none"> • Enhance talent • Pricing discipline required 	<ul style="list-style-type: none"> • No product differentiation • No discernable edge
Scalable	<ul style="list-style-type: none"> • Large total addressable market (TAM) • Ability to gain high quality market share without sacrificing rate or terms • Capital efficient 	<ul style="list-style-type: none"> • Potential to scale with the proper operational improvement actions 	<ul style="list-style-type: none"> • Subscale • Capital intensive • Unlikely to be able to grow profitably
Rate and Terms	<ul style="list-style-type: none"> • Rational competition • Responds to changes in claims levels or patterns • Profitable even in soft macro environment 	<ul style="list-style-type: none"> • Portions of book not priced to compensate for the risk • Terms and pricing need to be realigned 	<ul style="list-style-type: none"> • Irrational pricing • Poor macro environment for the foreseeable future

Business Optimization

- Increase capital and resource allocation to strong, defensible, scalable businesses
- Return on allocated capital target of 10%+ on a sustainable basis
- Remediation of underperforming businesses that show improvement potential
- Exit businesses lacking scale or with an unfavorable macroeconomic environment
- Operational flexibility to dial-up or dial-back to a particular business line based on rate and terms

Examples: Volatility Reduction Actions

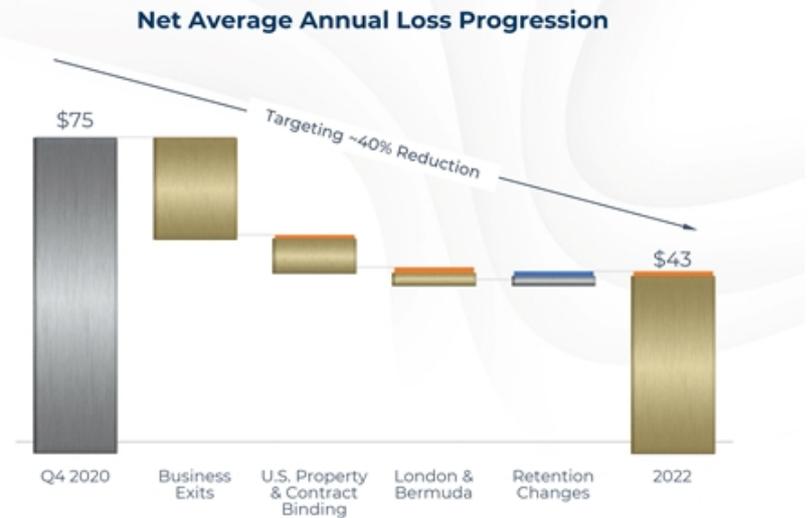
- Strategic focus on reducing the volatility of property underwriting results
- Reducing exposure by deploying limited capacity for maximum return
- Exiting or divesting businesses and executing focused underwriting measures
- Argo will further reduce 1-in-250 year probable maximum loss (PML) by 40% in 2021 to reflect our reduced risk appetite
- Property strategy supports Argo's specialty Insurance vision



Note: Gross and Net PMLs represent expected modeled losses.

Examples: Volatility Reduction Actions in Key Business Units

- Sale of Ariel Re reduces net average annual loss (AAL) by 25% with up to 40% reduction in the tail
- Decreasing average limits deployed and focusing risk appetite in U.S. property
- Reduced appetite for binding authority business in both the U.S. and London, including geographic limits
- Modest growth expected in the attractive Bermuda Property portfolio
- Robustly addressing wildfire exposure and California earthquake exposure

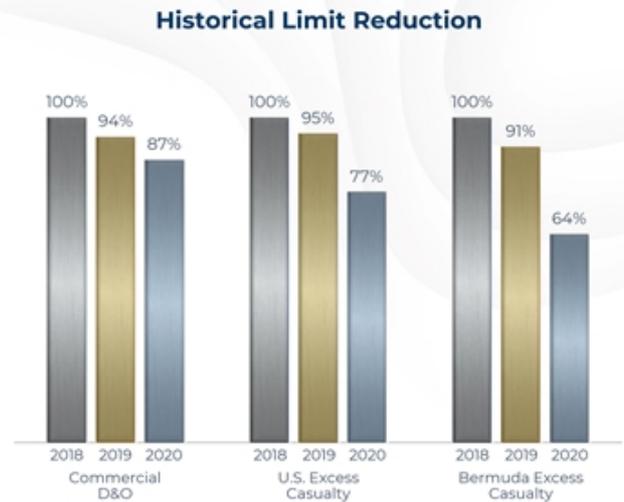


\$ in millions
 Note: AALs represent expected modeled losses.

Examples: Underwriting Actions – Liability Limit Reduction

Focusing on limits, terms and conditions while getting strong rate increases

- Focus on gross vs. net
- Carefully managing limits and attachment points
- Significant limit reduction achieved in certain key products
- Average commercial D&O limits have declined ~13% from 2018 to 2020
- Average U.S. excess casualty limits have declined ~23% from 2018 to 2020
- Average Bermuda excess casualty limits have declined ~36% from 2018 to 2020



What is Remediation?

Actions taken to improve underwriting profitability in certain lines or business units not meeting our margin expectations

Key Actions

- Terminate portions of an existing book of business or segments of a market
- Re-price portions of an existing book of business, including specific lines of coverage or geographies
- Change terms or conditions on products to control claims experience
- Eliminate certain distribution partners not meeting profitability or volume requirements
- Bring in experienced underwriting talent to stabilize results then focus on growth potential

Remediation In Process

Business units that are scalable where Argo has good competitive positioning but require proactive steps to improve profitability, including changes to pricing and terms

Business Unit	Action
CONTRACT BINDING (Delegated Authority)	Terminating relationships with unprofitable distribution partners
PROPERTY	Reducing exposure to catastrophe-prone geographies, offset by rate increases

Remediation Case Studies

Actions are expected to result in improved business prospects over a reasonable period of time or business will be exited

U.S. Specialty Programs

- Business had been sub-scale and producing an unacceptable combined ratio of ~105%
- Implemented leadership change
- Upgraded staff
- Changed underwriting guidelines
- Changed risk appetite
- Clear strategy to execute

• Rehabilitated to produce sub 90% combined ratio business

Grocery & Restaurants

- Business had been producing an unacceptable combined ratio of +110%
- Implemented leadership change
- Upgraded staff
- Changed underwriting guidelines
- Changed risk appetite
- Digital risk management tools

• Business placed into run-off

Business Exits – Last 18 Months

International

- Ariel Re
- ArgoGlobal Assicurazioni S.p.A (Italy)
- ArgoGlobal SE (Malta)
- Syndicate 1200, London D&O
- Syndicate 1200, Asia
- Syndicate 1200, Hull class
- Regional underwriting office for Latin America

U.S.

- Grocery & Restaurants
- Trident (MGA Transaction)

Note: Includes announced exits that are expected to close prior to year end.

Selected Business Lines

Growth and investment focused on areas with best potential

- Favorable rates and terms
- Disciplined growth opportunities
- Competitive advantages
 - Expertise
 - Relationships
 - Analytics
 - Digital capabilities
- Liability-focused risks
- Businesses represent ~55% of U.S. gross written premiums (GWP)

ARGO PRO

CASUALTY

CONSTRUCTION

ENVIRONMENTAL

INLAND MARINE

SURETY

U.S. Business Opportunities

Argo Pro

Business Overview

- Management liability and professional liability lines including lawyers, architects and engineers and miscellaneous
- Directors & Officers (D&O): ~60% of GWP
 - Primary 33% / Excess 67%
- Errors & Omissions (E&O): ~30% of GWP
 - Primary 90% / Excess 10%
- Programs: ~10% of GWP
- 100% claims made business

Favorable Rates and Terms

- More than \$400M of GWP
- 3 year GWP CAGR of ~40%
- Expected to growth at strong double digits
- 2 year cumulative rate change of +80% in commercial and +30% in financial institutions

Note: CAGR defined as compound annual growth rate.

Disciplined Growth Opportunities

- Broad based distribution, both retail and wholesale
- Focused on small to medium sized accounts
- Underwriting team organized to focus on specific classes of business

Competitive Advantages

- Excellent underwriting and claims staff
- Digital solutions that help underwriters and producers
- Predictive analytics tools for public company D&O, and being rolled out for private company D&O

Casualty

Business Overview

- Primary and excess casualty coverage for technology, industrial, machinery products, commercial real estate, hospitality and warehousing end markets
- Primary Casualty: ~50% of GWP
- Excess Casualty: ~50% of GWP
- 100% occurrence business

Favorable Rates and Terms

- Approaching \$100M of GWP
- 3 year GWP CAGR of ~10%
- Rates up +20% in 2020

Disciplined Growth Opportunities

- Primarily wholesale distribution
- Focused on small to medium sized accounts
- Growing book judiciously and managing limits
- Addressing issues of social inflation through limits, attachment points and account selection
- Has been an incubator for some businesses

Competitive Advantages

- Speed of execution within core casualty (small account primary and excess): quote issuance <1 hour versus expectation of 1 day
- Diverse team with broad and deep experience in the marketplace

Construction

Business Overview

- Primary and excess coverage for areas of the construction market with a focus on interior renovation and service repair contractors
- Primary: ~80% of GWP
- Excess: ~20% of GWP (no unsupported excess)
- 100% occurrence business

Favorable Rates and Terms

- More than \$300M of GWP
- 3 year GWP CAGR of ~7%, with recent growth impacted by COVID-19
- Rates up +5% in 2020
- Growing book judiciously and managing limits

Disciplined Growth Opportunities

- 100% wholesale distribution
- Focused on small to medium sized accounts
- Average limits of approximately \$1.5M
- Addressing issues of social inflation through consistent monitoring of bodily injury claims especially within NY construction

Competitive Advantages

- Highly efficient operation
- Early adopter of digital technologies
- Owners Edge platform issues quotes based on built-in logic and pricing for quick response to the market
- Strong expertise in certain markets such as New York City

Environmental

Business Overview

- Environmental liability coverage focused on construction, service contractors, manufacturing, real estate and energy (clean tech & renewable) end markets
- Primary: ~60% of GWP
- Excess: ~40% of GWP
- ~80% claims made / 20% occurrence business

Favorable Rates and Terms

- Approaching \$100M of GWP
- 3 year GWP CAGR of ~10%
- 3 year average combined ratio sub 90%
- Stable rates in 2020

Disciplined Growth Opportunities

- Primarily wholesale distribution, with a growing retail channel
- Focused on small to medium sized accounts
- Average limits of approximately \$2.3M
- Mandating rate increases of at least 3-5%

Competitive Advantages

- New leadership team with deep experience in environmental casualty and site pollution
- Efficient operation that leverages third party resources and bots

Inland Marine

Business Overview

- Broad array of products and services with admitted and non-admitted capabilities focusing on customers in construction, transportation and ocean cargo end markets
- Primary: ~90% of GWP
- Excess: ~10% of GWP
- 100% occurrence business

Favorable Rates and Terms

- More than \$25M of GWP
- 2 year GWP CAGR of ~100%
- Expect continued strong growth given size and market potential
- Rates increases in the mid single digit range during 2020

Disciplined Growth Opportunities

- Leverages wholesale, retail and MGA distribution channels
- Focused on small to medium sized accounts
- Short tail business line, with average duration <1 year
- Closely monitoring industries where fraud is more prevalent

Competitive Advantages

- Business leader with extensive history of running a larger operation at strong profitability levels
- Assembled a team of strong underwriters across the U.S.
- Digital solutions allowing for a broader market penetration, which creates a long-term expense advantage

Surety

Business Overview

- Commercial and contract surety bonds in the U.S. and select international markets
- Targeting Fortune 2000 public and private companies

Favorable Rates and Terms

- More than \$150M of GWP
- 3 year GWP CAGR of ~15%
- Rates down slightly in 2020 in response to strong profitability levels

Disciplined Growth Opportunities

- 100% retail distribution
- Focused on medium to large sized accounts
- Average bond size of \$1.2M
- Organically grown business with a strong focus on risk management
- Expense ratio runs in the low 50% range
- Loss ratio run significantly lower than other business lines

Competitive Advantages

- Highly skilled underwriting and claims team, committed to disciplined underwriting
- Expert in-house engineers provide critical evaluation on a significant portion of risks submitted
- Favorable reinsurance support based on historical results

U.S. Businesses Exited

Dynamic and disciplined approach to exiting businesses with a clear focus on profitable growth

Business Characteristics

- Macro issues
- Irrational pricing
- No product differentiation
- No discernable edge
- Subscale
- Capital Intensive
- Unlikely to grow profitably
- Non-strategic

Growth of U.S. Operations & Cumulative Volume of Business Exited



\$ in millions

Note: Chart reflects cumulative gross written premium volume of businesses exited over time period.

International Platform

Market Potential Business Focus

- Focused on U.S. and global specialty and non-admitted risks written through Lloyd's and Bermuda markets
- Bermuda insurance market is ~90% U.S. domiciled risk
- More than half of all risks written through Lloyd's are from the U.S. and Canada
- Hardening market with respect to rates and terms over last 12-24 months and expected to continue
- Argo is focused on these risks through its Syndicate 1200 and Bermuda Insurance businesses

Group	2019 Direct Premiums Written	U.S. Surplus Lines Market Share
Lloyd's Market	\$12,477	22.5%
Argo U.S. (#12 market share)	\$949	1.7%
Top 15, ex Lloyd's	\$24,207	43.6%
Total U.S. Surplus Lines Market	\$55,486	100%

\$ in millions
Source: A.M. Best

Bermuda Insurance & Syndicate 1200 Focus Areas

Transitioning to portfolio optimization in certain lines, while re-underwriting actions continue where needed

Bermuda Insurance: Long-standing presence and track record in the Bermuda market, 2021 focus on continuation of re-underwriting strategy across the three classes of business written

- Casualty
- Professional Liability
- Property

Syndicate 1200: Argo's Lloyd's platform, focusing on Property, Casualty, Marine & Energy and Specialty lines of business – extensive remediation over recent years, transitioning to portfolio optimization

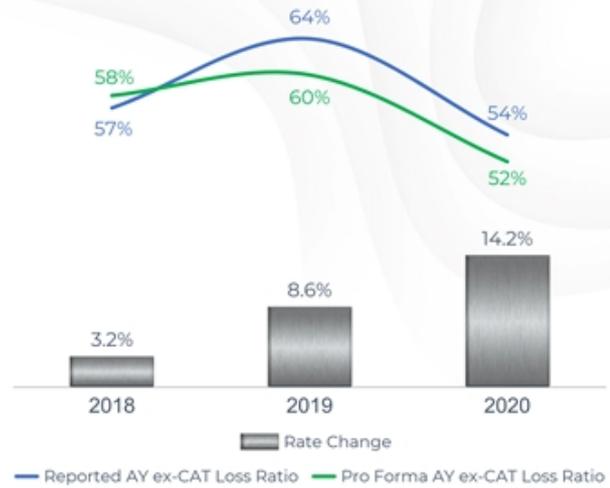
- Marine & Energy
- Professional & Casualty
- Property
- Specialty

Note: Bermuda Property line is reported within Syndicate 1200 results beginning in 2021.

Management Actions and Environment Taking Hold

- Access to U.S. non-admitted and global specialty risks
- Favorable rates and terms expected to continue in 2021
- More focused underwriting portfolio following recent management actions

International Rate & Margin Improvement



Note: AY defined as accident year; CAT defined as net catastrophe losses.

Note: Pro Forma reflects historical results of Bermuda Insurance, LatAm and Syndicate 1200; excludes Ariel Re (Reinsurance), Italy and Malta Operations.

Digital Tools

Our Digital Journey

Targeted investments to enhance underwriting quality and efficiency

Digital Enhancements

- Digital distribution – automate business that doesn't require an underwriter to touch it
- Rolling out one common rate, quote, bind (RQB) platform across all lines and integrating existing platforms
- Targeting rollout across U.S. businesses

Workflow Updates

- Workflow process to be rolled out across the U.S. by end of 2021

Other Product Enhancements

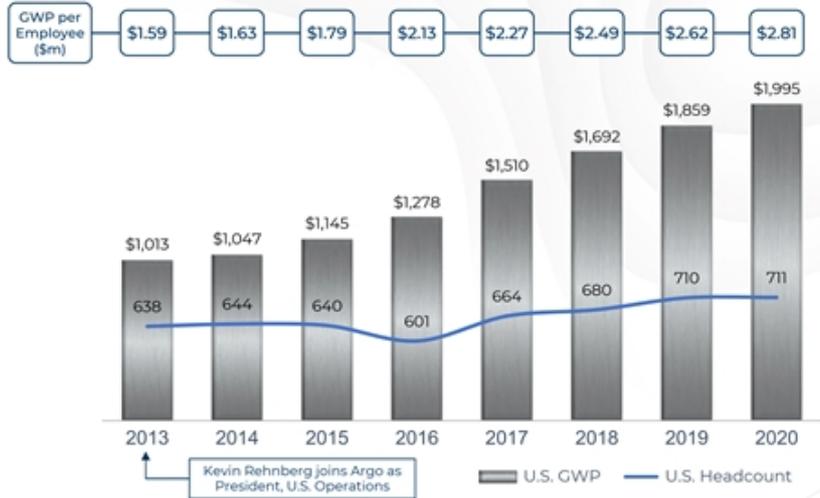
- Rolling out submission automation to streamline processes, reducing offshore costs around data input, as well as administrative work for underwriters
- Underwriting analytics tools to efficiently gather data and substantially reduce the time for underwriters to review and quote

Efficiency Measures in U.S. Operations

Investments in technology and operations have enabled Argo's U.S. Operations to handle significantly more premium with only a modest increase in headcount

Key Changes

- Increased automation
- Better workflow systems
- Data analytics tools driving more efficient underwriting
- Enterprise solutions
- GWP CAGR of 10% from 2013 to 2020
- Average combined ratio over period of 91.4%



\$ in millions

Construction / Casualty Wrapper

Investments designed to enhance underwriting outcomes and efficiency

- Pulls data and consolidates underwriting information
- Allows faster quoting
- Eliminates unwanted business and tasks
- Combines with workflow enhancements to produce attractive margins
- Supports a \$100M book of business producing 20%+ margins

AI Streamlines Processes

Screening tools allow underwriters to focus on high quality opportunities

Submission Prioritization

- Based on historical results
- Auto-decline business outside of risk appetite

Workflow Monitoring

- Improves underwriter productivity
- Improves resource allocation

Efficiency Benefits

- Artificial Intelligence (AI) automation reads submissions from producers and automatically populates our systems
- Speed to market
- Appropriate staffing

Financial Analysis

Financial Analysis Outline

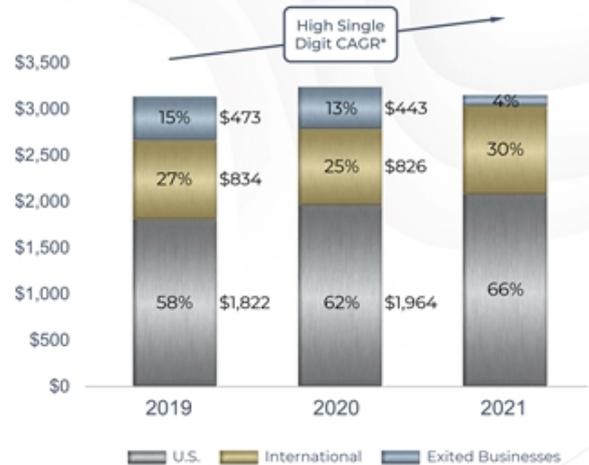
- Growth Outlook
- Ceded Reinsurance Changes
- Expense Initiative
- Investment Income
- Capital Management
- Operating Targets

Growth Outlook

Impact of exited business units will mute underlying growth picture

- ~90% of our gross premiums come from U.S. domiciled risks
- U.S. Operations
 - Growth focus areas include Argo Pro, Casualty, Construction, Environmental, Inland Marine and Surety
 - Remediation is concentrated in Contract Binding and Property
- International Operations
 - Growth is largely driven by rate increases, as well as select focus areas with a track record of profitability

Argo Group GWP Growth



\$ in millions.

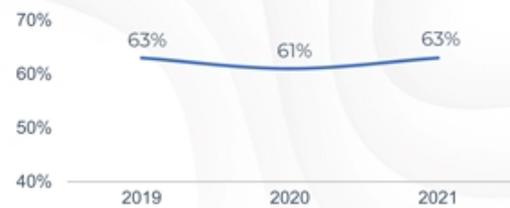
* Growth rate excludes exited businesses including Ariel Re, Italy, Malta and U.S. grocery & restaurants.

Ceded Reinsurance Changes

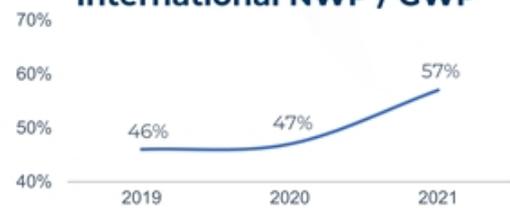
Exited business impacting overall ceded reinsurance ratios

- U.S. Operations
 - Ceded reinsurance levels are relatively stable
 - Reduced gross limits in excess casualty and D&O
 - Reducing PMLs and exposures in property lines
- International Operations
 - Decreasing property exposures
 - Exiting businesses and reducing third party capital
 - Managing gross exposures down in casualty and property lines

U.S. NWP / GWP



International NWP / GWP



Note: NWP defined as net written premiums.

Financial Impact of Exits

U.S. Operations

- Exit of the U.S. Grocery & Restaurant business

2020 Financial Impact

\$31M of GWP
 ~80% NWP / GWP
 120%+ Combined Ratio

International Operations

- Exit of:
- Ariel Re
 - Italian Operations
 - Malta

2020 Financial Impact

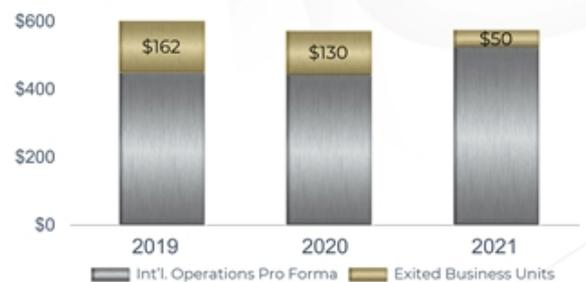
\$412M of GWP
 ~33% NWP / GWP
 130%+ Combined Ratio

\$ in millions

U.S. Operations Net Earned Premium



International Operations Net Earned Premium



Expense Initiatives

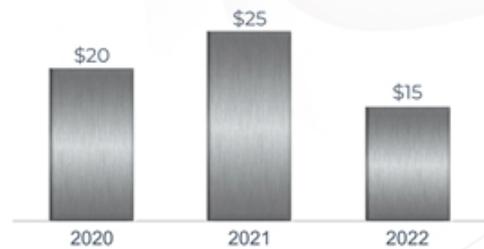
Phase 1 – 2020 to 2022

- Initial phase of the expense program targeting other corporate and general expenses, in addition to benefiting from expense reductions as part of the announced business rationalizations
- There will also be a small component of restructuring during this phase
- In 2020, we established an expense initiative to remove \$100M of 2019 total expenses incurred – of this, circa \$40M were non-recurring expenses
- The focus is to provide detail on the targeted \$60M of savings across the remaining operating expenses that impact the combined ratio
- We made progress in 2020 and our focus in 2021 is to realize the benefits of the business rationalization that we have undertaken in 2020 in addition to reducing general expenses and benefiting from some additional restructuring

Remaining Targeted Savings



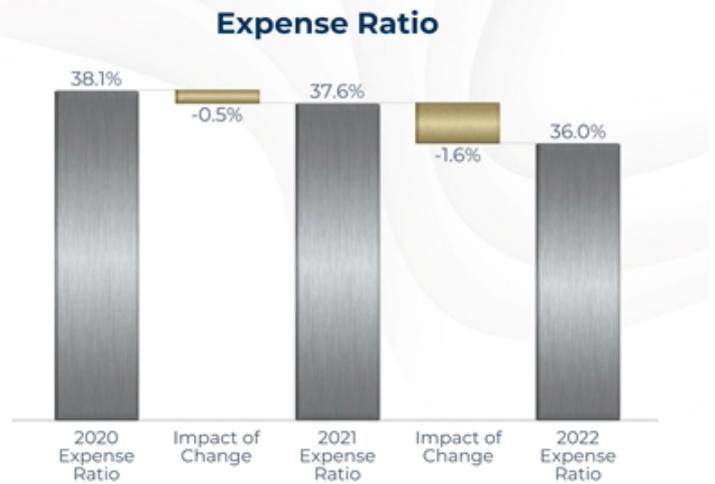
Timing of Savings



\$ in millions

Expense Ratio Improvement

- Impact of growth initiatives, operating expense reductions and reinvestment costs driving overall expense ratio reductions
- Expense ratio improvement weighted toward 2022 as savings are realized and earned premium growth accelerates
- 36% expense ratio expected to be achieved for full year 2022 vs. Q4 2022 target realization previously
- Disciplined approach to expense management
- Improved transparency over expense reporting



Expense Initiatives

Phase 2 – Beyond 2022

- The second phase requires a deeper dive into the operating model, focusing primarily on infrastructure and systems, to identify opportunities to develop a scalable expense model for Argo to deliver run-rate savings beyond 2022
- Minimize stranded overhead during run-off period
- Focus on net savings
- Determine run-rate potential beyond 2022

Investment Portfolio

Realignment

- Reduction in capital weighting of assets to deploy into underwriting opportunities
- Reduced risk assets – equities, non investment grade debt and alternatives

Optimization

- Investment Committee recently revised strategic asset allocation (SAA) by third party
- Focus on optimizing returns and income with diverse set of asset classes while maintaining diversification and capital discipline

Moving Forward

- Working on refined investment policy
- Will adjust asset class weightings over time based on SAA targets

December 31, 2020 Portfolio Mix

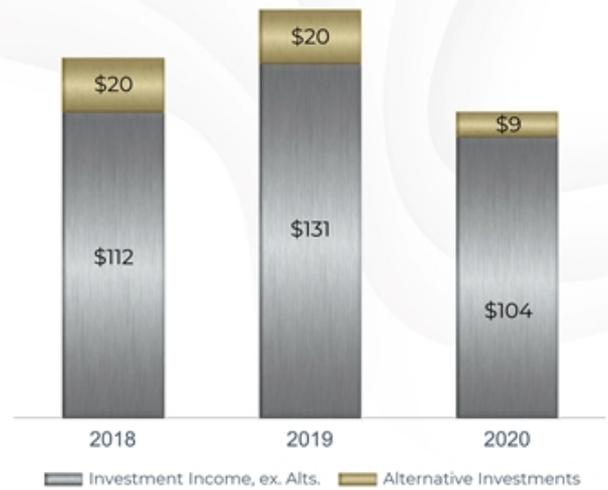


December 31, 2018 Portfolio Mix



Net Investment Income

- Portfolio duration 2.5 years
- Fixed income book yield 2.2%
- Average credit rating of A1 / A+
- New money rates 1% to 1.5%
- Slightly higher contribution expected from alternative investments in 2021 based on current market trends



\$ in millions

Proactive Approach to Capital Management

- Continual focus on capital stewardship: return capital to shareholders when it is financially more attractive to do so than deploying elsewhere in the business
- Commitment to ensure strong levels of capital are maintained to support our regulatory and rating agency obligations
- In July 2020, Argo completed a \$150M preference share offering to refinance an existing term loan

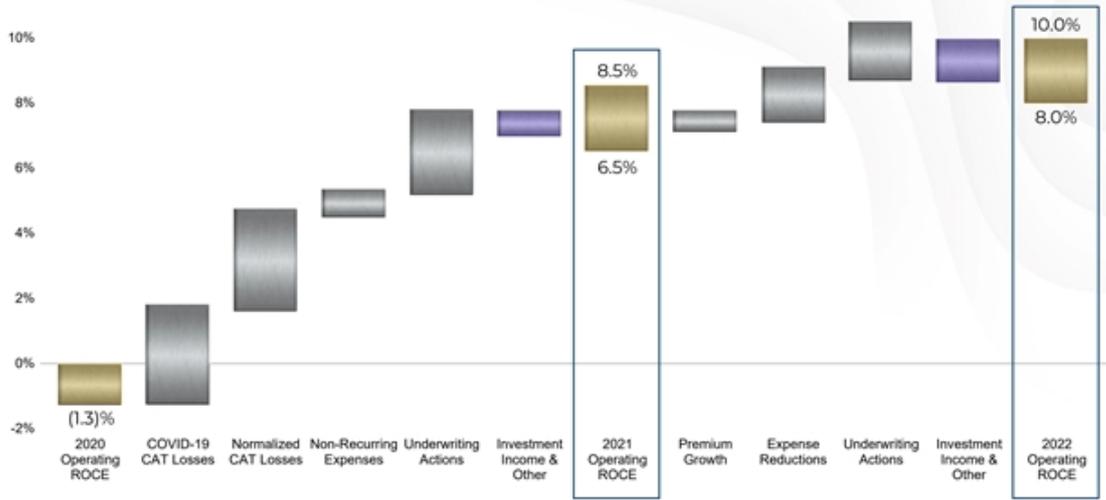
2021 Target Operating Metrics

Metric	2021
GWP Growth	6% to 9% (ex divestitures)
NWP : GWP	59% to 62%
Combined Ratio	95% to 97%
Operating Return on Common Equity	6.5% to 8.5%

Note: Guidance does not contemplate any material capital actions, nor does it allow for any impact on results through March 31, 2021

Operating Return on Common Equity Glidepath

Key actions to deliver an 8-10% ROCE in 2022



Execution

Execution of Strategy

- Positioned for growth in attractive markets
- 90%+ U.S. domiciled risks
- Benefitting from improving market conditions
- Dynamic and disciplined approach to business
- Expense initiatives in place anticipated to remove costs and achieve a 36% expense ratio target for the full year 2022
- Investing in technology to improve operating efficiency and risk selection, while reducing overall expenses
- Balanced investment portfolio to support underwriting operations
- Strong balance sheet with modest financial leverage



Q&A

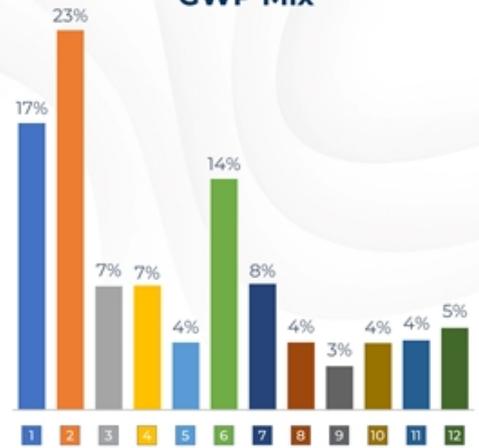
Thank You

Appendix

U.S. Segment Overview

- 1 **Argo Construction** – Offers a range of primary & excess coverage to the contractor segment
- 2 **Argo Pro:**
 - Management Liability – Provides products for commercial and financial institution risks on both a primary and excess basis
 - E&O – Provides Errors & Omissions coverage on a primary and excess basis for risks on both an admitted and non-admitted basis
- 3 **Argo Surety** – Provides commercial and contract bonds to businesses that must satisfy various eligibility conditions in order to conduct commerce
- 4 **ARS** – Provides non-risk bearing fronting services
- 5 **Casualty** – Casualty insurance for hospitality, manufacturers, and premises risks and specializes in writing general liability and excess
- 6 **Commercial Programs** – Provides administration of risk-bearing programs on Argo paper
- 7 **Contract Binding** – Targets general liability and property accounts with premises driven risks
- 8 **Environmental** – Provides environmental liability insurance with coverage of businesses with pollution exposures, chemicals distributors / manufacturers, industrial cleaners, storage tank manufacturing / install, contractors and other various site pollution risks
- 9 **Inland Marine** – Provides coverage of products, materials and equipment when they are transported over land, such as via truck or train, or while they are temporarily warehoused by a third party
- 10 **Specialty Property** – E&S Property business unit predominantly writes middle market shared and layered accounts with a small number of full value accounts
- 11 **Rockwood** – Provides workers compensation coverage to mining and select industries
- 12 **Transportation** – Provides both admitted and non-admitted garage products designed to cover a wide range of auto dealer and auto service operations

U.S. Operations
GWP Mix



International Segment Overview

Syndicate 1200 (~76% of GWP)

- 1 **Property** – provides direct and facultative, binding authority, forced placed and flood products across a wide range of property coverages
- 2 **Liability** – provides Professional Indemnity, General Liability, International Casualty Treaty, Medical Malpractice and Warranty & Indemnity coverage
- 3 **Marine & Energy** – provides Marine Cargo, Marine Liability, Offshore Construction and Upstream / Offshore Energy coverage
- 4 **Specialty** – provides Accident & Health, Terrorism, Political Violence and Credit & Political Risk coverage
- 5 **MENA** – provides Professional Liability products including Annual & Project PI, D&O and Banker Blanket Bond coverage

Bermuda Insurance (~16% of GWP)

- 6 **Casualty** – provides General and Products Liability excess casualty coverage of worldwide casualty risks
- 7 **Professional** – provides Excess Public Company D&O, Excess Employment Practices Liability, Excess Errors & Omissions, Blended Excess and Primary Wage & Hour coverage

Argo Seguros (~8% of GWP)

- 8 **Cargo Marine** – provides Inland & Ocean Marine and Truckers coverage
- 9 **Financial Lines** – provides Liability, Professional and Surety coverage
- 10 **Property & Engineering** – provides Property & Engineering coverage focused on writing small and medium risks

International Segment GWP Mix

