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Argo Group Provides Preliminary Estimate for Natural Catastrophe and Other Losses During the 2018 Fourth Quarter

HAMILTON, Bermuda (January 17, 2019) – Argo Group International Holdings, Ltd. (NYSE: ARGO), an international underwriter of specialty insurance and reinsurance products, today announced a preliminary pre-tax catastrophe loss estimate for the three-month period ended December 31, 2018 of \$32 million, primarily related to Hurricane Michael and the California Wildfires. Additionally, the company's fourth quarter 2018 results will be impacted by higher than expected current accident year losses of approximately \$12 million, including a number of discrete Marine and Energy claims. Catastrophe loss estimates include claims costs net of ceded reinsurance recoverables and reinstatement premiums, and include losses related to certain aggregate excess of loss contracts.

CEO Mark E. Watson III commented: *“Our estimate for catastrophe losses in the fourth quarter of 2018 again reflects the restructuring of our reinsurance program at the beginning of the year to reduce earnings volatility by incorporating a single retention for the combined reinsurance portfolios of Argo and the acquired Ariel Re, and also strategically increases our use of third-party capital.”*

ABOUT LOSS ESTIMATES

Argo Group's estimates of catastrophe losses are based on claims received to date, policy-level reviews, discussions with distribution partners, the company's internal and external modeling resources, and publicly available industry loss estimates. Argo Group's estimates are preliminary and dependent on broad assumptions about coverage, liability, reinsurance and potential changes to both known and unknown claims. Accordingly, the actual ultimate net impact attributable to catastrophes may differ materially from Argo Group's preliminary estimates.

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 positive 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, 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. Such statements are qualified by the inherent risks and uncertainties surrounding future expectations generally and also may differ materially from actual future experience involving any one or more of such statements. 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. For a more detailed discussion of such risks and uncertainties, see Argo Group's filings with the SEC. The inclusion of a forward-looking statement herein should not be regarded as a representation by Argo Group that Argo Group's objectives will be achieved. Argo Group undertakes no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise.

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