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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the fiscal year ended December 31, 2023

or

☐ **Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from ______ to ______**

Commission file number: 1-15259

ARGO GROUP INTERNATIONAL HOLDINGS, INC.

(Exact name of Registrant as specified in its charter)

Delaware	**98-0214719**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**
501 7th Avenue 7th Floor	**501 7th Avenue 7th Floor**
New York 10018	**New York 10018**
New York	**New York**
(Address of principal executive offices)	**(Mailing address)**

(Registrant's telephone number, including area code): (210) 321-8400

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of each exchange on which registered
6.500% Senior Notes due 2042 issued by Argo Group US, Inc. and The Guarantee with Respects Thereto	ARGD	New York Stock Exchange
Depositary Shares, Each Representing a 1/1000th Interest in 7.00% Resettable Fixed Rate Preferred Stock, Series A, Par Value $1.00 Per Share	ARGOPrA	New York Stock Exchange

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒

Smaller reporting company ☐ 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. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

As of June 30, 2023, the aggregate market value of the common stock held by non-affiliates was approximately $1,037.7 million.

As of March 18, 2024, the registrant had 1,056,638,730 shares of common stock outstanding. All of the registrant's common stock is owned by Brookfield Reinsurance Ltd.

Argo Group International Holdings, Inc. meets the conditions set forth in General Instruction I(1)(a) and (b) for Form 10-K and therefore is filing this Form 10-K in the reduced disclosure format.

ARGO GROUP INTERNATIONAL HOLDINGS, INC.
Annual Report on Form 10-K
For the Year Ended December 31, 2023

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Unless otherwise stated in this report, references to "Argo Group," "we," "us," "our," or "the Company" refer to Argo Group International Holdings, Inc. and its subsidiaries. On November 30, 2023, we changed our jurisdiction of incorporation from Bermuda to the State of Delaware, which we refer to herein as the Redomestication. All references to "Argo Group," "we," "us," "our," or "the Company" on or before November 30, 2023 refer to Argo Group International Holdings, Ltd., an exempted company incorporated pursuant to the laws of Bermuda, and its subsidiaries. All such references after November 30, 2023 refer to Argo Group International Holdings, Inc., a Delaware corporation, and its subsidiaries. All references to "common stock" on or before November 30, 2023 refer to the common shares of Argo Group International Holdings, Ltd. prior to the Redomestication, and all such references after November 30, 2023 refer to the common stock of Argo Group International Holdings, Inc. after the Redomestication. All references to "preferred stock" on or before November 30, 2023 refer to the Series A Preference shares of Argo Group International Holdings, Ltd. prior to the Redomestication, and all such references after November 30, 2023 refer to the Series A Preferred stock of Argo Group International Holdings, Inc. after the Redomestication. For additional detail, please see "Item 1. Business—Corporate Information."

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Annual Report on Form 10-K for the year ended December 31, 2023 (this "Form 10-K" or this "report") are "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. Our forward-looking statements include, but are not limited to, statements regarding our management's projections, forecasts, expectations, beliefs, intentions or strategies, and include all statements that do not relate solely to historical or current facts. Forward-looking statements may 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 International Holdings, Inc. Throughout this Form 10-K, unless the context otherwise requires, references to "Argo Group," "we," "us," "our" or the "Company" mean Argo Group International Holdings, Inc. and all of its subsidiaries, taken together as a whole. Actual results may differ materially as a result of significant risks and uncertainties including but not limited to:

Insurance Underwriting Risks:

- the adequacy of our projected loss reserves, which may be affected by both internal and external events, including:
  - the judgement used in selecting actuarial assumptions and weighing the indications of the various actuarial methods in developing our ultimate loss selection;
  - the 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 contracts beyond that which was anticipated when the reserves were established;
  - development of new theories related to coverage which may increase liabilities under insurance 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 in claims handling procedures;
  - economic and social inflation;
- our ability to compete effectively;
- actions by our competitors, many of which have a larger capital base and are more highly rated than we are;
- unexpected changes in the claims environment or catastrophes and terrorist acts;
- the impact of global climate change and related regulation, including physical risks and transition risks;
- our dependence on insurance and reinsurance agents and brokers as distribution channels;
- changes in the pricing environment and the cyclical nature of our business, with periods with excess underwriting capacity and unfavorable premium rates and other periods with a shortage of underwriting capacity when premium rates are strong;
- our agents and producers exceeding their underwriting authorities or breaching obligations owed to us;

Operational Risks:

- our ability to attract and retain qualified employees and key executives;
- loss of our executive officers or other key personnel or other changes to our management team;
- the adequacy of our strategies and processes to mitigate insurance risk;
- the effectiveness of our internal controls;
- our dependence on our information technology network and the impact of any cybersecurity breach;
- our ability to adequately protect customer personal information;
- our ability to effectively select, develop, implement and monitor our outsourcing relationships;
- failure to execute on expense targets;

Financial Risks:

- the impact of any prolonged recession or a period of significant turmoil in the U.S. and international financial markets;
- changes in economic and political conditions, including inflation and changes in interest rates;
- market and credit risks that may impact our investment portfolio;
- foreign currency fluctuations;
- the availability, cost or quality of reinsurance;
- any impairment in the carrying value of goodwill and other intangible assets;
- any impairment or allowances of our investments;
- any failure of one or more reinsurers or capital market counterparties to meet their payment obligations to us or our inability to collect reinsurance recoverables;
- uncertainty resulting from the discontinued use of the London Interbank Offering Rate;

Strategic Risks:
- uncertain conditions in the global economy;
- our existing indebtedness and ability to access additional capital;
- our holding company structure and certain regulatory and other constraints that affect our ability to pay dividends and make other payments;
- any ratings downgrades;
- the success of our business plan and our ability to successfully execute strategic transactions;

Reputational Risks:
- any violations of laws and regulations relating to sanctions, anti-corruption and money laundering;
- actions of activist stockholders;
- any failure to meet stakeholder expectations regarding environmental, social and corporate governance matters;

Legal, Regulatory and Litigation Risks:
- the ability of our insurance subsidiaries to meet risk-based capital and solvency requirements in their respective regulatory domiciles;
- the outcome of legal and regulatory proceedings, investigations, inquiries, claims and litigation;
- regulatory constraints on our ability to operate our business, including on our ability to charge adequate rates and efficiently allocate capital;
- changes in legal environment, and changes in insurance regulations in the U.S. or other jurisdictions in which we operate; and
- restrictions on the sale or change of control of the Company.

Taxation Risks:
- adverse consequences due to new, and changes to existing, tax legislation, treaties, and regulations in the jurisdictions in which the Company, its subsidiaries, and certain of their affiliates have a taxable presence;
- adverse consequences due to challenges by tax authorities to our current and historical tax positions and practices;
- adverse consequences due to U.S. federal withholding taxes on distributions paid to our non-U.S. stockholders and any obligation we may have to pay additional amounts to such stockholders;
- adverse consequences due to changes to, or our eligibility to qualify for benefits under, any income tax treaties on which we rely; and
- adverse consequences due to changes in tax laws in jurisdictions in which we have a taxable presence as a result of the implementation of proposals by the Organisation for Economic Cooperation and Development (the “OECD”), which include, among other things, proposals to (1) shift taxing rights to the jurisdiction of the consumer and (2) establish a global minimum tax for multinational companies of 15% (namely the “Pillar I” and Pillar II” Frameworks).

The foregoing summary of important factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this Form 10-K, including the risk factors set forth in Item 1A, “Risk Factors.” We undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

PART I

Item 1. Business

Business Overview

Argo Group, a Delaware corporation and holding company, is a U.S. focused specialty insurer with well-established businesses operating in key specialty markets, including, but not limited to, casualty, environmental, workers compensation and professional lines.

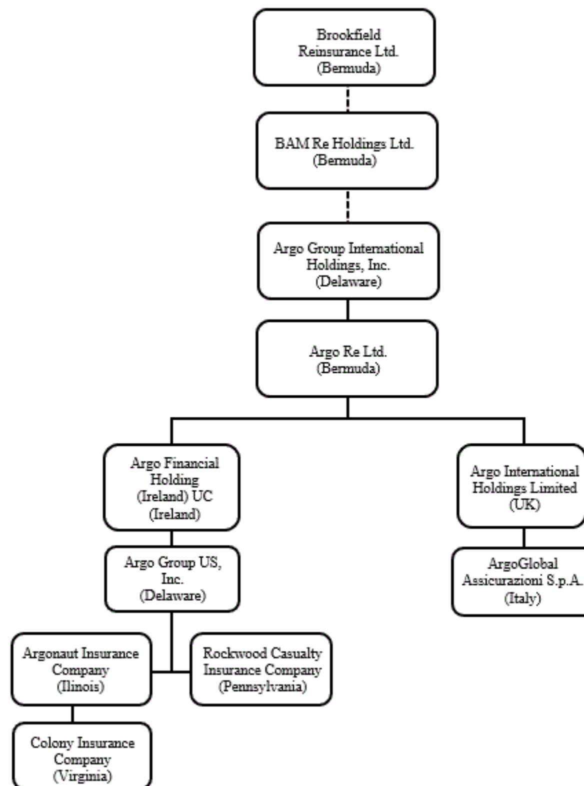
Business Strategy

Argo Group operates in the specialty and Excess and Surplus Lines ("E&S") insurance markets where we focus on discrete niche products or businesses that require specialized underwriting knowledge and usually hard-to-place coverage. We believe the specialized nature of the products we offer provides our underwriters the flexibility over rates, terms and forms to produce superior loss ratios over the long-term. Our fundamental operating principles are designed to create an efficient organization that is focused on delivering results and improved stockholder value creation. We 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.

Our operating strategy includes, among other elements:
(1) positioning ourselves as a U.S. focused specialty insurance company;
(2) simplifying of our business;
(3) focusing on profitability through rate adequacy, risk selection (including a focus on loss limits and attachment points) and underwriting discipline while providing a competitively priced product;
(4) leveraging our distribution network by providing product solutions;
(5) controlling expenses;
(6) improving financial strength and issuer credit ratings;
(7) providing quality services to agents and policyholders, including claims handling, rate, quote, bind and issue technologies to make it easier to write business;
(8) maintaining a balanced investment portfolio to support our underwriting operations;
(9) leveraging reinsurance to manage underwriting volatility; and
(10) investing in innovation and technology enhancements to improve efficiency.

Our Structure

The following is a summary organizational chart of Argo Group as of December 31, 2023:



Business Segments and Products

For the year ended December 31, 2023, our operations included two primary reportable segments - U.S. Operations and International Operations. In addition to these main business segments, we have a Run-off Lines segment for certain products we no longer underwrite. For discussion of the operating results of each business segment, please refer to Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and Note 19, "Segment Information," in the Notes to the Consolidated Financial Statements.

On October 4, 2021, we reached an agreement to sell our Brazilian operations, Argo Seguros Brasil S.A. ("Argo Seguros"), to Spice Private Equity Ltd., an investment company focused on global private equity investments. The sale was completed on February 15, 2022.

On December 20, 2021, we reached an agreement to sell our European operations, ArgoGlobal Holdings (Malta) Ltd. and its subsidiaries, to Riverstone Holdings Limited (part of the RiverStone International group). The sale was completed on June 22, 2022.

On September 8, 2022, we reached an agreement to sell the entire issued share capital of Argo Underwriting Agency Limited ("AUA") to Ohio Farmers Insurance Company (the "Ohio Farmers"), part

of the Westfield group of insurance companies. On February 2, 2023, we completed the sale of the entire issued share capital of AUA, for which the financial results are reported in our International segment.

For a discussion of these and other recent transactions, please refer to Note 2, “Recent Acquisitions, Disposals & Other Transactions,” in the Notes to the Consolidated Financial Statements.

U.S. Operations

The U.S. Operations business is distributed through retail, wholesale, and managing general brokers/underwriters in the specialty insurance market. This segment is a leader in the U.S. specialty insurance market, specifically through its E&S businesses focusing on U.S.-based risks that the standard, admitted insurance market is unwilling or unable to underwrite. The E&S businesses are often able to underwrite risks using more flexible policy terms and rating structures. The other U.S. businesses use their underwriting expertise in specific industry classes or exposures to write niche classes of business primarily in the admitted insurance market.

Argo Construction

Argo Construction specializes in underwriting primary general liability and supported excess coverages for construction contractors. The unit leverages their industry expertise to handle insurance needs of US based project owners, developers, general and trade contractors via a national distribution channel of wholesale brokers. Argo Construction’s specialized underwriters understand the rates, pricing and coverages needed to meet contractors’ insurance requirements and help project owners succeed. This business unit is segmented into four groups: New York Construction, Middle Market Construction, Owners Interest / Owners and Contractors Protective, and Specialty Construction.

Argo Casualty

Argo Casualty offers primary casualty and supported excess casualty coverages in the excess and surplus lines space. The underwriting focus of our primary casualty portfolio includes real estate, mercantile, hospitality, manufacturers, and service contractors. Our excess casualty targets classes of business including products liability, off premises and premises liability.

Argo Environmental

Argo Environmental provides a range of environmental liability insurance products on a primary and supported and unsupported excess basis to a range of businesses, including construction, service contractors, manufacturing, real estate, and clean energy markets .

Colony Specialty Garage

Colony Specialty Garage provides both admitted and non-admitted garage products through wholesale general agents via delegated binding authority. This unit provides products designed to cover a wide range of auto dealer and auto service operations. Auto dealers include operations involved in selling new or used autos, trailers, recreational vehicles, motorcycles and off-road vehicles. Auto service/repair includes operations involved in auto and specialized vehicle service/repair, towing, salvage yards and valet parking.

Argo Inland Marine

Argo Inland Marine offers a wide range of products, coverages and services for the inland marine insurance market through a team of dedicated specialists. Inland marine insurance covers 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. The unit offers insurance coverage in the U.S. for builders’ risk, motor-truck cargo, equipment, and other miscellaneous marine risks. Coverage is provided on a monoline basis with both primary and excess coverages available.

In addition to the E&S platform, the other U.S. businesses focus on specialty businesses that relate to specific industry classes or exposures to write niche classes of business primarily in the admitted insurance market, primarily comprised of the following:

Argo Pro

Argo Pro is our small to mid-market professional lines platform that provides a broad portfolio of errors and omissions, and management liability products to our retail and wholesale distribution partners. Argo Pro offers customized coverage on a primary and excess basis for risks on both an admitted and non-admitted basis, targeting the small to middle market segments. Our underwriting focus provides risk management solutions for commercial and select financial institutions, accountants, architects and engineers, commercial crime, directors and officers, employment practices, fiduciary, lawyers, miscellaneous professionals, technology, transactional liability and security and privacy using the right combination of industry data, rate and attachment point tools.

U.S. Commercial Programs

U.S. Commercial Programs provides commercial insurance programs and fronting solutions to meet the needs of targeted, specialty lines businesses. They partner with qualified program administrators and managing general underwriters who provide underwriting expertise, risk aggregation, and strong customer service to deliver profitable underwriting results.

Argo Surety

Argo Surety writes Commercial and Contract bonds targeting multiple industries, including construction (general, trade and service contractors), manufacturing, transportation, waste management, industrial equipment, technology, retail, public utilities and healthcare.

Rockwood

Rockwood Casualty Insurance Company (“Rockwood”) is primarily a specialty underwriter of workers compensation, with a focus on workers in the mining industry. It also underwrites coverage for commercial businesses, including retail operations, light manufacturing, services and restaurants. Rockwood underwrites policies on both a large-deductible basis and on a guaranteed-cost basis for smaller commercial accounts. In addition, Rockwood provides general liability and commercial automobile coverage, as well as coverage for pollution liability, umbrella liability, and surety to support its core clients’ other mining and mining-related exposures.

International Operations

This segment specializes in insurance risks through the broker market, with our ongoing business focusing on specialty property insurance, primary/excess casualty, and professional liability. The business is focused primarily, but not limited to, U.S.-based specialty insurance risks. This segment includes a strong Bermuda trading platform and inactive business in Continental Europe for which we are exploring strategic alternatives.

The International Operations segment operates as Argo Re, Ltd. (“Argo Re”), the Casualty, Property and Professional Lines unit of Argo Insurance Bermuda and ArgoGlobal Assicurazioni in Italy.

Lloyd’s Syndicate Platform

On September 8, 2022, we reached an agreement to sell the entire issued share capital of Argo Underwriting Agency Limited (“AUA”), or Argo Group’s Lloyd’s syndicate platform, to Ohio Farmers Insurance Company (the “Buyer”), part of the Westfield group of insurance companies. On February 2, 2023, the AUA completed the sale of the entire issued share capital of AUA, Argo Group’s Lloyd’s syndicate platform. The consolidated results of operations for Argo Group for the year ended December 31, 2023 include one month contributed by Syndicate 1200.

At December 31, 2022, the Company classified it’s Lloyd’s Syndicate business as held-for-sale in our Consolidated Balance Sheets See Note 2, “Recent Acquisitions, Disposals & Other Transactions” in the Notes to the Consolidated Financial Statements for further discussion.

Bermuda Insurance and Europe

The additional international businesses include Argo Insurance Bermuda and ArgoGlobal Assicurazioni in Italy.

Argo Insurance Bermuda offers casualty, property and professional lines, which serves the needs of clients by providing the following coverages: property, general and products liability, directors and officers liability, errors and omissions liability and employment practices liability.

Subsequent to the sale of our Syndicate 1200 business on February 2, 2023, Bermuda will retain the property business previously written by Syndicate 1200.

ArgoGlobal Assicurazioni underwrote professional liability, property, marine, accident & health and liability insurance in the European market with a focus on Italy. We are not actively writing business at ArgoGlobal Assicurazioni and continue to review our strategic alternatives for the business.

Run-off Lines

The Run-off Lines segment includes outstanding liabilities associated with discontinued lines previously underwritten by our insurance subsidiaries, such as those arising from liability policies dating back to the 1960s, 1970s and into the 1980s; risk management policies written by a business unit that has since been sold to a third party; and other legacy accounts previously written by our reinsurance subsidiaries.

Marketing and Distribution

We provide products and services to well-defined niche markets. Using our capital strength and the Argo Group brand we cross market products offered by our segments amongst our different operating platforms. We offer our distribution partners tailored, innovative solutions for managing risk, using the full range of products and services we have available.

U.S. Operations

Our U.S. insurance businesses distribute products through a network of appointed wholesale and retail agents specializing in excess and surplus lines and certain targeted admitted lines and managing general underwriters ("MGU"). Approximately 90% of E&S premium volume in 2022 was produced by wholesale brokers who submit business and rely on Argo Group to produce quotes and handle policy issuance on such accounts. The remaining amount of E&S premium was produced through a select group of wholesale agents and managing general agents ("MGAs") to whom we have delegated limited authority to act on our behalf contained within the Programs and Garage business units. These agents are granted authority to underwrite, quote, bind and issue policies in accordance with predetermined guidelines and procedures prescribed by us.

The remainder of the U.S. business uses a broad distribution platform to deliver specialty insurance products and services to our policyholders and agents. Argo Pro, Environmental, Inland Marine and Excess Casualty distribute their products through both retail and wholesale brokers. Rockwood distributes its product lines through its network of retail and wholesale agents. U.S. Specialty Programs provides its products through selected MGAs and brokers. Argo Surety distributes its products through select surety specialty agents and retail brokers across the United States.

International Operations

The International Operations' businesses obtain business through brokers and third-party intermediaries. The businesses' marketing and distribution strategies are for the most part managed by local distribution teams and underwriters based in Bermuda.

Competition

Argo Group competes in a wide variety of markets against numerous and varied competitors, depending on the nature of the risk and coverage being written. The competition for any one account may range from large international firms to smaller regional companies in the domiciles in which we operate. The insurance industry is highly regulated. As a result, it can be difficult for insurance companies to differentiate their products, which results in a highly competitive market based largely on price and the customer experience. The nature, size and experience of our primary competitors vary across the jurisdictions in which we do business.

U.S. Operations

Due to the diverse nature of the products we offer within our U.S. Operations, competition comes from various sources, but largely from regional companies or specific units/subsidiaries of national carriers. National carriers tend to compete for larger accounts offering coverage across all product lines.

International Operations

Competition for any one account may come from other international firms or smaller regional companies. These competitors include independent insurance companies, subsidiaries or affiliates of established worldwide insurance companies, departments of certain commercial insurance companies, and underwriting syndicates.

Ratings

Ratings are an important factor in assessing our competitive position and our ability to meet our ongoing obligations. Ratings are not a recommendation to buy, sell or hold any security, and they may be revised or withdrawn at any time by the rating agency. Moreover, the ratings of each rating agency should be evaluated independently as the rating methodology and evaluation process may differ. The ratings issued on us or our subsidiaries by any of these agencies are announced publicly and are available on our website and the respective rating agency's websites. We have two types of ratings: (1) Financial Strength Ratings ("FSR") and (2) Debt Ratings or Issuer Credit Ratings ("ICR").

FSRs reflect a rating agency's assessment of an insurer's ability to meet its financial obligations to policyholders. All of our insurance companies have an FSR of "A-" (Excellent), with developing implications, from A.M. Best Company ("A.M. Best"), and an FSR of "A-" (Strong), with a negative outlook, from Standard & Poor's ("S&P").

ICRs reflect a rating agency's assessment of a company's prospects for repaying its debts and can be considered by lenders in connection with the setting of interest rates and terms for a company's short-term or long-term borrowings. Argo Group has an ICR and senior unsecured debt rating of "BBB-" from S&P. Argo Group has an ICR and senior unsecured debt rating of "bbb-" from A.M. Best. All of our insurance companies have an ICR of "a-" from A.M. Best.

A.M. Best FSRs range from "A++" (Superior) to "S" (Suspended) and include 16 separate ratings categories. S&P Financial Strength Ratings range from "AAA" (Extremely Strong) to "R" (under regulatory supervision) and include 21 separate ratings categories.

Syndicate 1200, our former Lloyd's syndicate, received the Lloyd's market FSR rating of "A" (Excellent), with a stable outlook, by A.M. Best and "A+" (Strong), with a stable outlook, by S&P.

On February 8, 2023, we entered into an Agreement and Plan of Merger (the "Merger Agreement"), with Brookfield Reinsurance Ltd. ("Brookfield Reinsurance") and BNRE Bermuda Merger Sub Ltd. ("Merger Sub"), a wholly-owned subsidiary of Brookfield Reinsurance (the "Merger"). As a result of the announcement, on February 10, 2023, A.M. Best placed Argo Group and its subsidiaries under review with developing implications. Also as a result of the announcement, on February 14, 2023 S&P placed Argo Group on Credit Watch with negative implications. The sale closed on November 16, 2023. A.M. Best maintained the status under review with developing implications to fully assess the financial and operational impact of the acquisition on Argo Group's rating fundamentals. S&P maintained the ratings on Argo on Credit Watch negative because of Brookfield Re's pending acquisition of American Equity Investment Life Holding Co. and uncertainty about how it will affect the new consolidated group credit profile.

Regulation

General

The insurance business and related services is regulated in most countries, although the degree and type of regulation varies from one jurisdiction to another. The principal jurisdictions in which Argo Group's insurance businesses operate are Bermuda, the U.S., the European Union ("E.U."), the U.K. and Dubai. Argo Group is also regulated in other countries where it does business. A summary of the material regulations in these jurisdictions is set forth below. We may become subject to regulations in new jurisdictions or additional regulations in existing jurisdictions.

Bermuda

Insurance Group Supervision and Regulation Scheme

The Bermuda Monetary Authority ("BMA") may, in respect of an insurance group, determine whether it is appropriate for the BMA to act as its group supervisor in accordance with the Insurance Act 1978 of Bermuda and related regulations, as amended (the "Insurance Act"). The BMA's group supervision objective is to provide a coordinated approach to the regulation of an insurance group and its supervisory and capital requirements. The BMA acts as "Group Supervisor" of the Company and its regulated subsidiaries and has designated Argo Re as the designated insurer for the purposes of

group supervision. As Group Supervisor, the BMA performs a number of supervisory functions including: (1) coordinating the gathering and dissemination of information which is of importance for the supervisory task of other competent authorities; (2) carrying out a supervisory review and assessment of Argo Group; (3) carrying out an assessment of Argo Group's compliance with the rules on solvency, risk concentration, intra-group transactions and good governance procedures; (4) planning and coordinating, with other competent authorities, supervisory activities in respect of Argo Group, both as a going concern and in emergency situations; (5) taking into account the nature, scale and complexity of the risks inherent in the business of all companies that are part of Argo Group; (6) coordinating any enforcement action that may need to be taken against Argo Group or any of its members and (7) planning and coordinating meetings of colleges of supervisors (consisting of insurance regulators) in order to facilitate the carrying out of the functions described above.

The Company is not a registered insurer; however, pursuant to its functions as Group Supervisor, the BMA includes the Company and may include any member of the group as part of its group supervision.

Significant aspects of the Bermuda insurance regulatory framework and requirements imposed on insurance groups include the solvency assessment. The Company must annually perform an assessment of its own risk and solvency requirements, referred to as an insurance group's Solvency Self-Assessment ("GSSA"). The GSSA allows the BMA to obtain an insurance group's view of the capital resources required to achieve its business objectives and to assess a group's governance, risk management and controls surrounding this process.

Insurance companies as well as insurance groups are also subject to the Bermuda Solvency Capital Requirement ("BSCR"), a risk-based capital system. The BMA imposes the Enhanced Capital Requirement ("ECR") on Argo Re pursuant to its function as the Group Supervisor. Argo Group's ECR may be calculated by either (1) the standard model developed by the BMA known as the BSCR model, or (2) an internal capital model which the BMA has approved for use for this purpose. Argo Group currently uses the BSCR model in calculating the ECR requirements for Argo Group. In addition, the Company is required to prepare and submit annual audited U.S. GAAP financial statements, annual statutory financial statements, annual statutory financial return, annual capital and solvency return and quarterly unaudited financial returns for Argo Group.

The BSCR model is a risk-based capital model which provides a method for determining an insurer's capital requirements (statutory capital and surplus) by taking into account the risk characteristics of different aspects of the insurer's business. The BSCR formula establishes, on a consolidated basis, capital requirements for eleven categories of risk: fixed income investment risk, equity investment risk, interest rate/liquidity risk, currency risk, concentration risk, credit risk, premium risk, reserve risk, catastrophe risk, long-term insurance risk and operational risk.

The BMA maintains supervision over the controllers of all Bermuda registered insurers, and accordingly, any person who, directly or indirectly, becomes a holder of at least 10%, 20%, 33% or 50% of our shares of common stock must notify the BMA in writing within 45 days of becoming such a holder (or ceasing to be such a holder). The BMA may object to such a person and require the holder to reduce its holding of shares of common stock and direct, among other things, that voting rights attaching to the common stock shall not be exercisable.

On September 28, 2022, the BMA convened its annual supervisory college session relative to Argo Group, which included participation by the Prudential Regulatory Authority (U.K.), the Insurance Departments of the States of Illinois and Virginia (U.S.), and the Italian Institute for the Supervision of Insurance ("IVASS"). Argo Group management were also invited to attend and to make a presentation at the session.

Regulation of Argo Re

Classification of Insurers

The Insurance Act provides that no person may carry on an insurance business in or from within Bermuda unless registered as an insurer under the Insurance Act by the BMA. Argo Re, which was incorporated as a Bermuda exempted company to operate a general insurance and reinsurance business, is registered as a Class 4 insurer in Bermuda and is regulated as such under the Insurance Act. Under the Insurance Act, no distinction is made between insurance and reinsurance business.

Principal Representative, Principal Office and Head Office

Argo Re is required to maintain a principal office and to appoint and maintain a principal representative in Bermuda, who must be a person approved by the BMA. For the purposes of the Insurance Act, the principal office of Argo Re is located at 90 Pitts Bay Road, Pembroke, HM 08, Bermuda. The principal representative has statutory reporting duties under the Insurance Act for certain reportable events, such as threatened insolvency or noncompliance with the Insurance Act or with a condition or restriction imposed on an insurer. Where there has been a significant loss that is reasonably likely to cause a Class 4 insurer to fail to comply with its enhanced capital requirement (as described in more detail below), the principal representative must furnish the BMA with a capital and solvency return reflecting an enhanced capital requirement prepared using post-loss data. The principal representative must provide this within forty-five days of notifying the BMA of the loss. In addition, where a notification has been made to the BMA regarding a material change to an insurer's business or structure (as described in more detail below), the principal representative has thirty days from the date of such notification to provide to the BMA unaudited interim statutory financial statements in relation to such period if so requested by the BMA, together with a general business solvency certificate in respect of those statements.

As a Class 4 insurer, Argo Re must maintain its head office in Bermuda and its insurance business must be directed and managed from Bermuda. In determining whether an insurer satisfies this requirement, the BMA considers, inter alia, the following factors: (1) where the underwriting, risk management and operational decision making of the insurer occurs; (2) whether the presence of senior executives who are responsible for, and involved in, the decision making related to the insurance business of the insurer are located in Bermuda; and (3) where meetings of the board of directors of the insurer occur. In making its determination, the BMA may also have regard to (1) the location where management of the insurer meets to effect policy decisions of the insurer; (2) the residence of the officers, insurance managers or employees of the insurer; and (3) the residence of one or more directors of the insurer in Bermuda. As a result of the global health crisis, the BMA has indicated that it will take into account all circumstances, including an insurer's inability to hold such meetings due to logistical and health difficulties resulting from COVID-19.

Independent Approved Auditor

The Insurance Act generally requires that every insurer appoint an independent auditor who will annually audit and report on the insurer's statutory financial statements. The auditor must be approved by the BMA. If the insurer fails to appoint an approved auditor or at any time fails to fill a vacancy for such auditor, the BMA may appoint an approved auditor for the insurer and shall fix the remuneration to be paid to the approved auditor within 14 days, if not agreed sooner by the insurer and the auditor.

Annual Statutory Financial Statements and Returns

The Insurance Act generally requires every insurer to prepare annual statutory financial statements and to file these statements with the BMA, together with a statutory financial return and a declaration certifying compliance with the minimum criteria applicable to it including the minimum margin of solvency, enhanced capital requirements and any restrictions or conditions imposed on its license. The statutory financial statements are distinct from the financial statements prepared for presentation to the insurer's stockholders under the Companies Act of 1981, as amended, of Bermuda (the "Companies Act "), which may be prepared in accordance with U.S. GAAP or other generally accepted accounting principles.

The Insurance Act prescribes rules for the preparation and substance of such statutory financial statements (which include, in statutory form, a balance sheet, income statement, a statement of capital and surplus, and notes thereto). The insurer is required to give detailed information and analysis regarding premiums, claims, reinsurance and investments. An insurer is required to submit the annual statutory financial statements as part of the annual statutory financial return. The statutory financial statements and the statutory financial return do not form part of the public records maintained by the BMA or the Bermuda Registrar of Companies. The BMA requires Class 4, 3B, 3A, E, D and C insurers to file audited general purpose financial statements as part of their annual filings, which the BMA will subsequently publish on its website together with the declaration certifying compliance, unless an exemption is obtained pursuant to Section 56 of the Insurance Act.

The statutory financial return for a Class 4 insurer includes, among other matters, a report of the approved independent auditor on the statutory financial statements of the insurer, own risk statement, underwriting analysis, the statutory financial statements themselves and a statutory declaration. A Class 4 insurer must deliver to the BMA at the time of filing its statutory financial statements, a declaration of compliance confirming, among other matters, that the minimum solvency margin has been met. If an insurer's accounts have been audited for any purpose other than compliance with the Insurance Act, a statement to that effect must be filed with the statutory financial return.

Argo Re is required to file a copy of its statutory financial statements and statutory financial return with the BMA no later than 4 months after its financial year end (unless specifically extended upon application to the BMA).

Loss Reserve Specialist

As a Class 4 insurer, Argo Re is required to appoint an individual approved by the BMA to be its loss reserve specialist. In order to qualify as an approved loss reserve specialist, the applicant must be an individual qualified to provide an opinion in accordance with the requirements of the Insurance Act and the BMA must be satisfied that the individual is fit and proper to hold such an appointment.
A Class 4 insurer is required to submit annually an opinion of its approved loss reserve specialist with its capital and solvency return in respect of its total general business insurance technical provisions (i.e. the aggregate of its net premium provisions, net loss and loss expense provisions and risk margin, as each is reported in the insurer's statutory economic balance sheet). The loss reserve

specialist's opinion must state, among other things, whether or not the aggregate amount of technical provisions shown in the statutory economic balance sheet as at the end of the relevant financial year (1) meets the requirements of the Insurance Act and (2) makes reasonable provision for the total technical provisions of the insurer under the terms of its insurance contracts and agreements.

Notification of Material Changes

All registered insurers are required to give the BMA notice of their intention to effect a material change within the meaning of the Insurance Act. For the purposes of the Insurance Act, the following changes are material: (1) the transfer or acquisition of insurance business being part of a scheme falling under section 25 of the Insurance Act or section 99 of the Companies Act, (2) the amalgamation with or acquisition of another firm, (3) engaging in unrelated business that is retail business, (4) the acquisition of a controlling interest in an undertaking that is engaged in non-insurance business which offers services and products to persons who are not affiliates of the insurer, (5) outsourcing all or substantially all of the company's actuarial, risk management, compliance or internal audit functions, (6) outsourcing all or a material part of an insurer's underwriting activity, (7) the transfer, other than by way of reinsurance, of all or substantially all of a line of business, (8) the expansion into a material new line of business, (9) the sale of an insurer, and (10) outsourcing of an officer role.

No registered insurer shall take any steps to give effect to a material change unless it has first served notice on the BMA that it intends to effect such material change and before the end of 30 days, either the BMA has notified such company in writing that it has no objection to such change or that period has lapsed without the BMA having issued a notice of objection.

Before issuing a notice of objection, the BMA is required to serve upon the person concerned a preliminary written notice stating the BMA's intention to issue a formal notice of objection. Upon receipt of the preliminary written notice, the person served may, within 28 days, file written representations with the BMA which shall be taken into account by the BMA in making its final determination.

Notification by Registered Person of Change of Controllers and Officers

Class 4 insurers are required to notify the BMA if any person has become or ceased to be a controller or an officer within 45 days of becoming aware of the relevant facts. An officer in relation to an insurer means a director, chief executive or senior executive performing duties of underwriting, actuarial, risk management, compliance, internal audit, finance or investment matters.

Cancellation of Insurer's Registration

An insurer's registration may be cancelled by the BMA at the request of the insurer or on certain grounds specified in the Insurance Act. Such grounds include failure by the insurer to comply with its obligations under the Insurance Act, or if the BMA believes that the insurer has not been carrying on business in accordance with sound insurance principles.

Non-Insurance Business

No Bermuda insurer may engage in non-insurance business unless that non-insurance business is ancillary to its core insurance business. Non-insurance business means any business other than insurance business and includes carrying on investment business, managing an investment fund as operator, carrying on business as a fund administrator, carrying on banking business, underwriting debt or securities or otherwise engaging in investment banking, engaging in commercial or industrial activities and carrying on the business of management, sales or leasing of real property.

Supervision, Investigation and Intervention

The BMA may appoint an inspector with powers to investigate the affairs of an insurer if the BMA believes that an investigation is required in the interest of the insurer's policyholders or potential policyholders. In order to verify or supplement information otherwise provided to it, the BMA may direct an insurer to produce documents or information relating to matters connected with the insurer's business.

If it appears to the BMA that there is a risk of the insurer becoming insolvent, or that it is in breach of the Insurance Act or any conditions imposed upon its registration, the BMA may direct the insurer (1) not to take on any new insurance business, (2) not to vary any insurance contract if the effect would be to increase the insurer's liabilities, (3) not to make certain investments, (4) to realize certain investments, (5) to maintain, or transfer to the custody of a specified bank, certain assets, (6) not to declare or pay any dividends or other distributions or to restrict the making of such payments, (7) to limit its premium income, (8) to remove a controller or officer and (9) to file a petition for the winding-up of the insurer.

Disclosure of Information

In addition to powers under the Insurance Act to investigate the affairs of an insurer, the BMA may require certain information from an insurer (or certain other persons) to be produced to the BMA. The BMA has also been given powers to assist foreign regulatory authorities with their investigations involving insurance and reinsurance companies in Bermuda, subject to certain restrictions. For example, the BMA must be satisfied that the assistance being requested is in connection with the discharge of regulatory responsibilities of the foreign regulatory authority. Further, the BMA must consider whether cooperation with the foreign regulatory authorities is in the public interest. The grounds for disclosure by the BMA to a foreign regulatory authority without consent of the insurer are limited and the Insurance Act provides sanctions for breach of the statutory duty of confidentiality.

Winding-up

The BMA may present a petition for the winding-up of an insurer on the grounds that the insurer (1) is unable to pay its debts within the meaning of sections 161 and 162 of the Companies Act, (2) has failed to satisfy an obligation to which it is or was subject by virtue of the Insurance Act or (3) has failed to satisfy the obligation imposed upon it by section 15 of the Insurance Act as to the preparation of accounts or to produce or file statutory financial statements in accordance with section 17 of the Insurance Act (save where the appropriate waivers have been obtained), and that the BMA is unable to ascertain the insurer's financial position. In addition, if it appears to the BMA that it is expedient in the public interest that an insurer should be wound up, it may present a petition for it to be so wound up if a court thinks it just and equitable for it to be so wound up.

Insurance Code of Conduct

All insurers must comply with the Insurance Code of Conduct, as revised on August 31, 2022, ("Code") which prescribes the duties and standards that must be complied with to ensure sound corporate governance, risk management and internal controls are implemented. The BMA will assess an insurer's compliance with the Code in a proportional manner relative to the nature, scale and complexity of its business. Failure to comply with the requirements of the Code will be taken into account by the BMA in determining whether an insurer is conducting its business in a sound and prudent manner as prescribed by the Insurance Act and may result in the BMA exercising its powers of intervention and investigation.

The principal representative and two directors of the insurer must sign and file with the BMA an annual declaration that the insurer has complied with the Code.

Regulation of Argo Services

Argo Insurance Services Bermuda, Ltd. ("Argo Services") is licensed by the BMA pursuant to Section 10 of the Insurance Act as an Insurance Agent. The Insurance Act provides that: (i) the BMA may make rules prescribing prudential standards in relation to insurance agents (which will include an annual report) and apply penalties for failure to file statutory returns; (ii) agents are required to maintain lists of insurers for which they act, (iii) agents are required to notify the BMA within 14 days of any change of stockholder controller or officer; and (iv) agents are required to have sufficient indemnity insurance cover. The BMA has provided a Code of Conduct for insurance agents which establishes the duties, requirements and standards to be complied with by all insurance agents registered under Section 10 of the Insurance Act, including the procedures and sound principles to be observed by such persons. The BMA has also mandated that insurance agents are annually required to file: (i) a return accompanied by a copy of the insurance agent's management accounts for the financial year and business plan for the next financial year; and (ii) a declaration signed by two directors (one of whom must be the chief executive officer) of the insurance agent confirming that to the best of their knowledge and belief the information in the annual return is fair and accurate.

Minimum Solvency Margin and Enhanced Capital Requirements

Under the Insurance Act, the value of the statutory assets of an insurer must exceed its statutory liabilities by an amount greater than the prescribed minimum solvency margin ("MSM"). As a Class 4 insurer, Argo Re is required to maintain the general business solvency margin, which is a MSM equal to the greatest of (1) $100,000,000; (2) 50% of net premiums written in its current financial year; (3) 15% of net aggregate loss and loss expense provisions and other insurance reserves; or (4) 25% of its ECR as reported at the end of its relevant year.

While not specifically referred to in the Insurance Act, the BMA has also established a Target Capital Level ("TCL") equal to 120% of its ECR. While an insurer is not currently required to maintain its statutory capital and surplus at this level, the TCL serves as an early warning tool for the BMA and failure to maintain statutory capital at least equal to the TCL will likely result in increased

regulatory oversight.

Any applicable insurer which at any time fails to meet the MSM requirements must, upon becoming aware of such failure, notify the BMA and, within 14 days thereafter, file a written report with the BMA describing the circumstances that gave rise to the failure and set forth its plan detailing specific actions to be taken and the expected time frame in which the company intends to rectify the failure.

Eligible Capital

To enable the BMA to better assess the quality of the insurer's capital resources, applicable insurers are required to disclose the makeup of its capital in accordance with the "3-tiered capital system". Under this system, all of the insurer's capital instruments will be classified as either basic or ancillary capital which in turn will be classified into one of three tiers based on their "loss absorbency" characteristics. Highest quality capital will be classified as Tier 1 Capital and lesser quality capital will be classified as either Tier 2 Capital or Tier 3 Capital. Under this regime, up to certain specified percentages of Tier 1, Tier 2, and Tier 3 Capital may be used to support the insurer's MSM and ECR.

The characteristics of the capital instruments that must be satisfied to qualify as Tier 1 Capital, Tier 2 Capital, and Tier 3 Capital are set out in the Insurance (Eligible Capital) Rules 2012, as amended. Under these rules, Tier 1 Capital, Tier 2 Capital, and Tier 3 Capital may include capital instruments that do not satisfy the requirement that the instrument be non-redeemable or settled only with the issuance of an instrument of equal or higher quality upon a breach, or if it would cause a breach, in the ECR until January 1, 2026. While the BMA has previously approved the use of certain instruments for capital purposes, the BMA's consent will need to be obtained if such instruments are to remain eligible for use in satisfying the MSM and the ECR reporting.

Reporting Requirements

Argo Re must prepare and submit, on an annual basis, both audited US GAAP and, as discussed above, statutory financial statements. The Insurance Act prescribes rules for the preparation and substance of statutory financial statements (which include, in statutory form, a balance sheet, income statement, a statement of capital and surplus, and notes thereto). The statutory financial statements include detailed information and analysis regarding premiums, claims, reinsurance and investments of the insurer.

Every insurer is also required to deliver to the BMA a declaration of compliance declaring whether or not that insurer has, with respect to the preceding financial year, (1) complied with the minimum criteria applicable to it, (2) complied with its MSM and ECR as at its financial year-end, (3) complied with the minimum liquidity ratio for general business as at its financial year-end, and (4) where an insurer's license has been issued subject to limitations, restrictions or conditions, that the insurer has observed such limitations, restrictions or conditions. The declaration of compliance must be signed by two directors and filed at the same time the insurer submits its statutory financial statements.

In January 2018, the BMA implemented a requirement for an alternative capital schedule to be filed for December 31, 2017 year-end filings and onwards. Argo Re is required to complete and file with the BMA this schedule with respect to any alternative capital structures. The BMA has confirmed that alternative capital is where insurers conduct business that is financed by a mechanism other than stockholders' capital of the (re)insurance company. This may take various forms such as catastrophe (cat) bonds, industry loss warranties, sidecars, collateralized reinsurers, longevity and mortality bond/swaps, hybrid securities such as preference shares, swaps, and contingent capital such as letters of credit, among others. The filings are confidential, but the BMA may produce valuable aggregate statistics for publication from the information provided in the filings.

Dividends and Distributions

The Company's future cash flows largely depend on the availability of dividends or other statutorily permissible payments from subsidiaries. The ability to pay such dividends is limited by the applicable laws and regulations of the various countries and states in which these subsidiaries operate, including, among others, Bermuda. The Company's ability to pay dividends and interest and to make dividends to stockholders is limited by the Companies Act. Under the Companies Act, the Company is prohibited from declaring or paying a dividend or making a distribution out of contributed surplus, if there are reasonable grounds for believing that (1) the company is, or would after the payment be, unable to pay its liabilities as they become due or (2) the realizable value of its assets would thereby be less than its liabilities.

The Insurance Act also prohibits Argo Re as a Class 4 insurer from declaring or paying any dividends during any financial year if it is in breach of its MSM or if the declaration or payment of such dividends would cause such a breach. Argo Re is also prohibited from declaring or paying as dividend where it has failed to comply with the ECR, until such noncompliance is rectified. Furthermore, under the Insurance Act, Argo Re shall not in any financial year pay dividends which would exceed 25% of its total statutory capital and surplus, as shown on its statutory balance sheet in relation to the previous financial year, unless it files (at least seven days before payment of such dividends) with the BMA an affidavit stating that it will continue to meet the required margins.

Any dividend payments paid to Argo Re becomes part of the capital and surplus of Argo Re, at which point further upward distribution to Argo Group is subject to Bermuda insurance and solvency regulations as discussed above.

In 2023, Argo Re did not pay any dividends to Argo Group. In 2022 and 2021, Argo Re paid cash dividends to Argo Group of $33.0 million and $85.0 million, respectively. The proceeds of the dividends were used to repay intercompany balances related primarily to the funding of dividend and interest payments and other corporate expenses.

Reduction of Capital

The Insurance Act provides that Class 4 insurers may not reduce their total statutory capital by 15% or more, as set out in its previous year's financial statements, unless they have received the prior approval of the BMA. Total statutory capital consists of paid in share capital, contributed surplus (sometimes called additional paid in capital) and any other fixed capital designated by the BMA as statutory capital.

Financial Condition Report

In May 2023, Argo Group filed its annual Financial Condition Report ("FCR"), for the year ended December 31, 2022, with the BMA and on Argo Group's public website (www.argolimited.com) in accordance with the Insurance (Public Disclosure) Rules 2015 pursuant to the Insurance Act. The purpose of this Financial Condition Report for Argo Group is to provide a public disclosure of the measures governing the Company's business operations, corporate governance framework, risk profile, solvency valuation, financial performance and capital management of significant events. The FCR is an annual filing which provides additional information to the public in relation to Argo Group's business model, which is also published on the Company's website within 14 days of being filed with the BMA. The FCR was used as the basis for compliance with the NAIC Corporate Governance Annual Disclosures ("CGAD") reporting requirements applying to Argo Group US, Inc. as a result of the passing of the CGAD Model Act.

The Personal Information Protection Act 2016

The Personal Information Protection Act 2016 ("PIPA") is the principal Bermuda legislation regulating the right to personal informational privacy. PIPA sections relating generally to the establishment, staffing, funding, and general powers of the Privacy Commissioner came into force on December 2, 2016. However, PIPA's remaining provisions have not been fully implemented and regulations under PIPA have not yet been provided.

Cyber Code and Reporting Events

In October 2020, pursuant to its powers under the Insurance Act, the Bermuda Monetary Authority (BMA) issued the Insurance Sector Operational Cyber Risk Management Code of Conduct ("Cyber Code") which applies to all registered insurers, insurance managers and intermediaries (i.e. agents, brokers, insurance market place providers registered under the Insurance Act) (each a "Regulated Entity"). The Cyber Code establishes the duties, requirements, standards, procedures and principles to be complied with in relation to operational cyber risk management. In issuing the Cyber Code, the BMA noted that cyber incidents can cause significant financial losses and/or reputational impact to registrants as well as their clients. The Cyber Code defines a 'cyber reporting event' as any act that results in the unauthorized access to, disruption, or misuse of the electronic systems or information stored on such systems of a Regulated Entity, including breach of security leading to the loss or unlawful destruction or unauthorized disclosure of or access to such systems or information, where (1) a cyber reporting event has the likelihood of adversely impacting policyholders or clients; (2) a Regulated Entity has reached a view that there is a likelihood that loss of its system availability will have an adverse impact on its insurance business; (3) a Regulated Entity has reached a view that there is a likelihood that the integrity of its information or data has been compromised and may have an adverse impact on its insurance business; (4) a Regulated Entity has become aware that there is a likelihood that there has been unauthorized access to its information systems whereby such would have an adverse impact on its insurance business; or (5) an event has occurred for which a notice is required to be provided to a regulatory body or government agency.

Every Regulated Entity shall, on coming to the knowledge, or where it has reason to believe, that a cyber reporting event has occurred, forthwith notify the BMA, in such manner as the BMA may direct. Within fourteen days of such notification, the insurer shall furnish the BMA with a report in writing setting out the specific details of the cyber reporting event that are available to it. The Cyber Code also provides that cyber risk policies and procedures must be in place and tested at least annually, allowing Regulated Entities to implement effective and coordinated business continuity

planning and disaster recovery planning. The board of directors of a Regulated Entity has oversight of the governance of cyber risk but must also appoint a senior executive for the role of the Chief Information Security Officer, whose role is to deliver and oversee the operational cyber risk management program.

The Cyber Code came into effect January 1, 2021, and Regulated Entities were required to be compliant by December 31, 2021.

In addition, the Insurance (Group Supervision) Amendment Rules 2022 were amended on April 4, 2022 (effective as of 1 January 2023) requiring Bermuda insurance groups to adopt a cyber program to be evidenced by such policies and documentation as the insurance group deems appropriate, based on the nature, scale and complexity of the group's business, systems and operation, and for insurance groups to report cyber reporting events to the BMA within 72 hours from determination of such an event occurring.

Climate Risk Reporting

On October 31, 2022, the BMA released its Guidance Notes - Management Of Climate Change Risks For Commercial Insurers (the "Climate Change Guidance Notes"). Commercial insurers, including Argo Re, will be expected to provide in their relevant year-end Own Risk and Solvency Assessment ("ORSA"), starting with their year-end 2022 ORSA, an assessment of their status regarding the implementation of an appropriate framework as well as an action plan that should indicate the appropriateness of policies, procedures and other relevant matters, such as governance by the insurer's board of directors and senior executives. In relation to the assessment,

review and monitoring of such risks, the framework and measures are to be adopted and fully operational on or before year-end 2025. The BMA expects continuous advancements and aims to monitor the progress of this regime by insurers via offsite data analysis and on-site visits from 2023 onwards.

Selected Other Bermuda Law Considerations

Although Argo Re is domiciled in Bermuda, it is designated as a non-resident of Bermuda for exchange control purposes by the BMA. Pursuant to its non-resident status, Argo Re may engage in transactions in currencies other than Bermuda dollars and there are no restrictions on its ability to transfer funds (other than funds denominated in Bermuda dollars) in and out of Bermuda or to pay dividends to non-Bermuda residents.

All Bermuda "exempted companies", such as the Company and Argo Re, are exempt from certain Bermuda laws restricting the percentage of share capital that may be held by non-Bermudians. However, Bermuda exempted companies may not, without the express authorization of the Bermuda legislature or under a license or consent granted by the Minister of Finance, participate in certain business transactions, including: (1) the acquisition or holding of land in Bermuda (except that held by way of lease or tenancy agreement which is required for its business and held for a term not exceeding 50 years, or which is used to provide accommodation or recreational facilities for its officers and employees and held with the consent of the Bermuda Minister of Finance, for a term not exceeding 21 years); (2) the taking of mortgages on land in Bermuda to secure an amount in excess of $50,000; or (3) the carrying on of business of any kind for which it is not licensed in Bermuda, except in certain limited circumstances such as doing business with another exempted undertaking in furtherance of its business (as the case may be) carried on outside Bermuda. Argo Re is a licensed insurer in Bermuda, and so may carry on activities from Bermuda that are related to and in support of its insurance business.

Unless a "general permission" applies, specific permission from the BMA is required for all issuances and transfers of securities of a Bermuda exempted company, pursuant to the provisions of the Exchange Control Act 1972 and related regulations, as amended. The BMA, in its policy dated June 1, 2005, provides that where any equity securities of a Bermuda company, which would include the shares of the Company, are listed on an appointed stock exchange (which includes the New York Stock Exchange), general permission is given for the issue and subsequent transfer of any securities of such company from and to a non-resident, for as long as any equity securities of such company remain so listed.

Economic Substance

The Economic Substance Act 2018, as amended (the "Substance Act") and the Economic Substance Regulations 2018, as amended (the "Substance Regulations" and, together with the Substance Act, the "ES Requirements") came into effect on December 31, 2018. Pursuant to the ES Requirements, a corporation, limited liability company or partnership (collectively, a "registered entity") conducting a relevant activity (discussed below) will satisfy the ES Requirements if such entity is managed and directed in Bermuda, core income generating activities related to the relevant activity are undertaken in Bermuda, such entity maintains adequate physical premises in Bermuda, there is an adequate number of full time employees in Bermuda (all with suitable qualifications), and operating expenditures incurred in Bermuda are adequate in relation to the relevant activity. For the purposes of the ES Requirements, the relevant activities are banking, insurance, fund management, financing and leasing, maintaining a headquarters, shipping, distribution and service centers, maintaining a holding entity and intellectual property. Any entity that is subject to the ES Requirements is required to file, on an annual basis, an economic substance declaration form with the Bermuda Registrar of Companies, confirming that the entity complies with the ES Requirements. Any entity that fails to satisfy the ES Requirements could face automatic disclosure to competent authorities, in each jurisdiction in which its owners or beneficial owners is incorporated, formed, registered or resident, of the information filed by the entity with the Bermuda Registrar of Companies in connection with the ES Requirements and may also face financial penalties, restriction or regulation of its business activities and/or may be struck off as a registered entity in Bermuda.

Anti-Bribery

The Bermuda Bribery Act 2016 (the "Bribery Act") became operative on September 1, 2017. The Bribery Act is largely based on the U.K.'s Bribery Act 2010, and aims to provide a modern and comprehensive scheme of bribery offenses in order to allow investigators, prosecutors and the courts to tackle bribery effectively, whether committed in Bermuda or overseas. The Bribery Act applies to any Bermuda individuals, or incorporated companies or other corporate entities (including partnerships) conducting business, whether in or outside of Bermuda, and any non-Bermuda incorporated companies, corporate entities (including partnerships) or individuals conducting business in Bermuda.

United States

State Insurance Regulation

Argo Group US, Inc.'s insurance subsidiaries are subject to the supervision and regulation of the states in which they are domiciled. We currently have 9 insurance companies domiciled in 5 states (the "U.S. Subsidiaries"). Argo Group US, Inc., as the direct and indirect parent of the U.S. Subsidiaries, is subject to the insurance holding company laws of Illinois, New York, Pennsylvania and Virginia. These laws generally require each of the U.S. Subsidiaries to submit annual holding company registration statements to its respective domestic state insurance departments and to furnish annual financial and other information about the operations of the companies within the holding company group, including the filing of an ORSA Summary Report with the Illinois Director of Insurance, as the lead state regulator. In order to assess the business strategy, financial position, legal and regulatory position, risk exposure, risk management, and governance processes, the Illinois Director of Insurance may choose to participate in the annual supervisory college with other regulators who are interested in the supervision of an Illinois domestic insurer or its affiliates, including other state, federal, and international regulatory agencies. Generally, all material transactions among companies in the holding company group to which any of the U.S. Subsidiaries is a party, including sales, loans, reinsurance agreements and service agreements, must be fair and, if material or of a specified category, require prior notice and approval by the insurance department where the subsidiary is domiciled. Transfers of assets among such affiliated companies, certain dividend payments from insurance subsidiaries and certain material transactions between companies within the holding company group may be subject to prior notice to, or prior approval by, state regulatory authorities. Such supervision and regulation are intended to primarily protect our policyholders. Matters relating to authorized lines of business, underwriting standards, financial condition standards, licensing of insurers, investment standards, premium levels, policy provisions, the filing of annual and other financial reports prepared on the basis of Statutory Accounting Principles, the filing and form of actuarial reports, dividends and a variety of other financial and non-financial matters are also areas that are regulated and supervised by the states in which each of our U.S. Subsidiaries are domiciled.

Cyber Regulations

The New York Department of Financial Services ("NYDFS") issued Cybersecurity Regulations for Financial Services Companies that require certain parts of Argo Group's insurance operations to, among other things, establish and maintain a cybersecurity policy, a cybersecurity breach incident response process and to designate a Chief Information Security Officer.

The National Association of Insurance Commissioners ("NAIC") adopted the Insurance Data Security Model Law in October 2017 ("Model Law"). The purpose of this Model Law is to establish recommended standards for data security and for the notification to insurance commissioners of cybersecurity incidents involving unauthorized access to, or the misuse of, certain non-public information. It also requires annual compliance reporting obligations. Two of the states where Argo Group subsidiaries are domiciled have implemented insurance related data security laws modeled after the NAIC Model Law. Virginia's Insurance Data Security Act was passed on March 11, 2020 and most of its key provisions were effective on July 1, 2020.

The Virginia Consumer Data Protection Act ("VCDPA") was passed on March 2, 2021 and became effective in January 2023. The VCDPA grants consumers rights over their personal information and requires businesses to establish, implement, and maintain reasonable security practices with respect to personal information of Virginia consumers it has collected. The VCDPA defines a consumer as a resident of Virginia only if acting in an individual or household context, and it specifically excludes a natural person acting in a commercial or employment context. It also specifically exempts financial institutions or data subject to the Gramm-Leach-Bliley Act.

The Illinois Personal Information Protection Act ("IL PIPA") requires organizations with the personal information of Illinois residents to implement and maintain reasonable security measures to protect data from unauthorized access, acquisition, destruction, use, modification, or disclosure. It also requires organizations that own or license personal information to notify Illinois residents of a breach to their computerized data in expedient time without unreasonable delay. The IL PIPA was amended effective January 1, 2020, to require organizations to notify the Illinois Attorney General's office in the case of certain data breaches.

The California Consumer Privacy Act ("CCPA") enhances privacy rights and consumer protection for residents of California who are consumers. It also requires that companies who collect such consumer personal information implement reasonable security measures to protection that information. The CCPA provides for an exemption for personal information that is collected from business contacts in the context of business-to-business transactions. It also exempts personal information collected pursuant to the Gramm-Leach-Bliley Act.

For a discussion of our risk management strategies and governance over cyber threats, please refer to Item 1C- Cybersecurity.

Guaranty Associations

Our licensed U.S. Subsidiaries are participants in the statutorily created insolvency guaranty associations in all states where they are licensed carriers. These associations were formed for the purpose of paying for the return of unearned premium and loss claims of licensed insolvent insurance companies. The licensed U.S. Subsidiaries are assessed according to their pro rata share of such claims based upon their written premiums, subject to a maximum annual assessment per line of insurance. The cost of such assessments may be recovered, in certain jurisdictions, through the application of surcharges on future premiums. Non-admitted business is neither supported by nor subject to guaranty assessments.

Dividends

All of the U.S. Subsidiaries are subsidiaries of Argo Group US, Inc., meaning that any dividends from the U.S. Subsidiaries are payable in the first instance to Argo Group US, Inc. prior to being passed upward as dividends to Argo Group's parent company. The ability of our U.S. Subsidiaries to pay dividends is subject to certain restrictions imposed by the jurisdictions of domicile that regulate our U.S. Subsidiaries and each such jurisdiction's limitations upon the amount of dividends that an insurance company may pay without the approval of its insurance regulator.

Argo Group US, Inc. may receive dividends from its direct subsidiaries: Argonaut Insurance Company ("Argonaut") and Rockwood. Rockwood paid a dividend to Argo Group US, Inc. of $21.3 million in the second half of 2023. During 2024, Argonaut is permitted to pay dividends up to $120.7 million without approval from the Illinois Division of Insurance, based on the application of the Illinois ordinary dividend calculation. During 2024, Rockwood is permitted to pay ordinary dividends up to $25.0 million with prior approval from the Pennsylvania Department of Insurance. Business and regulatory considerations may impact the amount of dividends actually paid, and prior regulatory approval of extraordinary dividend payments is required.

State laws require prior notice or regulatory approval of direct or indirect changes in control of an insurer, reinsurer or its holding company, and certain significant inter-corporate transfers of assets within the holding company structure. An investor, who acquires or attempts to acquire shares representing or convertible into more than 10% of the voting power of the securities of Argo Group, would become subject to at least some of these laws. This would require approval from the five domiciliary regulators of the U.S. Subsidiaries prior to acquiring such shares and would be required to file certain notices and reports with the five domiciliary regulators prior to such acquisition.

The Terrorism Risk Insurance Program Reauthorization Act

On November 26, 2002, the President of the United States signed into law the Terrorism Risk Insurance Act of 2002 ("TRIA"). On December 20, 2019, the President of the United States signed into law the Terrorism Risk Insurance Program Reauthorization Act of 2019, which extends TRIA through December 31, 2027. Under TRIA, commercial insurers are required to offer insurance coverage against terrorist incidents and are reimbursed by the federal government for paid claims subject to deductible and retention amounts. TRIA, and its related rules, contain certain definitions, requirements and procedures for insurers filing claims with the Treasury for payment of the Federal share of compensation for insured losses under the Terrorism Risk Insurance Program ("TRIP"). TRIP is a temporary federal program that has been extended by TRIA to provide for a transparent system of shared public and private compensation for insured losses resulting from acts of terrorism. The Treasury implements the program. On June 29, 2004, the Treasury issued a final Claims Procedures Rule, effective July 31, 2004, as part of its implementation of Title I of TRIA. TRIA also contains specific provisions designed to manage litigation arising out of, or resulting from, a certified act of terrorism, and on July 28, 2004, the Treasury issued a final Litigation Management Rule for TRIA. The Claims Procedures Rule specifically addresses requirements for Federal payment, submission of an initial notice of insured loss, loss certifications, timing and process for payment, associated recordkeeping requirements, as well as the Treasury's audit and investigation authority. These procedures will apply to all insurers that wish to receive their payment of the Federal share of compensation for insured losses under TRIA.

Additional materials addressing TRIA and TRIP, including Treasury issued interpretive letters, are contained on the Treasury's website.

European Union (E.U.)

The SII regulatory regime in the E.U., imposes solvency and governance requirements across all 27 E.U. Member States.

SII, imposes economic risk-based solvency requirements across all 27 European Member States and consists of three pillars: (1) Pillar I - quantitative capital requirements, based on a valuation of the entire balance sheet; (2) Pillar II - qualitative regulatory review, which includes governance, internal controls, enterprise risk management and supervisory review process; and (3) Pillar III - market discipline, which is accomplished through reporting of the insurer's financial condition to regulators.

Argo Group's E.U. operations ArgoGlobal Assicurazioni are required to comply with SII. With the U.K.'s withdrawal from the E.U. the U.K. Government is in the process of seeking views on reforming the prudential regulation of the U.K. insurance sector and has commenced a review of SII.

On February 2, 2023, the Company completed the sale of the entire issued share capital of AUA, which includes Argo Group's Lloyd's Managing Agency and Argo Managing Agency Limited.

United Kingdom Withdrawal from the E.U.

On June 23, 2016, the U.K held a referendum in which voters approved an exit from the E.U., commonly referred to as "Brexit." As a result of the referendum, the U.K. formally exited the E.U. on January 31, 2020, pursuant to a withdrawal agreement between the U.K. government and the E.U.

On December 24, 2020, the U.K. and the E.U. announced that they had struck a new bilateral trade and cooperation deal governing the future relationship between the U.K. and the E.U. (the "E.U.-U.K. Trade and Cooperation Agreement"), which took effect from January 1, 2021. The E.U.-U.K. Trade and Cooperation Agreement contains limited provisions on financial services, leaving trade to be managed through mutual unilateral equivalence decisions. A Memorandum of Understanding ("MoU") on regulatory cooperation was entered into by the U.K. and the E.U. in March 2021, although the text of the MoU has not been published, and ratification is subject to further agreement between the EU and the UK, which may not be forthcoming. As of December 31, 2022, the U.K. had granted the E.U. 27 permanent equivalence decisions that provide E.U. nations access to the U.K. financial markets. The E.U. has yet to make equivalence decisions for the U.K. As a result, U.K. firms' access to the E.U. markets depend on the rules each member state applies to third country businesses.

On February 2, 2023, the Company completed the sale of the entire issued share capital of AUA, which includes Argo Group's Lloyd's Managing Agency and Argo Managing Agency Limited.

Italy

ArgoGlobal Assicurazioni is an authorized insurance entity domiciled in Italy. It is authorized by the IVASS to operate the business of insurance under ISVAP n. 2581 as of January 21, 2008. ArgoGlobal Assicurazioni is enrolled in the Register of Insurance Companies under n. 1.00163. In addition, ArgoGlobal Assicurazioni is subject to regulation in Italy. When payable, dividends from ArgoGlobal Assicurazioni are subject to applicable laws and regulations in Italy.

General Data Protection Regulations (E.U.)

In the E.U., the General Data Protection Regulation (the "GDPR") came into force on May 25, 2018. Argo Group is subject to the applicable requirements of GDPR in regards the collection of personal information related to the provision of our services and products within the E.U. or the collection and processing of personal information from residents of the E.U.

United Kingdom

On February 2, 2023, the Company completed the sale of the entire issued share capital of AUA, which includes Argo Group's Lloyd's Managing Agency and Argo Managing Agency Limited.

Argo Managing Agency Limited was a Lloyd's managing agent that managed Syndicate 1200 ("S1200") and Special Purposes Arrangement 6117 ("SPA6117"). In 2020 Argo Group divested its interest in the Ariel Re business including S1910. As of October 2022, S1910 was managed by Ariel Re.

Financial Services and Markets Act 2000 (including Amendments) and The Financial Services Act 2012

The Financial Services and Markets Act 2000 (including Amendments) and the Financial Services Act 2012 provide regulators with comprehensive powers to counter future risks to financial stability and to ensure that consumers are treated fairly.

The Bank of England has macro-prudential responsibility for oversight of the financial system and, through the Prudential Regulation Authority ("PRA"), for day-to-day prudential supervision of financial services firms managing significant balance-sheet risk. The Financial Conduct Authority ("FCA") protects consumers, promotes competition and ensures integrity in markets.

PRA and FCA Regulations

Argo Managing Agency Limited, managing agent of S1200 and SPA6117 was authorized by the PRA and regulated by the PRA and the FCA, as well as being supervised by Lloyd's. The PRA, FCA and Lloyd's have common objectives in ensuring that the Lloyd's market and participants in the Lloyd's market are appropriately regulated. To minimize duplication, there are arrangements with Lloyd's for co-operation on supervision and enforcement. Both the PRA and FCA have substantial powers of intervention in relation to the Lloyd's Managing Agents (such as Argo Managing Agency Limited) that they regulate, including the power to remove their authorization to manage Lloyd's Syndicates. In addition, each year the PRA requires Lloyd's to satisfy an annual solvency test that measures whether Lloyd's has sufficient assets in the aggregate to meet all outstanding liabilities of its members, both current and run-off. If Lloyd's fails this test, the PRA may require Lloyd's to cease trading and/or its members to cease or reduce underwriting.

Data Protection Act 2018 (U.K.)

Following Brexit, the U.K. GDPR and the Data Protection Act 2018 ("DPA2018") are now the U.K.'s standalone data protection laws. The DPA2018 adds requirements that fall outside the U.K. GDPR's scope, such as processing by law enforcement and intelligence services. Argo Group is subject to the applicable requirements of the U.K. GDPR and DPA2018 related to provision of our services and products within the U.K., or the collection and process of personal information from residents of the U.K.

On June 28, 2021, the European Commission published an adequacy provision for the U.K., which allows for the transfer of personal information from the E.U. to the U.K.

Reinsurance

As is common practice within the insurance industry, Argo Group's insurance subsidiaries transfer a portion of the risks insured under their policies by entering into a reinsurance treaty with another insurance or reinsurance company. Purchasing reinsurance protects carriers against the frequency and/or severity of losses incurred on the policies they issue, such as an unusually large individual claim or serious occurrence in which a number of claims on one policy aggregate to produce an extraordinary loss or where a catastrophe generates a large number of claims on multiple policies at the same time. As a specialty reinsurer, we purchase a broad-based series of reinsurance programs in an effort to mitigate the risk of significant capital deterioration, as well as to minimize the volatility of earnings against the impact of a single, large catastrophe or several smaller, but still significant catastrophe events.

Reinsurance does not discharge the issuing primary carrier from its obligation to pay a policyholder for losses insured under its policy. Rather, the reinsured portion of each loss covered under a reinsurance treaty is ceded to the assuming reinsurer for reimbursement to the primary carrier. Because this creates a receivable owed by the reinsurer to the ceding carrier, there is credit exposure to the extent that any reinsurer is unable or unwilling to meet the obligations assumed under its reinsurance treaty. The ability to collect on reinsurance is subject to the solvency of the reinsurers, interpretation of contract language and other factors. We are selective in regard to our reinsurers, seeking out those with stronger financial strength ratings from A.M. Best or S&P. However, the financial condition of a reinsurer may change over time based on market conditions. We perform credit reviews on our reinsurers, focusing on a number of criteria including, but not limited to, financial condition, stability, trends and commitment to the reinsurance business. In certain instances, we also require deposit of assets in trust, letters of credit or other acceptable collateral. This would be to support balances due from reinsurers whose financial strength ratings fall below a certain level or who transact business on a non-admitted basis in the case of the U.S. insurance entities in the state where the reinsured subsidiary is domiciled, or who provide reinsurance only on a collateralized basis.

At December 31, 2023, Argo Group's reinsurance recoverable balance totaled $2,959.3 million. There was no allowance for estimated uncollectible reinsurance at December 31, 2023. The following table reflects the credit ratings for our reinsurance recoverable balance at December 31, 2023:

(in millions) **Ratings per A.M. Best**	**2023** **Reinsurance Recoverables**	**% of Total**
Reinsurers rated A+ or better	$ 1,354.8	45.8 %
Reinsurers rated A	792.4	26.8 %
Reinsurers rated A-	130.1	4.4 %
Reinsurers rated below A- or not rated [1]	682.0	23.0 %
	$ 2,959.3	100.0 %

[1] On November 9, 2022, the U.S. Loss Portfolio Transaction ("U.S. LPT") with a wholly-owned subsidiary of Enstar Group Limited ("Enstar") covering a majority of the Company's U.S. casualty insurance reserves, including construction, for accident years 2011 to 2019 closed. On the closing date, the Company transferred cash and investments to Enstar a portion of which was deposited into a trust established to secure Enstar's claim payment obligation to the Company. As such, our reinsurance recoverable with Enstar, which is not a credit rated reinsurer, is contractually required to be fully collateralized.

The top 10 reinsurers accounted for $1,538.8 million, or approximately 52.0%, of the reinsurance recoverable balance as of December 31, 2023. One reinsurer in our top 10 is not rated A or higher, but is required to fully collateralize any ceded reserves. Management has concluded that all balances are considered recoverable as of December 31, 2023.

Additional information relating to our reinsurance activities is included under Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 6, "Reinsurance," in the Notes to the Consolidated Financial Statements.

Reserves for Losses and Loss Adjustment Expenses

Argo Group records reserves for specific claims incurred and reported, as well as reserves for claims incurred but not reported ("IBNR"). The estimates of losses for reported claims are established on an individual case basis based on management's reasonable judgment. Such estimates are based on our particular experience with the type of risk involved and our knowledge of the circumstances surrounding each individual claim. Reserves for reported claims consider our estimate of the ultimate cost to settle the claims, including investigation and defense of the claim, and may be adjusted for differences between costs originally estimated and costs re-estimated or incurred.

Reserves for IBNR claims are based on the estimated ultimate cost of settling claims, including the effects of inflation and other social and economic factors, using past experience adjusted for current trends and any other factors that would modify past experience. We use a variety of statistical and actuarial techniques to analyze current claims costs, including frequency and severity data and prevailing economic, social and legal factors. Reserves established in prior years are adjusted as loss experience develops and new information becomes available. In determining loss reserves, we give careful consideration to all available data and applicable actuarial analyses including expected loss ratios, loss development factors, settlement patterns and the weighting of actuarial methodologies.

The estimate of reinsurance recoverables related to reported and unreported losses and loss adjustment expenses represent the portion of the gross liabilities that are anticipated to be recovered from reinsurers. Amounts recoverable from reinsurers are recognized as assets at the same time as, and in a manner consistent with, the estimate of the gross losses covered by the reinsurance agreement.

We are subject to and establish estimates for claims arising out of catastrophes that may have a significant effect on our business, results of operations and/or financial condition. Catastrophes can be caused by various events, including, but not limited to, hurricanes, windstorms, earthquakes, hailstorms, explosions, power outages, severe winter weather, fires, global health pandemics and man-made events, such as terrorist attacks.

We have discontinued underwriting certain lines of business; however, we are still obligated to pay losses incurred on these lines. Certain lines currently in run-off are characterized by long elapsed periods between the occurrence of a claim and any ultimate payment to resolve the claim. Included in Run-off Lines are claims related to asbestos and environmental liabilities arising out of liability policies primarily written in the 1960s, 1970s and into the early 1980s with a limited number of claims occurring on policies written in the early 1990s. Business formerly written in our risk-management business is also classified in Run-off Lines. Additional discussion on Run-off Lines can be found under Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and Note 8, Run-off Lines, in the Notes to the Consolidated Financial Statements.

Additional information relating to our loss reserve development is included under Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, and Note 7, “Reserves for Losses and Loss Adjustment Expenses”, in the Notes to Consolidated Financial Statements.

Investments

Our investment portfolio is designed to ensure adequate liquidity for the prompt payment of our obligations, including any potential claims payments. To ensure adequate liquidity for payment of claims, we broadly seek to match the profile of our invested assets with those of our liabilities. We consider liquidity, anticipated duration, and the currency of our liabilities when making investment decisions. To meet our liquidity needs, our bond portfolio consists primarily of investment grade, fixed-maturity securities. As of December 31, 2023, fixed maturities, along with cash and short-term investments, represented 89.1% of our total investments and cash equivalents.

In an effort to meet business needs and mitigate risks, our investment guidelines provide restrictions on our portfolio’s composition, including issuer limits, sector limits, credit quality limits, portfolio duration, limits on the amount of investments in approved countries and permissible security types. Our investment managers may invest some of the investment portfolio in currencies other than the U.S. dollar based on where our business is underwritten, the currency in which our loss reserves are denominated and regulatory requirement.

The performance of our investment portfolio is subject to a variety of risks, including risks related to general economic conditions, market volatility, interest rate fluctuations, currency fluctuations, liquidity risk and credit and default risk. Investment guideline restrictions have been established in an effort to minimize the effect of these risks but may not always be effective due to factors beyond our control. A significant change in interest rates could result in losses, realized or unrealized, in the value of our investment portfolio. Additionally, with respect to some of our investments, we are subject to prepayment and reinvestment risk. Certain investments are subject to restrictions on sale, transfer and redemption, which may limit our ability to withdraw funds or realize gains on such investments for some period of time after our initial investment. The values of, and returns on, such investments may also be more volatile. We also have exposure to credit risk in our investment holdings. Our risk management strategy and investment policy attempts to mitigate this risk by primarily investing in debt instruments of high credit quality issuers, limiting credit concentration, monitoring the credit quality of issuers and counterparties and diversifying issuers.

Our Board of Directors (the “Board”) has approved an Investment Policy Statement that outlines a Strategic Asset Allocation (“SAA”), which serves to govern our investment activity. The Board regularly monitors our overall investment results, alignment with our SAA, and ultimate compliance with investment objectives.

Effective November 16, 2023, an affiliate of Brookfield Asset Management Ltd. was hired as our investment manager to oversee our portfolio. Brookfield operates under guidelines, which support the SAA.

Additional information relating to our investment portfolio is included under Item 7A, “Quantitative and Qualitative Disclosures about Market Risk,” and Note 3, “Investments,” in the Notes to Consolidated Financial Statements.

Human Capital Management

Company Culture and Core Values

We believe that developing a strong corporate culture is an important component of our human capital management practices and critical to our long-term success. Our culture is underpinned by four core values that unify our workforce: entrepreneurial spirit, doing the right thing, collaborating, and respecting each other. Our Code of Conduct, and Business Ethics and related training programs, policies and procedures help ensure our commitment to living our values every day.

Employees

As of December 31, 2023, we had 909 employees, of which 900 were full-time employees. Approximately 841 were employed in the U.S. and 59 were employed in foreign countries including Bermuda, Italy and the U.K. Additionally, we utilize independent contractors and temporary personnel to supplement our workforce. With the closing of the sale of our Brazilian operations on February 15, 2022, we now have only a small percentage of our employee population who are unionized, all of whom are in Italy. Based on feedback received from employees, including as a result of our ongoing pulse surveys, evidence indicates they have a high rate of satisfaction with Argo.

As of December 31, 2023, our employees had the following self-identified gender demographics:

	Women	Men
Total Full-Time Employees	57%	43%

As of December 31, 2023, 92% of employees chose to voluntarily disclose their race and/or ethnicity to us, of which 28% self-identified as being part of an ethnic and/or racial minority group.

Diversity and Inclusion

Argo Group is committed to fostering, cultivating, and preserving a diverse and inclusive culture that reflects and contributes to the diverse communities where we conduct our business. Argo Group is committed to ensuring that its employees feel comfortable bringing their authentic selves to work, are confident in being treated respectfully, and have equal opportunities to be successful. We believe that embracing our differences is critical to driving innovation and business results, and that some of the greatest ideas come from a diverse mix of minds, cultures, and experiences.

Our three key diversity and inclusion (“D&I”) priorities to advance our diverse and inclusive culture are:

- leadership commitment to D&I initiatives;
- supporting and nurturing an inclusive culture; and
- building and maintaining a diverse workforce.

Our Board-approved D&I Policy outlines the roles and responsibilities of key participants, including our executive sponsors, the D&I Committee, and our Employee Resource Groups (“ERGs”). Our D&I Committee is comprised of executive leaders who champion the adoption and implementation of D&I initiatives throughout Argo Group. The D&I Committee oversees the development of corporate D&I strategies and initiatives, evaluates the progress of the D&I program against defined metrics and provides education and training to deepen and develop personal understanding of diversity and inclusion. We also provide our employees the opportunity to participate in training programs focused on creating a respectful workplace as well as other courses to further educate employees on diversity-related issues. In the last 3 years, 98% of our managers completed Respectful Workplace training and the entire workforce received additional D&I training resulting in more than 2700 hours of training on a wide range of topics, including inclusion, retaliation, harassment, discrimination, unconscious bias, bullying and ethical standards. Argo also has 8 custom Degreed Learning Pathways on D&I topics sponsored by Employee Resource Groups. 100% of employees completed Harassment training in 2022 and to date in 2023, 87% of employees have completed Harassment training. Argo also has 8 custom Degreed Learning Pathways on D&I topics sponsored by Employee Resource Groups.

As a part of our D&I strategy, we continue investing in our eight voluntary ERGs to support our cultural values, drive our D&I priorities, promote belonging and allyship, and foster our commitment to build an inclusive and diverse work environment. Executive leaders sponsor each of our ERGs. We also communicate the importance of, and our commitment to, D&I through our periodic town halls and quarterly D&I newsletter. In 2023, Argo Group hosted 10 live, virtual events promoting D&I and other issues on topics such as: The Power of Diversity, Working Families, Heroes at Work, Talking about Pronouns in the Workplace and Everyplace, Promoting Career Opportunities for all Socioeconomic status’, Learning About Disabilities and more. In addition, Argo sponsored a structured 6-month peer mentorship pilot program called Inclusion 360 for 100 employees focused on D&I related topics. Participant results from the program indicated 92% reported feeling “encouraged to speak up and share their thoughts and ideas” and 81% feel they “have a strong network of diverse peers within their organization”.

We are committed to cultivating an inclusive workplace where there are equal opportunities for all employees to be successful. We are committed to pay parity to ensure employees in the same job and location are paid fairly regardless of their gender. As part of this commitment, we have implemented a company-wide career and compensation framework to help provide consistent pay for similar work, enabling us to compare jobs more accurately across the organization and ensure our compensation practices are fair and equitable.

Recruitment and Retention

Argo Group is focused on recruiting diverse individuals with various professional backgrounds, interests, and levels of expertise. We seek individuals with unique experiences and skill sets to complement and enhance our current workforce. We seek to look at a diverse slate of candidates for open roles and, when interviewing, we seek a diverse representation of interviewers for panel interviews. We recruit through a variety of channels, including professional partnerships, job fairs, online platforms, and diversity-related recruiting events and initiatives. In addition, our talent

acquisition team hosted five LinkedIn Live sessions promoting inclusion and diversity, and we are actively partnering with a variety of organizations, such as the National African American Insurance Association and Gamma Iota Sigma, to help source a diverse talent pipeline. In addition, we partner with Circa Diversity Jobs to post jobs on 600+ domains and 9 diversity focused niche sites. The outreach is to 15,000+ local community organizations. Open jobs are matched and automatically emailed daily to a community of organization contacts including women, people of color, older workers, veterans, workers with disabilities and more.

Our ongoing commitment to internal and external talent development, diversity and inclusion, career opportunities and positive employee engagement plays a critical role in our employee retention plan. We regularly monitor and evaluate turnover metrics to ensure we are responsive to the evolving and competitive market for top talent.

Employee Development

We are committed to developing our employees through a series of professional and personal growth experiences. We develop our talent, deepen our employees' skills, and provide growth opportunities. We emphasize experiential learning through challenging assignments and stretch opportunities. In addition, one of our core values is collaboration and our employees learn through mentoring, feedback and on the job training which supports stronger relationships with colleagues. We also offer formal learning through a robust online learning platform to accommodate various schedules and diverse learning styles. Our employees also benefit from reimbursement of qualified tuition and education-related fees (including professional and industry designations).

We encourage our employees to be innovative through two platforms: first, our innovation council, which provides employees the chance to present and discuss business opportunities relating to a rotating list of topics currently focused on digital environments, supply chains and sustainability, and second our innovation platform, which encourages all employees to participate in stretch assignments, share their ideas to drive efficiency, reduce expenses, and/or solve for emerging risks in the insurance industry. Our annual talent review and performance management processes highlight key areas of development for all employees.

Employee Engagement

We value the opinions and diverse perspectives of our employees and utilize the feedback we receive throughout the year to help develop many of our programs, policies, and benefits. We measure employee engagement by conducting a confidential annual enterprise-wide employee pulse survey performed by a third-party platform. In addition, in 2023 we also implemented one dozen employee ecosystem pulse survey points utilizing the same third-party platform. These surveys are backed by nearly 10 million benchmark data points and are designed to provide management with transparent, actionable insights into employee engagement, well-being, and a sense of inclusion.

In 2023, our engagement score was stronger than 2022 by 3 points at 77 as compared to a global benchmark of 73. Our participation rate was 77% against a global benchmark of 75% as measured by our third-party vendor. Summary results were shared with all employees (additional custom detail and training shared with managers) and the feedback was used to steer our continuous improvement efforts. Employees gave the Company high ratings for a "discrimination-free," respectful workplace with clear priorities that enables a culture accepting authentic expression.

The survey also reaffirmed our decision to focus on continued employee experience improvement with employee sentiments guiding areas of focus such as company and career prospects for the future and continued focus on transparency of our career and compensation framework. These areas are especially important given the ongoing transformation of the Company.

Employment Benefits (Total Rewards)

Argo Group is committed to a pay-for-performance culture that allows for competitive market-based overall compensation. In 2020, we completed a comprehensive assessment of our pay practices for all employees, including the review of short- and long-term incentive programs, that resulted in:

- increased pay transparency;
- more consistency and clarity around pay decisions;
- clear career paths for employees; and
- a thorough understanding of our pay-for-performance compensation philosophy.

Our total rewards program includes a comprehensive benefits package, such as:

- flexible workplace options, including new unpaid sabbaticals and flexible work options;
- education benefits, including tuition reimbursement and education bonuses;
- wellness program;
- paid parental and caregiver leave programs;
- an employee assistance program; and
- a retirement savings plan.

Health and Safety

The health and safety of our employees is our highest priority. We regularly provide workplace safety training to our employees and share best practices for a safe work environment. Ongoing courses include Mental Health Forums, Security Awareness, Code of Conduct Best Practices, Respectful Workplace, Sexual Harassment Awareness, Whistleblowing, Anti-Fraud and Phishing Awareness and Prevention.

Our benefits are also designed to help protect the well-being of employees and their families. We encourage our employees to stay healthy by offering opportunities to learn about wellness and participate in activities that foster a healthy lifestyle.

Succession Planning

Succession planning is a critical component to our talent management strategy and our continued success as an organization. On an ongoing basis, management conducts a talent and succession plan for our senior executive team and other critical roles in the organization (both for permanent succession and for temporary succession in the event of an emergency or other short-term event). On an annual basis, our Board also receives a comprehensive succession plan for each member of our senior executive team. In 2023, we executed our succession plans in connection with the departure of the Inland Marine and Surety teams, which helped enable us to facilitate a smooth transition.

Further Information

For more information on our human capital including our commitments, goals, initiatives and progress, as well as our employee demographics, refer to our ESG Report on our website, www.argolimited.com, under the heading "Investors." The information on our Investors webpage, our ESG Report, and any other information on our website that we may refer to herein is not incorporated by reference into, and does not form any part of, this report.

Corporate Information

On November 30, 2023, after completing the Merger on November 16, 2023, resulting in the Company surviving as an indirect wholly-owned subsidiary of Brookfield Reinsurance on November 16, 2023, we changed our jurisdiction of incorporation from Bermuda to the State of Delaware in the United States of America. Argo Group International Holdings, Ltd. discontinued as a Bermuda exempted company pursuant to Section 132G of the Companies Act 1981 of Bermuda and, pursuant to Section 388 of the General Corporation Law of the State of Delaware (the "DGCL"), continued its existence under the DGCL as a corporation organized in the State of Delaware. This transaction is referred to as the "Redomestication."

In connection with the Redomestication, the Company changed its name from Argo Group International Holdings, Ltd. to Argo Group International Holdings, Inc. and adopted a new Certificate of Incorporation and Bylaws, copies of which are filed herewith as Exhibits 3.3 and 3.4, respectively. The business of the Company and its subsidiaries were the same immediately after the Redomestication as they were immediately prior to the Redomestication.

We maintain a registered office in Delaware at Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808. Our executive offices are maintained at 501 7th Avenue, 7th Floor, New York, New York 10018, and our telephone number is +1 (210) 321-8400.

Available Information

We file annual, quarterly and current reports, proxy statements and other information and documents with the U.S Securities and Exchange Commission ("SEC"), which are made available at www.sec.gov. We make available free of charge on our website our annual report on Form 10-K, quarterly reports on Form 10-Q, interactive data files, current reports on Form 8-K and amendments to those reports filed with or furnished to the SEC pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 ("Exchange Act") as soon as reasonably practical after we electronically file them with or furnish them to the SEC. General information about us can be found on our website at www.argolimited.com. The information contained on our website is not included as a part of, or incorporated by reference into, this Form 10-K and such web addresses are provided as textual references only. Our Code of Conduct and Business Ethics applies to all of our Board members, officers, third-party providers and employees, including our principal executive officer, principal financial officer and principal accounting officer. Any of the above documents will be provided without charge upon written request to Investor Relations, 501 7th Avenue, 7th Floor, New York, New York 10018 or by telephone (210) 321-8400. All such documents are also physically available at our principal office at 501 7th Avenue, 7th Floor, New York, New York 10018.

Item 1A. Risk Factors

Summary of Risk Factors

Our operations and financial results are subject to various risks and uncertainties, including those described below, that could adversely affect our business, financial condition, results of operations, cash flows, and the trading price of our securities. Investors should carefully consider these risks, along with the other information included in this Form 10-K and in our other filings with the SEC, before making an investment decision regarding our securities. There may be additional risks of which we are currently unaware or that we currently consider immaterial. All of these risks could have a material adverse effect on our financial condition, results of operations and/or value of our securities.

- **Insurance Underwriting Risks**. Insurance underwriting risks include risks related to adverse changes in the value of insurance liabilities, including risks related to an excess or shortage of underwriting capacity, unexpected changes in the claims, legal or social environment, changes to distribution channels, sufficiency of reserves, our ability to compete effectively, and breach of the obligations of our agents.

- **Operational Risks.** Operational risks include risks related to employee retention and changes in key personnel, strategies and processes to mitigate insurance risks, ineffective internal controls, information technology, failure to protect confidential information and outsourcing relationships.

- **Financial Risks.** Financial risks cover our market, credit, investment and liquidity risks, which include risks related to the performance of Argo Group's investment portfolio as well as risks related to the performance of financial markets, economic and political conditions, foreign currency fluctuations, impairments in goodwill and investments, performance of counterparties, and the availability of reinsurance.

- **Strategic Risks.** Strategic risks include risks related to Argo Group's inability to implement appropriate business plans and strategies, and include risks related to the macroeconomic environment, risk-based capital requirements, the Company's debt, holding company structure, ratings and strategic transactions.

- **Reputational Risks.** Reputational risks include risks related to the risk of potential loss through a deterioration of Argo Group's reputation, and include risks related to potential violations of sanctions, anti-corruption or AML regulations, activist stockholder actions and other investor and stakeholder actions.

- **Legal, Regulatory and Litigation Risks.** Legal, regulatory and litigation risks include risks related to the outcome of legal and regulatory proceedings, including regulatory constraints on Argo Group's business, such as constraints imposed on our Bermuda, U.S., or other subsidiaries, risk-based capital and solvency requirements, the outcome of legal proceedings, and limitations on a potential change of control due to Argo Group's corporate structure.

- **Taxation Risks**. Taxation risks include risks related to the Company and its subsidiaries' potential exposure to various taxes, including as a result of new, and changes to existing, tax legislation, treaties, and regulations in the jurisdictions in which the Company, its subsidiaries, and certain of their affiliates have a taxable presence, challenges by tax authorities to our current and historical tax positions and practices, U.S. federal withholding taxes on distributions paid to our non-U.S. stockholders, and any additional amounts that we may be required to pay to such stockholders, changes to, or our eligibility to qualify for benefits under, any income tax treaties on which we rely; and changes in tax laws in jurisdictions in which we have a taxable presence as a result of the implementation of the Pillar I and Pillar II proposals by the OECD.

We may be adversely affected by changes in economic and political conditions, including inflation and changes in interest rates.

The effects of inflation could cause the cost of claims to rise in the future. Our reserve for losses and loss adjustment expenses ("LAE") includes assumptions about future payments for settlement of claims and claims handling expenses, such as medical treatments and litigation costs. To the extent inflation causes these costs to increase above reserves established for these claims, we will be required to increase our loss reserves with a corresponding reduction in our net income in the period in which the deficiency is identified. Furthermore, if we experience deflation or a lack of inflation going forward and interest rates are low or decline, we could experience low portfolio returns because we hold fixed income investments of fairly short duration.

Additionally, our operating results are affected, in part, by the performance of our investment portfolio. Our investment portfolio may be adversely affected by inflation or changes in interest rates. Such adverse effects include the potential for realized and unrealized losses in a rising interest rate environment or the loss of income in an environment of prolonged low interest rates. Such effects may be further impacted by decisions made regarding such things as portfolio composition and duration given the prevailing market environment. Although we attempt to take measures to manage the risks of investing in changing interest rate environments, we may not be able to mitigate interest rate sensitivity effectively. Argo Re's pro forma ECR ratio is currently in excess of the Company's risk tolerance. If Argo Re's ECR ratio falls below the Company's risk tolerance, Argo Re's ability to pay dividends to the Company will be restricted. Economic and political conditions, including inflation and fluctuation in interest rates or failure to maintain Argo Re's ECR ratio in excess of the Company's risk tolerance would have a material adverse effect on our business, results of operations, financial condition and our ability to pay dividends to stockholders.

Our insurance subsidiaries are subject to risk-based capital and solvency requirements in their respective regulatory domiciles and any failure to comply with these requirements may have a material adverse effect on our business.

A risk-based capital system is designed to measure whether the amount of available capital is adequate to support the inherent specific risks of each insurer. Risk-based regulatory capital is calculated at least annually. Authorities use the risk-based capital formula to identify insurance companies that may be undercapitalized and thus may require further regulatory attention. The formulas prescribe a series of risk measurements to determine a minimum capital amount for an insurance company, based on the profile of the individual company. The ratio of a company's actual policyholder surplus to its minimum capital requirements will determine whether any regulatory action is required based on the respective local thresholds. The application and methods of calculating risk-based regulatory capital are subject to change, and the ultimate impact on our solvency position from any future material changes cannot be determined at this time.

We may have future capital requirements that may not be available to us on commercially favorable terms. Regulatory capital and solvency requirements for our future capital requirements depend on many factors, including our ability to underwrite new business, risk propensity and ability to establish premium rates and accurately set reserves at levels adequate to cover expected losses. To the extent that the funds generated by insurance premiums received and sale proceeds and income from our investment portfolio are insufficient to fund future operating requirements and cover incurred losses and loss expenses, we may need to raise additional funds through financings or curtail our growth and reduce in size. Uncertainty in the equity and fixed maturity securities markets could affect our ability to raise additional capital in the public or private markets. Any future financing, if available at all, may be on terms that are not favorable to us and our stockholders. In the case of equity financing, dilution to current shareholdings could result, and the securities issued may have rights, preferences and privileges that are senior or otherwise superior to those of our shares of common stock.

Failure to comply with the capital requirement laws and regulations in any of the jurisdictions where we operate, including the U.S., the E.U., or Bermuda could result in remedial plans to rectify any capital level shortfalls that could require capital contributions and/or other actions, administrative actions and/or penalties imposed by a particular governmental or self-regulatory authority, unanticipated costs associated with remedying such failure or other claims, harm to our reputation, restrictions or prohibitions on the payment of dividends or other forms of distributions, or interruption of our operations, any of which could have a material and adverse impact on our business, financial position, results of operations, liquidity and cash flows.

The outcome of legal and regulatory proceedings, investigations, inquiries, claims and litigation related to our business operations, and changes in the legal environment, may have a material adverse effect on our results of operations and financial condition.

We are regularly subject to, and are currently involved in, legal and regulatory proceedings, investigations, inquiries, claims and litigation in connection with our business operations. Due to the inherent uncertainty of the outcomes of such matters, there can be no assurance that the resolution of any particular claim or proceeding would not materially adversely affect our results of operations and financial condition. Determining legal reserves or possible losses from such matters involves judgment and may not reflect the full range of uncertainties and unpredictable outcomes. Should any of our estimates and assumptions change or prove to have been incorrect, it could have a material adverse effect on our financial position, results of operations and cash flows. Investigations, inquiries, disputes, claims and regulatory and legal and arbitration proceedings, including securities, derivative action and class action litigation, can be expensive and disruptive and could materially adversely affect our financial position, results of operations and cash flows. Such matters, even if pending or not ultimately substantiated or if indemnified or insured, may adversely impact us, including by disrupting our operations, diverting management resources and harming our reputation.

Significant changes in the legal environment could cause our ultimate liabilities to change from our current expectations. Such changes could be judicial in nature, like trends in the size of jury awards, developments in the law relating to tort liability or the liability of insurers, and rulings concerning the scope of insurance coverage or the amount or types of damages covered by insurance. In addition, changes in federal or state laws and regulations relating to the liability of insurers or policyholders, including state laws expanding “bad faith” liability and state “reviver” statutes, extending statutes of limitations for certain abuse claims, could result in changes in business practices, additional litigation, or could result in unexpected losses, including increased frequency and severity of claims. It is impossible to forecast such changes reliably, much less to predict how they might affect our loss reserves or how those changes might adversely affect our ability to price our insurance products appropriately. Thus, significant judicial or legislative developments could adversely affect our business, financial condition, results of operations and liquidity.

Insurance Underwriting Risks

Insurance underwriting risks are defined as the risk of loss, or adverse change in the value of insurance liabilities, due to inadequate pricing and/or reserving practices. These risks may be caused by the fluctuations in timing, frequency and severity of insured events and claim settlements in comparison to the expectations at the time of underwriting.

We may incur income statement charges if the reserves for losses and loss adjustment expenses are insufficient (or redundant). Such income statement charges could be material, individually or in the aggregate, to our financial condition and operating results in future periods.

General Loss Reserves

We maintain reserves for losses and loss adjustment expenses to cover estimated ultimate unpaid liabilities with respect to reported and unreported claims incurred as of the end of each balance sheet date. Reserves do not represent an exact calculation of liability, but instead represent management’s best estimates, which take into account various statistical and actuarial projection techniques as well as other influencing factors. Multiple actuarial methods are used in developing the ultimate claims liability. Each method has its own set of assumption variables and its own advantages and disadvantages. The relative strengths and weaknesses of a particular estimation method when applied to a particular group of claims can also change over time. Variables in the reserve estimation process can be affected by both internal and external events, such as changes in claims handling procedures, economic and social inflation, legal precedent and legislative changes.

Social, economic, political and environmental issues, including rising income inequality, climate change, prescription drug use and addiction, exposures to new substances or those previously considered to be safe, along with the use of social media to proliferate messaging around such issues, has expanded the theories for reporting claims, which may increase our claims administration and/or litigation costs. State and local governments' increased efforts aimed to respond to the costs and concerns associated with these types of issues, may also lead to expansive, new theories for reporting claims or may lead to the passage of "reviver" statutes that extend the statute of limitations for the reporting of these claims, including statutes passed in certain states with respect to abuse claims. In addition, these and other social, economic, political and environmental issues may either extend coverage beyond our underwriting intent or increase the frequency or severity of claims.

In addition, many of these items are not directly quantifiable, particularly on a prospective basis, and there may be significant reporting lags between the occurrence of an insured event and the time it is actually reported to the insurer. During such a time lag, there may be 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 contracts beyond that which was anticipated when the reserves were established, and development of new theories related to coverage which may increase liabilities under insurance contracts beyond that which were anticipated when the loss reserves were established. Given the long-tail nature of some of our claims, judgement used in selecting actuarial assumptions and weighing the indications of the various actuarial methods in developing our ultimate loss selection may have a material impact on our reserves. Construction defect and professional liability claims are two examples where determining the ultimate claims liability can be complex and challenging. Claims on these lines are subject to greater inherent variability than is typical of the remainder of the Company's reserves, and are highly dependent upon court settlements, economic conditions, and the predictability of those results inherently have a larger range of potential outcomes. For example, for the construction defect lines the Company's reserve estimates for recent accident years rely heavily on expected loss ratios that are derived from analysis of rate changes, changes in underwriting, and other factors which are all effected by market conditions. While the Company believes the methods used to measure these changes are reasonable with input from the claims and underwriting departments, it is difficult to precisely measure the potential impacts on the Company's reserves. Although reserve estimates are continually reevaluated in a regular ongoing process, because the calculation and setting of the reserves for losses and loss adjustment expenses is an inherently uncertain process dependent on estimates, our existing reserves may be insufficient or redundant and estimates of ultimate losses and loss adjustment expenses may increase or decrease over time. While we actively manage our risk exposure through underwriting limits and processes and further mitigate it through the purchase of reinsurance protection, including loss portfolio transfers, our losses could exceed our reinsurance limits which may have a material adverse impact on our business, results of operations and/or financial condition.

In light of these inherent uncertainties and as a result of our 2023 reserve review, we recorded prior year reserve development of $267.9 million for the period January 1, 2023 through November 15, 2023 (Predecessor). There was no prior year reserve development for the period November 16, 2023 through December 31, 2023 (Successor). The largest reserve increases were primarily related to liability and professional lines within the Company's U.S. Operations, including the impact of large losses. The increases were partially offset by favorable development in specialty lines within the Company's U.S. Operations. Such reserves were established in accordance with applicable insurance laws and U.S. GAAP. For further discussion of our loss reserves, please see Part II, Item 7 "Management's discussion and analysis of financial condition and results of operations-Critical accounting policies, estimates and recent accounting pronouncements" and "Management's discussion and analysis of financial condition and results of operations-Reserves for losses and loss adjustment expenses."

Asbestos and Environmental Liability Loss Reserves

In addition to the previously described general uncertainties encountered in estimating reserves, there are significant additional uncertainties in estimating the amount of our potential losses from asbestos and environmental claims. Reserves for asbestos and environmental claims cannot be estimated with traditional loss reserving techniques that rely on historical accident year development factors due to the uncertainties surrounding these types of claims.

Among the uncertainties impacting the estimation of such losses are:

- difficulty in identifying sources of or exposure to environmental or asbestos contamination;
- uncertainty regarding the number and identity of insureds with potential asbestos or environmental exposure;
- changes in underlying laws and judicial interpretation of asbestos-related laws, including with respect to the interpretation and application of insurance coverage; and
- difficulty in properly allocating responsibility and/or liability for environmental or asbestos damage.

Although we have established reserves to account for our exposure to asbestos and related environmental liability claims, management believes these factors continue to render traditional actuarial methods less effective at estimating reserves for asbestos and environmental losses than reserves on other types of losses. In addition, there is no assurance that future adverse development will not occur, and such development may have an adverse effect on our results of operations.

Black Lung Disease Loss Reserves

Through workers compensation coverage provided to coal mining operations by our subsidiary Rockwood, we have exposure to claims for black lung disease. Those diagnosed with black lung disease are eligible to receive workers compensation benefits from various U.S. federal and state programs. These programs are continually being reviewed by the governing bodies and may be revised without notice in such a way as to increase our level of exposure.

As described above, estimates of ultimate losses and loss adjustment expenses may increase in the future. Such changes in estimates could be material, individually or in the aggregate, to our future operating results and financial condition. We can provide no assurances such capital will be available.

Additional information relating to our reserves for losses and loss adjustment expense is included under Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and Note 7, “Reserves for Losses and Loss Adjustment Expenses,” in the Notes to Consolidated Financial Statements.

We operate in a highly competitive environment and no assurance can be given that we will continue to be able to compete effectively in this environment.

We compete with numerous companies that provide casualty, property and specialty lines of insurance and related services. Some of those companies have a larger capital base and are more highly rated than we are. No assurance can be given that we will be able to continue to compete successfully in the insurance market. Increased competition in these markets could result in a change in the supply and/or demand for insurance, affect our ability to price our products at risk-adequate rates and retain existing business or underwrite new business on favorable terms. If this increased competition limits our ability to transact business, our operating results could be adversely affected.

Our insurance subsidiaries have exposure to unpredictable and unexpected changes in the claims environment or catastrophes and terrorist acts that can materially and adversely affect our business, results of operations and/or financial condition.

Emerging Claims

Changes in industry practices and legal, judicial, social, technological and other environmental conditions may have an unforeseeable adverse impact on claims and coverage issues. This could include the impact of “social inflation,” which is generally described by the rising costs of insurance claims due to societal trends which may result in increased litigation, broader definitions of liability and contractual interpretations, plaintiff-friendly legal decisions, larger compensatory jury awards, and larger awards for non-economic damages. These issues may adversely affect our business, such as by extending coverage beyond the intended scope at the time of underwriting business or increasing the number or size of expected claims. In some instances, these changes may not become apparent until sometime after insurance contracts that are affected were issued and hence cannot be appropriately factored into the underwriting decision. As a result, the full extent of liability under such insurance contracts may not be known for many years after these contracts have been issued, and our financial position and results of operations may be materially and adversely affected in such future periods. We maintain an emerging risk identification, analysis and reporting process, overseen by our Emerging Risk Review Group, as part of our enterprise risk framework, which seeks to provide an early identification of such trends. The effects of these and other unforeseen evolving or emerging claims and coverage issues are inherently difficult to predict.

Catastrophic Losses

We are subject to claims arising out of catastrophes that may have a significant effect on our business, results of operations and/or financial condition. Catastrophes can be caused by various events, including tornadoes, hurricanes, windstorms, tsunamis, earthquakes, hailstorms, explosions, power outages, severe winter weather, wildfires and man-made events, including civil unrest. The incidence and severity of such catastrophic events are inherently unpredictable, and our losses from catastrophes could be substantial. Logistical challenges in responding to such events, resource constraints and other difficulties in resolving associated claims may ultimately result in higher claim amounts than expected. Insurance companies are generally not permitted to reserve for probable catastrophic events until they occur. Therefore, although we will actively manage our risk exposure to catastrophes through underwriting limits and processes, and further mitigate it through the purchase of reinsurance protection and other hedging instruments, an especially severe catastrophe or series of catastrophes could exceed our reinsurance or hedging protection and may have a material adverse impact on our business, results of operations and/or financial condition.

Terrorism

We are exposed to the risk of losses resulting from acts of terrorism. Reinsurers are able to exclude coverage for terrorist acts or price that coverage at rates that we consider attractive. However, direct insurers, like our primary insurance company subsidiaries, might not be able to likewise exclude coverage of terrorist acts because of regulatory constraints. Terrorism exclusions are not permitted in the U.S. for worker's compensation policies under U.S. federal law or under the laws of any state or jurisdiction in which we operate. When underwriting existing and new workers compensation business, we consider the added potential risk of loss due to terrorist activity, including foreign and domestic, and this may lead us to decline to underwrite or to renew certain business. However, even in lines where terrorism exclusions are permitted, our clients may object to a terrorism exclusion in connection with business that we may still desire to underwrite without an exclusion, some or many of our insurance policies may not include a terrorism exclusion. Given the reinsurance retention limits imposed under the TRIA and its subsequent legislative extensions, and that some or many of our policies may not include a terrorism exclusion, future foreign or domestic terrorist attacks may result in losses that have a material adverse effect on our business, results of operations and/or financial condition. See "Item 1. Business-Regulation" for a description of the applicability of the TRIA and the Terrorism Risk Insurance Program Reauthorization Act of 2014 to the Argo Group of Companies and its U.S. operations.

In the event coverage of terrorist acts cannot be excluded, we, in our capacity as a primary insurer, would have a significant gap in our own reinsurance protection with respect to potential losses as a result of any terrorist act. It is impossible to predict the occurrence of such events with statistical certainty and difficult to estimate the amount of loss per occurrence they will generate. If there is a future terrorist attack, the possibility exists that losses resulting from such event could prove to be material to our financial condition and results of operations. Terrorist acts may also cause multiple claims, and there is no assurance that our attempts to limit our liability through contractual policy provisions will be effective.

Global climate change, as well as increasing related regulation, may have an adverse effect on our business, financial results and operations.

We are exposed to physical and transition risks as a result of global climate change, and classify climate change as a material emerging risk. Physical risks arise from the direct effects of climate change, such as the destruction of property and infrastructure, which may result in a business interruption. Transition risks arise from the process of transitioning towards a low-carbon economy, primarily from extensive policy, legal/regulatory, technology, social and market changes in support of this transition. In addition, we may be exposed to losses in the value of our investments arising from the physical and transition impacts of climate change, including 'stranded assets', on the companies and securities in which we invest. We manage a well-diversified portfolio, both geographically and by sector, and we monitor our investment-allocation strategies as the economy transitions toward long-term decarbonization, allowing us to adjust our exposure to sectors and/or geographical areas that face severe risks due to climate change. Despite these efforts, there remains a risk that our financial condition or operating performance may be impacted by changes in our business model arising from climate change transition, and by the performance of strategies we put in place to manage this transition.

Physical Risks

A rise in the frequency of extreme weather events has increased natural disaster-related insurance claims, particularly from underwriting property insurance, requiring us to consider changes in premiums, product coverages, underwriting practices, and reinsurance utilization. Changes in climate conditions may also cause our underlying modeling data to no longer appropriately reflect the frequency and severity, limiting our ability to effectively evaluate and manage the related risks, of catastrophes and severe weather events.

Over the longer term, climate change may also have an impact on the economic viability of certain lines of business if suitable adjustments in price and coverage cannot be achieved. Climate change has been, and continues to be, a significant factor in the property insurance and reinsurance businesses and is something we have considered when reassessing our lines of business and our risk appetite for catastrophe-exposed property insurance. The effects of climate change could also lead to increased credit risk of other counterparties we transact business with, including reinsurers.

Transition Risks

We may face market pressure to contribute to a low-carbon economy, including, to no longer underwrite risks for carbon-intensive business (reducing insurance liability exposure) and to no longer invest in carbon-intensive business (reduce insurance asset portfolio exposure). There is a risk that certain elements of our business cease to be viable as a result of such climate change 'transition'. Additionally, government policies or regulations to slow climate change, such as emission controls or technology mandates, may have an adverse impact on sectors such as utilities, transportation and manufacturing, affecting demand for our products and our investments in these sectors.

As part of the transition risks, we may also face liability associated with allegations of failure to mitigate or adapt to climate change risk or associated disclosure failures. We are subject to complex and changing laws, regulation and public policy debates relating to climate change which are difficult to predict and quantify and may have an adverse impact on our business. Changes in regulations relating to climate change or our own decisions implemented as a result of assessing the impact of climate change on our business may result in an increase in the cost of doing business or a decrease in premiums in certain lines of business. Because there is significant variability associated with the impacts of climate change, we cannot predict how legal, regulatory and social responses may impact our business.

Because our business is dependent upon insurance and reinsurance agents and brokers, we are exposed to certain risks arising out of distribution channels that could cause our results to be adversely affected.

We market and distribute some of our insurance products and services through a select group of wholesale agents who have limited quoting and binding authority and who, in turn, sell our insurance products to insureds through retail insurance brokers. These agencies can bind certain risks that meet our pre-established guidelines. If these agents fail to comply with our underwriting guidelines and the terms of their appointment, we could be bound on a particular risk or number of risks, that were not anticipated, when we developed the insurance products. Such actions could adversely affect our results of operations. Additionally, in any given period, we may derive a significant portion of our business from a limited number of agents and brokers and the loss of any of these relationships, or significant changes in distribution channels resulting in loss of access to market through those agents and brokers, could have a significant impact on our ability to market our products and services.

In accordance with industry practice, we may pay amounts owed on claims under our insurance and reinsurance contracts to brokers and/or third-party administrators who in turn remit these amounts to our insureds or reinsureds. Although the law is unsettled and depends upon the facts and circumstances of each particular case, in some jurisdictions in which we conduct business, if an agent or broker fails to remit funds delivered for the payment of claims, we may remain liable to our insured or reinsured ceding insurer for the deficiency. Likewise, in certain jurisdictions, when the insured or reinsured pays the remitting funds to our agent or broker in full, our premiums are considered to have been paid in full, notwithstanding that we may or may not have actually received the premiums from the agent or broker. Consequently, we assume a degree of credit risk associated with certain agents and brokers with whom we transact business.

The insurance business is historically cyclical, and we may experience periods with excess underwriting capacity and unfavorable premium rates; conversely, we may have a shortage of underwriting capacity when premium rates are strong, both of which could adversely impact our results.

Historically, insurers and reinsurers have experienced significant fluctuations in operating results due to competition, frequency and severity of catastrophic events, levels of capacity, adverse trends in litigation, regulatory constraints, general economic conditions and other factors. The supply of insurance is related to prevailing prices, the level of insured losses and the level of capital available to the industry that, in turn, may fluctuate in response to changes in rates of return on investments being earned in the insurance industry. As a result, the insurance business historically has been a cyclical industry characterized by periods of intense price competition due to excessive underwriting capacity as well as periods when shortages of capacity increased premium levels. Demand for reinsurance depends on numerous factors, including the frequency and severity of catastrophic events, levels of capacity, introduction of new capital providers, general economic conditions and underwriting results of primary insurers. The supply of reinsurance is related to prevailing prices, recent loss experience and capital levels. All of these factors fluctuate and may contribute to price declines generally in the reinsurance industry.

We cannot predict with certainty whether market conditions will improve, remain constant or deteriorate. Negative market conditions may impair our ability to underwrite insurance at rates that we consider appropriate and commensurate relative to the risk assumed. If we cannot underwrite insurance at appropriate rates, our ability to transact business would be materially and adversely affected. Any of these factors could lead to an adverse effect on our business, results of operations and/or financial condition.

Our agents, producers, or other third parties may exceed their underwriting authorities, commit fraud or otherwise breach obligations owed to us, which could adversely affect our results of operations and financial condition.

We authorize managing general agents, general agents and other producers to write business on our behalf from time to time within underwriting authorities we prescribe. We rely on the underwriting controls of these agents and producers to write business within these underwriting authorities. Our monitoring efforts may not be adequate and our agents and producers may exceed their underwriting authorities or otherwise breach obligations owed to us. There is also the risk that we may be held responsible for obligations that arise from the acts or omissions of third parties if they are deemed to have acted on our behalf. In addition, our agents, producers, insureds or other third parties may commit fraud or otherwise breach their obligation to us. To the extent that our agents, producers, insureds or other third parties exceed their authorities, commit fraud or otherwise breach obligations owed to us, our operating results and financial condition may be materially adversely affected.

Operational Risks

Operational risk refers to the risk of loss arising from inadequate or failed internal processes, people, systems or the operational impact of external events. This risk encompasses all exposures faced by functions and services rendered in the course of conducting business including, but not limited to, underwriting, accounting and financial reporting, business continuity, claims management, information technology and data processing, legal and regulatory compliance, outsourcing and reinsurance purchasing.

We may be unable to attract and retain qualified employees and key executives.

We depend on our ability to attract and retain experienced underwriting talent, skilled employees and seasoned key executives who are knowledgeable about our business. The pool of highly skilled employees available to fill our key positions may fluctuate based on market dynamics specific to our industry and overall economic conditions. As such, higher demand for internal leaders and employees having desired talents could lead to increased compensation expectations for existing and prospective personnel, making it difficult for us to recruit and retain key employees and/or maintain labor costs at desired operating levels. If we are unable to attract and retain such talented team members and leaders, we may be unable to maintain our current competitive position in the specialized markets in which we operate and be unable to expand our operations into new markets, which could adversely affect our results.

Argo Re has operations that require highly skilled personnel to work in Bermuda. The ability to fill certain highly skilled key positions in Bermuda is constrained by Bermuda law, which provides that non-Bermudians are not permitted to engage in any occupation in Bermuda without an approved work permit from the Bermuda Department of Immigration. If the Bermuda Department of Immigration changes its current policies with respect to work permits, and as a result these key employees are unable to work in Bermuda, our operations could be disrupted and our financial performance could be adversely affected.

In addition, offices in foreign jurisdictions, such as Bermuda, U.K. and Dubai, may have residency and other mandatory requirements that affect the composition of its local boards of directors, executive teams and choice of third-party service providers. Due to the competition for available talent in such jurisdictions, we may not be able to attract and retain personnel as required by our business plans, which could disrupt operations and adversely affect our financial performance.

Loss of our executive officers or other key personnel or other changes to our management team could disrupt our operations or harm our business.

We depend on the efforts of our executive officers and certain key personnel. Any unplanned turnover or our failure to develop an adequate succession plan or business continuity plan for one or more of our executive officers or other key positions could deplete our institutional knowledge base and erode our competitive advantage. The loss or limited availability of the services of one or more of our executive officers or other key personnel, or our inability to recruit and retain qualified executive officers or other key personnel in the future, could, at least temporarily, have a material adverse effect on our operating results and financial condition. Leadership transitions can be inherently difficult to manage, and an inadequate transition may cause disruption to our business, including to our relationships with our customers and employees.

Our strategies and processes to mitigate insurance risk may fail and have an adverse effect on our business.

We use a number of strategies and processes to mitigate our insurance risk exposure including:

- engaging in disciplined and rigorous underwriting within clearly defined risk parameters and subject to various levels of oversight by experienced underwriting professionals;
- undertaking technical analysis to inform pricing decisions;
- carefully evaluating terms and conditions of our policies;
- focusing on our risk aggregations by geographic zones, industry type, credit exposure and other bases; and
- ceding insurance risk to reinsurance companies.

However, there are inherent limitations to the effectiveness of these strategies and processes. No assurance can be given that a failure to maintain or follow such processes or controls, an unanticipated event or series of such events will not result in loss levels that could have a material adverse effect on our financial condition or results of operations.

If we fail to maintain an effective system of disclosure controls and internal controls over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired.

We are required to maintain effective disclosure controls and procedures and internal control over financial reporting. Effective internal controls are necessary for us to provide reliable financial reports and prevent fraud.

Our management does not expect that our disclosure controls or our internal controls over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. As a result of the inherent limitations in all control systems, our evaluation of controls cannot provide absolute assurance that all control issues and instances of fraud, if any, within the company have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons or by collusion of two or more people. Additionally, the design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. As a result, our internal controls over financial reporting may have gaps or other deficiencies.

Any such gaps or deficiencies may require significant resources to remediate, could cause delays in our filing of quarterly or annual financial results, require the attention of management, and may also expose us to litigation, regulatory fines or penalties, or other losses. Inadequate process design or a failure in operating effectiveness could result in a material misstatement of our financial statements due to, but not limited to, poorly designed systems, changes in end-user computing, poorly designed IT reports, ineffective oversight of outsourced processes, failure to perform relevant management reviews, accounting errors or duplicate payments, any of which could result in a restatement of financial accounts. If our management team is unable to assert that our internal control over financial reporting is effective as of the end of a fiscal year or if our independent registered public accounting firm is unable to express an opinion on the effectiveness of our internal control over financial reporting, investor confidence in the accuracy and completeness of our financial statement and reports could be negatively impacted, which may have an adverse effect on our reputation and stock price.

We are dependent on our information technology systems, which could fail or suffer a cybersecurity breach, which could adversely affect our business, reputation, results of operations or financial condition or result in the loss of sensitive information.

Our business is highly dependent upon the successful and uninterrupted functioning of our computer and data processing systems for various purposes, including accounting, policy administration, actuarial and other modeling functions necessary for underwriting business, and claims and payment processing. Certain of our operations are also dependent upon systems operated by third parties, including administrators, market counterparties and their sub-custodians and other service providers, and our service providers may also depend on information technology systems. Notwithstanding the diligence that we perform on our service providers, we may not be in a position to verify the risks or reliability of such information technology systems.

While we are not aware of a material cybersecurity breach to date, we have no assurance that such a breach will not occur.

We must continuously monitor and develop our information technology networks and infrastructure in an effort to prevent, detect, address and mitigate the risk of threats to our data and systems, including malware and computer virus attacks, ransomware, unauthorized access, business e-mail compromise, misuse, denial-of-service attacks, system failures and disruptions. Incidents of publicly reported cyber security incidents have increased recently and the insurance sector as a whole is more exposed than in the past. Over time, and particularly recently, the sophistication of these threats has continued to increase. Although we have implemented multiple layers of protection to minimize the risks to systems, personal data and the privacy of individuals, including robust training, review, and audit procedures, there is no assurance that our security measures, including information security policies, will provide fully effective protection from such events.

We must continuously monitor international risks associated with our global operations, including impacts from military conflicts or political instability, such as the ongoing war between Russia and Ukraine. Although we cannot predict the ultimate impacts, military conflicts or political instability may create a heightened risk of threats resulting in cyber activities against our operations. In addition, we are investing in artificial intelligence (“AI”), and AI based platforms are increasingly being used by third-parties. Increased adoption of AI technologies may increase cybersecurity risks.

The potential consequences of a material cybersecurity incident include disruption to business operations, a loss of confidential information, reputational damage, litigation with third parties, and remediation costs, which in turn could have a material impact on our results of operation or financial condition. While we continue to maintain and review our cyber liability insurance protection, providing for first party and third-party losses, such insurance may not provide insurance coverage for all of the costs and damages associated with the consequences of a cybersecurity incident. In some cases, such unauthorized access may not be immediately detected. This may impede or interrupt our business operations and could adversely affect our consolidated financial condition or results of operations.

Any failure to protect the confidential customer information that we handle routinely could adversely affect our business, reputation, results of operations or financial condition.

We are subject to a number of data privacy laws and regulations enacted in the jurisdictions in which we do business. See “Item 1. Business — Regulation” for a description of the applicability of certain cybersecurity and data protection regulations and requirements on the Argo Group.

We are not aware of a material privacy breach to date, and specifically no material events involving Personal Information (“PI”) or customer information, but we have no assurance that such a breach will not occur in the future. A misuse or mishandling of personal information being sent to or received from a client, employee or third party could damage our businesses or our reputation or result in significant monetary damages, regulatory enforcement actions, fines and criminal prosecution in one or more jurisdictions. We routinely transmit, receive and store certain types of personal information by email and other electronic means. Although we attempt to protect this personal information and have implemented robust privacy protection standards and training programs to mitigate the risk of a privacy breach, we may be unable to protect personal information in all cases, especially with customers, business partners, and other third parties who may not have or use appropriate controls to protect personal information.

We are continuously evaluating and enhancing systems and creating new systems and processes, including to maintain or upgrade our business continuity plans (including, for example, use of cloud services), as our business depends on our ability to maintain and improve our technology systems for interacting with customers, brokers and employees. Due to the complexity and interconnectedness of these systems and processes, these changes, as well as changes designed to update and enhance our protective measures to address new threats, increase the risk of a system or process failure or the creation of a gap in the associated security measures. Any such failure or gap could adversely affect our business operations and the advancement of our business or strategic initiatives.

The potential consequences of a material privacy incident include reputational damage, litigation with third parties, regulatory fines, and penalties and associated remediation costs, which in turn could have a material impact on our results of operation or financial condition. While we continue to maintain and review our cyber liability insurance protection, such insurance may not provide insurance coverage for all of the costs and damages associated with the consequences of personal information being compromised, such as investigations, sanctions and regulatory and law enforcement action, and result in reputational harm and loss of business, which could have a material adverse effect on our business, cash flows, financial condition and results of operations.

Furthermore, certain of our businesses are subject to compliance with laws and regulations enacted by various regulatory organizations or exchanges relating to the privacy and security of the information of clients, employees or others. The variety of applicable privacy and information security laws and regulations exposes us to heightened regulatory scrutiny and requires us to incur significant technical, legal and other expenses in an effort to ensure and maintain compliance. If we are found not to be in compliance with these laws and regulations, we could be subjected to significant civil and criminal liability and exposed to reputational harm.

We may experience issues with outsourcing relationships, which could negatively impact our business, results of operations, and financial condition.

We outsource a number of technology and business process functions to third-party providers and we may continue to do so in the future. If we do not effectively select, develop, implement and monitor our outsourcing relationships, or if we experience technological or other issues with transition, or if third-party providers do not perform as anticipated, we may not realize productivity improvements or cost efficiencies and may experience operational difficulties, increased costs (including litigation costs), and a loss of business that may have an adverse effect upon on our operations or financial condition.

Also, we periodically negotiate amendments and renewals of such relationships, and there can be no assurance that such terms will remain acceptable to us or such third parties. If third-party providers experience disruptions or do not perform as anticipated, or we experience problems with a transition to a third-party provider, we may experience operational difficulties, an inability to meet obligations (including, but not limited to, policyholder obligations), a loss of business, litigation, and increased costs, or suffer other negative consequences, all of which may adversely affect our business and results of operations.

Our outsourcing of certain technology and business process functions to third parties may expose us to enhanced risk related to data security, which could result in adverse monetary, reputational and/or regulatory consequences, which in turn could have an adverse effect on our operations or financial condition. If we do not effectively monitor these relationships, third party providers do not perform as anticipated, technological or other problems occur with an outsourcing relationship, we may not realize expected productivity improvements or cost efficiencies and may experience operational difficulties. In addition, our ability to receive services from third-party providers based in different countries could be impacted by political instability, unanticipated regulatory requirements or policies inside or outside of the U.S., which could adversely affect our business.

Financial Risks

The performance of our investment portfolio is subject to a variety of risks, including market risk, credit risk, investment risk and liquidity risk. Market risk is the risk of loss or adverse change in our financial position due to fluctuations in the level and volatility of market prices of assets, liabilities and financial instruments. This risk may be caused by fluctuations in interest rates, foreign exchange rates or equity, property and securities values.

Credit risk is the risk of loss or adverse change in our financial position due to fluctuations in the credit standing of issuers of securities, counterparties or any other debtors, including risk of loss arising from an insurer's inability to collect funds from debtors.

Investment risk is the uncertainty associated with making an investment that may not yield the expected returns or performance, including the risk that an investment will decline in value, result in a loss or result in liability or other adverse consequences for the investor.

Liquidity risk is the risk of loss or our inability to realize investments and other assets in order to meet our financial obligations when they fall due or the inability to meet such obligations except at excessive cost.

A prolonged recession or a period of significant turmoil in the U.S. and international financial markets, could adversely affect our business, liquidity and financial condition and our share price.

U.S. and international financial market disruptions such as the ones experienced in the last global financial crisis along with the possibility of a prolonged recession, may potentially affect various aspects of our business, including the demand for and claims made under our products, our counterparty credit risk and the ability of our customers, counterparties and others to establish or maintain their relationships with us, our ability to access and efficiently use internal and external capital resources and our investment performance. Volatility in the U.S. and other securities markets may also adversely affect our share price. Depending on future market conditions, we could incur substantial realized and unrealized losses in future periods, which may have an adverse impact on our results of operations, financial condition, debt and financial strength ratings, insurance subsidiaries' capital levels and our ability to access capital markets.

We may be adversely affected by changes in economic and political conditions, including inflation and changes in interest rates.

The effects of inflation could cause the cost of claims to rise in the future. Our reserve for losses and loss adjustment expenses ("LAE") includes assumptions about future payments for settlement of claims and claims handling expenses, such as medical treatments and litigation costs. To the extent inflation causes these costs to increase above reserves established for these claims, we will be required to increase our loss reserves with a corresponding reduction in our net income in the period in which the deficiency is identified. Furthermore, if we experience deflation or a lack of inflation going forward and interest rates remain very low or continue to decline, we could experience low portfolio returns because we hold fixed income investments of fairly short duration.

Additionally, our operating results are affected, in part, by the performance of our investment portfolio. Our investment portfolio may be adversely affected by inflation or changes in interest rates. Such adverse effects include the potential for realized and unrealized losses in a rising interest rate environment or the loss of income in an environment of prolonged low interest rates. Such effects may be further impacted by decisions made regarding such things as portfolio composition and duration given the prevailing market environment. Although we attempt to take measures to manage the risks of investing in changing interest rate environments, we may not be able to mitigate interest rate sensitivity effectively. Fluctuation in interest rates could have a material adverse effect on our business, results of operations and/or financial condition.

Our investment portfolio is subject to significant market and credit risks which could result in an adverse impact on our financial position or results.

Although our investment policies stress diversification of risks, conservation of principal and liquidity, our investments are subject to general economic conditions and market risks as well as risks inherent to particular securities.

For example, to the extent there is an economic downturn affecting a certain area in which our investment portfolio is concentrated, the risk that certain investments may default or become impaired would increase. Such defaults and impairments could reduce our net investment income and result in realized investment losses. Our investment portfolio is also subject to increased valuation uncertainties when investment markets are illiquid. The valuation of investments is more subjective when markets are illiquid, increasing the risk that the fair value of certain of our investments may not be readily determinable.

Our investments in fixed maturity and short-term securities may be adversely affected by changes in inflation and/or interest rates which, in turn, may adversely affect operating results. The fair value and investment income of these assets fluctuate with general economic and market conditions. Generally, the fair value of fixed maturity securities will decrease as interest rates increase. Some fixed maturity securities have call or prepayment options, which represent possible reinvestment risk in declining rate environments. Other fixed maturity securities such as mortgage-backed and asset-backed securities carry prepayment risk.

We also invest in marketable equity securities. These securities are carried on our balance sheet at fair value and are subject to potential losses and declines in market value. Our invested assets also include investments in limited partnerships, privately held securities and other alternative investments. Such investments entail substantial risks.

Risks for all types of securities are managed through application of the investment policy, which establishes investment parameters that include, but are not limited to, maximum percentages of investment in certain types of securities, minimum levels of credit quality and option-adjusted duration guidelines. There is no guarantee of policy effectiveness.

In addition, there can be no assurance that our investment objectives will be achieved, and results may vary substantially over time. Although we seek investment strategies that are correlated with our insurance and reinsurance exposures, losses in our investment portfolio may occur at the same time as underwriting losses and, therefore, exacerbate such losses' adverse effect on us. See "Item 1. Business—Investments."

We may be adversely affected by foreign currency fluctuations.

Although our foreign subsidiaries' functional currency is the U.S. Dollar, with the exception of our Italian subsidiary whose functional currency is the Euro, certain premium receivables and loss reserves include business denominated in currencies other than U.S. Dollars. We are exposed to the possibility of significant claims in currencies other than U.S. Dollars. We may experience losses in the form of increased claims costs or devaluation of assets available for paying claims resulting from fluctuations in these non-U.S. currencies, which could materially and adversely affect our operating results.

We face a risk of non-availability of reinsurance, which could materially and adversely affect our business, results of operations and/or financial condition.

We purchase reinsurance for our own account in order to mitigate the effect of certain large and multiple losses upon our financial condition. As is common practice within the insurance industry, we transfer a portion of the risks insured under our policies to other companies through the purchase of reinsurance or other, similar risk-mitigating hedging instruments. This reinsurance is maintained to protect the insurance and reinsurance subsidiaries against the severity of losses on individual claims, unusually serious occurrences in which a number of claims produce an aggregate extraordinary loss and catastrophic events. Although reinsurance does not discharge our subsidiaries from their primary obligation to pay for losses insured under the policies they issue, reinsurance does make the assuming reinsurer liable to the insurance and reinsurance subsidiaries for the reinsured portion of the risk.

Our reinsurers or capital market counterparts are dependent on their ratings in order to continue to write business and some have suffered downgrades in ratings in the past as a result of their exposures. Our reinsurers or capital market counterparties may also be affected by adverse developments in the financial markets, which could adversely affect their ability to meet their obligations to us. Insolvency of these counterparties, their inability to continue to write business or reluctance to make timely payments under the terms of their agreements with us could have a material adverse effect on us because we remain liable to our insureds or cedants in respect of the reinsured risks. Market conditions beyond our control may impact the availability, quality and cost of the reinsurance we purchase. No assurances can be made that reinsurance will remain continuously available to us to the same extent and on the same terms and rates as is currently available.

An impairment in the carrying value of goodwill and other intangible assets could negatively impact our consolidated results of operations and stockholders' equity.

Goodwill and other intangible assets are originally recorded at fair value. Goodwill and other intangible assets are reviewed for impairment at least annually or more frequently if indicators are present. Management, in evaluating the recoverability of such assets, relies on estimates and assumptions related to margin, growth rates, discount rates and other data. There are inherent uncertainties related to these factors and management's judgment in applying these factors. Goodwill and other intangible asset impairment charges can result from declines in operating results, divestitures or sustained market capitalization declines and other factors. Impairment charges could materially affect our financial results in the period in which they are recognized.

The determination of the estimate of allowances and impairments taken on our investments is highly subjective and could materially impact our operating results or financial position.

We perform a detailed analysis each reporting period end to assess declines in the fair values of available for sale debt securities in accordance with applicable accounting guidance regarding the recognition and presentation of current expected losses. The process of determining an allowance for available for sale securities requires judgment and involves analyzing many factors. Assessing the accuracy of the allowances reflected, in our financial statements is inherently uncertain given the subjective nature of the process. Furthermore, additional impairments may need to be taken or allowances provided in the future with respect to events that may impact specific investments. Future material impairments or any error in accurately accounting for such impairments may have a material adverse effect on our financial condition or results of operations.

Our financial condition and operating results may be adversely affected by the failure of one or more reinsurers or capital market counterparties to meet their payment obligations to us.

We are subject to credit risk with respect to our ability to recover amounts due from reinsurers to the extent that any reinsurer is unable or unwilling to meet the obligations assumed under the reinsurance contracts. The collectability of reinsurance is subject to the solvency of the reinsurers, interpretation and application of contract language and other factors. Despite strong ratings, the financial condition of a reinsurer may change based on market conditions. In certain instances we also require assets in trust, letters of credit or other acceptable collateral to support balances due, however, there is no certainty that we can collect on these collateral agreements in the event of a reinsurers default. It is not always standard business practice to require security for balances due; therefore, certain balances are not collateralized. A reinsurer's insolvency or inability to make payments under the terms of a reinsurance contract could have a material adverse effect on our business, results of operations and/or financial condition.

We may be adversely affected by the banking industry transition away from LIBOR.

In July 2017, the U.K. Financial Conduct Authority ("FCA"), which regulates LIBOR, announced that the FCA will no longer require banks to submit rates for the calculation of LIBOR after 2021. However, for U.S. dollar-denominated (USD) LIBOR, only one-week and two-month USD LIBOR will cease to be published after 2021, and all remaining USD LIBOR tenors will continue being published until June 2023. Further, in early 2021, the U.S. Federal Reserve Board and other regulatory bodies issued guidance encouraging banks and other financial market participants to cease entering into new contracts that use USD LIBOR as a reference rate as soon as practicable and in any event no later than December 31, 2021. In the U.S., efforts to identify a set of alternative U.S. dollar reference interest rates include proposals by the Alternative Reference Rates Committee of the Federal Reserve Board and the Federal Reserve Bank of New York. The Alternative Reference Rates Committee has proposed the Secured Overnight Financing Rate ("SOFR") as its recommended alternative to LIBOR, and the Federal Reserve Bank of New York began publishing SOFR rates in April 2018.

We recognize that we have some risk exposure to the LIBOR transition within our investment portfolio and corporate debt structures. Having completed a structured evaluation, we believe our exposure to be minimal. We strive to ensure that floating rate debt acquired since the transition was announced provide for LIBOR succession language, and that alternative rates are adopted in contracts when they are negotiated. Despite these measures, there remains the possibility that certain instruments and contracts without these provisions could be adversely impacted from this transition. However, there exists the possibility for legislative action to mandate a particular interest rate index in replacement of LIBOR for contracts without such succession language.

Strategic Risks

Strategic risk means the risk of our inability to implement appropriate business plans and strategies, make decisions, allocate resources or adapt to changes in the business environment. Strategic risk includes the risk of the current or prospective adverse impact on earnings or capital arising from business decisions, improper execution of decisions or lack of responsiveness to industry changes.

Uncertain conditions in the global economy may adversely affect our business, results of operations and financial condition.

Economic imbalances and financial market turmoil affecting the global banking system and global financial markets could result in a new or incremental tightening in the credit markets, low liquidity, extreme volatility in fixed maturity, credit, currency, and equity markets and volatility in share prices. Major public health issues could harm our operations and have a major impact on the global economy and financial markets. These circumstances could lead to a decline in asset value and potentially reduce the demand for insurance due to limited economic growth prospects. These circumstances could adversely impact our ability to obtain financing. Even if financing is available, it may only be available on terms that are not favorable to us, which could decrease our profitability. Global and local economic conditions could also increase the number and size of claims made under our policies, our counter-party credit risk, and the ability of our counterparties to establish or maintain their relationships with us.

Net investment income and net realized and unrealized gains or losses also could vary materially depending on market conditions; impairment charges resulting from revaluations of debt and equity securities and other investments; interest rates; inflation; cash balances; and changes in the fair value of financial and derivative instruments. Increased volatility in the financial markets and overall economic uncertainty would increase the risk that the actual amounts realized in the future on our financial instruments could differ significantly from the fair values assigned to them.

Adverse developments in the broader global economy could create significant challenges to the insurance industry. If policy responses in Europe, the U.S. and other jurisdictions are not effective in mitigating these conditions, the insurance sector could be adversely affected by the resulting financial and economic environment. The ultimate impact of such conditions on the insurance industry in general, and on our operations in particular, however, cannot be fully or accurately quantified at this time.

We may not realize the anticipated benefits from the Merger.

Following the closing of the Merger in November 2023, we became an indirect wholly-owned subsidiary of Brookfield Reinsurance. We may fail to realize the anticipated benefits of the Merger, including due to factors that may be outside of our control, such as changes in laws or regulations or in the interpretation of existing laws or regulations, general economic, political, legislative or regulatory conditions, the loss or limited availability of the services of one or more of our executive officers or other key personnel, and other factors described in this report. Failure to realize the anticipated benefits of the Merger could adversely affect our business, financial condition and results of operations.

We may incur significant additional indebtedness which may adversely impact our results of operations and financial condition, including our access to capital and liquidity.

We may seek to incur additional indebtedness either through the issuance of public or private debt or through bank or other financing. The funds raised by the incurrence of such additional indebtedness may be used to repay existing indebtedness, including amounts borrowed under our credit facility, outstanding subordinated debt and floating rate loan stock or for our general corporate purposes, including additions to working capital, capital expenditures, investments in subsidiaries or acquisitions.

This additional indebtedness, particularly if not used to repay existing indebtedness, could limit our financial and operating flexibility, including as a result of the need to dedicate a greater portion of our cash flows from operations to interest and principal payments. It may also be more difficult for us to obtain additional financing on favorable terms, if at all, limiting our ability to capitalize on significant business opportunities and making us more vulnerable to economic downturns.

We may enter into future private debt arrangements containing restrictive business and financial covenants and complying with these covenants could limit our financial and operational flexibility. Our failure to comply with these covenants could also result in an increased cost of borrowing under the applicable agreement or an event of default under the credit facilities, which could result in us being required to repay any amounts outstanding under the credit facilities or debt arrangement prior to maturity. Such an event could have an adverse effect on our results of operations and financial condition, including our access to capital and liquidity. Our credit facilities and our outstanding notes are described in more detail in "Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources."

We may require additional capital in the future, which may not be available or may only be available on unfavorable terms.

Our future capital requirements depend on many factors, including our ability to write new business successfully, deploy capital into more profitable business lines, identify acquisition opportunities, manage investments and preserve capital in volatile markets, and establish premium rates and reserves at levels sufficient to cover losses. To the extent our funds are insufficient to fund future operating requirements or cover claims losses, we may need to raise additional funds through corporate finance transactions or curtail our growth and reduce our liabilities. Any such financing, if available at all, may be on terms that are not favorable to us. Our ability to raise such capital successfully would depend upon the facts and circumstances at the time, including our financial position and operating results, market conditions and applicable regulatory filings and legal issues. If we cannot obtain adequate capital on favorable terms, or obtain it at all, our business, financial condition and operating results could be adversely affected.

Our holding company structure and certain regulatory and other constraints affect our ability to pay dividends and make other payments.

Argo Group is a holding company and conducts substantially all of its operations through its subsidiaries. Argo Group's only significant assets are the capital stock of its subsidiaries. Because substantially all of our operations are conducted through our insurance subsidiaries, substantially all of our consolidated assets are held by our subsidiaries and most of our cash flow, and consequently, our ability to meet our ongoing cash requirements, including any debt service payments or other expenses, and the ability to pay dividends to our stockholders, is dependent on the earnings of those subsidiaries and the transfer of funds by those subsidiaries to us in the form of distributions or loans.

In addition, if we fail to comply, or if and to the extent payment of dividend would cause us to fail to comply, with applicable laws, rules and regulations (including, in respect of Argo Re, any applicable capital adequacy guidelines established by the BMA) we may not declare, pay or set aside for payment dividends. As a result, if payment of dividends would cause us to fail to comply with any applicable law, rule or regulation, we will not declare or pay a dividend, including dividends on our shares of Series A Preferred stock (the "preferred stock") for such dividend period. In addition, the ability of our insurance subsidiaries to make distributions to us is limited by applicable insurance laws and regulations. These laws and regulations and the determinations by the regulators implementing them may significantly restrict such distributions, and, as a result, adversely affect our overall liquidity. The ability of our subsidiaries to make distributions to us may also be restricted by, among other things, other applicable laws and regulations and the terms of our bank loans and our subsidiaries' bank loans. Refer to *"Legal, Regulatory and Litigation Risks – Our insurance subsidiaries are subject to risk-based capital and solvency requirements in their respective regulatory domiciles and any failure to comply with these requirements may have a material adverse effect on our business"* below and also "Item 1. Business—Regulation," for additional details on restrictions on our ability to make distributions.

Any ratings downgrades could result in an adverse effect on our business, financial condition and operating results.

Ratings with respect to claims paying ability and financial strength are important factors in establishing the competitive position of insurance companies and will also impact the cost and availability of capital to an insurance company. Ratings by A.M. Best and S&P represent an important consideration in maintaining customer confidence in us and in our ability to market insurance products. Rating organizations regularly analyze the financial performance and condition of insurers.

A.M. Best is a widely recognized insurance company rating agency and some policyholders are required to obtain insurance coverage from insurance companies that have an "A-" (Excellent) rating or higher from A.M. Best. In addition, certain of our credit facilities require that all significant insurance subsidiaries of Argo US maintain an A.M. Best Financial Strength Rating of at least "B++". FSR reflect the rating agency's assessment of an insurer's ability to meet its financial obligations to policyholders. All of our insurance companies have an FSR of "A-" (Excellent), with developing implications, from A.M. Best. Argo US insurance companies have an FSR of "A-" (Strong), with a negative outlook, from S&P. See "Item 1. Business-Ratings" for a detailed description of our ratings.

Our ability to refinance our existing debt or obtain new debt in the capital markets is impacted by any credit ratings. Any credit rating downgrade would result in higher borrowing costs. Additionally, many producers are prohibited from placing insurance with companies that are rated below "A-" (Excellent). We may also be required to maintain a greater amount of capital in order to maintain our existing ratings or become subject to a ratings downgrade if we experience weaker than-expected underwriting performance, our capital adequacy position decline for a prolonged period, our financial leverage materially increases or our liquidity materially decreases, among other factors.

A.M. Best and S&P continually monitor their ratings and may revise or withdraw their ratings at any time. Any future downgrade in our ratings could impair our ability to sell insurance policies and materially and adversely affect our competitive position in the insurance industry, future financial condition and operating results.

Our use of strategic transactions to further our growth strategy may not succeed, which may result in underperformance relative to our expectations and have a material adverse effect on our business, financial condition or results of operations.

Our strategy for growth may include mergers and acquisitions, as well as divestitures. This strategy presents risks that could have a material adverse effect on our business, financial performance and results of operations, including: (1) the diversion of management's attention, (2) our ability to execute a transaction effectively, including the integration of operations and the retention of employees, (3) our ability to retain key employees, (4) the contingent and latent risks associated with the past operations of and other unanticipated problems arising from an acquisition partner, and (5) the uncertainty of retained financial obligations associated with divested business or run-off.

Our future acquisitions could involve a number of additional risks that we may not be able to identify during the due diligence process, such as potential losses from unanticipated litigation, levels of covered claims or other liabilities and exposures, an inability to generate sufficient investment income and other revenue to offset acquisition costs and financial exposures in the event that sellers breach their representations and warranties and/or are unable or unwilling to meet their indemnification, reinsurance and other contractual obligations to us. We cannot predict whether we will be able to identify and complete a future transaction on terms favorable to us. We cannot know if we will realize the anticipated benefits of a completed transaction or if there will be substantial unanticipated costs associated with such a transaction. In addition, strategic transactions may expose us to increased litigation risks. A future merger or acquisition may result in tax consequences at either or both the stockholder and Argo Group level, potentially dilutive issuances of our equity securities, the incurrence of additional debt and the recognition of potential impairment of goodwill and other intangible assets. Each of these factors could adversely affect our financial position.

We have recently divested or placed in run-off several business lines. In connection with these actions, we have retained certain financial liabilities and contractual obligations related to these divested or discontinued business lines. We have quantified our exposures and an expectation that these exposures will decrease over time. There is no assurance, however, that prior to that time the amount of these obligations will not increase by an amount greater than we expect or that the process of ending these business lines will not take longer than we expect. The impact of such an increase could cause our exposure to be greater than expected. If the actual time periods and cost values are greater than the amounts we expect, our profitability could be adversely affected.

Our business strategy involves focusing on expense targets and generally reducing our expense ratio. We may be unable to execute on our expense targets. Strategic acquisitions and growth may not reduce our expense ratio, while strategic divestitures may not reduce overall expenses as much as we anticipate prior to any sale.

The United Kingdom's exit from the European Union may cause volatility in foreign exchange rates and regulatory uncertainty that may adversely impact our business.

In June 2016, the U.K. held a referendum in which voters approved an exit from the E.U., commonly referred to as "Brexit." The U.K. formally exited the E.U. on January 31, 2020, pursuant to a withdrawal agreement between the U.K. government and the E.U. On December 24, 2020, the U.K. and the E.U. announced that they had struck a new bilateral trade and cooperation deal governing the future relationship between the U.K. and the E.U. (the "E.U.-U.K. Trade and Cooperation Agreement") which took effect from January 1, 2021. The E.U.-U.K. Trade and Cooperation Agreement contains limited provisions on financial services, leaving trade to be managed through mutual unilateral equivalence decisions. A Memorandum of Understanding on regulatory cooperation was entered into by the U.K. and the E.U. in March 2021. As of December 31, 2021, the U.K. had granted the E.U. 27 permanent equivalence decisions that provide E.U. nations access to the U.K. financial markets. The E.U has yet to make equivalence decisions for the U.K. As a result, U.K. firms' access to the E.U. markets depend on the rules each member state applies to third country businesses.

Reputational Risks

Reputational risk is the risk of potential loss through a deterioration of our reputation or standing due to a negative perception of our image among customers, counterparties, stockholders or supervisory authorities, and includes risk of adverse publicity regarding our business practices and associations. While we assess the reputational impact of all reasonably foreseeable material risks within our risk management processes, we also recognize a number of specific reputational risks.

We are subject to laws and regulations relating to sanctions, anti-corruption and money laundering, the violation of which could adversely affect our operations.

Our activities are subject to applicable economic and trade sanctions, money laundering regulations, and anti-corruption laws in the jurisdictions where we operate, including Bermuda, the U.K. and the European Community and the U.S., among others. For example, we are subject to The Bribery Act, 2016 of Bermuda, the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act 2010, which, among other matters, generally prohibit corrupt payments or unreasonable gifts to foreign governments or officials. New sanction regimes may be initiated, or existing sanctions expanded, at any time, which can impact our business activities. We believe we maintain strong oversight and control through the deployment of our Code of Conduct and Business Ethics and associated policies and procedures including the Company's whistleblower policies and continuous education and training programs. However, although we have in place systems and controls designed to ensure compliance with applicable laws and regulations, there is a risk that those systems and controls will not always be effective to achieve full compliance. It is also possible that an employee or intermediary could fail to comply with applicable laws and regulations. Failure to accurately interpret or comply with or obtain appropriate authorizations and/or exemptions under such laws or regulations could subject us to investigations, criminal sanctions or civil remedies, including fines, injunctions, loss of an operating license and other sanctions, all of which could damage our business or reputation, and have a material adverse effect on our financial condition and results of operations.

A***ctions of activist stockholders may negatively impact our business.***

We have been and may in the future be subject to actions initiated by activist stockholders. Previously, we were the target of an unsuccessful proxy contest by Capital Returns Management, LLC in connection with our 2022 annual general meeting of stockholders. In December 2019, we also entered into a cooperation agreement with Voce Catalyst Partners LP, Voce Capital Management LLC, Voce Capital LLC and Voce Catalyst Partners New York LLC (collectively, "Voce"), and in August 2022 a representative of Voce was appointed to our Board and subsequently resigned in February 2023.

Responding to other actions by activist stockholders can be costly and time-consuming, and could divert the attention of our Board, management team and employees from the management of our operations and the pursuit of our business strategies. Actions of activist stockholders may cause significant fluctuations in the trading price of our securities based on temporary or speculative market perceptions or other factors that do not necessarily reflect the underlying fundamentals and prospects of our business. Perceived uncertainties as to our future direction, strategy or leadership created as a consequence of activist stockholder initiatives may result in the loss of potential business opportunities and make it more difficult to attract and retain investors, customers, employees, and other business partners. Also, we could be required to incur significant expenses related to any activist stockholder matters (included but not limited to legal fees, fees for financial advisors, and fees for public relation advisors). As a result, activist stockholder campaigns could adversely affect our business, results of operations, financial condition and/or share price.

Any failure to meet investor and stakeholder expectations regarding environmental, social and corporate governance ("ESG") matters may damage our reputation.

There is an increasing focus from certain investors, customers, consumers, employees and other stakeholders concerning ESG matters. Additionally, public interest and legislative pressure related to public companies' ESG practices continue to grow. If our ESG practices fail to meet stakeholders' evolving expectations and standards for responsible corporate citizenship in areas including environmental stewardship, climate risk management, Board and employee diversity, human capital management, corporate governance and transparency, our reputation, brand and employee retention may be negatively impacted. Additionally, investors may reconsider their capital investment in our Company, and customers and partners may choose to stop doing business with us, which could have a material adverse effect on our reputation, business or financial condition.

Legal, Regulatory and Litigation Risks

The regulation and regulatory measures that would apply to Argo Group and its subsidiaries are discussed above under "Item 1. Business―Regulation".

Legal and Regulatory Risk means the risk arising from our (1) failure to comply with statutory or regulatory obligations; (2) failure to comply with our Bylaws; or (3) failure to comply with any contractual agreement.

Litigation Risk means the risk that acts or omissions or other business activity of Argo Group and our key functionaries and employees could result in legal proceedings to which we are a party, the uncertainty surrounding the outcome of such legal proceedings and the risk of an adverse impact on us resulting from such legal proceedings.

Our insurance subsidiaries are subject to risk-based capital and solvency requirements in their respective regulatory domiciles and any failure to comply with these requirements may have a material adverse effect on our business.

A risk-based capital system is designed to measure whether the amount of available capital is adequate to support the inherent specific risks of each insurer. Risk-based regulatory capital is calculated at least annually. Authorities use the risk-based capital formula to identify insurance companies that may be undercapitalized and thus may require further regulatory attention. The formulas prescribe a series of risk measurements to determine a minimum capital amount for an insurance company, based on the profile of the individual company. The ratio of a company's actual policyholder surplus to its minimum capital requirements will determine whether any regulatory action is required based on the respective local thresholds. The application and methods of calculating risk-based regulatory capital are subject to change, and the ultimate impact on our solvency position from any future material changes cannot be determined at this time.

As a result of these and other requirements, we may have future capital requirements that may not be available to us on commercially favorable terms. Regulatory capital and solvency requirements for our future capital requirements depend on many factors, including our ability to underwrite new business, risk propensity and ability to establish premium rates and accurately set reserves at levels adequate to cover expected losses. To the extent that the funds generated by insurance premiums received and sale proceeds and income from our investment portfolio are insufficient to fund future operating requirements and cover incurred losses and loss expenses, we may need to raise additional funds through financings or curtail our growth and reduce in size. Uncertainty in the equity and fixed maturity securities markets could affect our ability to raise additional capital in the public or private markets. Any future financing, if available at all, may be on terms that are not favorable to us and our stockholders. In the case of equity financing, dilution to current shareholdings could result, and the securities issued may have rights, preferences and privileges that are senior or otherwise superior to those of our common stock.

Failure to comply with the capital requirement laws and regulations in any of the jurisdictions where we operate, including the U.S., the E.U., or Bermuda could result in remedial plans to rectify any capital level shortfalls that could require capital contributions and/or other actions, administrative actions and/or penalties imposed by a particular governmental or self-regulatory authority, unanticipated costs associated with remedying such failure or other claims, harm to our reputation, or interruption of our operations, any of which could have a material and adverse impact on our business, financial position, results of operations, liquidity and cash flows. See "Item 1. Business — Regulation."

Restrictions on Dividends and Distributions

Argo Re is prohibited from declaring or paying any dividends or making a distribution out of contributed surplus to Argo Group during any financial year if there are reasonable grounds for believing that (1) Argo Re is, or would after the payment be, unable to pay its liabilities as they become due or (2) the realizable value of its assets would thereby be less than its liabilities. Further, as a Class 4 insurer, Argo Re is prohibited from declaring or paying any dividends or making a distribution out of contributed surplus during any financial year if it is in breach of its ECR, general business solvency margin or minimum liquidity ratio or if the declaration or payment of such dividends would cause such a breach. If it has failed to meet its minimum margin of solvency or minimum liquidity ratio on the last day of any financial year, Argo Re will be prohibited, without the approval of the BMA, from declaring or paying any dividends during the next financial year. In addition, Argo Re is prohibited from declaring or paying in any financial year dividends of more than 25% of its total statutory capital and surplus (as shown on its previous financial year's statutory balance sheet) unless it files (at least seven days before payment of such dividends) with the BMA an affidavit stating that it will continue to meet the required margins.

As discussed above under "Item 1. Business — Regulation", Argo Group and its various subsidiaries are considered to be an affiliated group for purposes of the BMA's Group Supervision regime. This Group Supervision regime stipulates solvency margins, capital requirements and eligible capital requirements at the consolidated Argo Group level that may affect the calculation of similar solvency and capital requirements at the Argo Re level. The methodology for applying these solvency and capital requirements, particularly in regard to the eligibility, and classification of certain capital instruments within an affiliated group, is subject to ongoing refinement and interpretation by the BMA. The applicable rules and regulations for this regime, and the manner in which they will be applied to Argo Group, are subject to change, and it is not possible to predict the ultimate impact of future changes on Argo Group's operations and financial condition.

The outcome of legal and regulatory proceedings, investigations, inquiries, claims and litigation related to our business operations, and changes in the legal environment, may have a material adverse effect on our results of operations and financial condition.

We are involved in legal and regulatory proceedings, investigations, inquiries, claims and litigation in connection with our business operations. Due to the inherent uncertainty of the outcomes of such matters, there can be no assurance that the resolution of any particular claim or proceeding would not have a material adverse effect on our results of operations or financial condition. If one or more of such matters were decided against us, the effects could be material to our results of operations in the period in which we would be required to record or adjust the related liability and could also be material to our cash flows in the periods that we would be required to pay such liability.

Significant changes in the legal environment could cause our ultimate liabilities to change from our current expectations. Such changes could be judicial in nature, like trends in the size of jury awards, developments in the law relating to tort liability or the liability of insurers, and rulings concerning the scope of insurance coverage or the amount or types of damages covered by insurance. In addition, changes in federal or state laws and regulations relating to the liability of insurers or policyholders, including state laws expanding “bad faith” liability and state “reviver” statutes, extending statutes of limitations for certain abuse claims, could result in changes in business practices, additional litigation, or could result in unexpected losses, including increased frequency and severity of claims. It is impossible to forecast such changes reliably, much less to predict how they might affect our loss reserves or how those changes might adversely affect our ability to price our insurance products appropriately. Thus, significant judicial or legislative developments could adversely affect our business, financial condition, results of operations and liquidity.

Bermuda Subsidiaries

Argo Group is supervised by the BMA as an Insurance Group. In addition, Argo Re is registered as a Class 4 Bermuda insurance company, and Argo Insurance Services Bermuda, Ltd. is licensed by the BMA pursuant to Section 10 of the Insurance Act as an Insurance Agent. As such, Argo Group and its Bermuda subsidiaries are subject to specific laws, rules and regulations promulgated by the Bermudian authorities according to the Insurance Act. Changes in Bermuda’s statutes, regulations and policies could result in restrictions on our ability to pursue our business plans, strategic objectives, execute our investment strategy and fulfill other stockholders’ obligations.

U.S. Subsidiaries

Our U.S. insurance subsidiaries are subject to regulation, which may reduce our profitability or inhibit our growth. If we fail to comply with these regulations, we may be subject to penalties, including fines and suspensions, which may adversely affect our financial condition and results of operations. Changes in the level of regulation of the insurance industry or changes in laws or regulations themselves or interpretations by regulatory authorities could adversely affect our ability to pursue our business plan and operate our U.S. insurance subsidiaries.

From time to time, various laws and regulations are proposed for application to the U.S. insurance industry, some of which could adversely affect the results of reinsurers and insurers. Additionally, the NAIC has been responsible for establishing certain regulatory and corporate governance requirements, which are intended to result in a group-wide supervision focus and include the Model Insurance Holding Company System Regulatory Act and the Insurance Holding Company System Model Regulation, the Requirements for ERM Report within the Annual Holding Company Registration (i.e., Form F), the Supervisory College, the Risk Management and ORSA Model, the CGAD and the Revisions to Annual Financial Reporting Model Regulation to expand the corporate audit function to provide reasonable assurance of the effectiveness of enterprise risk management, internal controls, and corporate governance. We are unable to predict the potential effect, if any, such legislative or regulatory developments may have on our future operations or financial condition.

In addition, regulatory authorities have relatively broad discretion to deny, suspend or revoke licenses for various reasons, including the violation of regulations. If we do not have the requisite licenses and approvals or do not comply with applicable regulatory requirements, insurance regulatory authorities may preclude or temporarily suspend us from carrying on some or all of our activities or otherwise penalize us. This could adversely affect our ability to operate our business.

Taxation Risks

Our aggregate tax liability and effective tax rate could be adversely affected in the future by changes in the tax laws of the countries in which we operate, including as a result of ongoing efforts by the member countries of the OECD.

We have operations in various countries that have differing tax laws and rates. Our tax reporting is supported by current domestic tax laws in the countries in which we operate and the application of tax treaties between the various countries in which we operate. Our income tax reporting is subject to audit by domestic and foreign authorities. Our effective tax rate may change from year to year based on changes in the mix of activities and income earned among the different jurisdictions in which we operate, changes in tax laws in these jurisdictions, changes in the tax treaties between various countries in which we operate, changes in our eligibility for benefits under those tax treaties, and changes in the estimated values of deferred tax assets and liabilities. Tax laws, regulations, and administrative practices in various jurisdictions may be subject to significant change, with or without notice, due to economic, political, or other conditions, and significant judgment is required in evaluating and estimating our provision and accruals for these taxes. Such changes could result in a substantial increase in our aggregate tax liability and the effective tax rate on all or a portion of our income.

In recent years, the OECD, with the support of the G20, has developed proposals to address perceived base erosion and profit shifting (“BEPS”). BEPS refers to tax planning strategies that exploit gaps and mismatches in tax rules to artificially shift profits to locations with low or no tax and little or no economic activity, for the purpose of reducing a multinational group’s aggregate tax liability. In 2021, the OECD/G20 Inclusive Framework on BEPS published a statement updating and finalizing the key components of a “two pillar” plan for global tax reform, as agreed among a number of countries across the globe. Pillar I addresses tax nexus and the allocation of profits for tax purposes. Under Pillar II, a global minimum tax at the rate of 15% would be imposed on certain companies whose revenues exceed a threshold. EU member states have agreed to adopt the OECD’s minimum tax rules under the Pillar II Framework, which are expected to begin going into effect in 2024. Several other countries, including Bermuda, have changed or are also considering changes to their tax laws to implement the OECD’s minimum tax proposal.

On December 15, 2023, the Bermuda government passed the Corporate Income Tax Act, 2023 (the “CIT Act”), which will become fully operative with respect to the imposition of corporate income tax on January 1, 2025. Under the CIT Act, Bermuda corporate income tax will be chargeable in respect of fiscal years beginning on or after January 1, 2025, and will apply only to Bermuda entities and permanent establishments that are part of multinational enterprise (MNE) groups with EUR 750 million or more in annual revenues in at least two of the four fiscal years immediately preceding the fiscal year in question (a “Bermuda Constituent Entity Group”). Where corporate income tax is chargeable to a Bermuda Constituent Entity Group, the amount of corporate income tax chargeable for a fiscal year shall be (a) 15% of the net taxable income of the Bermuda Constituent Entity Group less (b) tax credits applicable to the Bermuda Constituent Entity Group under Part 4 of the CIT Act, or as prescribed. Bermuda has indicated that it will continue to monitor further developments around the world as other jurisdictions address the OECD’s standards. The imposition of a Bermuda corporate income tax could, if applicable to any of our subsidiaries that is incorporated or has a permanent establishment in Bermuda, have a substantial increase in our aggregate tax liability and the effective tax rate. The Company, a previously Bermuda domiciled entity, redomiciled to the United States during the period ending December 31, 2023 and will not be subject to the CIT Act. Additionally, Argo Re, a Bermuda domiciled entity, is in the process of completing an Internal Revenue Code Section 953(d) election to treat the entity as a U.S. taxpayer. Any tax incurred by Argo Re in the United States is expected to be fully creditable against the CIT Act. We do not anticipate the CIT Act to materially impact any other Bermuda related operations.

Bermuda subsidiaries may become subject to Bermuda taxes after 2035.

Other than the recently adopted CIT Act, Bermuda currently imposes no income tax on corporations. In addition, we have obtained an assurance from the Bermuda Minister of Finance, under The Exempted Undertakings Tax Protection Act 1966 of Bermuda, that if any legislation is enacted in Bermuda that would impose tax computed on profits or income, or computed on any capital asset, gain or appreciation or any tax in the nature of estate duty or inheritance tax, then the imposition of any such tax will not be applicable to our Bermuda subsidiaries, until March 31, 2035. During 2011, legislation was passed to extend the period of the assurance mentioned above from 2016 to March 31, 2035. We filed for, and received, an extension of the assurance in January of 2012. This assurance does not apply with respect to any taxes that may be imposed on our Bermuda subsidiaries under the recently enacted CIT Act.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Risk Management and Strategy

We regularly assess risks from cybersecurity threats, monitor our information systems for potential vulnerabilities and tests those systems pursuant to our cybersecurity policies, processes and practices. We also use security tools intended to protect our information systems from cybersecurity threats, and to help us identify, escalate, investigate, resolve and recover from security incidents in a timely manner.

In particular, our information security program and approach is based on the National Institute of Standards and Technology Cybersecurity Framework ("NIST Framework"). The NIST Framework establishes core requirements related to information protection, processes and technologies. In addition, we maintain a Data Protection Framework and various policies, including Information Security Policy, Privacy Policy, and Records & Information Management Policy, to appropriately manage personal information necessary to operate our business and comply with applicable regulations. We also maintain a Third-Party Risk Management Program, including a Vendor Management Policy, which allows us to better oversee, monitor, identify and control certain risks related to the processing of personal information and customer information by our authorized third parties.

In accordance with these policies, we share personal information with affiliates, business partners, third-party service providers, or vendors only when we have a legitimate business purpose for doing so and it is permissible by law. We require third parties to maintain similar standards to ours to protect personal information. We have implemented a risk mitigation process to identify and assess the cyber posture of third parties providing commodities or services to our legal entities. We also have implemented multiple layers of data protection measures.

We have in the past, and may in the future, engage third parties to assess the effectiveness of our cybersecurity prevention and response systems and processes. As part of continuous improvement initiative, we strive to mature and build a robust and resilient environment to protect and defend against bad actors. We engage third parties to perform internal and external testing to improve security operations, disaster recovery, and incident response programs.

To date, we are not aware of risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, that have materially affected, or are reasonably likely to materially affect, the Company, including its business strategy, results of operations or financial condition. Refer to the risk factors under "*Operational Risks*" in Part I, Item 1A. "Risk Factors" for additional description of cybersecurity risks and potential related impacts on the Company.

Governance

Our Board oversees the Company's risk management process, including on cybersecurity risks, directly and through committees to which the Board has delegated authority. In connection with Brookfield Reinsurance's acquisition of the Company, the Company's Audit Committee was dissolved and all authority previously granted to the Company's Audit Committee was delegated to the Audit Committee of Brookfield Reinsurance. The Brookfield Reinsurance Audit Committee is responsible for overseeing our internal controls, including cybersecurity and data protection programs, and reviews the effectiveness of our financial reporting processes and internal controls, including data privacy, information technology security and control. Meetings of the Brookfield Reinsurance Audit Committee often include discussions of specific risk areas, including, among others, those relating to cybersecurity. The Brookfield Reinsurance Audit Committee also frequently discusses, in accordance with its duties and responsibilities as enumerated in its committee charter, the policies, guidelines and process by which management assesses and manages risks related to data protection and cybersecurity, including assessments of the overall threat landscape, steps management has taken to monitor or mitigate its risk exposure and related strategies and investments. Our Chief Security Officer regularly reports on data protection and information technology security matters to the Brookfield Reinsurance Audit Committee and to Argo senior management via Security Governance Council meetings.

As discussed above, our information security program and approach is based on the NIST Framework, and we have implemented cybersecurity policies, processes and practices designed to monitor and address cybersecurity threats and incidents. Our Chief Security Officer, in coordination with the Head of Risk, Chief Information Officer, Head of Operations, and General Counsel, is responsible for leading the assessment and management of cybersecurity risks. Our Chief Security Officer has extensive experience in information security, data protection and privacy, and regularly receives reports from our threat intelligence resources, in concert with enterprise risk, and legal departments, on cybersecurity threats and incidents.

In addition, plans have been authored to assist our security, legal, and finance functions in assessing and managing Argo's material risks from cybersecurity threats, and we conduct tabletop exercises and training sessions on a regular basis to help ensure effectiveness of said plans. Additionally, we also utilize outside resources to assist and participate in the determination of materiality of incidents stemming from cybersecurity threats.

Item 2. Properties

We lease office space in New York, New York, where our principal executive office is located. We and our subsidiaries also lease additional office space in the U.S. as well as Bermuda and Italy. Additionally, we own the land and office building in Pennsylvania that houses Rockwood. The properties are leased on terms and for durations that are reflective of commercial standards in the communities where these properties are located. We believe the facilities we occupy are adequate for the purposes in which they are currently used and are well maintained.

For further discussion of our leasing commitments as of December 31, 2023, please see Note 5, "Leases" to our Audited Consolidated Financial Statements.

Item 3. Legal Proceedings

Federal Securities Class Action

The Police & Fire Retirement System City of Detroit v. Argo Group International Holdings, Inc., et al., No. 22-cv-8971 (S.D.N.Y.)
On October 20, 2022, a securities class action lawsuit was filed in the United States District Court for the Southern District of New York against the Company and certain of its current and former officers, alleging securities fraud violations under sections 10(b) and 20(a) of the Securities Exchange Act of 1934. Plaintiff alleges that from February 13, 2018 through August 9, 2022, the defendants made false and misleading statements concerning the Company's reserves and underwriting standards. On January 18, 2023, U.S. District Judge Lewis A. Kaplan granted the Police and Fire Retirement System City of Detroit and the Oklahoma Law Enforcement Retirement System's joint motion for appointment as lead plaintiff. On March 27, 2023, lead plaintiffs filed an amended class action complaint. On May 26, 2023, the defendants moved to dismiss the amended class action complaint. On July 13, 2023, lead plaintiffs filed an opposition to such motion, after which defendants filed a reply on August 14, 2023.

Transaction-Related Stockholder Litigation

Following the announcement of the Merger, the following complaints were filed in the United Stated District Court for the Southern District of New York: Stein v. Argo Group Int'l Holdings. Ltd., et al., 1:23-cv -01947 (S.D.N.Y); O'Dell v. Argo Group Int'l Holdings, Ltd., et al., C.A. No. 1:23-cv-1999 (S.D.N.Y.); Jones v. Argo Group Int'l Holdings. Ltd., et al., 1:23-cv-02606 (S.D.N.Y); Ballard v. Argo Group Int'l Holdings, Ltd., et al., 1:23-cv-02635 (S.D.N.Y); Montgomery v. Argo Group Int'l Holdings, Ltd., et al., 1:23-cv-02749 (S.D.N.Y). The complaints each asserted violations of Section 14(a) and Section 20(a) of the Exchange Act and alleged that the proxy statement filed in connection with the proposed transaction between the Company, Brookfield Reinsurance and Merger Sub omitted certain purportedly material information that rendered the proxy statement incomplete and misleading. The complaints sought, among other things, an order to enjoin the transaction unless additional disclosures were issued; and, if the transaction closes, damages. All of the complaints were voluntarily dismissed.

Bermuda Appraisal Petitions

In April 2023, appraisal petitions were filed in the Supreme Court of Bermuda relating to the acquisition of the Company by Brookfield Reinsurance for $30.00 per share (the "Transaction Price") that closed on November 16, 2023.

The petitions were filed by certain stockholders pursuant to Section 106(6) of the Bermuda Companies Act 1981 and are captioned Corbin Erisa Opportunity Fund, Ltd. v. Argo Group International Holdings, Ltd., Corbin Opportunity Fund, L.P. v. Argo Group International Holdings, Ltd., Fourworld Event Opportunities, LP v. Argo Group International Holdings, Ltd., Fourworld Global Opportunities Fund, Ltd. v. Argo Group International Holdings, Ltd., Fourworld Special Opportunities Fund, LLC v. Argo Group International Holdings, Ltd., and FW Deep Value Opportunities Fund I, LLC v. Argo Group International Holdings, Ltd.

Section 106(6) permits a stockholder of a Bermuda corporation, such as the Company, to petition the Court for a determination of the fair value of the Company's shares if they are not satisfied with the Transaction Price.

On January 3, 2024, the Company filed a summons to stay the appraisal action pending judgment of the Judicial Committee of the Privy Council in the matter captioned “In re matter of Jardine Strategy Holdings Limited Case No: Civ/2022/14-31.” The summons is still pending before the Supreme Court of Bermuda. In addition, trial in this action has not been set and the outcome remains uncertain. The Company intends to defend this matter vigorously.

The Company is not able at this time to determine or predict the ultimate outcome of these proceedings or provide a reasonable estimate or range of estimates of the possible outcomes or loss, if any, in these matters.

We and our subsidiaries are parties to legal actions from time to time, generally incidental to our and their business. While any litigation or arbitration proceedings include an element of uncertainty, management believes that the resolution of these matters will not materially affect our financial condition or results of operations.

Item 4. Mine Safety Disclosure

Not applicable.

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

The Company is an indirect wholly-owned subsidiary of Brookfield Reinsurance and accordingly, there is no established public trading market for its common equity securities. As of December 31, 2023, there is only one record holder of the Company’s common equity securities.

Our dividend policy is determined by our Board and depends, among other factors, upon our earnings, operations, financial condition, capital requirements and general business outlook at the time the policy is considered. The declaration and payment of future dividends will be at the discretion of our Board and will depend upon these aforesaid factors.

Item 6. [Reserved]

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The discussion provides an analysis of the Company's financial condition, results of operations and cash flows from management's perspective and should be read in conjunction with the Consolidated Financial Statements and related notes beginning on page F-1. Our objective is to also provide discussion of events and uncertainties known to management that are reasonably likely to cause reported financial information not to be indicative of future operating results or of future financial condition and to offer information that provides understanding of our financial condition, cash flows and results of operations.

Merger

On February 8, 2023, we entered into the Merger Agreement with Brookfield Reinsurance and Merger Sub, a wholly-owned subsidiary of Brookfield Reinsurance. The Merger Agreement provides for the merger of the Merger Sub with and into us, which we refer to as the “Merger,” with us surviving the Merger as an indirect wholly-owned subsidiary of Brookfield Reinsurance.

On November 16, 2023 (“Merger Date”), we completed the Merger, which resulted in a change to the Company’s ownership.

Brookfield Reinsurance elected to push-down its purchase accounting, which resulted in the Company reflecting the fair market value of its assets and liabilities as of the Merger Date, in accordance with Accounting Standards Codification (“ASC”) 805, Business Combinations. The application of push-down accounting created a new basis of accounting for all of our assets and liabilities. As such, the Company’s financial position, results of operations, and cash flows subsequent to the acquisition are not comparable with those prior to November 16, 2023, and therefore have been separated to indicate pre-acquisition and post-acquisition periods. The pre-acquisition period through November 15, 2023 is referred to as the Predecessor period. The post-acquisition period, November 16, 2023 and forward, includes the impact of push-down accounting and is referred to as the Successor period.

As a result, the following discussion regarding the results of operations of the Predecessor Company will compare results from January 1, 2023 through November 15, 2023 against the year ended December 31, 2022. The Successor Company will not be compared to previous periods as it created on a new basis of accounting.

Refer to Note 1, “Business and Significant Accounting Policies” within the Consolidated Financial Statements for additional information regarding the Merger.

For discussion of our results of operations and changes in financial conditions for the year ended December 31, 2022 compared to year ended December 31, 2021 refer to Part II. Item 7. Management’s Discussion and Analysis of Financial Conditions and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2022, as amended, which was filed with the SEC on March 6, 2023 and such discussion is incorporated herein by reference.

Other Recent Developments

Sale of Argo Underwriting Agency Limited

On February 2, 2023, the Company completed the sale of the entire issued share capital of Argo Underwriting Agency Limited (“AUA”). Refer to the sale of AUA in Note 2, “Recent Acquisitions, Disposals & Other Transactions” for additional information.

Forward-Looking Statements

This report includes forward-looking statements 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,” “growth,” “objective,” “remain optimistic,” “improve,” “progress,” “path toward,” “outlook,” “trends,” “future,” “could,” “would,” “should,” “target,” “on track” and similar expressions of a future or forward-looking nature.

Such statements are subject to certain risks and uncertainties that could cause actual events or results to differ materially including, but not limited to, recent changes in interest rates and inflation, the outcome of our exploration of strategic alternatives, the adequacy of our projected loss reserves, employee retention and changes in key personnel, the ability of our insurance subsidiaries to meet risk-based capital and solvency requirements, the outcome of legal and regulatory proceedings, investigations, inquiries, claims and litigation and other risks and uncertainties discussed in our filings with the SEC. For a more detailed discussion of such risks and uncertainties, see Part I, Item 1A, "Risk Factors." The inclusion of a forward-looking statement herein should not be regarded as a representation by the Company that the Company'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. You should not place undue reliance on any such statements.

Consolidated Results of Operations

We reported net income attributable to holders of common stock of $0.9 million for the period November 16, 2023 through December 31, 2023 (Successor). For the period January 1, 2023 through November 15, 2023 (Predecessor), we reported a net loss attributable to holders of common stock of $220.9 million ($6.28 per diluted share of common stock) as compared to a net loss attributable to holders of common stock of $185.7 million ($5.31 per diluted share of common stock) for the year ended December 31, 2022.

The following is a comparison of selected data from our results of operations, as well as book value per share of common stock, for the relevant periods:

	Successor	Predecessor		
	Period from	Period from	For the Years Ended December 31,	
(in millions)	November 16, 2023 through December 31, 2023	January 1, 2023 through November 15, 2023	2022	2021
Gross written premiums	$ 191.2	$ 1,948.4	$ 2,848.1	$ 3,181.2
Net earned premiums	$ 162.3	$ 1,225.9	$ 1,740.4	$ 1,910.1
Net investment income	28.6	121.3	129.8	187.6
Net investment and other gains (losses):				
Net realized investment and other gains (losses)	0.1	(20.4)	(115.9)	72.4
Change in fair value recognized	(0.2)	(0.2)	3.1	(40.4)
Change in allowance for credit losses on fixed maturity securities	(0.2)	(2.1)	(2.5)	0.6
Total net investment and other gains (losses)	(0.3)	(22.7)	(115.3)	32.6
Total revenue	$ 190.6	$ 1,324.5	$ 1,754.9	$ 2,130.3
Income (loss) before income taxes	$ 2.2	$ (210.1)	$ (183.2)	$ 5.3
Income tax provision (benefit)	1.3	0.3	(8.0)	(1.4)
Net income (loss)	$ 0.9	$ (210.4)	$ (175.2)	$ 6.7
Less: Dividends on preferred shares	—	10.5	10.5	10.5
Net income (loss) attributable to common stockholders	$ 0.9	$ (220.9)	$ (185.7)	$ (3.8)
GAAP ratios:				
Loss ratio	58.0 %	85.1 %	67.0 %	68.8 %
Expense ratio [1]	47.6 %	34.2 %	38.6 %	36.8 %
Combined ratio	105.6 %	119.3 %	105.6 %	105.6 %

[1] The Successor period includes amortization of value of business acquired and other intangible assets related to purchase accounting.

	As of December 31, 2022
	Predecessor
Book value per common share	$ 31.06

The table above includes ratios in accordance with U.S. generally accepted accounting principles ("GAAP") that we use to measure our profitability. We believe that they enhance an investor's understanding of our profitability. They are calculated as follows:

- Loss ratio: the ratio of claims and claims expense to premiums earned. Loss ratios include the impact of catastrophe losses.
- Expense ratio: the ratio of underwriting, acquisition and general expenses to premiums earned.
- Combined ratio: the sum of the loss ratio and the expense ratio. The difference between 100% and the combined ratio represents underwriting income (loss) as a percentage of net earned premiums, or underwriting margin (loss).

Non-GAAP Measures

In the following discussion and analysis of our results of operations, we have included certain non-generally accepted accounting principles ("non-GAAP") financial measures. We believe that these non-GAAP measures, specifically current accident year non-catastrophe losses, current accident year non-catastrophe loss ratio and current accident year non-catastrophe combined ratio, which may be defined differently by other companies, explain our results of operations in a manner that allows for an understanding of the underlying trends in our business. However, these measures should not be viewed as a substitute for those determined in accordance with GAAP. Reconciliations of these financial measures to their most directly comparable GAAP measures are included in the tables below.

	Successor		Predecessor					
	Period from November 16, 2023 through December 31, 2023		Period from January 1, 2023 through November 15, 2023		For the Years Ended December 31,			
					2022		2021	
(in millions)	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Net earned premiums	$ 162.3		$ 1,225.9		$ 1,740.4		$ 1,910.1	
Losses and loss adjustment expenses, as reported	$ 94.2	58.0 %	$ 1,043.2	85.1 %	$ 1,166.9	67.0 %	$ 1,314.6	68.8 %
Adjustments:								
Favorable (unfavorable) prior accident year loss development	—	— %	(267.9)	(21.9)%	(64.7)	(3.7)%	(138.3)	(7.2)%
Catastrophe losses, including COVID-19	—	— %	(28.6)	(2.3)%	(44.0)	(2.5)%	(92.7)	(4.8)%
Current accident year non-catastrophe losses (non-GAAP)	$ 94.2	58.0 %	$ 746.7	60.9 %	$ 1,058.2	60.8 %	$ 1,083.6	56.8 %
Expense ratio [1]		47.6 %		34.2 %		38.6 %		36.8 %
Current accident year non-catastrophe combined ratio (non-GAAP)		105.6 %		95.1 %		99.4 %		93.6 %

[1] The Successor period includes amortization of value of business acquired and other intangible assets related to purchase accounting.

Current accident year non-catastrophe losses, current accident year non-catastrophe loss ratio and current accident year non-catastrophe combined ratio are internal performance measures used by the Company to evaluate its underwriting activity by excluding catastrophe losses and the impact of changes to prior year loss reserves. Management believes that these non-GAAP metrics measure performance in a way that is useful to investors as it removes the impact of volatile and unpredictable catastrophe losses and prior accident year reserve development.

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The following table presents our current accident year non-catastrophe losses, current accident year non-catastrophe loss ratio and current accident year non-catastrophe combined ratio adjusted for the one-time cost of the 2022 U.S. LPT transaction:

	Successor		Predecessor					
	Period from		Period from		For the Years Ended December 31,			
	November 16, 2023 through December 31, 2023		January 1, 2023 through November 15, 2023		2022		2021	
(in millions)	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Net earned premiums, as reported	$ 162.3		$ 1,225.9		$ 1,740.4		$ 1,910.1	
Adjustment: Ceded premiums for U.S. LPT	—		—		121.0		—	
Earned premiums, post adjustments (non-GAAP)	$ 162.3		$ 1,225.9		$ 1,861.4		$ 1,910.1	
Losses and loss adjustment expenses, as reported	$ 94.2	58.0 %	$ 1,043.2	85.1 %	$ 1,166.9	62.7 %	$ 1,314.6	68.8 %
Adjustments:								
Favorable (unfavorable) prior accident year loss development	—	— %	(267.9)	(21.9)%	(64.7)	(3.5)%	(138.3)	(7.2)%
Catastrophe losses, including COVID-19	—	— %	(28.6)	(2.3)%	(44.0)	(2.4)%	(92.7)	(4.8)%
Current accident year non-catastrophe losses (non-GAAP)	$ 94.2	58.0 %	$ 746.7	60.9 %	$ 1,058.2	56.8 %	$ 1,083.6	56.8 %
Underwriting, acquisition and general expenses, as reported [(1)]	$ 77.2		$ 419.0		$ 670.7		$ 702.3	
Adjustment: U.S. LPT	—	— %	—	— %	(10.5)	(0.6)%	—	— %
Underwriting, acquisition and general expenses, post adjustments (non-GAAP)	$ 77.2	47.6 %	$ 419.0	34.2 %	$ 660.2	35.5 %	$ 702.3	36.8 %
Current accident year non-catastrophe combined ratio (non-GAAP)		105.6 %		95.1 %		92.3 %		93.6 %

(1) The Successor period includes amortization of value of business acquired and other intangible assets related to purchase accounting.

Gross Written and Net Earned Premiums

Consolidated gross written and net earned premiums by our four primary insurance lines were as follows:

	Successor		Predecessor					
	Period from		Period from		For the Years Ended December 31,			
	November 16, 2023 through December 31, 2023		January 1, 2023 through November 15, 2023		2022		2021	
(in millions)	Gross Written	Net Earned	Gross Written	Net Earned	Gross Written	Net Earned	Gross Written	Net Earned
Property	$ 29.4	$ 21.8	$ 333.4	$ 158.8	$ 405.0	$ 231.6	$ 548.1	$ 282.3
Liability [(1)]	98.1	84.8	1,000.1	632.4	1,302.0	702.3	1,351.3	804.1
Professional	42.6	33.6	352.8	258.9	619.0	443.9	730.1	463.4
Specialty	21.1	22.1	262.1	175.8	522.1	362.6	551.7	360.3
Total	$ 191.2	$ 162.3	$ 1,948.4	$ 1,225.9	$ 2,848.1	$ 1,740.4	$ 3,181.2	$ 1,910.1

(1) Ceded premium in 2022 of $121.0 million for the U.S. LPT has been included in the Liability line to align with the majority of the subject reserves covered under the agreement.

Gross written premiums were $191.2 million for the period November 16, 2023 through December 31, 2023 (Successor).

Gross written premiums decreased $899.7 million, or 31.6%, for the period January 1, 2023 through November 15, 2023 (Predecessor), as compared to the year ended December 31, 2022. The decrease in gross written premiums is primarily attributable to the sale of AUA, Argo Seguros, and AGSE as well as businesses we have exited. Additionally, there were reductions in gross written premium in our U.S. operations primarily due to proactive actions taken in certain lines to prioritize improving profitability, partially offset by growth in several other businesses. Remaining decrease is attributable to the shortened Predecessor period.

Consolidated net earned premiums were $162.3 million for the period November 16, 2023 through December 31, 2023 (Successor).

Consolidated net earned premiums decreased $514.5 million, or 29.6%, for the period January 1, 2023 through November 15, 2023 (Predecessor), as compared to the year ended December 31, 2022. The decrease is driven by the aforementioned reasons for gross written premiums.

Our gross written and earned premiums are further discussed by reporting segment and major lines of business below under the heading “Segment Results.”

Net Investment Income

Consolidated net investment income was $28.6 million for the period November 16, 2023 through December 31, 2023 (Successor). For the period January 1, 2023 through November 15, 2023 (Predecessor), net investment income decreased $8.5 million, or 6.5%, as compared to the year ended December 31, 2022. The decrease is primarily attributable to the periods compared as a result of the Merger. Overall, compared to 2022, net investment income for the 2023 Predecessor period benefited from higher interest rates, partially offset by a decrease in income from our alternative investment portfolio which includes earnings from both private equity and hedge fund investments.

Total invested assets were $3,481.2 million compared to $3,651.9 million at December 31, 2023 and December 31, 2022, respectively. The decrease of $170.7 million is driven by post Merger push-down accounting. The Company re-classified $747.8 million of short-term investments with maturities of 90 days or less from *Short-term investments* to *Cash, restricted cash and cash equivalents* in our Consolidated Balance Sheets. The decrease due to the aforementioned re-classification was offset by an increase to our investments driven by higher interest rates.

Net Investment and Other Gains and Losses

Consolidated net investment and other losses were $0.3 million for the period November 16, 2023 through December 31, 2023 (Successor), and decreased $92.6 million for the period January 1, 2023 through November 15, 2023 (Predecessor), as compared to the year ended December 31, 2022. Consolidated net realized investment losses of $22.7 million for the period January 1, 2023 through November 15, 2023, were primarily driven from the sale of AUA, which included $20.3 million of pre-tax realized losses that were previously recognized in accumulated other comprehensive income, resulting in no impact to total stockholders’ equity from this reclassification. The remaining decrease was driven by the transactions during the year ended December 31, 2022, which included consolidated net realized investment losses related to the sale of Argo Seguros and AGSE, of which $31.8 million related to historical foreign currency translation losses which were previously recognized in accumulated other comprehensive income, resulting in no impact to total stockholders’ equity from this reclassification. The Company also recognized $37.6 million of realized losses from the sale of assets transferred to Enstar as part of the U.S. LPT transaction, of which $34.2 million was an impairment recognizing losses that were previously included in accumulated other comprehensive income.

Losses and Loss Adjustment Expense

Consolidated losses and loss adjustment expenses were $94.2 million for the period November 16, 2023 through December 31, 2023 (Successor). The consolidated loss ratio was 58.0% for the period November 16, 2023 through December 31, 2023.

Consolidated losses and loss adjustment expenses decreased $123.7 million, or 10.6%, for the period January 1, 2023 through November 15, 2023 (Predecessor), as compared to the year ended December 31, 2022. The consolidated loss ratio was 85.1% for the period January 1, 2023 through November 15, 2023, as compared to 67.0% for the year ended December 31, 2022. The increase in the loss ratio was driven by an increase in net unfavorable prior year development for the period January 1, 2023 through November 15, 2023 as compared to 2022 (18.2 percentage points). Catastrophe losses of $28.6 million for the period January 1, 2023 through November 15, 2023, were attributable to Hawaii wildfires, Tropical Storm Ophelia, Hurricane Idalia, and other U.S. storms. Catastrophe losses of $44.0 million for the year ended December 31, 2022 were attributable to Hurricane Ian, Winter Storm Elliott, the Ukraine/Russia conflict, and other small events.

The following table summarizes the above referenced prior-year loss reserve development for the period January 1, 2023 through November 15, 2023 (Predecessor), with respect to net loss reserves by line of business carried as of December 31, 2022. The net unfavorable prior-year reserve development of $267.9 million is made up of unfavorable prior year reserves development of $246.3 million in U.S. Operations, $21.4 million in International Operations and $0.2 million in Run-off Lines. Our losses and loss adjustment expenses, including the prior-year loss reserve development shown in the following table, are further discussed by reporting segment under the heading “Segment Results” below.

(in millions)	Net Reserves 2022	Net Reserve Development (Favorable)/ Unfavorable	Percent of 2022 Net Reserves
Property	$ 94.8	$ (3.4)	(3.6)%
Liability	1,626.2	170.6	10.5 %
Professional	445.3	110.7	24.9 %
Specialty	46.8	(10.0)	(21.4)%
Total	$ 2,213.1	$ 267.9	12.1 %

In determining appropriate reserve levels for the year ended December 31, 2023, we maintained the same general processes and disciplines that were used to set reserves at prior reporting dates. No significant changes in methodologies were made to estimate the reserves since the last reporting date; however, at each reporting date we reassess the actuarial estimate of the reserve for loss and loss adjustment expenses and record our best estimate. Consistent with prior reserve valuations, as claims data becomes more mature for prior accident years, actuarial estimates were refined to weigh certain actuarial methods more heavily in order to respond to any emerging trends in the paid and reported loss data. While prior accident years’ net reserves for losses and loss adjustment expenses for some lines of business have developed favorably in recent years, this does not imply that more recent accident years’ reserves also will develop favorably; pricing, reinsurance costs, legal environment, general economic conditions including changes in inflation and many other factors impact our ultimate loss estimates.

Consolidated gross reserves for losses and loss adjustment expenses were $5,544.5 million at December 31, 2023 as compared to $5,051.6 million at December 31, 2022. The increase was primarily driven by net unfavorable prior-year reserve development during the period January 1, 2023 through November 15, 2023 (Predecessor) as compared to year ended 2022 and retroactive reinsurance contracts the Company entered into with AUA subsidiaries. Management has recorded its best estimate of loss reserves at each date based on current known facts and circumstances. Due to the significant uncertainties inherent in the estimation of loss reserves, there can be no assurance that future loss development, favorable or unfavorable, will not occur.

Underwriting, Acquisition and General Expenses

Consolidated underwriting, acquisition and general expenses were $77.2 million for the period November 16, 2023 through December 31, 2023 (Successor), and decreased $251.7 million, or 37.5%, for the period January 1, 2023 through November 15, 2023 (Predecessor), as compared to the year ended December 31, 2022.

The consolidated expense ratio was 47.6% for the period November 16, 2023 through December 31, 2023 (Successor), which includes amortization expense of value of business acquired (“VOBA”) and other intangible assets. The consolidated expense ratio decreased 4.4% to 34.2% for the period January 1, 2023 through November 15, 2023, as compared to 38.6% the year ended December 31, 2022. This decrease is primarily driven by the change in business mix resulting from the sale of AUA, Argo Seguros and our Malta operations.

Non-Operating Expenses

Non-operating expenses represent costs not associated with our ongoing insurance or other operations, including severance expenses, certain legal costs, merger and acquisition and other transaction-related expenses, and certain non-recurring expenses. As such, non-operating expenses have been excluded from the calculation of our expense ratio. These non-recurring costs are included in the line item *Non-operating expenses* in the Company’s Consolidated Statements of Income (Loss).

Non-operating expenses were $13.1 million for the period November 16, 2023 through December 31, 2023 (Successor), $41.1 million, for the period January 1, 2023 through November 15, 2023 (Predecessor), $51.5 million for the year ended December 31, 2022.

For the period January 1, 2023 through November 15, 2023, our non-operating expenses consisted primarily of advisory and legal fees related to the Merger of the Company with Brookfield Reinsurance. For the year ended December 31, 2022, our non-operating expenses consisted primarily of advisory fees driven by the exploration of the Company's strategic alternatives announced in the second quarter of 2022 and the contested proxy process.

Interest Expense

Consolidated interest expense increased $3.0 million, or 11.2%, to $29.8 million for the period January 1, 2023 through November 15, 2023 (Predecessor), as compared to the year ended December 31, 2022. The year-over-year increase was primarily attributable to higher short-term interest rates in 2023.

Foreign Currency Exchange Gain (Loss)

Consolidated foreign currency exchange loss was $0.6 million for the period November 16, 2023 through December 31, 2023 (Successor), $1.8 million for the period January 1, 2023 through November 15, 2023 (Predecessor), as compared to a $5.0 million foreign currency exchange gain the year ended December 31, 2022. The changes in the foreign currency exchange gains were due to fluctuations of the U.S. Dollar, on a weighted average basis, against the Canadian Dollar, Euro and the British Pound as well as disposal of several businesses transacting in foreign currencies.

Impairment of Goodwill and Intangible Assets

As a result of the announced sale of Argo Underwriting Agency Limited and its Lloyd's Syndicate 1200, an estimated fair value was established for Syndicate 1200 that was below its carrying value. As such, we recorded a $28.5 million impairment charge in the third quarter of 2022, consisting of $17.3 million of indefinite lived intangible assets and $11.2 million of goodwill. There were no such impairments for the period January 1, 2023 through November 15, 2023 (Predecessor).

Income Tax Provision

The consolidated income tax provision represents the income tax expense or benefit associated with our operations based on the tax laws of the jurisdictions in which we operate. Therefore, the consolidated provision for income taxes represents taxes on net income for our Ireland, Italy, U.K. and U.S. operations. The consolidated provision for income taxes was $0.3 million for the period January 1, 2023 through November 15, 2023 (Predecessor), compared to a benefit of $8.0 million for the year ended December 31, 2022. The consolidated effective tax rates were 0.1% and 4.3% for the period January 1, 2023 through November 15, 2023 (Predecessor), and year ended December 31, 2022, respectively. The primary driver for the fluctuation in the effective tax rate was a Base Erosion and Anti-Abuse Tax Liability incurred as the result of our U.S. operations entering into a loss portfolio transfer with a Bermuda related party. This liability was ultimately reversed through purchase accounting, however the impact was recorded in our income tax provision through the period ending November 15, 2023. Additionally, non-deductible compensation under Internal Revenue Code Section 162(m) also contributed to a variance in our effective tax rate. Excluding the Base Erosion and Anti-Abuse Tax Liability and non-deductible compensation adjustments, the effective tax rate for the period ending November 30, 2023 was more aligned with statutory tax rates.

Segment Results

We are primarily engaged in writing property and casualty insurance. We have two ongoing reporting segments: U.S. Operations and International Operations. Additionally, we have a Run-off Lines segment for products that we no longer underwrite.

We consider many factors, including the nature of each segment's insurance products, production sources, distribution strategies and regulatory environment, in determining how to aggregate reporting segments.

Our reportable segments include four primary insurance services and offerings as follows:

- **Property** includes both property insurance and reinsurance products. Insurance products cover commercial properties primarily in North America with some international covers. Reinsurance covers underlying exposures located throughout the world, including the United States. These offerings include coverages for man-made and natural disasters.
- **Liability** includes a broad range of primary and excess casualty products primarily underwritten as insurance and, to a lesser extent reinsurance, for risks on both an admitted and non-admitted basis in the United States. Internationally, prior to the sale of AUA, Argo Group underwrote non-U.S. casualty risks primarily exposed in the United Kingdom, Canada and Australia.

- **Professional** includes various professional lines products including errors and omissions and management liability coverages (including directors and officers).
- **Specialty** includes niche insurance coverages such as marine, accident and health, and surety product offerings.

In evaluating the operating performance of our segments, we focus on core underwriting and investing results before consideration of realized gains or losses from the sales of investments. Realized investment gains and losses are reported as a component of the Corporate and Other segment, as decisions regarding the acquisition and disposal of securities reside with the corporate investment function and are not under the control of the individual business segments.

Since we generally manage and monitor the investment portfolio on an aggregate basis, the overall performance of the investment portfolio, and related net investment income, is discussed above on a combined basis under consolidated net investment income rather than within or by segment.

U.S. Operations

The following table summarizes the results of operations for the U.S. Operations segment:

	Successor	Predecessor		
	Period from	Period from	For the Years Ended December 31,	
(in millions)	November 16, 2023 through December 31, 2023	January 1, 2023 through November 15, 2023	2022	2021
Gross written premiums	$ 166.6	$ 1,578.8	$ 1,940.6	$ 2,069.4
Net earned premiums	$ 147.2	$ 1,101.6	$ 1,209.0	$ 1,283.7
Losses and loss adjustment expenses	81.7	935.1	870.1	908.2
Underwriting, acquisition and general expenses	68.6	369.6	432.8	419.3
Underwriting income (loss) (non-GAAP)	(3.1)	(203.1)	(93.9)	(43.8)
Net investment income	23.5	99.9	88.4	119.4
Interest expense	2.9	24.5	17.5	14.1
Fee and other expense (income), net	0.2	(0.2)	(0.1)	0.4
Income (loss) before income taxes	$ 17.3	$ (127.5)	$ (22.9)	$ 61.1
GAAP ratios:				
Loss ratio	55.5 %	84.9 %	72.0 %	70.7 %
Expense ratio [(1)]	46.6 %	33.5 %	35.8 %	32.7 %
Combined ratio	102.1 %	118.4 %	107.8 %	103.4 %

[(1)] The Successor period includes amortization of value of business acquired and other intangible assets related to purchase accounting.

The table above includes underwriting income (loss) which is an internal performance measure that we use to measure our insurance profitability. We believe underwriting income (loss) enhances an investor’s understanding of insurance operations profitability. Underwriting income (loss) is calculated as earned premiums less losses and loss adjustment expenses less underwriting, acquisition and general expenses. Although underwriting income (loss) does not replace net income (loss) computed in accordance with GAAP as a measure of profitability, management uses underwriting income (loss) to focus our reporting segments on generating operating income.

The following table contains a reconciliation of certain non-GAAP financial measures, specifically the current accident year non-catastrophe losses, current accident year non-catastrophe loss ratio and current accident year non-catastrophe combined ratio, to their most directly comparable GAAP measures for our U.S. Operations.

(in millions)	Successor: Period from November 16, 2023 through December 31, 2023 — Amount	Ratio	Predecessor: Period from January 1, 2023 through November 15, 2023 — Amount	Ratio	For the Years Ended December 31, 2022 — Amount	Ratio	2021 — Amount	Ratio
Net earned premiums	$ 147.2		$ 1,101.6		$ 1,209.0		$ 1,283.7	
Losses and loss adjustment expenses, as reported	$ 81.7	55.5 %	$ 935.1	84.9 %	$ 870.1	72.0 %	$ 908.2	70.7 %
Adjustments:								
Favorable (unfavorable) prior accident year loss development	—	— %	(246.3)	(22.4)%	(64.5)	(5.3)%	(120.9)	(9.4)%
Catastrophe losses, including COVID-19	—	— %	(20.2)	(1.8)%	(13.2)	(1.1)%	(36.1)	(2.8)%
Current accident year non-catastrophe losses (non-GAAP)	$ 81.7	55.5 %	$ 668.6	60.7 %	$ 792.4	65.6 %	$ 751.2	58.5 %
Expense ratio [1]		46.6 %		33.5 %		35.8 %		32.7 %
Current accident year non-catastrophe combined ratio (non-GAAP)		102.1 %		94.2 %		101.4 %		91.2 %

[1] The Successor period includes amortization of value of business acquired and other intangible assets related to purchase accounting.

The following table presents our current accident year non-catastrophe losses, current accident year non-catastrophe loss ratio and current accident year non-catastrophe combined ratio adjusted for the one-time cost for the 2022 U.S. LPT transaction:

	Successor		Predecessor					
	Period from November 16, 2023 through December 31, 2023		Period from January 1, 2023 through November 15, 2023		For the Years Ended December 31,			
					2022		2021	
(in millions)	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Net earned premiums, as reported	$ 147.2		$ 1,101.6		$ 1,209.0		$ 1,283.7	
Adjustment: Ceded premiums for U.S. LPT	—		—		121.0		—	
Earned premiums, post adjustments (non-GAAP)	$ 147.2		$ 1,101.6		$ 1,330.0		$ 1,283.7	
Losses and loss adjustment expenses, as reported	$ 81.7	55.5 %	$ 935.1	84.9 %	$ 870.1	65.4 %	$ 908.2	70.7 %
Adjustments:								
Favorable (unfavorable) prior accident year loss development	—	— %	(246.3)	(22.4)%	(64.5)	(4.8)%	(120.9)	(9.4)%
Catastrophe losses, including COVID-19	—	— %	(20.2)	(1.8)%	(13.2)	(1.0)%	(36.1)	(2.8)%
Current accident year non-catastrophe losses (non-GAAP)	$ 81.7	55.5 %	$ 668.6	60.7 %	$ 792.4	59.6 %	$ 751.2	58.5 %
Underwriting, acquisition and general expenses, as reported [1]	$ 68.6		$ 369.6		$ 432.8		$ 419.3	
Adjustment: U.S. LPT	—	— %	—	— %	(10.5)	(0.8)%	—	— %
Underwriting, acquisition and general expenses, post adjustments (non-GAAP)		46.6 %	$ 369.6	33.6 %	$ 422.3	31.8 %	$ 419.3	32.7 %
Current accident year non-catastrophe combined ratio (non-GAAP)		102.1 %		94.3 %		91.4 %		91.2 %

[1] The Successor period includes amortization of value of business acquired and other intangible assets related to purchase accounting.

Gross Written and Net Earned Premiums

Gross written and net earned premiums by our four primary insurance lines were as follows:

	Successor		Predecessor					
	Period from November 16, 2023 through December 31, 2023		Period from January 1, 2023 through November 15, 2023		For the Years Ended December 31,			
					2022		2021	
(in millions)	Gross Written	Net Earned	Gross Written	Net Earned	Gross Written	Net Earned	Gross Written	Net Earned
Property	$ 21.1	$ 14.9	$ 208.9	$ 123.8	$ 214.3	$ 148.8	$ 253.0	$ 149.9
Liability [(1)]	86.5	81.3	898.3	602.0	1,073.7	576.7	1,093.6	672.8
Professional	37.9	30.9	279.5	227.2	410.5	310.0	504.1	315.1
Specialty	21.1	20.1	192.1	148.6	242.1	173.5	218.7	145.9
Total	$ 166.6	$ 147.2	$ 1,578.8	$ 1,101.6	$ 1,940.6	$ 1,209.0	$ 2,069.4	$ 1,283.7

(1) In 2022, ceded premium of $121.0 million for the U.S. LPT has been included in the Liability line to align with the majority of the subject reserves covered under the agreement.

Property

Gross written premiums for property decreased $5.4 million, or 2.5%, for the period January 1, 2023 through November 15, 2023 (Predecessor), as compared to the year ended December 31, 2022 primarily as a result of the shortened Predecessor period as compared to a full year of results in 2022. The decrease in net earned premiums for the period January 1, 2023 through November 15, 2023, compared to the year ended December 31, 2022 was mainly attributed to the shortened Predecessor period coupled with the sale of the contract binding and excess and surplus property businesses in 2021 partially offset by growth in the inland marine business.

Liability

Gross written premiums for liability decreased $175.4 million, or 16.3%, for the period January 1, 2023 through November 15, 2023 (Predecessor), as compared to the year ended December 31, 2022. The decrease was mainly from reductions in the construction business unit and delegated authority programs, partially offset by growth in environmental, casualty, and workers' compensation lines. Net earned premiums increased for the period January 1, 2023 through November 15, 2023, as compared to the year ended December 31, 2022. The increase was primarily due to ceded premium of $121.0 million for the U.S. LPT during the fourth quarter of 2022.

Professional

Gross written premiums for professional lines decreased $131.0 million, or 31.9%, for the period January 1, 2023 through November 15, 2023 (Predecessor), as compared to the year ended December 31, 2022. The primary decrease is due to lower production in management liability and errors and omission lines, and delegated authority programs, as well as increased competition. The decrease in net earned premium for the period January 1, 2023 through November 15, 2023, as compared to the year ended December 31, 2022, was also due to the reduced production from the lines noted above.

Specialty

Gross written premiums decreased $50.0 million or 20.7%, for the period January 1, 2023 through November 15, 2023 (Predecessor), as compared to the year ended December 31, 2022. The decrease was driven by surety, partially offset by an increase in fronted programs. The decrease in net earned premiums for the period January 1, 2023 through November 15, 2023, as compared to the year ended December 31, 2022, was primarily a result of the shortened Predecessor period coupled with a decrease in surety lines, partially offset by an increase in delegated authority programs.

Loss and Loss Adjustment Expenses

Loss and loss adjustment expenses were $935.1 million and $870.1 million for the period January 1, 2023 through November 15, 2023 (Predecessor), and year ended December 31, 2022, respectively. The loss ratios for the period January 1, 2023 through November 15, 2023, and year ended December 31, 2022, were 84.9% and 72.0%, respectively. The higher loss ratio in 2023 was driven by increased net unfavorable prior-year reserve development versus 2022 (17.1 percentage points increase), an increase in catastrophe losses (0.7 percentage point increase), partially offset by a decrease in the current accident year non-catastrophe loss ratio (4.9 percentage point decrease).

The current accident year non-catastrophe loss ratios for the period January 1, 2023 through November 15, 2023 (Predecessor), and year ended December 31, 2022, were 60.7% and 65.6%, respectively. The current accident year non-catastrophe loss ratio for the year ended December 31, 2022 included 6.0 percentage points from the one-time cost for the 2022 U.S. LPT transaction. Excluding that impact, the current accident year non-catastrophe loss ratio for the period January 1, 2023 through November 15, 2023 (Predecessor), was 1.5 percentage points higher than the year ended December 31, 2022, driven by a large loss and the impact of rate decreases in professional lines and expectations of claims inflation given current macro-economic conditions, partially offset by improved results in property lines.

Net unfavorable prior-year reserve development included in the income statement, for the period January 1, 2023 through November 15, 2023 (Predecessor), was $246.3 million (22.4 percentage points). The net unfavorable prior-year reserve development for the period January 1, 2023 through November 15, 2023, primarily related to liability lines and professional lines partially offset by favorable development in specialty lines. The liability lines movement was driven by actual losses greater than expected, including the impact of large claims, and was largely due to business we have exited. The unfavorable liability lines development from ongoing businesses was driven by accident years 2020 and prior with the biggest movements in our Environmental and delegated authority programs businesses. The professional lines movement was driven by large management liability claims primarily impacting accident years 2019 through 2021 and errors and omissions business driven by actual losses greater than expected primarily impacting accident years 2020 and 2021.

The net unfavorable prior-year reserve development, for the year ended December 31, 2022 was $64.5 million (5.3 percentage points), The net unfavorable prior-year reserve development for the year ended December 31, 2022 was due to liability lines partially offset by favorable development in specialty lines.

Catastrophe losses for the period January 1, 2023 through November 15, 2023 (Predecessor) were $20.2 million (1.8 percentage points) and were mainly attributable to Tropical Storm Ophelia, Hurricane Idalia, and other U.S. storms. Catastrophe losses for the year ended December 31, 2022 were $13.2 million (1.1 percentage points) and were mainly attributable to Hurricane Ian, Winter Storm Elliott, and other U.S. storms.

Underwriting, Acquisition and General Expenses

Underwriting, acquisition and general expenses were $369.6 million for the period January 1, 2023 through November 15, 2023 (Predecessor), as compared to $432.8 million for the year ended December 31, 2022. The expense ratio decreased to 33.5% for the period January 1, 2023 through November 15, 2023, as compared to 35.8% for the year ended December 31, 2022. The improvement in the ratio was mainly due to the decrease in expenses outpacing the decrease in net earned premium.

International Operations

The following table summarizes the results of operations for the International Operations segment:

(in millions)	Successor: Period from November 16, 2023 through December 31, 2023	Predecessor: Period from January 1, 2023 through November 15, 2023	Predecessor: For the Years Ended December 31, 2022	2021
Gross written premiums	$ 24.4	$ 369.4	$ 906.7	$ 1,111.0
Net earned premiums	$ 14.9	$ 124.0	$ 530.5	$ 625.8
Losses and loss adjustment expenses	12.0	105.5	293.9	362.1
Underwriting, acquisition and general expenses	6.3	26.0	205.3	246.3
Underwriting income (loss) (non-GAAP)	(3.4)	(7.5)	31.3	17.4
Net investment income	4.4	18.7	39.1	50.6
Interest expense	0.5	4.6	7.8	5.6
Fee and other expense (income), net	(0.4)	(0.1)	(1.2)	(1.7)
Income (loss) before income taxes	$ 0.9	$ 6.7	$ 63.8	$ 64.1
GAAP ratios:				
Loss ratio	80.5 %	85.1 %	55.4 %	57.9 %
Expense ratio [1]	42.3 %	20.9 %	38.7 %	39.3 %
Combined ratio	122.8 %	106.0 %	94.1 %	97.2 %

[1] The Successor period includes amortization of value of business acquired and other intangible assets related to purchase accounting.

The following table contains a reconciliation of certain non-GAAP financial measures, specifically the current accident year non-catastrophe losses, current accident year non-catastrophe loss ratio and current accident year non-catastrophe combined ratio, to their most directly comparable GAAP measures for our International Operations.

	Successor		Predecessor					
	Period from November 16, 2023 through December 31, 2023		Period from January 1, 2023 through November 15, 2023		For the Years Ended December 31, 2022		2021	
(in millions)	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Net earned premiums	$ 14.9		$ 124.0		$ 530.5		$ 625.8	
Losses and loss adjustment expenses, as reported	$ 12.0	80.5 %	$ 105.5	85.1 %	$ 293.9	55.4 %	$ 362.1	57.9 %
Adjustments:								
Favorable (unfavorable) prior accident year loss development	—	— %	(21.4)	(17.3)%	2.7	0.5 %	26.9	4.3 %
Catastrophe losses, including COVID-19	—	— %	(8.4)	(6.8)%	(30.8)	(5.8)%	(56.6)	(9.1)%
Current accident year non-catastrophe losses (non-GAAP)	$ 12.0	80.5 %	$ 75.7	61.0 %	$ 265.8	50.1 %	$ 332.4	53.1 %
Expense ratio [1]		42.3 %		20.9 %		38.7 %		39.3 %
Current accident year non-catastrophe combined ratio (non-GAAP)		122.8 %		81.9 %		88.8 %		92.4 %

[1] The Successor period includes amortization of value of business acquired and other intangible assets related to purchase accounting.

Gross Written and Net Earned Premiums

Gross written and net earned premiums by our four primary insurance lines were as follows:

	Successor		Predecessor					
	Period from		Period from		For the Years Ended December 31,			
	November 16, 2023 through December 31, 2023		January 1, 2023 through November 15, 2023		2022		2021	
(in millions)	Gross Written	Net Earned	Gross Written	Net Earned	Gross Written	Net Earned	Gross Written	Net Earned
Property	$ 8.1	$ 6.9	$ 124.3	$ 34.7	$ 190.7	$ 82.8	$ 295.1	$ 132.4
Liability	11.5	3.3	101.8	30.3	227.5	124.7	256.8	130.7
Professional	4.8	2.7	73.3	31.7	208.5	133.9	226.0	148.3
Specialty	—	2.0	70.0	27.3	280.0	189.1	333.1	214.4
Total	$ 24.4	$ 14.9	$ 369.4	$ 124.0	$ 906.7	$ 530.5	$ 1,111.0	$ 625.8

Property

Gross written premiums for property decreased $66.4 million, or 34.8%, for the period January 1, 2023 through November 15, 2023 (Predecessor), as compared to the year ended December 31, 2022. The decrease in gross written premiums was primarily due to the sale of AUA, which was partially offset by growth in our Bermuda operations which was driven mainly by favorable rate increases. Net earned premiums for property decreased for the period January 1, 2023 through November 15, 2023, as compared to the year ended December 31, 2022, mainly driven by the sale of AUA.

Liability

Gross written premiums for liability decreased $125.7 million, or 55.3%, for the period January 1, 2023 through November 15, 2023 (Predecessor), as compared to the year ended December 31, 2022. The reduction in gross written premiums was primarily due to the sales of AUA and Argo Seguros which were partially offset by growth in Bermuda as a result of favorable rate increases and new business. Net earned premiums decreased for the period January 1, 2023 through November 15, 2023, as compared to the year ended December 31, 2022 for the aforementioned sales of AUA and Argo Seguros.

Professional

Gross written premiums for professional lines decreased $135.2 million, or 64.8%, for the period January 1, 2023 through November 15, 2023 (Predecessor), as compared to the year ended December 31, 2022. The decrease in gross written premiums was primarily driven by the sale of AUA. The decrease in net earned premiums for the period January 1, 2023 through November 15, 2023, as compared to the year ended December 31, 2022 was mainly due to the aforementioned reason.

Specialty

Gross written premiums decreased $210.0 million, or 75.0%, for the period January 1, 2023 through November 15, 2023 (Predecessor), as compared to the year ended December 31, 2022. The decrease in gross written premiums was primarily driven by the sales of AUA and Argo Seguros. The decrease in net earned premiums for the period January 1, 2023 through November 15, 2023, as compared to the year ended December 31, 2022 was mainly driven by the sales of AUA and Argos Seguros.

Loss and Loss Adjustment Expenses

Loss and loss adjustment expenses were $105.5 million and $293.9 million for the period January 1, 2023 through November 15, 2023 (Predecessor), and year ended December 31, 2022, respectively. The loss ratios for the period January 1, 2023 through November 15, 2023, and year ended December 31, 2022, were 85.1% and 55.4%, respectively. The increase in the loss ratio was driven by net unfavorable prior-year reserve development in 2023 versus net favorable prior-year reserve development in 2022 (17.8 percentage point increase), an increase in the current accident year non-catastrophe loss ratio (10.9 percentage point increase), and an increase in catastrophe losses (1.0 percentage point increase).

The current accident year non-catastrophe loss ratios for the year ended December 31, 2023 and year ended December 31, 2022, were 61.0% and 50.1%, respectively. The loss ratio for the year ended December 31, 2023, includes a different mix of business from 2022 due to the dispositions of various businesses driven by the sale of AUA.

Net unfavorable prior-year reserve development for the period January 1, 2023 through November 15, 2023 (Predecessor), was $21.4 million (17.3 percentage points) related to professional, property, and liability lines in our Bermuda operations partially offset by favorable development in runoff Reinsurance lines. The unfavorable prior-year reserve development in our Bermuda operations was driven by reevaluations of large claims based on new information that emerged during the year including proposed settlements and estimated costs. The property movement included losses associated with catastrophes.

The net favorable prior-year reserve development for the year ended December 31, 2022 was $2.7 million (0.5 percentage points) and primarily related to favorable development in liability and specialty lines, partially offset by unfavorable development from professional lines development included large claim movements in Argo Insurance Bermuda.

Catastrophe losses for the period from January 1, 2023 through November 15, 2023 (Predecessor), was $8.4 million (6.8 percentage points) due to Hawaii wildfires, Hurricane Idalia, Tropical Storm Ophelia and other U.S. storms. Catastrophe losses for the year ended December 31, 2022 were $30.8 million (5.8 percentage points) due to Hurricane Ian, Winter storm Elliott, and the Ukraine-Russia conflict.

Underwriting, Acquisition and General Expenses

Underwriting, acquisition and general expenses decreased to $26.0 million for the period January 1, 2023 through November 15, 2023 (Predecessor), as compared to $205.3 million for the year ended December 31, 2022. The expense ratio decreased to 20.9% for the period January 1, 2023 through November 15, 2023, as compared to 38.7% for the year ended December 31, 2022. The acquisition expense amount and ratio decrease are driven by the sale of AUA as well as reduced expenses incurred from business lines we have exited.

Run-off Lines

The following table summarizes the results of operations for the Run-off Lines segment:

	Successor	Predecessor		
	Period from	Period from	For the Years Ended December 31,	
(in millions)	November 16, 2023 through December 31, 2023	January 1, 2023 through November 15, 2023	2022	2021
Net earned premiums	$ 0.2	$ 0.3	$ 0.9	$ 0.6
Losses and loss adjustment expenses	0.5	2.6	2.9	44.3
Underwriting, acquisition and general expenses	0.4	0.9	1.6	1.0
Underwriting income (loss)	(0.7)	(3.2)	(3.6)	(44.7)
Net investment income	0.7	2.7	2.3	3.6
Interest expense	0.1	0.7	0.5	0.4
(Loss) income before income taxes	$ (0.1)	$ (1.2)	$ (1.8)	$ (41.5)

Run-off Lines includes liabilities associated with other liability policies that were issued in the 1960s, 1970s and into the 1980s, as well as the former risk-management business and other business no longer underwritten. Through our subsidiary Argonaut Insurance Company ("Argonaut"), we are exposed to asbestos liability at the primary level through claims filed against our direct insureds, as well as through its position as a reinsurer of other primary carriers. Argonaut has direct liability arising primarily from policies issued from the 1960s to the early 1980s, which pre-dated policy contract wording that excluded asbestos exposure. The majority of the direct policies were issued on behalf of small contractors or construction companies. We believe that the frequency and severity of asbestos claims for such insureds is typically less than that experienced for large, industrial manufacturing and distribution concerns.

Argonaut assumed risk as a reinsurer, primarily for the period 1970 to 1975, a portion of which was assumed from the London market. Argonaut also reinsured risks on policies written by domestic carriers. Such reinsurance typically provided coverage for limits attaching at a relatively high level, which are payable only after other layers of reinsurance are exhausted. Some of the claims now being filed on policies reinsured by Argonaut are on behalf of claimants who may have been exposed at some time to asbestos incorporated into buildings they occupied, but have no apparent medical problems resulting from such exposure. Additionally, lawsuits are being brought against businesses that were not directly involved in the manufacture or installation of materials containing asbestos. We believe that a significant portion of claims generated out of this population of claimants may result in incurred losses generally lower than the asbestos claims filed over the past decade and could be below the attachment level of Argonaut.

Losses and Loss Adjustment Expenses

The following table represents a roll forward of total gross and net loss reserves for the asbestos and environmental exposures in our Run-off Lines, along with the ending balances of all other reserves within Run-off Lines. Amounts in the net column are reduced by reinsurance recoverables.

	Successor		Predecessor					
	Period from November 16, 2023 through December 31, 2023		Period from January 1, 2023 through November 15, 2023		For the Years Ended December 31,			
					2022		2021	
(in millions)	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Asbestos and environmental:								
Loss reserves, beginning of the year	$ 60.2	$ 51.5	$ 65.5	$ 55.9	$ 63.8	$ 54.6	$ 59.3	$ 50.7
Incurred losses	1.7	1.0	12.2	7.3	13.2	10.5	17.4	14.7
Losses paid	(2.5)	(1.7)	(17.5)	(11.7)	(11.5)	(9.2)	(12.9)	(10.8)
Loss reserves - asbestos and environmental, end of period	59.4	50.8	60.2	51.5	65.5	55.9	63.8	54.6
Risk-management reserves	119.0	79.4	137.4	86.1	144.6	91.5	162.6	99.2
Run-off reinsurance reserves	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5
Other run-off lines	17.3	12.5	6.7	6.6	22.6	15.5	34.3	24.5
Total loss reserves - Run-off Lines	$ 196.1	$ 143.1	$ 204.7	$ 144.6	$ 233.1	$ 163.3	$ 261.2	$ 178.8

Losses and loss adjustment expenses for the period January 1, 2023 through November 15, 2023 (Predecessor), included $0.2 million of net unfavorable loss reserve development on prior accident years. The unfavorable prior year loss development was due to $7.5 million in asbestos and environmental lines partially offset by $7.3 million net favorable loss reserve development in risk-management business and run-off liability losses excluding asbestos and environmental. The increase in asbestos and environmental was driven by a large asbestos settlement and changes in estimates on individual asbestos and environmental claims. The decrease in risk-management business was due to workers compensation actual incurred losses lower than expected.

Loss and loss adjustment expenses for the year ended December 31, 2022, included $2.9 million of net unfavorable loss reserve development on prior accident years. The unfavorable prior year loss development was due to $10.5 million in asbestos and environmental lines partially offset by $8.3 million net favorable loss reserve development in run-off liability losses excluding asbestos and environmental. The movement on asbestos and environmental lines was due to higher than expected loss activity and movement on large claims alleging environmental losses. The movement on liability exposures excluding asbestos and environmental was due to analysis of individual claims.

The following table represents the components of gross loss reserves for the Run-off Lines:

	Successor	Predecessor	
	As of	For the Years Ended December 31,	
(in millions)	December 31, 2023	2022	2021
Asbestos:			
Direct			
Case reserves	$ 2.9	$ 3.2	$ 3.0
Unallocated loss adjustment expense	0.5	0.5	0.5
Incurred but not reported	14.3	17.4	19.9
Total direct written reserves	17.7	21.1	23.4
Assumed domestic			
Case reserves	7.6	6.8	7.4
Unallocated loss adjustment expense	0.8	0.8	0.8
Incurred but not reported	11.6	13.0	11.9
Total assumed domestic reserves	20.0	20.6	20.1
Assumed London			
Case reserves	2.8	2.4	2.1
Incurred but not reported	0.1	2.6	2.3
Total assumed London reserves	2.9	5.0	4.4
Total asbestos reserves	40.6	46.7	47.9
Environmental reserves	18.8	18.8	15.9
Risk-management reserves	119.0	144.6	162.6
Run-off reinsurance reserves	0.4	0.4	0.5
Other run-off lines	17.3	22.6	34.3
Total loss reserves - Run-off Lines	$ 196.1	$ 233.1	$ 261.2

We perform an extensive actuarial analysis of the asbestos and environmental reserves on at least an annual basis. We continually monitor the status of the claims and may make adjustments outside the annual review period. The review entails a detailed analysis of our direct and assumed exposure. We consider the indications from the various actuarial methods from the review to determine our best estimate of the asbestos and environmental losses and loss adjustment expense reserves. We primarily relied on a method that projects future reported claims and severities, with some weight given to other methods. This method relies most heavily on our historical claims and severity information, whereas other methods rely more heavily on industry information. The method produces an estimate of IBNR losses based on projections of future claims and the average severity for those future claims. The severities were calculated based on our specific data and in our opinion best reflect our liabilities based upon the insurance policies issued.

Because of the types of coverage within the Run-off Lines of business still being serviced by Argonaut, a significant amount of subjectivity and uncertainty exists in establishing the reserves for losses and loss adjustment expenses. Factors that increase these uncertainties are: (1) lack of historical data, (2) inapplicability of standard actuarial projection techniques, (3) uncertainties regarding ultimate claim costs, (4) coverage interpretations and (5) the judicial, statutory and regulatory environments under which these claims may ultimately be resolved. Significant uncertainty remains as to our ultimate liability due to the potentially long waiting period between exposure and emergence of any bodily injury or property damage and the resulting potential for involvement of multiple policy periods for individual claims. Due to these uncertainties, the current trends may not be indicative of future results. Although we have determined and recorded our best estimate of the reserves for losses and loss adjustment expenses for Run-off Lines, current judicial and legislative decisions continue to broaden liability, expand the scope of coverage and increase the severity of claims payments. As a result of these and other recent developments, the uncertainties inherent in estimating ultimate loss reserves are heightened, further complicating the already complex process of determining loss reserves. The industry as a whole is involved in extensive litigation over coverages and liability issues continue to make it difficult to quantify these exposures.

Underwriting, Acquisition and General Expenses

Underwriting, acquisition and general expenses for the Run-off Lines segment consists primarily of administrative expenses.

Liquidity and Capital Resources

Our insurance and reinsurance subsidiaries require liquidity and adequate capital to meet ongoing obligations to policyholders and claimants and fund operating expenses. For the period November 16, 2023 through December 31, 2023 (Successor) and January 1, 2023 through November 15, 2023 (Predecessor), the cash flow provided by operations was $16.9 million and $293.7 million, respectively. We believe our liquidity generated from operations and, if required, from our investment portfolio, will be sufficient to meet our obligations for at least the next 12 months. We believe we have access to various sources of liquidity including cash, investments and the ability to borrow under our revolving credit facility.

Cash Flows

The Company's future cash flows largely depend on the availability of dividends or other statutorily permissible payments from subsidiaries. The ability to pay such dividends is limited by the applicable laws and regulations of the various countries and states in which these subsidiaries operate, including, among others, Bermuda.

The primary sources of our cash inflows are premiums, reinsurance recoveries, proceeds from sales and redemptions of investments and investment income. The primary cash outflows are claim payments, loss adjustment expenses, reinsurance costs, underwriting, acquisition and overhead expenses, interest expense, purchases of investments, payment of preferred dividends and income taxes. Management believes that cash inflows are sufficient to cover cash outflows in the foreseeable future. We have access to additional sources of liquidity should the need for additional cash arise.

Cash provided by operating activities can fluctuate due to timing differences in the collection of premiums and reinsurance recoveries and the payment of losses and expenses. For the period November 16, 2023 through December 31, 2023 (Successor), January 1, 2023 through November 15, 2023 (Predecessor), and year ended December 31, 2022, cash provided by operating activities was $16.9 million, $293.7 million and $53.2 million, respectively. The increase in cash flows provided by operating activities in 2023 Predecessor period compared to 2022 was attributable to various fluctuations within our operating activities, and primarily related to the timing of reinsurance payments and recoveries, claim payments and premium cash receipts in the respective periods.

For the period November 16, 2023 through December 31, 2023 (Successor), net cash provided by investing activities was $61.8 million. For the period January 1, 2023 through November 15, 2023 (Predecessor) and year ended December 31, 2022, net cash used in investing activities was $359.7 million and $26.6 million, respectively. Net cash used in investing activities in 2023 Predecessor period compared to 2022 was mainly the result of purchases of short-term investments. Additionally, in the 2023 Predecessor period, we received $63.8 million in net cash from the sale of AUA.

For the period January 1, 2023 through November 15, 2023 (Predecessor) and year ended December 31, 2022, net cash used in financing activities was $9.5 million and $52.1 million, respectively, driven by dividends to our stockholders. There were no financing activities for the period November 16, 2023 through December 31, 2023 (Successor).

We invest excess cash in a variety of investment securities. As of December 31, 2023, our investment portfolio consisted of 74.3% fixed maturities, 4.2% commercial mortgage loans, 0.3% equity securities, 8.9% other investments 12.3% short-term investments (based on fair value) compared to 73.3% fixed maturities, 4.3% commercial mortgage loans, 1.2% equity securities, 8.9% other investments and 12.3% short-term investments as of December 31, 2022. We classify the majority of our investment portfolio as available-for-sale; resulting in these investments being reported at fair market value with unrealized gains and losses, net of tax, being reported as a component of stockholders' equity. At December 31, 2023, no investments were designated as trading. No issuer (excluding United States Government and United States Governmental agencies) of fixed maturity or equity securities represents more than 4.2% of stockholders' equity at December 31, 2023.

Reinsurance and Collateral Held by Argo Group

We maintain a comprehensive reinsurance program at levels management considers adequate to diversify risk and safeguard our financial position. Increases in the costs of this program, or the failure of our reinsurers to meet their obligations in a timely fashion, may have a negative impact on liquidity.

Under certain insurance programs (i.e., large deductible programs and surety bonds) and various reinsurance agreements, collateral and letters of credit ("LOCs") are held for our benefit to secure performance of insureds and reinsurers in meeting their obligations. At December 31, 2023, the amount of such collateral and LOCs held under insurance and reinsurance agreements was $797.7 million and $1,212.2 million respectively. Collateral can also be provided in the form of trust accounts. As we are the beneficiary of these trust accounts only to secure future performance, these amounts are not reflected in our Consolidated Balance Sheets. Collateral provided by an insured or reinsurer may exceed or fall below the amount of their total outstanding obligation.

On November 9, 2022, the Company closed on the U.S. LPT with Enstar covering a majority of the Company's U.S. casualty insurance reserves, including construction, for accident years 2011 to 2019. On the closing date, the Company transferred cash and investments to Enstar, a portion of which was deposited into a trust established to secure Enstar's claim payment obligation to the Company. As such, our reinsurance recoverable with Enstar is fully collateralized.

LOCs have been filed with Lloyd's by trade capital providers as part of the terms of whole account quota share reinsurance contracts entered into by the trade capital providers. In the event such LOCs are funded, the outstanding balance would be the responsibility of the trade capital providers. The Company sold its AUA business in February 2023.

There were no write-offs for uncollectible reinsurance for the period November 16, 2023 through December 31, 2023 (Successor), January 1, 2023 through November 15, 2023 (Predecessor), and for the year ended December 31, 2022 (Predecessor).

Holding Company and Intercompany Dividends

Argo Group and its other non-insurance company subsidiaries are dependent on dividends and other permitted payments from their insurance subsidiaries in order to pay cash dividends to their stockholders, for debt service and for their operating expenses. The ability of our insurance subsidiaries to pay dividends is subject to certain restrictions imposed by the jurisdictions of domicile that regulate these subsidiaries and each jurisdiction has calculations for the amount of dividends that our subsidiary can pay without the approval of the insurance regulator.

Argo Re is the primary direct subsidiary of Argo Group International Holdings, Inc. and is subject to Bermuda insurance laws. Argo Ireland is indirectly owned by Argo Re and is a mid-level holding company subject to Irish laws, and its primary subsidiary is Argo Group US, Inc. Argo Group US, Inc. is a mid-level holding company subject to Delaware laws. Argo Group US, Inc. is the parent of all of our U.S. insurance subsidiaries.

The payment of dividends by Argo Re is limited under Bermuda insurance laws which require Argo Re to maintain certain measures of solvency and liquidity. As of December 31, 2023, the statutory capital and surplus of Argo Re was $1,150.6 million, and the amount required to be maintained was $106.6 million, thereby allowing Argo Re the potential to pay dividends or capital distributions within the parameters of the solvency and liquidity margins. We believe that the dividend and capital distribution capacity of Argo Re will provide us with sufficient liquidity to meet the operating and debt service commitments, as well as other obligations.

During 2023, Argo Re did not pay any cash dividends to Argo Group International Holdings, Inc.

During 2023, Argo Group US, Inc. received a dividend of $21.3 million from Rockwood.

During 2024, Argo Group US, Inc. may be permitted to receive dividends from Argonaut up to $120.7 million without prior approval from the Illinois Division of Insurance. Argo Group U.S, Inc. may be permitted to receive dividends from Rockwood of up to $25.0 million with prior approval from the Pennsylvania Department of Insurance during2024. Business and regulatory considerations may impact the amount of dividends actually paid and prior approval of dividend payments may be required.

Revolving Credit Facility and Term Loan

On November 2, 2018, each of Argo Group, Argo Group US, Inc., Argo International Holdings Limited ("AIH"), and AUA, collectively (the "Borrowers") entered into a $325 million credit agreement (the "Credit Agreement") with JPMorgan Chase Bank, N.A., as administrative agent. The Credit Agreement includes a one-time borrowing of $125 million for a term loan (the "Term Loan"), and a $200 million revolving credit facility. The Company used most of the net proceeds from the Preferred Stock Offering (as defined in Note 11, "Stockholders' Equity" of Argo Group's 2022 Form 10-K) to pay off the Term Loan in September 2020. The Credit Agreement was subsequently amended to increase the revolving credit facility amount to $220 million, and to provide the removal of AIH and AUA as Borrowers upon the sale of AIH and AUA, which occurred on February 2, 2023.

During July 2023, the Credit Agreement was amended to permit the acquisition of Argo Group by Brookfield Reinsurance pursuant to the Merger Agreement and extend the maturity date of certain commitments under the revolving credit facility from November 2, 2023 to November 2, 2024. The Credit Agreement decreased from $220 million to $200 million effective November 2, 2023.

Borrowings under the Credit Agreement may be used for general corporate purposes, including working capital and permitted acquisitions, and each of the Borrowers has agreed to be jointly and severally liable for the obligations of the other Borrowers under the Credit Agreement.

The Credit Agreement contains customary events of default. If an event of default occurs and is continuing, the Borrowers could be required to repay all amounts outstanding under the Credit Agreement. The lenders could also elect to accelerate the maturity of the loans and/or terminate the commitments under the Credit Agreement upon the occurrence and during the continuation of an event of default. No defaults or events of defaults have occurred as of the date of this filing.

Senior Notes

In September 2012, Argo Group (the "Parent Guarantor"), through its subsidiary Argo Group US (the "Subsidiary Issuer"), issued $143.8 million aggregate principal amount of the Subsidiary Issuer's 6.5% Senior Notes due September 15, 2042 (the "Notes"). The Notes are unsecured and unsubordinated obligations of the Subsidiary Issuer and rank equally in right of payment with all of the Subsidiary Issuer's other unsecured and unsubordinated debt. The Notes are guaranteed on a full and unconditional senior unsecured basis by the Parent Guarantor. The Notes may be redeemed, for cash, in whole or in part at the Subsidiary Issuer's option, at any time and from time to time, prior to maturity at a redemption price equal to 100% of the principal amount of the Notes to be redeemed, plus accrued but unpaid interest on the principal amount being redeemed to, but not including, the redemption date.

Trust Preferred Securities

Through a series of trusts, that are wholly-owned subsidiaries (non-consolidated), we issued trust preferred securities. The interest on the underlying debentures is variable with the rates being reset quarterly and subject to certain interest rate ceilings. Interest payments are payable quarterly. The debentures are all unsecured and are subordinated to other indebtedness. All are redeemable subject to certain terms and conditions at a price equal to 100% of the principal plus accrued and unpaid interest.

A summary of our outstanding junior subordinated debentures at December 31, 2023 is presented below:

(in millions)

Issue Date	Trust Preferred Pools	Maturity	Rate Structure	Interest Rate at December 31, 2023	Par Amount
Argo Group					
5/15/2003	PXRE Capital Statutory Trust II	5/15/2033	3M SOFR + TSA + 4.10%	9.74%	$ 18.0
11/6/2003	PXRE Capital Trust VI	9/30/2033	3M SOFR + TSA + 3.90%	9.49%	10.3
Argo Group US					
5/15/2003	Argonaut Group Statutory Trust I	5/15/2033	3M SOFR + TSA + 4.10%	9.74%	15.5
12/16/2003	Argonaut Group Statutory Trust III	1/8/2034	3M SOFR + TSA + 4.10%	9.76%	12.3
4/29/2004	Argonaut Group Statutory Trust IV	4/29/2034	3M SOFR + TSA + 3.85%	9.49%	13.4
5/26/2004	Argonaut Group Statutory Trust V	5/24/2034	3M SOFR + TSA + 3.85%	9.49%	12.4
5/12/2004	Argonaut Group Statutory Trust VI	6/17/2034	3M SOFR + TSA + 3.80%	9.47%	13.4
9/17/2004	Argonaut Group Statutory Trust VII	12/15/2034	3M SOFR + TSA + 3.60%	9.25%	15.5
9/22/2004	Argonaut Group Statutory Trust VIII	9/22/2034	3M SOFR + TSA + 3.55%	9.18%	15.5
10/22/2004	Argonaut Group Statutory Trust IX	12/15/2034	3M SOFR + TSA + 3.60%	9.25%	15.5
9/15/2005	Argonaut Group Statutory Trust X	9/15/2035	3M SOFR + TSA + 3.40%	9.05%	30.9
	Less: fair value adjustment				(11.9)
	Total Outstanding				$ 160.8

Subordinated Debentures

Unsecured junior subordinated debentures with a principal balance of $91.8 million were assumed through the February 2017 acquisition of Maybrooke Holdings, S.A. (“the acquired debt”). The acquired debt is carried on our Consolidated Balance Sheets at $80.4 million, which represents the debt’s fair value at the Merger Date plus accumulated accretion of discount to par value, as required by accounting for business combinations under ASC 805. At December 31, 2023, the acquired debt was eligible for redemption at par. Interest accrues on the acquired debt based on a variable rate, which is reset quarterly. Interest payments are payable quarterly. A summary of the terms of the acquired debt outstanding at December 31, 2023 is presented below:

(in millions)

Issue Date	Maturity	Rate Structure	Interest Rate at December 31, 2023	Principal at December 31, 2023	Carrying Value at December 31, 2023
9/13/2007	9/15/2037	3M SOFR + TSA + 3.15%	8.79 %	$ 91.8	$ 80.4

Letter of Credit Facilities - Argo Re

Argo Re may be required to secure its obligations under various reinsurance contracts in certain circumstances. In order to satisfy these requirements, Argo Re has entered into one committed and two uncommitted secured bilateral LOC facilities with commercial banks and generally uses these facilities to issue LOCs in support of non-admitted reinsurance obligations in the U.S. and other jurisdictions. The committed LOC facility has a term of one year and includes customary conditions and event of default provisions. The issuance of LOCs using the uncommitted LOC facilities is at the discretion of the lenders. The availability of letters of credit under these secured facilities are subject to a borrowing base requirement, determined on the basis of specified percentages of the market value of eligible categories of securities pledged to the lender. On December 31, 2023, committed and uncommitted LOC facilities totaled $165 million.

On December 31, 2023, LOCs totaling $62.0 million were outstanding, of which $27.0 million were issued against the committed secured bilateral LOC facility and $35.0 million were issued by commercial banks against the uncommitted, secured bilateral LOC facilities. Collateral with a market value of $109.2 million was pledged to these banks as security against these LOCs.

In addition to the bilateral, secured letters of credit facilities described above, Argo Re can use other forms of collateral to secure these reinsurance obligations including trust accounts, cash deposits, LOCs issued by commercial banks on an uncommitted basis and the Credit Agreement.

On June 22, 2022, we posted collateral in a form of a $50.0 million letter of credit under the terms of the Malta sales agreement. The letter of credit is subject to reimbursement by Argo in the event of a drawdown.

Other Letters of Credit

Other LOCs issued and outstanding on December 31, 2023 were $4.3 million.

Preferred Stock Offering

On July 9, 2020, the Company issued 6,000 shares of its preferred stock (equivalent to 6,000,000 depositary shares, each representing a 1/1,000th interest in a share of preferred stock) with a $25,000 liquidation preference per share (equivalent to $25 per depositary share) (the “Preferred Stock Offering”).

Net proceeds from the sale of the depositary shares were approximately $144 million after deducting underwriting discounts and estimated offering expenses payable by the Company. The Company used most of the net proceeds to repay its term loan, which had $125 million principal outstanding, and used the remainder of the proceeds for working capital to support continued growth in insurance operations.

Dividends to the holders of preferred stock will be payable on a non-cumulative basis only when, as and if declared by our Board or a duly authorized committee thereof, quarterly in arrears on the 15th of March, June, September, and December of each year, commencing on September 15, 2020, at a rate equal to 7.00% of the liquidation preference per annum (equivalent to $1,750 per share of preferred stock and $1.75 per depositary share per annum) up to but excluding September 15, 2025. Beginning on September 15, 2025, any such dividends will be payable on a non-cumulative basis, only when, as and if declared by our Board or a duly authorized committee thereof, during each reset period, at a rate per annum equal to the Five-Year U.S. Treasury Rate as of the most recent reset dividend determination date (as described in the Company’s prospectus supplement dated July 7, 2020) plus 6.712% of the liquidation preference per annum.

For the year ended December 31, 2023, the Board declared quarterly dividends in the aggregate amount of $1,750 per share of preferred stock. We did not pay any cash dividends for the period November 16, 2023 through December 31, 2023. For the period January 1, 2023 through November 15, 2023 we paid cash dividends totaling $10.5 million to our holders of preferred stock.

Argo Group Common Stock and Dividends

On February 8, 2023, the Company entered into the Merger Agreement with Brookfield Reinsurance and Merger Sub. As part of the Merger Agreement, the Company has agreed to suspend any dividends that would otherwise be declared and paid on the Company Shares during the period from the date of the Merger Agreement through the earlier of the closing of the transaction or the termination of the Merger Agreement.

As of the Merger Date, pursuant to the Merger Agreement, each share of common stock of the Company issued and outstanding immediately prior to the Merger was automatically canceled and converted into the right to receive an amount in cash equal to $30.00.

As a result of the Merger, the Company’s new authorized share capital is 2,000,000,000 shares of common stock with a par value of $1.00 per share. All 1,056,638,730 outstanding shares are owned by BNRE Triangle Acquisition Inc.

On May 3, 2016, our Board authorized the repurchase of up to $150.0 million of our share of common stock (“2016 Repurchase Authorization”). The 2016 Repurchase Authorization supersedes all the previous repurchase authorizations. As of December 31, 2023, availability under the 2016 Repurchase Authorization for future repurchases of our share of common stock was $53.3 million.

We did not repurchase any share of common stock for the twelve months ended December 31, 2023 and December 31, 2022.

Cash Obligations and Commitments

Our estimated contractual obligations and commitments as of December 31, 2023 were as follows:

		Payments Due by Period		
(in millions)	Total	Less Than 1 Year	1 - 3 Years	Thereafter
Long-term debt:				
Junior subordinated debentures [1]	$ 548.1	$ 24.6	$ 73.7	$ 449.8
Senior unsecured fixed rate notes [2]	316.6	9.3	28.0	279.3
Operating leases	64.6	8.9	26.3	29.4
Purchase obligations [3]	14.4	9.1	5.3	—
Other long-term liabilities:				
Claim payments [4]	5,544.5	1,789.8	2,091.7	1,663.0
Partnership commitments [5]	93.4	93.4	—	—
Total contractual obligations	$ 6,581.6	$ 1,935.1	$ 2,225.0	$ 2,421.5

[1] Interest only on Junior Subordinated Debentures through 2037. Interest calculated based on the rate in effect at December 31, 2023. Principal due beginning May 2033.

[2] Interest only on Senior Unsecured Fixed Rate Notes through 2042. Interest calculated based on the rate in effect at December 31, 2023. Principal due September 2042.

[3] Purchase obligations consist primarily of software, hardware and equipment servicing and software licensing fees.

[4] Claim payments do not have a contractual maturity; exact timing of claim payments cannot be predicted with certainty. The above table estimates timing of claim payments based on historical payment patterns and excludes the benefits of reinsurance recoveries.

[5] Argo Group has invested in multiple limited partnership agreements and can be called to fulfill the obligations at any time.

Financial Statement of Subsidiary Issuer

As discussed above, the Parent Guarantor, through its Subsidiary Issuer, issued $143.8 million aggregate principal amount of Notes. In accordance with Article 10 of SEC Regulation S-X, we have elected to present condensed consolidating financial information in lieu of separate financial statements for the Subsidiary Issuer. The following tables present condensed consolidating financial information as of and for the year ended December 31, 2023, of the Parent Guarantor and the Subsidiary Issuer. The Subsidiary Issuer is an indirect wholly-owned subsidiary of the Parent Guarantor. Investments in subsidiaries are accounted for by the Parent Guarantor under the equity method for purposes of the supplemental consolidating presentation. Earnings of subsidiaries are reflected in the Parent Guarantor’s investment accounts and earnings.

The Parent Guarantor fully and unconditionally guarantees certain of the debt of the Subsidiary Issuer. Condensed consolidating financial information of the Subsidiary Issuer is presented on a consolidated basis and consists principally of the net assets and results of operations of operating insurance company subsidiaries.

CONDENSED CONSOLIDATING BALANCE SHEET
As of
DECEMBER 31, 2023
(in millions)

	Argo Group International Holdings, Inc. (Parent Guarantor)	Argo Group US, Inc. and Subsidiaries (Subsidiary Issuer)	Other Subsidiaries and Eliminations [1]	Consolidating Adjustments [2]	Total
Assets					
Investments	$ —	$ 3,144.5	$ 336.7	$ —	$ 3,481.2
Cash, restricted cash and cash equivalents	2.2	518.4	271.0	—	791.6
Accrued investment income	—	18.2	2.2	—	20.4
Premiums receivable	—	176.0	54.7	—	230.7
Reinsurance recoverables	—	2,534.4	424.9	—	2,959.3
Other intangible assets, net	—	175.2	5.4	—	180.6
Current income taxes receivable, net	—	52.8	0.3	—	53.1
Deferred tax assets, net	—	30.3	8.8	—	39.1
Deferred acquisition costs, net	—	8.0	(0.8)	—	7.2
Ceded unearned premiums	—	270.6	85.4	—	356.0
Operating lease right-of-use assets	—	47.5	3.7	—	51.2
Other assets	0.9	107.2	81.0	—	189.1
Value of business acquired	—	129.1	14.5	—	143.6
Investments in subsidiaries	1,363.3	—	—	(1,363.3)	—
Total assets	$ 1,366.4	$ 7,212.2	$ 1,287.8	$ (1,363.3)	$ 8,503.1
Liabilities and Stockholders' Equity					
Reserves for losses and loss adjustment expenses	$ —	$ 4,479.6	$ 1,064.9	$ —	$ 5,544.5
Unearned premiums	—	763.2	153.4	—	916.6
Ceded reinsurance payable, net	—	146.3	46.4	—	192.7
Funds held	—	329.5	(272.2)	—	57.3
Debt	14.3	274.5	80.4	—	369.2
Accrued underwriting expenses and other liabilities	2.2	62.7	9.0	—	73.9
Operating lease liabilities	—	47.4	4.0	—	51.4
Due to (from) affiliates	21.3	(0.4)	0.4	(21.3)	—
Intercompany notes payable	31.1	25.5	(56.6)	—	—
Total liabilities	68.9	6,128.3	1,029.7	(21.3)	7,205.6
Total stockholders' equity	1,297.5	1,083.9	258.1	(1,342.0)	1,297.5
Total liabilities and stockholders' equity	$ 1,366.4	$ 7,212.2	$ 1,287.8	$ (1,363.3)	$ 8,503.1

[1] Includes all other subsidiaries of Argo Group and all intercompany eliminations.

[2] Includes all Argo Group parent company eliminations.

CONDENSED CONSOLIDATING STATEMENT OF INCOME (LOSS)
FOR THE PERIOD NOVEMBER 16, 2023 THROUGH DECEMBER 31, 2023
(in millions)

	Argo Group International Holdings, Inc. (Parent Guarantor)	Argo Group US, Inc. and Subsidiaries (Subsidiary Issuer)	Other Subsidiaries and Eliminations [1]	Consolidating Adjustments [2]	Total
Premiums and other revenue:					
Earned premiums	$ —	$ 147.1	$ 15.2	$ —	$ 162.3
Net investment income	(0.1)	33.6	(4.9)	—	28.6
Net investment and other gains (losses)	—	(2.5)	2.2	—	(0.3)
Total revenue	(0.1)	178.2	12.5	—	190.6
Expenses:					
Losses and loss adjustment expenses	—	82.2	12.0	—	94.2
Underwriting, acquisition and general expenses	(1.3)	72.2	6.3	—	77.2
Non-operating expenses	2.7	10.3	0.1	—	13.1
Interest expense	0.4	2.2	0.9	—	3.5
Fee and other (income) expense, net	—	0.2	(0.4)	—	(0.2)
Foreign currency exchange losses	—	0.4	0.2	—	0.6
Total expenses	1.8	167.5	19.1	—	188.4
(Loss) income before income taxes	(1.9)	10.7	(6.6)	—	2.2
Provision for income taxes	—	1.3	—	—	1.3
Net (loss) income before equity in earnings of subsidiaries	(1.9)	9.4	(6.6)	—	0.9
Equity in undistributed earnings of subsidiaries	2.8	—	—	(2.8)	—
Net income (loss)	$ 0.9	$ 9.4	$ (6.6)	$ (2.8)	$ 0.9
Net income (loss) attributable to common stockholders	$ 0.9	$ 9.4	$ (6.6)	$ (2.8)	$ 0.9

CONDENSED CONSOLIDATING STATEMENT OF INCOME (LOSS)
FOR THE PERIOD JANUARY 1, 2023 THROUGH NOVEMBER 15, 2023

	Argo Group International Holdings, Inc. (Parent Guarantor)	Argo Group US, Inc. and Subsidiaries (Subsidiary Issuer)	Other Subsidiaries and Eliminations [1]	Consolidating Adjustments [2]	Total
Premiums and other revenue:					
Earned premiums	$ —	$ 1,099.6	$ 126.3	$ —	$ 1,225.9
Net investment income	—	99.9	21.4	—	121.3
Net investment and other gains (losses)	—	0.6	(23.3)	—	(22.7)
Total revenue	—	1,200.1	124.4	—	1,324.5
Expenses:					
Losses and loss adjustment expenses	—	937.7	105.5	—	1,043.2
Underwriting, acquisition and general expenses	6.8	386.2	26.0	—	419.0
Non-operating expenses	21.3	17.6	2.2	—	41.1
Interest expense	2.3	20.2	7.3	—	29.8
Fee and other (income) expense, net	—	(0.1)	(0.2)	—	(0.3)
Foreign currency exchange losses	—	—	1.8	—	1.8
Total expenses	30.4	1,361.6	142.6	—	1,534.6
(Loss) income before income taxes	(30.4)	(161.5)	(18.2)	—	(210.1)
Provision for income taxes	—	7.2	(6.9)	—	0.3
Net (loss) income before equity in earnings of subsidiaries	(30.4)	(168.7)	(11.3)	—	(210.4)
Equity in undistributed earnings of subsidiaries	(180.0)	—	—	180.0	—
Net income (loss)	$ (210.4)	$ (168.7)	$ (11.3)	$ 180.0	$ (210.4)
Dividends on Series A Preferred stock	10.5	—	—	—	10.5
Net income (loss) attributable to common stockholders	$ (220.9)	$ (168.7)	$ (11.3)	$ 180.0	$ (220.9)

[1] Includes all other subsidiaries of Argo Group and all intercompany eliminations.

[2] Includes all Argo Group parent company eliminations.

Recent Accounting Pronouncements

We have evaluated recently issued accounting pronouncements and none are material to our results of operations or financial position reported herein.

Critical Accounting Estimates

Reserves for Losses and Loss Adjustment Expenses

We establish reserves for the estimated total unpaid costs of losses including loss adjustment expenses ("LAE"), for claims that have been reported as well as claims that have been incurred but not yet reported. Unless otherwise specified below, the term "loss reserves" encompasses reserves for both losses and LAE. Loss reserves reflect management's best estimate. Loss reserves established are not an exact calculation of our liability. Rather, loss reserves represent management's best estimate of our liability based on application of actuarial techniques and other projection methodologies and taking into consideration other facts and circumstances known at the balance sheet date. The process of establishing loss reserves is complex and necessarily imprecise, as it involves using judgment that is impacted by many internal and external variables such as past loss experience, current claim trends and the prevailing social, economic and legal environments. In determining loss reserves, we give careful consideration to all available data and applicable actuarial analyses including expected loss ratios, loss development factors, settlement patterns and the weighting of actuarial methodologies.

The relevant factors and methodologies used to estimate loss reserves vary significantly by product line due to differences in loss exposure and claim complexity. Much of our business is underwritten on an occurrence basis, which can lead to a significant time lag between the event that gives rise to a claim and the date on which the claim is reported to us. Additional time may be required to resolve the claim once it is reported to us. During these time lags, which can span several years for complex claims, new facts and information specific to the claim become known to us. In addition, general econometric and societal trends including inflation may change. Any one of these factors may require us to refine our loss reserve estimates on a regular basis. We apply a strict regimen to assure that review of these facts and trends occurs on a timely basis so that this information can be factored into our estimate of future liabilities. However, due to the number and potential magnitude of these variables, actual paid losses in future periods may differ materially from our estimates as reflected in current reserves. These differences can be favorable or unfavorable. A more precise estimation of loss reserves is also hindered by the effects of growth in a line of business and uncertainty as to how new business performs in relation to expectations established through analysis of the existing portfolio. In addition to reserving for known claim events, we also establish loss reserves for IBNR. Loss reserves for IBNR are set using our actuarial estimates for events that have occurred as of the balance sheet date but have not yet been reported to us. Estimation of IBNR loss reserves is subject to significant uncertainty.

The following is a summary of gross and net loss reserves we recorded by line of business:

	December 31, 2023		December 31, 2022	
(in millions)	Gross	Net	Gross	Net
Property	$ 467.3	$ 134.1	$ 593.1	$ 94.8
Liability	3,556.1	1,814.6	3,365.3	1,626.2
Professional	1,390.4	739.1	974.3	445.3
Specialty	130.7	59.3	118.9	46.8
Total reserves [1]	$ 5,544.5	$ 2,747.1	$ 5,051.6	$ 2,213.1

[1] At December 31, 2022, the Company reclassified gross and net reserves related to the sale of AUA as held-for-sale. See Note 2 "Recent Acquisitions, Disposals & Other Transactions" in the Notes to Consolidated Financial Statements for additional detail.

Loss Reserve Estimation Methods

The process for estimating our loss reserves begins with the collection and analysis of claim data. The data collected for actuarial analyses includes reported claims, paid losses and case reserve estimates sorted by the year the loss occurred. The data sets are sorted into homogeneous groupings, exhibiting similar loss and exposure characteristics. We primarily use internal data in the analysis but also consider industry data in developing factors and estimates. We analyze loss reserves on a quarterly basis.

We use a variety of actuarial techniques and methods to determine loss reserves for all lines of business. Each method has its own set of assumptions, and each has strengths and weaknesses depending on the exposures being evaluated. Since no single estimation method is superior to another method in all situations, the methods and assumptions used to project loss reserves will vary by line of business and, when appropriate, by where we attach on a risk. We use what we believe to be the most appropriate set of actuarial methods and assumptions for each product line grouping. While the loss projection methods may vary by product line, the general approach for calculating IBNR remains the same: ultimate losses are forecasted first, and that amount is reduced by the amount of cumulative paid claims and case reserves.

When we initially establish IBNR reserves at the beginning of an accident year for each line of business, we often use the expected loss ratio method. This method is based upon our analyses of historical loss ratios incorporating adjustments for pricing changes, anticipated loss ratio trends, changes in mix of business and any other factors that may impact loss ratio expectations. At the end of each quarter, we review the loss ratio selections and the emerged loss experience to determine if deviating from the loss ratio method is appropriate. In general, we continue to use the loss ratio method until we deem it appropriate to begin to rely on the experience of the accident year ("AY") being evaluated. This weighing in of the AY experience is typically done by employing the Bornhuetter-Ferguson ("BF") reserving methodology. The BF methods compute IBNR through a blend of the expected loss ratio method and traditional loss development methods. The BF methods estimate IBNR for an accident year as the product of expected losses (earned premium multiplied by an expected loss ratio) and an expected percentage of unreported losses. The expected percentage of unreported losses is derived from age-to-ultimate loss development factors that result from our analyses of loss development triangles. As accident years mature to the point at which the reported loss experience is more credible, we assign increasing weight to the paid and incurred loss development methods.

For short-tail lines of business such as property, we generally defer to the AY loss experience more quickly as the time from claim occurrence to reporting is generally short. In the event there are large claims incurred, we will analyze large loss information separately to ensure that the loss reserving methods appropriately recognize the magnitude of these losses in the evaluation of ultimate losses.

For long-tail lines such as general liability and automobile liability, the loss experience is not deemed fully credible for several years. At the end of the accident year, we rely primarily on the BF methods and continue to rely on those methods for several years. We assign greater weight to the paid and incurred development methods as the data matures.

Workers compensation is also a long-tail line of business, and is reserved for in keeping with other long-tailed business. However, a portion of the outstanding reserves correspond to scheduled indemnity payments and are not subject to extreme volatility. The portion of reserves that is not scheduled or annuitized is subject to potentially large variations in ultimate loss cost due to the uncertainty of medical cost inflation. Sources of medical cost inflation include increased use, new and more expensive medical testing procedures and prescription drugs costs.

We have a Run-off Lines segment that includes reserves for asbestos, environmental and other latent exposures. These latent exposures are typically characterized by extended periods of time between the dates an insured is first exposed to a loss, a claim is reported and the claim is resolved. For our Run-off Lines segment long-tail loss reserves, there is significant uncertainty involved in estimating reserves for asbestos, environmental and other latent injury claims. We use several methods to estimate reserves for these claims including an approach that projects future calendar period claims and average claim costs and ground-up analysis that relies on an evaluation of individual policy terms and conditions. We also consider survival ratio and market share methods which compare our level of loss reserves and loss payments to that of the industry for similar exposures. We apply greatest weight to the method that projects future calendar period claims and average claim costs because we believe it best captures the unique claim characteristics of our underlying exposures and loss development potential. We perform a full review of our Run-off Lines asbestos, environmental and other latent exposures loss reserves at least once a year and review loss activity quarterly for significant changes that might impact management's best estimate.

Each business segment is analyzed individually, with development characteristics for each short-tail and long-tail line of business identified and applied accordingly. In comparing loss reserve methods and assumptions used at December 31, 2023 as compared with methods and assumptions used at December 31, 2022, management has not changed or adjusted methodologies or assumptions in any significant manner.

In conducting our actuarial analyses, we generally assume that past patterns demonstrated in the data will repeat themselves and that the data provides a basis for estimating future loss reserves. In the event that we become aware of a material change that may render past experience inappropriate for the purpose of estimating current loss reserves, we will attempt to quantify the effect of the change and use informed management judgment to adjust loss reserve forecasts appropriately.

Uncertainties in Loss Reserve Estimation

The causes of uncertainty will vary for each product line reviewed. For short-tail property lines of business, we are exposed to catastrophe losses, both natural and man-made. Due to the nature of certain catastrophic loss events, such as hurricanes, earthquakes or terrorist attacks, our normal claims resolution processes may be impaired due to factors such as difficulty in accessing impacted areas and other physical, legal and regulatory impediments. These factors can make establishment of accurate loss reserve estimates difficult and render such estimates subject to greater uncertainty. Additionally, if the catastrophe occurs near the end of a financial reporting period, there are additional uncertainties in loss reserve estimates due to the lack of sufficient time to conduct a thorough analysis. Long-tail casualty lines of business also present challenges in establishing appropriate loss reserves, for example if changes in the legal environment occur over time which broaden our liability or scope of policy coverage and increase the magnitude of claim payments.

In all lines, final claim payments may differ from the established loss reserve. Due to the uncertainties discussed above, the ultimate losses may vary materially from current loss reserves and could have a material adverse or beneficial effect on our future financial condition, results of operations and cash flows. Any adjustments to loss reserves are reflected in the results for the year during which the adjustments are made.

In addition to the previously described general uncertainties encountered in estimating loss reserves, there are significant additional uncertainties in estimating the amount of our potential losses from asbestos and environmental claims. Loss reserves for asbestos and environmental claims normally cannot be estimated with traditional loss reserving techniques that rely on historical accident year development factors due to the uncertainties surrounding these types of claims. Among the uncertainties impacting the estimation of such losses are:

- potentially long waiting periods between exposure and emergence of any bodily injury or property damage;
- difficulty in identifying sources of environmental or asbestos contamination and in properly allocating responsibility and/or liability for damage;
- changes in underlying laws and judicial interpretation of those laws;
- potential for an environmental or asbestos claim to involve many insurance providers over many policy periods;
- long reporting delays from insureds to insurance companies;
- historical data concerning asbestos and environmental losses which is more limited than historical information on other types of claims;
- questions concerning interpretation and application of insurance coverage; and
- uncertainty regarding the number and identity of insureds with potential asbestos or environmental exposure.

Case reserves and expense reserves for costs of related litigation have been established where sufficient information has been developed. Additionally, IBNR has been established to cover additional exposure on known and unknown claims.

We underwrite environmental and pollution coverage on a limited number of policies and underground storage tanks. We establish loss reserves to the extent that, in the judgment of management, the facts and prevailing law reflect an exposure for us.

Risk Factors by Line of Business in Loss Reserve Estimation

The following section details reserving considerations and loss and LAE risk factors for the lines representing most of our loss reserves. Each risk factor presented will have a different impact on required loss reserves. Also, risk factors can have offsetting or compounding effects on required loss reserves. For example, introduction and approval of a more expensive medical procedure may result in higher estimates for medical costs. But in the workers compensation context within Liability lines, the availability of that same medical procedure may enable workers to return to work more quickly, thereby lowering estimates for indemnity costs for that line of business. As a result, it usually is not possible to identify and measure the impact that a change in one discrete risk factor may have or construct a meaningful sensitivity expectation around it. We do not make explicit estimates of the impact on loss reserve estimates for the assumptions related to the risk factors described below.

Loss adjustment expenses used in connection with our loss reserves are comprised of both allocated and unallocated expenses. Allocated loss adjustment expenses generally relate to specific claim files. We often combine allocated loss adjustment expenses with losses for purposes of projecting ultimate liabilities. For some types of claims, such as asbestos, environmental, professional liability, and construction defect, allocated loss adjustment expenses consisting primarily of legal defense costs may be significant, sometimes exceeding the liability to indemnify claimants for losses. Unallocated loss adjustment expenses generally relate to the administration and handling of claims in the ordinary course of business. We typically calculate unallocated loss adjustment expense reserves using a percentage of unpaid losses for each line of business.

Liability - General Liability

General liability within Liability lines is considered a long-tail line, as it takes a relatively long period of time to finalize and resolve all claims from a given accident year. The speed at which claims are received and then resolved is a function of the specific coverage provided, jurisdiction in which the claim is located and specific policy provisions. There are numerous components underlying the general liability product line. Some of these have relatively moderate payout patterns with most of the claims for a given accident year closed within five to seven years, while others, including claims alleging construction defect, are characterized by extreme time lags for both reporting and payment of claims. In addition, this line includes asbestos and environmental claims, which are reviewed separately because of the unique character of these exposures. Allocated loss adjustment expenses in this line consist primarily of legal costs and may exceed the total amount of the indemnity loss on some claims.

Major factors contributing to uncertainty in loss reserve estimates for general liability include reporting lags (i.e., the length of time between the event triggering coverage and the actual reporting of the claim), the number of parties involved in the underlying tort action, events triggering coverage that are spread over multiple time periods, the inability to know in advance what actual indemnity costs will be associated with an individual claim, the potential for disputes over whether claims were reasonably foreseeable and intended to be covered at the time the contracts were underwritten and the potential for mass tort claims and class actions. Generally, claims with a longer reporting lag time are characterized by greater inherent risk of uncertainty.

Examples of loss and LAE risk factors associated with general liability claims that can change over time and result in adjustments to loss reserves include, but are not limited to, the following:

Claims risk factors:
- Changes in claim handling procedures;
- Changes in policy provisions or court interpretation of such provisions;
- New or expanded theories of liability;
- Trends in jury awards;
- Changes in the propensity to sue, in general and with specificity to particular issues;
- Changes in statutes of limitations;
- Changes in the underlying court system;
- Changes in tort law;
- Frequency of visits to health care providers;
- Types of medical treatments received;
- Shifts in law suit mix between U.S. federal and state courts; and
- Changes in inflation.

Book of Business risk factors:
- Changes in policy provisions (e.g., deductibles, policy limits, endorsements);
- Changes in underwriting standards; and
- Product mix (e.g., size of account, class, industries insured, jurisdiction mix).

Liability - Workers Compensation

Workers compensation within Liability lines is generally considered a long-tail coverage as it takes a relatively long period of time to finalize claims from a given accident year. Certain payments, such as initial medical treatment or temporary wage replacement for the injured worker, are generally disbursed quickly. Other payments may be made over the course of several years, such as awards for permanent partial injuries. Some payments continue to take place throughout the injured worker’s life, such as permanent disability benefits and on-going medical care. Although long-tail in nature, claims generally are not subject to long reporting lags, settlements are generally not complex and most of the liability exposure is characterized by high frequency and moderate severity. The largest reserve risks are generally associated with low frequency, high severity claims that require lifetime coverage for medical expense arising from a worker’s injury.

Examples of loss and LAE risk factors that can change over time and cause workers compensation loss reserves to fluctuate include, but are not limited to, the following:

Indemnity claims risk factors:
- Time required to recover from the injury;
- Degree of available transitional jobs;
- Degree of legal involvement;
- Changes in the interpretations and processes of the workers compensation commissions' oversight of claim;
- Future wage inflation for U.S. states that index benefits;
- Changes in the administrative policies of second injury funds; and
- Changes in benefit levels.

Medical claims risk factors:
- Changes in the cost of medical treatments, including prescription drugs, and underlying fee schedules;
- Frequency of visits to health providers;
- Number of medical procedures given during visits to health providers;
- Types of health providers used;
- Type of medical treatments received;
- Use of preferred provider networks and other medical cost containment practices;
- Availability of new medical processes and equipment;
- Changes in life expectancy;
- Changes in the use of pharmaceutical drugs; and
- Degree of patient responsiveness to treatment.

Book of Business risk factors:
- Injury type mix;
- Changes in underwriting standards; and
- Changing product mix based on insured demand.

Liability - Commercial Automobile Liability

The commercial automobile liability product line within Liability lines is a long-tail coverage, mainly due to exposures arising out of bodily injury claims. Losses in this line associated with bodily injury claims generally are more difficult to accurately estimate and take longer to resolve. Claim reporting lags also can occur. Examples of loss and LAE risk factors that can change over time and result in adjustments to commercial automobile liability loss reserves include, but are not limited to, the following:

Claims risk factors:
- Trends in jury awards;
- Changes in the underlying court system;
- Changes in case law;
- Litigation trends;
- Subrogation opportunities;
- Changes in claim handling procedures;
- Frequency of visits to health providers;
- Types of medical treatments received;
- Changes in cost of medical treatments; and
- Degree of patient responsiveness to treatment.

Book of Business risk factors:
- Changes in policy provisions (e.g., deductibles, policy limits, endorsements, etc.);
- Changes in mix of insured vehicles;
- Changes in underwriting standards;
- Gasoline prices; and
- Changes in macroeconomic factors including but not limited to unemployment statistics.

Professional

Professional, including errors and omissions and directors and officers coverages, is considered a long-tail line, as it takes a relatively long period of time to finalize and resolve all claims from a given year. The speed at which claims are received and then resolved is a function of the specific coverage provided, jurisdiction in which the claim is located and specific policy provisions. There are numerous components underlying the Professional line. Some of these have relatively moderate payout patterns (such as primary coverage written on a claims-made basis) with most of the claims for a given year closed within five to seven years. Others, including business written on an excess basis, can be characterized by longer time lags for payment of claims. Allocated loss adjustment expenses in this line consist primarily of legal costs and may exceed the total amount of the indemnity loss on some claims.

Examples of loss and LAE risk factors associated with Professional claims that can change over time and result in adjustments to loss reserves include, but are not limited to, the following:

Claims risk factors:
- Changes in claim handling procedures;
- Changes in policy provisions or court interpretation of such provisions;
- New or expanded theories of liability;
- Trends in jury awards;
- Changes in the propensity to sue, in general and with specificity to particular issues;
- Changes in statutes of limitations;
- Changes in the underlying court system, including potential impacts from shutdowns associated with COVID-19;
- Changes in tort law;
- Fluctuations in stock prices;
- Lawsuit abuse and third-party litigation finance;
- Changes in the propensity to litigate rather than settle a claim;
- Shifts in lawsuit mix between U.S. federal and state courts; and
- Changes in inflation.

Book of Business risk factors:
- Changes in policy provisions (e.g., deductibles, policy limits, endorsements);
- Changes in underwriting standards; and
- Product mix (e.g., size of account, class, industries insured, jurisdiction mix).

Specialty

Specialty, including marine and surety coverages, is considered a shorter-tail line as claims are generally known relatively quickly. However, it can take a longer period of time to finalize and resolve all claims from a given year for lines such as surety within Specialty lines. Examples of loss and LAE risk factors associated with Specialty claims that can change over time and result in adjustments to loss reserves include, but are not limited to, the following:

Claims risk factors:
- Changes in claim handling procedures;
- Changes in policy provisions or court interpretation of such provisions;
- Changes in the economy; and
- Changes in inflation.

Book of Business risk factors:
- Incidence of catastrophes;
- Changes in policy provisions (e.g., deductibles, policy limits, endorsements);
- Changes in underwriting standards; and
- Product mix (e.g., size of account, class, industries insured, jurisdiction mix).

Property

Property is considered a short-tail line as claims are generally known quickly and resolved in a short period of time. However, the time to resolve a claim can be longer when the claim involves more difficult to resolve components such as business interruption losses or when the business is written on an excess basis. Examples of loss and LAE risk factors associated with Property claims that can change over time and result in adjustments to loss reserves include, but are not limited to, the following:

Claims risk factors:
- Changes in claim handling procedures;
- Changes in the cost of building materials;
- Changes in the cost of labor available to repair damages;
- Disruptions to the supply chain;
- Demand surge related to catastrophe events;
- Changes in policy provisions or court interpretation of such provisions; and
- Changes in inflation.

Book of Business risk factors:
- Incidence of catastrophes;
- Geographical concentration of risks;
- Changes in policy provisions (e.g., deductibles, policy limits, endorsements);
- Changes in underwriting standards; and
- Product mix (e.g., size of account, class, industries insured, jurisdiction mix).

Impact of changes in key assumptions on reserve volatility

We estimate reserves using a variety of methods, assumptions and data elements. The reserve estimation process includes explicit assumptions about a number of factors in the internal and external environment. Across most lines of business, the most important assumptions are future loss development factors applied to paid or reported losses to date. The trend in loss costs is also a key assumption, particularly in the most recent accident years, where loss development factors are less credible.

The following discussion includes disclosure of possible variations from current estimates of loss reserves due to a change in certain key assumptions. Each of the impacts described below is estimated individually, without consideration for any correlation among other key assumptions or among lines of business. Therefore, it could be misleading to take each of the amounts described below and add them together in an attempt to estimate volatility for reserves in total. The estimated variations in reserves due to changes in key assumptions discussed below are a reasonable estimate of possible variations that may occur in the future, likely over a period of several calendar years. It is important to note that the variations discussed herein are not exhaustive and are not meant to be a worst or best case scenario, and therefore, it is possible that future variations may be more than amounts discussed below.

Recorded gross reserves for Liability were $3,556.1 million, with approximately 2% of that amount related to run-off asbestos and environmental exposures as of December 31, 2023. For Liability losses relating to ongoing operations, loss development patterns are a key assumption for this line of business. Historically, assumptions on loss development patterns have been impacted by, among other things, changes in inflation, and emergence of new types of claims (e.g., construction defect claims) or a shift in the mixture between smaller, more routine claims and larger, more complex claims. We have reviewed the historical variation in loss development patterns for Liability losses deriving from continuing operations. If the incurred loss development patterns change by 20%, a change that we have experienced in the past and that management considers possible, the estimated net reserve could change by $190.0 million, in either direction.

With respect to asbestos and environmental general liability losses, we wrote several different categories of insurance contracts that may cover asbestos and environmental claims. First, we wrote primary policies providing the first layer of coverage in an insured’s general liability insurance program. Second, we wrote excess policies providing higher layers of general liability insurance coverage for losses that exhaust the limits of underlying coverage. Third, we acted as a reinsurer assuming a portion of those risks from other insurers underwriting primary, excess and reinsurance coverage. Fourth, we participated in the London Market, underwriting both direct insurance and assumed reinsurance business. With regard to both environmental and asbestos claims, significant uncertainty limits the ability of insurers and reinsurers to estimate the ultimate reserves necessary for unpaid losses and related expenses. Traditional actuarial reserving techniques cannot reasonably estimate the ultimate cost of these claims, particularly during periods where theories of law are in a state of continued uncertainty. The degree of variability of reserve estimates for these types of exposures is significantly greater than for other more traditional general liability exposures, and as such, we believe there is a high degree of uncertainty inherent in the estimation of asbestos and environmental loss reserves.

In the case of the reserves for asbestos exposures, factors contributing to the high degree of uncertainty include inadequate loss development patterns, plaintiffs' expanding theories of liability, the risks inherent in major litigation and inconsistent emerging legal outcomes. Furthermore, over time, insurers, including Argo Group, have experienced significant changes in the rate at which asbestos claims are brought, claims experience of particular insureds and value of claims, making predictions of future exposure from past experience uncertain. For example, in the past, insurers in general, including Argo Group, have experienced an increase in the number of asbestos-related claims due to, among other things, plaintiffs' increased focus on new and previously peripheral defendants and an increase in the number of insureds seeking bankruptcy protection as a result of asbestos-related liabilities. Plaintiffs and insureds have sought to use bankruptcy proceedings, including "pre-packaged" bankruptcies, to accelerate the funding and amount of loss payments by insurers. In addition, some policyholders continue to assert new classes of claims for coverage to which an aggregate limit of liability may not apply. Further uncertainties include insolvencies of other insurers and reinsurers, delays in the reporting of new claims by insurers and reinsurers and unanticipated issues influencing our ability to recover reinsurance for asbestos and environmental claims. Management believes these issues are not likely to be resolved in the near future.

In the case of the reserves for environmental exposures, factors contributing to the high degree of uncertainty include expanding theories of liability and damages, the risks inherent in major litigation, inconsistent decisions concerning the existence and scope of coverage for environmental claims and uncertainty as to the monetary amount being sought by the claimant from the insured.

The reporting pattern for assumed reinsurance claims, including those related to asbestos and environmental claims is much longer than for direct claims. In many instances, it takes months or years to determine that the policyholder's own obligations have been met and how the reinsurance in question may apply to such claims. The delay in reporting reinsurance claims and exposures adds to the uncertainty of estimating the related reserves.

The factors discussed above affect the variability of estimates for asbestos and environmental reserves including assumptions with respect to the frequency of claims, average severity of those claims settled with payment, dismissal rate of claims with no payment and expense to indemnity ratio. The uncertainty with respect to the underlying reserve assumptions for asbestos and environmental adds a greater degree of variability to these reserve estimates than reserve estimates for more traditional exposures. The process of estimating asbestos and environmental reserves, which is detailed in Note 8, "Run-off Lines," of Notes to Consolidated Financial Statements, remains subject to a wide variety of uncertainties. Due to these uncertainties, further developments could cause us to change our estimates of our asbestos and environmental reserves, and the effect of these changes could be material to our consolidated operating results, financial condition and liquidity.

Similar to Liability, Professional reserves are affected by loss development pattern assumptions. Historically, assumptions on loss development patterns have been impacted by, among other things, changes in inflation, movements on individual claims, and changes in the mixture between smaller, more routine claims and larger, more complex claims. We have reviewed the historical variation in loss development patterns for Professional losses. Recorded gross reserves for Professional were $1,390.4 million as of December 31, 2023. If the incurred development patterns underlying our net reserves for this line of business change by 20%, a change that we have experienced in the past and that management considers possible, the estimated net reserve could change by $85.0 million, in either direction.

Specialty reserves are also affected by loss development pattern assumptions. Historically, assumptions on loss development patterns have been impacted by, among other things, movements on individual claims, and economic conditions. We have reviewed the historical variation in loss development patterns for Specialty losses. Recorded gross reserves for Specialty were $130.7 million as of December 31, 2023. If the incurred development patterns underlying our net reserves for this line of business change by 20%, a change that we have experienced in the past and that management considers possible, the estimated net reserve could change by $8.0 million, in either direction.

Our Property reserves are analyzed by the characteristics of the underlying exposures. Property loss reserves are characterized by relatively short periods between occurrence, reporting, determination of coverage and ultimate claims settlement. These property loss reserves tend to be the most predictable. Catastrophic loss reserves tend to exhibit more volatility due to the nature of the underlying loss event which may cause delays and complexity in estimating ultimate loss exposure.

Loss Reserve Estimation Variability

After reviewing the output from various loss reserving methodologies, we select our best estimate of reserves. We believe that the aggregate loss reserves at December 31, 2023 were adequate to cover claims for losses that have occurred, including both known claims and claims yet to be reported. As of December 31, 2023, we recorded gross loss reserves of $5,544.5 million and loss reserves net of reinsurance of $2,747.1 million. Although our financial reports reflect our best estimate of reserves, it is unlikely that the final amount paid will exactly equal our best estimate.

In establishing our best estimate for reserves, we consider facts currently known and the present judicial and legislative environment among other factors. However, given the expansion of coverage and liability by the courts, legislation in the recent past and possibility of similar interpretations in the future, particularly with regard to asbestos and environmental claims, additional loss reserves may develop in future periods. These potential increases cannot be reasonably estimated at the present time. Any increases could have an adverse impact on future operating results, liquidity, risk-based capital ratios and ratings assigned to our insurance subsidiaries by the nationally recognized insurance rating agencies.

Purchase Accounting - Actuarially Determined Intangible Assets

On November 16, 2023, we completed the Merger, which resulted in a change to Company's ownership. Brookfield Reinsurance elected to push-down its purchase accounting, which resulted in the Company reflecting the fair market value of our assets and liabilities as of the Merger Date, in accordance with Accounting Standards Codification ("ASC") 805, Business Combinations. The application of push-down accounting created a new basis of accounting for all of our assets and liabilities.

Accounting for business combinations requires significant estimates and assumptions, especially at the acquisition date. In determining the Company's estimated fair value of assets acquired and liabilities assumed by Brookfield Reinsurance as part of the Merger, we used various recognized valuation methods including the income, market and cost approaches. Valuations were performed by independent valuation specialists under the Company's supervision. The value of business acquired represents the fair value of the expected future profits in unearned premiums, net of reinsurance, utilizing primarily ultimate loss and expense related assumptions, for insurance contracts acquired as a result of the Merger. The fair value adjustment for reserves for losses and loss adjustment expenses represents the difference between the fair value and book value of unpaid incurred claims net of reinsurance recoveries. Value of business acquired is classified separately on our Consolidated Balances Sheets, while the fair value adjustment for reserves for losses and loss adjustment expenses is included in our other intangible assets. These intangible assets were based primarily on an income valuation technique with assumptions for: (i) settlement patterns that reflect an actuarial estimate of the expected future net cash flows, (ii) a discount rate that reflect a market participant's view of (a) a reduction to those cash flows for the time value of money and (b) a risk component to reflect the net present value of profit that an investor would demand in return for the assumption of the development risk.

We believe that the estimated fair values assigned to the assets acquired and liabilities assumed are based on reasonable assumptions that a marketplace participant would use. While we use our best estimates and assumptions to accurately value assets acquired and liabilities assumed at the acquisition date, our estimates are inherently uncertain and subject to refinement.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

We believe we are principally exposed to four types of market risk: interest rate risk, credit risk, equity price risk and foreign currency risk.

Interest Rate Risk

Our primary market risk exposure is the exposure of our fixed maturity investment portfolio to interest rate risk and the changes in interest rates. Fluctuations in interest rates have a direct impact on the fair value of these securities. As interest rates rise, the fair value of our fixed maturity portfolio falls and the converse is also true. We manage interest rate risk through an active portfolio management strategy that involves the selection of investments with appropriate characteristics such as duration, yield, currency and liquidity that are tailored to the anticipated cash outflow characteristics of our liabilities. A significant portion of our investment portfolio matures each year, allowing for reinvestment at current market rates. The model duration of the assets comprising our fixed maturity investment portfolio was 2.68 years and 3.29 years at December 31, 2023 and 2022, respectively.

Based upon a pricing model, we determine the estimated change in fair value of our fixed maturity and short term investments assuming immediate parallel shifts in the U.S. Treasury yield curve, while keeping spreads between the individual securities and treasuries static. The following tables present the estimated pre-tax impact on the fair value of our fixed maturity and short term investments resulting from changes of 50 to 100 basis points in market rates at December 31, 2023 and 2022.

December 31, 2023	-100	-50	Base	50	100
Fair value (in millions)	$ 3,092.1	$ 3,053.5	$ 3,014.9	$ 2,976.4	$ 2,937.8
Gain (loss) (in millions)	$ 77.1	$ 38.6	$ —	$ (38.6)	$ (77.1)

December 31, 2022	-100	-50	Base	50	100
Fair value (in millions)	$ 3,216.7	$ 3,170.9	$ 3,125.1	$ 3,079.3	$ 3,033.5
Gain (loss) (in millions)	$ 91.6	$ 45.8	$ —	$ (45.8)	$ (91.5)

Credit Risk

We have exposure to credit risk on losses recoverable from reinsurers and receivables from insureds. Our controls to mitigate this risk include limiting our exposure to any one counterparty, evaluating the financial strength of our reinsurers, generally requiring minimum credit ratings and in certain cases receiving collateral from our reinsurers and insureds, and cancelling policies for insureds due to lack of payment.

We also have exposure to credit risk in our investment holdings. Our risk-management strategy and investment policy attempts to mitigate this risk by primarily investing in debt instruments of high credit quality issuers, limiting credit concentration, monitoring the credit quality of issuers and counterparties and diversifying issuers. The weighted average rating of our fixed maturity investments was A and A+ with 94.0% and 89.9% rated investment grade or better (BBB- or higher) at December 31, 2023 and 2022, respectively.

We review our investments to identify and evaluate those that may have credit impairments on a quarterly basis, considering the historical performance of the security, available market information, and credit ratings, among other things. For fixed maturity securities, the review includes consideration of current ratings and actions of major rating agencies (Standard & Poor's, Moody's and Fitch). If a security has two ratings, the lower rating is used. If a security has three ratings, the middle rating is used. The following table reflects the credit quality of our fixed maturity portfolio at December 31, 2023:

Other Fixed Maturities	Cost	Fair Value
AAA	$ 369.2	$ 373.9
AA	120.4	122.5
A	403.9	413.3
BBB	561.9	576.9
BB/B	104.3	108.6
CCC and Below	19.5	19.8
Unrated	83.8	85.0
Other Fixed Maturities	$ 1,663.0	$ 1,700.0

Structured Securities	Cost	Fair Value
AAA	$ 542.6	$ 564.6
AA	73.1	75.1
A	100.5	101.6
BBB	40.7	41.0
BB/B	9.5	9.5
CCC and Below	0.3	0.3
Unrated	91.8	93.3
Structured Securities	$ 858.5	$ 885.4

Total Fixed Maturities	Cost	Fair Value
AAA	$ 911.8	$ 938.5
AA	193.5	197.6
A	504.4	514.9
BBB	602.6	617.9
BB/B	113.8	118.1
CCC and Below	19.8	20.1
Unrated	175.6	178.3
Total Fixed Maturities	$ 2,521.5	$ 2,585.4

Our portfolio includes alternative investments with a carrying value at December 31, 2023 and 2022 of $311.0 million and $323.2 million (8.9% and 8.8% of total invested assets) respectively. These assets may invest in both long and short equities, corporate debt securities, currencies, real estate, commodities and derivatives. We attempt to mitigate our risk by selecting managers with extensive experience, proven track records and robust controls and processes. We also mitigate our risk by diversifying through multiple managers and different types of assets and asset classes.

Commercial mortgage loans add portfolio diversification. These assets typically afford credit protections through covenants and deeper due diligence given information access. We also monitor debt service coverage ratios and loan-to-value ratios in our assessment of credit risk and exposure.

Equity Price Risk

We hold a diversified portfolio of equity securities with a fair value of $10.7 million and $43.9 million (0.3% and 1.2% of total invested assets) at December 31, 2023 and 2022, respectively. Our equity securities are exposed to equity price risk which is defined as the potential for loss in fair value due to a decline in equity prices. We believe our diversified portfolio of equity securities among various industries, market segments and company sizes mitigates our exposure to equity price risk as well as limited investments in equity securities.

Foreign Currency Risk

We have exposure to foreign currency risk in our insurance contracts, invested assets and prior to the sale of S1200, a portion of our debt. We attempt to manage our foreign currency risk by seeking to match our liabilities under insurance and reinsurance contracts that are payable in currencies other than the U.S. Dollar with cash and investments that are denominated in such currencies. We also use foreign exchange forward contracts to attempt to mitigate this risk. During 2023, we recognized $13.5 million of gross gains and $12.4 million of gross losses from foreign exchange contracts, for a net loss of $1.1 million. During 2022, we recognized $33.9 million of gross gains and $47.2 million of gross losses from foreign exchange contracts, for a net loss of $13.3 million. The net losses are recorded in the *Net investment and other gains (losses)* in the Consolidated Statements of Income (Loss). With the divestitures executed and announced in 2023, our exposure to foreign currency risk has decreased.

Item 8. Financial Statements and Supplementary Data

The Report of Independent Registered Public Accounting Firm, Consolidated Financial Statements of Argo Group and supplementary financial statements called for by this Item 8 are included in this report beginning on page F-1 and are incorporated herein by reference.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

On June 1, 2022, the Company's Board appointed KPMG LLP ("KPMG") to serve as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2022. The appointment of KPMG was also subject to the approval of the Company's stockholders at the Company's 2022 Annual General Meeting of Stockholders. On June 1, 2022 Ernst & Young LLP, ("EY") tendered its resignation as the Company's independent registered public accounting firm.

The selection of KPMG as the Company's independent registered audit firm was recommended by the Audit Committee of the Company's Board (prior to dissolution).

The audit reports of EY on the Company's Consolidated Financial Statements for the fiscal years ended December 31, 2021 and 2020 did not contain an adverse opinion or a disclaimer of opinion, and were not qualified or modified as to uncertainty, audit scope, or accounting principle.

During the fiscal years ended December 31, 2021 and 2020 and during the subsequent interim period through June 1, 2022:

(i) there were no disagreements (as that term is defined in Item 304(a)(1)(iv) of Regulation S-K) between the Company and EY on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of EY, would have caused EY to make reference to the subject matter of the disagreements in EY's reports for such fiscal years; and

(ii) there was one "reportable event" within the meaning of Item 304(a)(1)(v) of Regulation S-K, whereby EY issued an adverse opinion on our internal control over financial reporting as of December 31, 2020 as a result of the material weakness in the Company's internal control over financial reporting as disclosed in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 relating 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.

Item 9A. Controls and Procedures

Argo Group, under the supervision and with the participation of its management, including the Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our "disclosure controls and procedures" as defined in Rule 13a-15(e) under the Exchange Act as of the end of the period covered by this report. In designing and evaluating these disclosure controls and procedures, Argo Group and its management recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating and implementing possible controls and procedures. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were effective as of December 31, 2023, at the reasonable assurance level to ensure that information required to be disclosed by Argo Group in the reports filed or submitted under the Exchange Act are recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

Management's Report on Internal Control Over Financial Reporting

The management of Argo Group is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is a process designed under the supervision of the Chief Executive Officer and Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our financial statements for external purposes in accordance with generally accepted accounting principles.

As of December 31, 2023, management assessed the effectiveness of our internal control over financial reporting based on the criteria for effective internal control over financial reporting established in "Internal Control - Integrated Framework," issued by the Committee of Sponsoring Organizations ("COSO") of the Treadway Commission (2013 framework). As a result of the assessment, management determined that we maintained effective internal control over financial reporting as of December 31, 2023, based on those criteria.

Change in Internal Control Over Financial Reporting

Except for internal controls over financial reporting related to a multiyear project resulting in the implementation of a new enterprise resource planning ("ERP") system, no changes in our internal control over financial reporting occurred during the period January 1, 2023 through November 15, 2023 (Predecessor) that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

There were no changes in the internal control over financial reporting made during the period November 16, 2023 through December 31, 2023 (Successor) that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Omitted pursuant to General Instruction I of Form 10-K.

Item 11. Executive Compensation

Omitted pursuant to General Instruction I of Form 10-K.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Omitted pursuant to General Instruction I of Form 10-K.

Item 13. Certain Relationships and Related Transactions and Director Independence

Omitted pursuant to General Instruction I of Form 10-K.

Item 14. Principal Accountant Fees and Services

KPMG LLP ("KPMG") performed services as the Company's principal accountants for the period of November 16, 2023 through December 31, 2023 (Successor), January 1, 2023 through November 15, 2023 (Predecessor), and June 1, 2022 – December 31, 2022. The fees incurred in 2023 and 2022 for services provided by KPMG to the Company were as follows:

	Successor	Predecessor	
	Period from	Period from	For the Year Ended
Category	November 16, 2023 through December 31, 2023	January 1, 2023 through November 15, 2023	2022
Audit Fees [1]	$ 1,863,350	$ 4,046,600	$ 5,880,800
Audit-Related Fees	—	—	—
Tax Fees [2]	85,274	596,920	—
All Other Fees [3]	—	7,500	7,500
Total	$ 1,948,624	$ 4,651,020	$ 5,888,300

[1] "Audit Fees" include the aggregate fees incurred for professional services rendered by KPMG for the review of the Company's quarterly reports for 2023 and 2022 and its fees for the audit of the Company's annual consolidated financial statements. "Audit Fees" also include fees incurred for professional services related to other statutory and regulatory filings.

[2] "Tax Fees" are fees incurred for KPMG's tax services, which include tax compliance, planning, advice and assistance for the Company regarding statutory, regulatory or administrative developments and other international, federal, state and local issues and tax minimization and planning.

[3] "All Other Fees" includes fees for the purchase of online accounting research software.

Audit Committee Pre-Approval Process

All services provided by KPMG in 2023 and 2022, which required pre-approval were specifically pre-approved by the Audit Committee of the Company's Board or the Brookfield Reinsurance Audit Committee (as applicable), as required under its respective charter then in effect. The Audit Committee of the Company's Board previously adopted an Audit Committee Pre-Approval Policy, which set forth the procedures the Audit Committee follows to pre-approve services to be performed by the Company's independent auditor. Pursuant to such policy, the Audit Committee delegates to the Chair of the Audit Committee authority to grant specific pre-approval on a case-by-case basis, subject to certain dollar limit. The Chair of the Audit Committee is required to report any pre-approval decisions to the Audit Committee at or prior to its next scheduled meeting. The Audit Committee and the Chair of the Audit Committee may not delegate to management the Audit Committee's responsibilities to pre-approve services performed by the

Company's independent auditor. Following the Merger, the Audit Committee Pre-Approval Policy was adopted by the Brookfield Reinsurance Audit Committee, which has been delegated all authority that was granted to the Company's Audit Committee prior to its dissolution.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a) 1. Financial Statements

Selected Financial Data

Report of Independent Registered Public Accounting Firm

Consolidated Balance Sheets—December 31, 2023 (Successor) and 2022 (Predecessor)

Consolidated Statements of Income (Loss)

For the period November 16, 2023 through December 31, 2023 (Successor), January 1, 2023 through November 15, 2023 (Predecessor), and for the years ended 2022 and 2021 (Predecessor)

Consolidated Statements of Comprehensive Income (Loss)

For the period November 16, 2023 through December 31, 2023 (Successor), January 1, 2023 through November 15, 2023 (Predecessor), and for the years ended 2022 and 2021 (Predecessor)

Consolidated Statements of Stockholders' Equity

For the period November 16, 2023 through December 31, 2023 (Successor), January 1, 2023 through November 15, 2023 (Predecessor), and for the years ended 2022 and 2021 (Predecessor)

Consolidated Statements of Cash Flow

For the period November 16, 2023 through December 31, 2023 (Successor), January 1, 2023 through November 15, 2023 (Predecessor), and for the years ended 2022 and 2021 (Predecessor)

Notes to Consolidated Financial Statements

(a) 2. Financial Statement Schedules

Schedule II—Condensed Financial Information of Registrant

Balance Sheets—December 31, 2023 (Successor) and 2022 (Predecessor)

Statements of Income (Loss)—For the period November 16, 2023 through December 31, 2023 (Successor), January 1, 2023 through November 15, 2023 (Predecessor), and for the years ended 2022 and 2021 (Predecessor)

Schedule III—Supplemental Insurance Information

For the period November 16, 2023 through December 31, 2023 (Successor), January 1, 2023 through November 15, 2023 (Predecessor), and for the years ended 2022 and 2021 (Predecessor)

Schedule V—Valuation and Qualifying Accounts

For the Years Ended December 31, 2023 (Successor), 2022 (Predecessor) and 2021 (Predecessor)

Schedule VI—Supplemental Information for Property-Casualty Insurance Companies

For the period November 16, 2023 through December 31, 2023 (Successor), January 1, 2023 through November 15, 2023 (Predecessor), and for the years ended 2022 and 2021 (Predecessor)

All other schedules and notes specified under Regulation S-X are omitted because they are either not applicable, not required or the information called for therein appears in response to the items of Form 10-K or in the Consolidated Financial Statements and the related Notes to Consolidated Financial Statements of Argo Group and its subsidiaries listed on the above index.

(a) 3. Exhibits

The following exhibits are numbered in accordance with Item 601 of Regulation S-K and, except as noted, are filed herewith.

Exhibit Number	Description
2.1	Agreement and Plan of Merger, dated as of February 8, 2023, by and among Argo Group International Holdings, Ltd., Brookfield Reinsurance Ltd. and BNRE Bermuda Merger Sub Ltd. (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 8, 2023).
3.1	Amended and Restated Memorandum of Association of Argo Group International Holdings, Ltd., formerly PXRE Group Ltd. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 8, 2007).
3.2	Amended and Restated Bye-Laws of Argo Group International Holdings, Ltd. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 20, 2020).
3.3	Certificate of Incorporation of Argo Group International Holdings, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 1, 2023).
3.4	Bylaws of Argo Group International Holdings, Inc. (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 1, 2023).
4.1	Form of Senior Indenture among Argo Group US, Inc., as Issuer, Argo Group International Holdings, Ltd., as Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.3 of the Company's registration statement on Form S-3 filed with the Securities and Exchange Commission on September 18, 2012).
4.2	Form of First Supplemental Indenture Supplementing that Certain Senior Indenture among Argo Group US, Inc., as Issuer, Argo Group International Holdings, Ltd., as Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.2 of the Company's Form 8-A filed with the Securities and Exchange Commission on September 21, 2012).
4.3	Form of 6.500% Senior Notes due 2042, included as Exhibit A to Form of First Supplemental Indenture referenced above in Exhibit 4.2 (incorporated by reference to Exhibit 4.2 of the Company's Form 8-A filed with the Securities and Exchange Commission on September 21, 2012).
4.4	Form of 6.500% Senior Notes due 2042, dated December 11, 2023.
4.5	Certificate of Designations of 7.00% Resettable Fixed Rate Preference Shares, Series A, of Argo Group International Holdings, Ltd.
4.6	Certificate of Designations of 7.00% Resettable Fixed Rate Preferred Stock, Series A, of Argo Group International Holdings, Inc.
4.7	Form of Share Certificate evidencing 7.00% Resettable Fixed Rate Preference Share, Series A, of Argo Group International Holdings, Ltd. (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 9, 2020).
4.8	Form of Stock Certificate evidencing 7.00% Resettable Fixed Rate Preferred Stock, Series A, of Argo Group International Holdings, Inc.
4.9	Deposit Agreement, dated as of July 9, 2020, by and among Argo Group International Holdings, Ltd., American Stock Transfer & Trust Company, LLC, as Depositary, and the Holders from time to time of the Depositary Receipts (incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 9, 2020).
4.10	Form of Depositary Receipt for Depositary Shares, included as part of Deposit Agreement referenced above in Exhibit 4.6 (incorporated by reference to Exhibit 4.4 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 9, 2020).
4.11	Description of Securities.

Exhibit Number	Description
10.1	Deed Poll Guarantee of Argo Group International Holdings, Ltd., formerly PXRE Group Ltd., in respect of PXRE Reinsurance Ltd., dated as of September 1, 2002 (incorporated by reference to Exhibit 10.3a to the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 12, 2002).
10.2	$325,000,000 Credit Agreement, dated as of November 2, 2018, by and among Argo Group International Holdings, Ltd., Argo Group US, Inc., Argo International Holdings Limited and Argo Underwriting Agency Limited, as Borrowers, the Lenders party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, Wells Fargo Bank, N.A. and Bank of America, N.A., as Co-Syndication Agents, and U.S. Bank National Association and HSBC Bank USA, N.A., as Co-Documentation Agents (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 6, 2018).
10.3	Amendment No. 1 to the Credit Agreement, dated March 2, 2022, by and among Argo Group International Holdings, Ltd., Argo Group US, Inc., Argo International Holdings Limited and Argo Underwriting Agency Limited, as Borrowers, and JPMorgan Chase Bank, N.A., individually and as Administrative Agent, and the other financial institutions signatory thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 4, 2022).
10.4	Amendment No. 2 to the Credit Agreement, dated July 15, 2022, by and among Argo Group International Holdings, Ltd., Argo Group US, Inc., Argo International Holdings Limited and Argo Underwriting Agency Limited, as Borrowers, and JPMorgan Chase Bank, N.A., individually and as Administrative Agent, and the other financial institutions signatory thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Committee on July 21, 2022).
10.5	Amendment No. 3 to the Credit Agreement, dated December 20, 2022, by and among Argo Group International Holdings, Ltd., Argo Group US, Inc., Argo International Holdings Limited and Argo Underwriting Agency Limited, as Borrowers, and JPMorgan Chase Bank, N.A., individually and as Administrative Agent, and the other financial institutions signatory thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 22, 2022).
10.6	Amendment No. 4 to the Credit Agreement, dated July 14, 2023, by and among Argo Group International Holdings, Ltd., Argo Group US, Inc., as Borrowers, and JPMorgan Chase Bank, N.A., individually and as Administrative Agent, and the other financial institutions signatory thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 17, 2023).
10.7	Amendment No. 5 to the Credit Agreement, dated July 24, 2023, by and among Argo Group International Holdings, Ltd., Argo Group US, Inc., as Borrowers, and JPMorgan Chase Bank, N.A., individually and as Administrative Agent, and the other financial institutions signatory thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 24, 2023).
10.8	Amendment No. 6 to the Credit Agreement, dated February 21, 2024, by and among Argo Group International Holdings, Inc. and Argo Group US, Inc., as Borrowers, JPMorgan Chase Bank, N.A., individually as a lender and as Administrative Agent, and the other financial institutions signatory thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 26, 2024).
10.9	Argo Group International Holdings, Ltd. Employee Share Purchase Plan, amended and restated effective as of May 3, 2016 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 5, 2016).*
10.10	Argo Group International Holdings, Ltd. 2014 Long-Term Incentive Plan (incorporated by reference to Appendix I to the Company's Proxy Statement for the 2014 Annual General Meeting of Shareholders filed with the Securities and Exchange Commission on March 7, 2014).*
10.11	Argo Group International Holdings, Ltd. 2019 Omnibus Incentive Plan (incorporated by reference to Exhibit 99.1 to the Company's Registration Statement on Form S-8 filed with the Securities and Exchange Commission on June 25, 2019).*
10.12	Argo Group International Holdings, Ltd. Executive Severance Plan (incorporated by reference to Exhibit 10.6 to the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 15, 2021).*
10.13	Form of Restricted Share Agreement (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 8, 2014).*

Exhibit Number	Description
10.14	Form of Non-Employee Director Restricted Stock Agreement (incorporated by reference to the Exhibit 10.12 to the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 15, 2021).*
10.15	Form of Incentive Award Agreement (Restricted Stock Awards and Cash Awards) - 2019 Omnibus Incentive Plan (incorporated by reference to the Exhibit 10.13 to the Company's Form 10-K filed with the Securities and Exchange Commission on March 15, 2021).*
10.16	Form of Employee Restricted Stock Award Agreement (incorporated by reference to the Exhibit 10.11 to the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 16, 2022).*
10.17	Form of U.S. Named Executive Officer Retention Award Agreement (incorporated by reference to the Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 6, 2022).*
10.18	Argonaut Supplemental Executive Retirement Plan and subsequent amendments thereto dated each of September 2009, April 2010, and September 2010 (incorporated by reference to the Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 6, 2022).*
10.19	Executive Employment Agreement, effective as of February 18, 2020, by and between Argo Group International Holdings, Ltd. and Kevin J. Rehnberg (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 13, 2020)*
10.20	Separation and Release Agreement by and between Kevin J. Rehnberg and Argo Group International Holdings, Ltd. dated June 23, 2022 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 23, 2022).*
10.21	Executive Employment Agreement, effective as of April 26, 2019, by and between Argo Group International Holdings, Ltd. and Jay S. Bullock (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 29, 2019).*
10.22	Separation and Transition Agreement and General Release, dated as of March 23, 2021, by and between Argo Group International Holdings, Ltd. and Jay S. Bullock (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 25, 2021).*
10.23	Argo Group International Holdings, Ltd. Executive Severance Plan, effective January 1, 2021, amended and restated April 26, 2022 (incorporated by reference to the Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 6, 2022).*
10.24	Service Agreement, dated as of February 5, 2021, by and between Argo Management Services Limited and Scott Kirk (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 8, 2021).*
10.25	Retention Letter and Extension of Service Agreement, dated May 5, 2022, by and between Scott Kirk and Argo Management Services Limited (incorporated by reference to the Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 6, 2022).*
10.26	Offer Letter, dated May 15, 2020, between Argonaut Management Services, Inc. and Allison D. Kiene (incorporated by reference to the Exhibit 10.23 to the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 16, 2022).*
10.27	Cooperation Agreement, dated as of December 31, 2019, by and among Argo Group International Holdings, Ltd., Voce Catalyst Partners LP, Voce Capital Management LLC, Voce Capital LLC and Voce Catalyst Partners New York LLC (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 2, 2020).
10.28	Amended and Restated Loss Portfolio Transfer Reinsurance Agreement by and between Argonaut Insurance Company and Cavello Bay Reinsurance Limited dated November 9, 2022 with an effective date of January 1, 2022 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 9, 2022).**
10.29	Share Purchase Agreement for the sale and purchase of the entire issued share capital of Argo Underwriting Agency Limited dated September 8, 2022 by and between Argo International Holdings Limited as Seller and Ohio Farmers Insurance Company as Purchaser (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 9, 2022).**

Exhibit Number	Description
10.30	Deed of Amendment, dated February 2, 2023, related to the Share Purchase Agreement for the sale and purchase of the entire issued share capital of Argo Underwriting Agency Limited dated September 8, 2022 by and between Argo International Holdings Limited as Seller and Ohio Farmers Insurance Company as Purchaser. (incorporated by reference to Exhibit 10.34 to the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 6, 2023).
10.31	Voting and Support Agreement, dated as of February 8, 2023, by and between Brookfield Reinsurance Ltd., Argo Group International Holdings, Ltd. and Voce Capital Management LLC (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 8, 2023).
10.32	Restricted Stock Award Agreement dated June 23, 2022, by and between Argo Group International Holdings, Ltd. and Thomas A. Bradley (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 23, 2022).*
10.33	Stock Appreciation Right Agreement dated June 23, 2022, by and between Argo Group International Holdings, Ltd. and Thomas A. Bradley (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 23, 2022).*
10.34	Transaction Bonus Letter, dated March 3, 2023, by and between Argo Group International Holdings, Ltd. and Thomas A. Bradley (incorporated by reference to Exhibit 10.40 to the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 6, 2023).*
10.35	Offer Letter, by and between Argo Group International Holdings, Ltd. and Jessica Snyder, dated November 16, 2023 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 16, 2023).*
10.36	Retention Award Agreement, by and between Argo Group International Holdings, Ltd. and Jessica Snyder, dated November 16, 2023 (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 16, 2023).*
10.37	Resignation Letter, by and between Argo Group International Holdings, Ltd. and Susan Comparato, dated November 16, 2023 (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 16, 2023).*
10.38	Offer Letter, by and between Argo Group International Holdings, Ltd. and Christopher Donahue, dated November 16, 2023 (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 16, 2023).*
10.39	Letter Agreement, by and between Argo Group International Holdings, Ltd. and Scott Kirk, dated November 16, 2023 (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 16, 2023).*
10.40	Offer Letter, dated August 22, 2018, between Argonaut Management Services, Inc. and Susan Comparato. (incorporated by reference to Exhibit 10.38 to the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 6, 2023).*
10.41	Offer Letter, dated August 2, 2022, between Argonaut Management Services, Inc. and Jessica Snyder.(incorporated by reference to Exhibit 10.39 to the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 6, 2023).*

Exhibit Number	Description
21	Subsidiaries of Registrant
22	Guaranteed Securities
31.1	Rule 13a—14(a)/15d – 14(a) Certification of Chief Executive Officer.
31.2	Rule 13a—14(a)/15d – 14(a) Certification of Chief Financial Officer.
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
97.1	Clawback Policy of Argo Group International Holdings, Inc.
97.2	Clawback Policy of Argo Group US, Inc.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).
*	Denotes a management contract or compensatory plan or arrangement.
**	Portions of this exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K.
	Certain instruments defining the rights of the holders of long-term debt of the Company and certain of its subsidiaries, none of which authorize a total amount of indebtedness in excess of 10% of the total assets of the Company and its subsidiaries on a consolidated basis, have not been filed as Exhibits on this report. The Company hereby agrees to furnish a copy of any of these agreements to the U.S. Securities and Exchange Commission upon request.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ARGO GROUP INTERNATIONAL HOLDINGS, INC.

By /s/ Jessica Buss

Jessica Buss

Chief Executive Officer

Date: March 18, 2024

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Jessica Buss Jessica Buss	Chief Executive Officer (principal executive officer)	March 18, 2024
/s/ Christopher Donahue Christopher Donahue	Chief Financial Officer (principal financial and accounting officer)	March 18, 2024
/s/ Gregory Morrison Gregory Morrison	Director	March 18, 2024
/s/ Gregory McConnie Gregory McConnie	Director	March 18, 2024
/s/ Seamus MacLoughlin Seamus MacLoughlin	Director	March 18, 2024

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Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors
Argo Group International Holdings, Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Argo Group International Holdings, Inc. and subsidiaries (the Company) as of December 31, 2023 (Successor) and 2022 (Predecessor), the related consolidated statements of income (loss), comprehensive income (loss), stockholders' equity, and cash flows for the period from November 16, 2023 through December 31, 2023 (Successor), the period from January 1, 2023 through November 15, 2023 (Predecessor) and year ended December 31, 2022 (Predecessor) and the related notes and financial statement schedules II, III, V, and VI (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 (Successor) and 2022 (Predecessor), and the results of its operations and its cash flows for the period from November 16, 2023 through December 31, 2023 (Successor), the period from January 1, 2023 through November 15, 2023 (Predecessor) and year ended December 31, 2022 (Predecessor), in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Estimate of reserves for losses and loss adjustment expenses

As discussed in Note 1 and 7 to the consolidated financial statements, the Company establishes reserves for the estimated total unpaid costs of losses and loss adjustment expenses, for the claims that have been reported as well as claims that have been incurred but not reported. Reserves for losses and loss adjustment expenses are estimated based on the application of actuarial techniques considering variables such as past loss experience, current claims trends and prevailing social, economic and legal environments. The liability for reserves for losses and loss adjustment expenses as of December 31, 2023 was $5,544.5 million.

We identified the assessment of the Company’s estimate of reserves for losses and loss adjustment expenses as a critical audit matter. Complex auditor judgment and the involvement of actuarial professionals with specialized skills and knowledge were required to assess the methodologies and assumptions used to estimate reserves for losses and loss adjustment expenses. Specifically, key assumptions used by the Company to estimate reserves for losses and loss adjustment expenses involved significant measurement uncertainty, and included expected loss ratios, loss development factors, settlement patterns, and the weighting of actuarial methodologies.

The following are the primary procedures we performed to address this critical audit matter. With the assistance of actuarial professionals with specialized skills and knowledge, we evaluated the design and tested the operating effectiveness of certain internal controls related to the Company’s process for estimating reserves for losses and loss adjustment expenses, including controls related to the selection of methodologies and assumptions. We also involved actuarial professionals with specialized skills and knowledge, who assisted in:

- evaluating the Company’s actuarial methodologies by comparing them to methods consistent with actuarial standards of practice
- developing an independent range of reserves for losses and loss adjustment expenses separately for certain of the larger, more complex lines of business and comparing them to recorded loss and loss adjustment expense reserves, and assessing the change in position of those carried reserves within the independently developed range as compared to prior year
- evaluating the Company’s estimate of reserves for losses and loss adjustment expenses for certain other lines of business by examining the Company’s process for estimating reserves for losses and loss adjustment expenses.

Fair value adjustment for reserves for losses and loss adjustment expenses and value of business acquired (VOBA) resulting from a business combination

As discussed in Notes 1 and 2 to the consolidated financial statements, the Company became a subsidiary of Brookfield Reinsurance Ltd (Brookfield Reinsurance), on November 16, 2023. Brookfield Reinsurance elected to push-down its purchase accounting which resulted in the Company reflecting the fair value of the assets and liabilities as of the merger date. The Company used the income approach to estimate the fair value adjustment for reserves for losses and loss adjustment expenses of $98.5 million, which is a component of intangible assets of $180.6 million, and to estimate the fair value of VOBA, of $143.6 million (collectively, insurance intangibles). The fair value adjustment for reserves for losses and loss adjustment expenses is net of the fair value adjustment for reinsurance recoverable on reserves for unpaid losses and loss adjustment expense. The VOBA refers to the fair value of the expected future profits in unearned premium, net of reinsurance, for insurance contracts acquired. The Company’s valuation methodologies for estimating insurance intangibles include significant assumptions such as settlement patterns that reflect an actuarial estimate of expected future net cash flows and discount rates.

We identified the assessment of the Company’s estimates of the fair value adjustment for reserves for losses and loss adjustment expenses and VOBA at the merger date as a critical audit matter. Complex auditor judgment and the involvement of actuarial and valuation professionals with specialized skills and knowledge were required to assess the assumptions used to estimate the fair value adjustment for reserves for losses and loss adjustment expenses and VOBA. Specifically, subjective judgment was required to evaluate the losses and loss adjustment expenses settlement patterns and discount rate assumptions, due to the degree of measurement uncertainty associated with those assumptions.

The following are the primary procedures we performed to address this critical audit matter. We involved actuarial and valuation professionals with specialized skills and knowledge, to assist in evaluating the design of certain internal controls related to the Company’s process for determining the fair value adjustment for reserves for losses and loss adjustment expenses and VOBA, including controls related to the selection of the settlement patterns and discount rate assumptions. We also involved:

- actuarial professionals with specialized skills and knowledge, who assisted in, evaluating the settlement pattern assumptions utilized by the Company in the insurance intangible estimates by comparing them to the Company’s historical losses and loss adjustment expenses, net of reinsurance recoveries, adjusted for current trends.
- actuarial and valuation professionals with specialized skills and knowledge who assisted in evaluating the discount rate assumptions by examining the Company’s process used to develop the discount rate assumptions including comparing certain inputs to observable market data.

/s/ KPMG LLP

We have served as the Company’s auditor since 2022.

New York, New York

March 18, 2024

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Argo Group International Holdings, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of income (loss), comprehensive income (loss), stockholders' equity and cash flows of Argo Group International Holdings, Inc. (the Company) for the year ended December 31, 2021, and the related notes and financial statement schedules listed in the Index at Item 15 (collectively referred to as the "financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the results of its operations and its cash flows for the year ended December 31, 2021, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We began serving as the Company's auditor in 2002. In 2022, we became the predecessor auditor.

San Antonio, Texas

March 16, 2022

ARGO GROUP INTERNATIONAL HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS
(in millions, except number of shares and per share amounts)

	Successor	Predecessor
	As of December 31, 2023	As of December 31, 2022
Assets		
Investments:		
Fixed maturities available-for-sale, at fair value (cost: 2023 - $2,521.5, 2022 - $3,016.4; allowance for expected credit losses: 2023 - $0.2, 2022 - $2.8)	$ 2,585.4	$ 2,675.5
Commercial mortgage loans (cost: 2023 - $144.8, 2022 - $159.9; allowance for expected credit losses: 2023 - $0.2, 2022 - $0.2)	144.6	159.7
Equity securities, at fair value (cost: 2023 - $11.7; 2022 - $54.7)	10.7	43.9
Other investments (cost: 2023 - $311.0; 2022 - $323.2)	311.0	323.2
Short-term investments, at fair value (cost: 2023 - $429.0; 2022 - $449.4)	429.5	449.6
Total investments	3,481.2	3,651.9
Cash, restricted cash and cash equivalents	791.6	50.2
Accrued investment income	20.4	18.6
Premiums receivable	230.7	292.0
Reinsurance recoverables	2,959.3	3,029.1
Goodwill	—	118.6
Other intangible assets, net of accumulated amortization	180.6	—
Current income taxes receivable, net	53.1	44.9
Deferred tax asset, net	39.1	101.2
Deferred acquisition costs, net	7.2	107.0
Ceded unearned premiums	356.0	375.5
Operating lease right-of-use assets	51.2	57.7
Other assets	189.1	121.5
Value of business acquired, net of accumulated amortization	143.6	—
Assets held-for-sale	—	2,066.2
Total assets	$ 8,503.1	$ 10,034.4
Liabilities and Stockholders' Equity		
Reserves for losses and loss adjustment expenses	$ 5,544.5	$ 5,051.6
Unearned premiums	916.6	1,039.9
Accrued underwriting expenses and other liabilities	73.9	121.3
Ceded reinsurance payable, net	192.7	158.7
Funds held	57.3	50.0
Senior unsecured fixed rate notes	128.0	140.5
Junior subordinated debentures	241.2	258.6
Operating lease liabilities	51.4	66.4
Liabilities held-for-sale	—	1,914.5
Total liabilities	7,205.6	8,801.5
Commitments and contingencies (Note 18)		
Stockholders' equity:		
Series A Preferred stock and additional paid-in capital - $1.00 par, 30,000,000 shares authorized; 6,000 and 6,000 shares issued at December 31, 2023 and December 31, 2022, respectively; liquidation preference $25,000	137.1	144.0
Common stock - $1.00 par, 2,000,000,000 and 500,000,000 shares authorized at December 31, 2023 and December 31, 2022, respectively; 1,056,638,730 and 46,379,297 shares issued at December 31, 2023 and December 31, 2022, respectively	1,056.6	46.4
Additional paid-in capital	51.1	1,395.4
Treasury shares (0 and 11,318,339 shares at December 31, 2023 and December 31, 2022, respectively)	—	(455.1)
Retained earnings	0.9	407.3
Accumulated other comprehensive gain (loss), net of taxes	51.8	(305.1)
Total stockholders' equity	1,297.5	1,232.9
Total liabilities and stockholders' equity	$ 8,503.1	$ 10,034.4

See accompanying notes.

ARGO GROUP INTERNATIONAL HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF INCOME (LOSS)
(in millions, except number of shares and per share amounts)

	Successor	Predecessor		
	Period from November 16, 2023 through December 31, 2023	Period from January 1, 2023 through November 15, 2023	For the Years Ended December 31, 2022	2021
Premiums and other revenue:				
Net earned premiums	$ 162.3	$ 1,225.9	$ 1,740.4	$ 1,910.1
Net investment income	28.6	121.3	129.8	187.6
Net investment and other gains (losses):				
Net realized investment and other gains (losses)	0.1	(20.4)	(115.9)	72.4
Change in fair value recognized	(0.2)	(0.2)	3.1	(40.4)
Change in allowance for credit losses on fixed maturity securities	(0.2)	(2.1)	(2.5)	0.6
Total net investment and other gains (losses)	(0.3)	(22.7)	(115.3)	32.6
Total revenue	190.6	1,324.5	1,754.9	2,130.3
Expenses:				
Losses and loss adjustment expenses	94.2	1,043.2	1,166.9	1,314.6
Underwriting, acquisition and general expenses	77.2	419.0	670.7	702.3
Non-operating expenses	13.1	41.1	51.5	43.7
Interest expense	3.5	29.8	26.8	21.6
Fee and other (income) expense, net	(0.2)	(0.3)	(1.3)	(2.0)
Foreign currency exchange (gains) losses	0.6	1.8	(5.0)	1.6
Impairment of goodwill and intangible assets	—	—	28.5	43.2
Total expenses	188.4	1,534.6	1,938.1	2,125.0
Income (loss) before income taxes	2.2	(210.1)	(183.2)	5.3
Income tax provision (benefit)	1.3	0.3	(8.0)	(1.4)
Net income (loss)	$ 0.9	$ (210.4)	$ (175.2)	$ 6.7
Dividends on Series A Preferred stock	—	10.5	10.5	10.5
Net income (loss) attributable to common stockholders	$ 0.9	$ (220.9)	$ (185.7)	$ (3.8)
Net income (loss) attributable to common stockholders per share of common stock:				
Basic		$ (6.28)	$ (5.31)	$ (0.11)
Diluted		$ (6.28)	$ (5.31)	$ (0.11)
Dividend declared per share of common stock		$ —	$ 1.24	$ 1.24
Weighted average common stock:				
Basic		35,166,679	34,980,608	34,816,160
Diluted		35,166,679	34,980,608	34,816,160

See accompanying notes.

ARGO GROUP INTERNATIONAL HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF INCOME (LOSS)
(in millions, except number of shares and per share amounts)

	Successor	Predecessor		
	Period from November 16, 2023 through December 31, 2023	Period from January 1, 2023 through November 15, 2023	For the Years Ended December 31, 2022	2021
Net realized investment gains (losses) before other-than-temporary impairment losses	$ (0.3)	$ (19.8)	$ (79.2)	$ 32.6
Other-than-temporary impairment losses recognized in earnings:				
Other-than-temporary impairment losses on fixed maturities	—	(2.9)	(36.1)	—
Investment impairment losses recognized in earnings	—	(2.9)	(36.1)	—
Net realized investment (losses) gains	$ (0.3)	$ (22.7)	$ (115.3)	$ 32.6

See accompanying notes.

ARGO GROUP INTERNATIONAL HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in millions)

	Successor	Predecessor		
	Period from	Period from	For the Years Ended December 31,	
	November 16, 2023 through December 31, 2023	January 1, 2023 through November 15, 2023	2022	2021
Net income (loss)	$ 0.9	$ (210.4)	$ (175.2)	$ 6.7
Other comprehensive income (loss):				
Foreign currency translation:				
Foreign currency translation adjustments	0.1	1.0	(0.7)	2.6
Reclassification adjustment for foreign currency translation included in net income	—	—	31.8	—
Defined benefit pension plans:				
Net gain (loss) arising during the period	0.8	1.0	(0.9)	1.9
Fixed maturity securities:				
Unrealized gains (losses) arising during the year	64.7	15.2	(428.1)	(94.7)
Reclassification adjustment for (gains) losses included in net income	(0.1)	28.0	43.6	(12.2)
Other comprehensive (loss) income before tax	65.5	45.2	(354.3)	(102.4)
Income tax provision (benefit) related to other comprehensive income (loss):				
Defined benefit pension plans:				
Net gain (loss) arising during the period	0.2	0.2	(0.2)	0.4
Fixed maturity securities:				
Unrealized gains (losses) arising during the period	13.5	1.5	(80.9)	(17.3)
Reclassification adjustment for (gains) losses included in net income	—	5.9	9.2	(4.2)
Income tax provision (benefit) related to other comprehensive income (loss)	13.7	7.6	(71.9)	(21.1)
Other comprehensive income (loss), net of tax	51.8	37.6	(282.4)	(81.3)
Comprehensive income (loss)	$ 52.7	$ (172.8)	$ (457.6)	$ (74.6)

See accompanying notes.

ARGO GROUP INTERNATIONAL HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in millions, except number of shares and per share amounts)

	Predecessor						
	Preferred Stock and Additional Paid-in Capital	Common Stock	Additional Paid-In Capital	Treasury Shares	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Stockholders' Equity
Balance, January 1, 2021	$ 144.0	$ 46.0	$ 1,380.2	$ (455.1)	$ 684.1	$ 58.6	$ 1,857.8
Net income	—	—	—	—	6.7	—	6.7
Preferred stock issued	—	—	—	—	—	—	—
Other comprehensive loss - change in fair value of fixed maturities, net of taxes	—	—	—	—	—	(85.4)	(85.4)
Other comprehensive income, net of tax	—	—	—	—	—	4.1	4.1
Activity under stock incentive plans	—	0.2	6.9	—	—	—	7.1
Retirement of common stock (tax payments on equity compensation)	—	(0.1)	(2.7)	—	—	—	(2.8)
Employee stock purchase plan	—	0.1	2.0	—	—	—	2.1
Dividends on preferred stock	—	—	—	—	(10.5)	—	(10.5)
Cash dividend declared - common stock ($1.24/share)	—	—	—	—	(43.9)	—	(43.9)
Balance, December 31, 2021	144.0	46.2	1,386.4	(455.1)	636.4	(22.7)	1,735.2
Net loss	—	—	—	—	(175.2)	—	(175.2)
Other comprehensive loss - change in fair value of fixed maturities, net of taxes	—	—	—	—	—	(312.8)	(312.8)
Other comprehensive income, net of tax	—	—	—	—	—	30.4	30.4
Activity under stock incentive plans	—	0.2	9.4	—	—	—	9.6
Retirement of common stock (tax payments on equity compensation)	—	(0.1)	(2.1)	—	—	—	(2.2)
Employee stock purchase plan	—	0.1	1.7	—	—	—	1.8
Dividends on preferred stock	—	—	—	—	(10.5)	—	(10.5)
Cash dividend declared - common stock ($1.24/share)	—	—	—	—	(43.4)	—	(43.4)
Balance, December 31, 2022	144.0	46.4	1,395.4	(455.1)	407.3	(305.1)	1,232.9
Net loss	—	—	—	—	(210.4)	—	(210.4)
Other comprehensive income - change in fair value of fixed maturities, net of taxes	—	—	—	—	—	35.8	35.8
Other comprehensive income, net - other	—	—	—	—	—	1.8	1.8
Activity under stock incentive plans	—	0.1	(0.7)	—	—	—	(0.6)
Retirement of common stock (tax payments on equity compensation)	—	—	(0.9)	—	—	—	(0.9)
Employee stock purchase plan	—	—	1.5	—	—	—	1.5
Dividends on preferred stock	—	—	—	—	(10.5)	—	(10.5)
Cash dividend declared - common stock ($0.00/share)	—	—	—	—	0.3	—	0.3
Balance, November 15, 2023	$ 144.0	$ 46.5	$ 1,395.3	$ (455.1)	$ 186.7	$ (267.5)	$ 1,049.9

ARGO GROUP INTERNATIONAL HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in millions, except number of shares and per share amounts)

	Successor						
	Preferred Stock and Additional Paid-in Capital	Common Stock	Additional Paid-In Capital	Treasury Shares	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Stockholders' Equity
Balance, Balance, November 16, 2023	$ 137.1	$ 1,056.6	$ 51.1	$ —	$ —	$ —	$ 1,244.8
Net income	—	—	—	—	0.9	—	0.9
Other comprehensive income - change in fair value of fixed maturities, net of taxes	—	—	—	—	—	51.1	51.1
Other comprehensive income, net - other	—	—	—	—	—	0.7	0.7
Balance, December 31, 2023	$ 137.1	$ 1,056.6	$ 51.1	$ —	$ 0.9	$ 51.8	$ 1,297.5

See accompanying notes.

ARGO GROUP INTERNATIONAL HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Successor	Predecessor		
	Period from November 16, 2023 through December 31, 2023	Period from January 1, 2023 through November 15, 2023	For the Years Ended December 31, 2022	2021
Cash flows provided by (used in) operating activities:				
Net income (loss)	$ 0.9	$ (210.4)	$ (175.2)	$ 6.7
Adjustments to reconcile net income (loss) to cash provided by operating activities:				
Amortization and depreciation	39.6	12.2	18.5	43.4
Share-based payments expense	—	1.5	9.6	8.0
Deferred income tax benefit, net	1.3	(14.9)	15.4	(38.6)
Net investment and other (gains) losses	0.3	22.7	115.3	(32.6)
Undistributed earnings from alternative investment portfolio	(2.2)	(11.5)	(17.7)	(95.5)
Loss on disposals of long-lived assets, net	—	1.2	0.6	23.3
Foreign currency exchange (gains) losses	0.6	1.8	—	—
Impairment of goodwill and intangibles	—	—	28.5	43.2
Change in:				
Accrued investment income	(3.3)	1.4	0.2	0.8
Receivables	98.5	614.3	(193.6)	47.4
Deferred acquisition costs	(7.2)	8.8	(12.6)	0.8
Ceded unearned premiums	31.6	(69.7)	88.4	65.7
Reserves for losses and loss adjustment expenses	17.2	(27.9)	446.2	210.8
Unearned premiums	(69.6)	(12.0)	(74.7)	7.2
Ceded reinsurance payable and funds held	(57.3)	20.1	(162.9)	(207.3)
Income taxes	0.1	14.6	(47.5)	(4.5)
Accrued underwriting expenses and other liabilities	(19.3)	18.7	14.7	3.0
Other, net	(14.3)	(77.2)	—	17.9
Cash provided by operating activities	16.9	293.7	53.2	99.7
Cash flows provided by (used in) investing activities:				
Sales of fixed maturity investments	0.7	24.2	818.5	992.9
Maturities and mandatory calls of fixed maturity investments	22.3	139.3	380.1	717.7
Sales of equity securities	—	45.7	17.8	125.8
Sales of other investments	22.2	24.0	58.1	212.3
Purchases of fixed maturity investments	(10.1)	(11.9)	(1,093.6)	(1,932.9)
Purchases of equity securities	—	(0.3)	(1.0)	(5.3)
Purchases of other investments	(2.9)	(19.3)	(52.8)	(47.4)
Change in foreign regulatory deposits and voluntary pools	—	—	(6.7)	(27.1)
Purchase of mortgage loans	—	—	(159.9)	—
Change in short-term investments	24.1	(627.0)	26.1	(116.4)
Settlements of foreign currency exchange forward contracts	1.3	4.5	(22.0)	(1.2)
Proceeds from business divestitures, net of cash transferred	4.2	63.8	14.9	—
Purchases of fixed assets, net	—	(2.7)	(6.1)	18.0
Other, net	—	—	—	7.7
Cash provided by (used in) investing activities	61.8	(359.7)	(26.6)	(55.9)

ARGO GROUP INTERNATIONAL HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Successor	Predecessor		
	Period from November 16, 2023 through December 31, 2023	Period from January 1, 2023 through November 15, 2023	For the Years Ended December 31, 2022	2021
Cash flows provided by (used in) financing activities:				
Activity under stock incentive plans	—	0.7	1.8	1.3
Payment of cash dividends to preferred stockholders	—	(10.5)	(10.5)	(10.5)
Payment of cash dividends to common stockholders	—	0.3	(43.4)	(43.7)
Cash used in financing activities	—	(9.5)	(52.1)	(52.9)
Effect of exchange rate changes on cash	—	0.3	0.4	6.4
Net change in cash and restricted cash including balances classified as held-for-sale	78.7	(75.2)	(25.1)	(2.7)
Net change in cash balances classified as held-for-sale [1]	—	70.8	(70.8)	—
Cash, restricted cash, and cash equivalents, beginning of period	712.9	50.2	146.1	148.8
Cash, restricted cash, and cash equivalents, end of period	$ 791.6	$ 45.8	$ 50.2	$ 146.1

[1] See Note 2 for details of the assets and liabilities classified as "held-for-sale" as of December 31, 2022.

See accompanying notes.

ARGO GROUP INTERNATIONAL HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Business and Significant Accounting Policies

Business

Argo Group International Holdings, Inc. ("Argo Group," "we" or the "Company") is an underwriter of specialty insurance products in the property and casualty market. Argo Group US, Inc. ("Argo Group US") is a subsidiary of Argo Financial Holding (Ireland) UC ("Argo Ireland"). Argo Re Ltd. ("Argo Re"), a Bermuda based company, is the parent of both Argo Ireland and Argo International Holdings, Ltd. Argo Re is directly owned by Argo Group.

We conduct our ongoing business through two primary segments - U.S. Operations and International Operations. In addition to these main business segments, we have a Run-off Lines segment for certain products we no longer underwrite.

U.S. Operations is comprised of the Excess and Surplus Lines businesses focusing on the U.S.-based risks that the standard, admitted insurance market is unwilling or unable to underwrite, and through other specialized admitted and non-admitted business distributed through retail, wholesale, and managing general brokers/agents in the specialty insurance market. Excess and Surplus Lines products are underwritten by Colony Insurance Company ("Colony"). The other U.S. specialized admitted and non-admitted businesses consist of the following operations: Argo Pro, U.S. Specialty Programs, Argo Surety, Rockwood Casualty Insurance Company ("Rockwood"), Argo Insurance and Inland Marine.

International Operations is comprised of Argo Insurance Bermuda and Italy. This business provides a broad range of commercial property, casualty, professional liability and specialty coverages.

Our *Run-off Lines* segment includes liabilities associated with other liability policies that were issued in the 1960s, 1970s and into the 1980s, as well as the former risk-management business and other business no longer underwritten.

On February 2, 2023, we completed the sale of Argo Underwriting Agency Limited ("Syndicate 1200" or "AUA") to Ohio Farmers Insurance Company (the "Buyer"), part of the Westfield group of insurance companies. AUA was a subsidiary of Argo International Holdings, Ltd. See Note 2, "Recent Acquisitions, Disposals & Other Transactions" for further information.

On November 16, 2023, we merged with Brookfield Reinsurance Ltd., which resulted in a change to Company's ownership. See *Merger* below and Note 2, "Recent Acquisitions, Disposals & Other Transactions" for further information.

Merger

On February 8, 2023, we entered into an Agreement and Plan of Merger (the "Merger Agreement"), with Brookfield Reinsurance Ltd. and BNRE Bermuda Merger Sub Ltd. ("Merger Sub"), a wholly-owned subsidiary of Brookfield Reinsurance Ltd. The Merger Agreement provides for the merger of the Merger Sub with and into us, which we refer to as the "Merger," with us surviving the Merger as an indirect wholly-owned subsidiary of Brookfield Reinsurance Ltd.

On April 19, 2023, Argo stockholders approved the Merger and the Merger Agreement. The Company also received the required regulatory approvals for this transaction.

On November 16, 2023, we completed the Merger, which resulted in a change to Company's ownership. Pursuant to the Merger Agreement, each share of common stock of the Company issued and outstanding immediately prior to the Merger was automatically canceled and converted into the right to receive an amount in cash equal to $30.00, without interest (the "Merger Consideration").

Brookfield Reinsurance Ltd. elected to push-down its purchase accounting, which resulted in the Company reflecting the fair market value of our assets and liabilities as of November 16, 2023, in accordance with Accounting Standards Codification ("ASC") 805, Business Combinations. The application of push-down accounting created a new basis of accounting for all of our assets and liabilities. As such, the Company's financial position, results of operations, and cash flows subsequent to the acquisition are not comparable with those prior to November 16, 2023, and therefore have been separated to indicate pre-acquisition and post-acquisition periods. The pre-acquisition period through November 15, 2023 is referred to as the Predecessor. The post-acquisition period, November 16, 2023 and forward, includes the impact of push-down accounting and is referred to as the Successor. The summary of the total consideration paid for the Company by Brookfield Reinsurance Ltd. and Company's fair values assigned to its assets and liabilities as of November 16, 2023 are presented in Note 2, "Recent Acquisitions, Disposals & Other Transactions."

On November 16, 2023, each issued and outstanding depositary share, each representing a 1/1,000th interest in a share of 7.00% Resettable Fixed Rate Preferred stock, Series A, par value $1.00 per share, of the Company (each, a share of "preferred stock"), remains issued and outstanding as a depositary share. Each issued and outstanding share of preferred stock remains issued and outstanding as a share of preferred stock and is entitled to the same dividend and all other preferences and privileges, voting rights, relative, participating, optional and other special rights, and qualifications, limitations and restrictions set forth in the certificate of designations applicable to the preferred stock, which certificate of designations remains in full force and effect as an obligation of the Surviving Company in accordance with Section 109(2) of the Companies Act, as described further in the Merger Agreement.

Basis of Presentation and Use of Estimates

The Consolidated Financial Statements of Argo Group and its subsidiaries have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The preparation of Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. The major estimates reflected in our Consolidated Financial Statements include, but are not limited to, reserves for losses and loss adjustment expenses; reinsurance recoverables, including the reinsurance recoverables allowance for expected credit losses; fair value of investments and assessment of potential impairment, including the allowance for credit losses on fixed maturity securities; valuation of goodwill and intangibles, including those identified as part of purchase accounting related to the Merger, and our deferred tax asset valuation allowance. Actual results could differ from those estimates.

Specifically, estimates for reserves for losses and loss adjustment expenses are based upon past claim experience modified for current trends as well as prevailing economic, legal and social conditions. Although management believes that amounts included in the accompanying Consolidated Financial Statements are reasonable, such estimates may be more or less than the amounts ultimately paid when the claims are settled. The estimates are continually reviewed and any changes are reflected in current operating results. Further, the nature of loss exposures involves significant variability due to the nature of the long-tailed payments on certain claims. As such, losses and loss adjustment expenses could vary significantly from the recorded amounts.

Accounting for business combinations requires significant estimates and assumptions, especially at the acquisition date. In determining the Company's estimated fair value of assets acquired and liabilities assumed by Brookfield Reinsurance as part of the Merger, we used various recognized valuation methods including the income, market and cost approaches. Valuations were performed by independent valuation specialists under the Company's supervision. The value of business acquired represents the fair value of the expected future profits in unearned premiums, net of reinsurance, utilizing primarily ultimate loss and expense related assumptions, for insurance contracts acquired as a result of the Merger. The fair value adjustment for reserves for losses and loss adjustment expenses represents the difference between the fair value and book value of unpaid incurred claims net of reinsurance recoveries. Value of business acquired is classified separately on our Consolidated Balances Sheets, while the fair value adjustment for reserves for losses and loss adjustment expenses is included in our other intangible assets. These intangible assets were based primarily on an income valuation technique with assumptions for: (i) settlement patterns that reflect an actuarial estimate of the expected future net cash flows, (ii) a discount rate that reflect a market participant's view of (a) a reduction to those cash flows for the time value of money and (b) a risk component to reflect the net present value of profit that an investor would demand in return for the assumption of the development risk.

The Consolidated Financial Statements include the accounts and operations of Argo Group and its subsidiaries. All material intercompany accounts and transactions have been eliminated. Certain reclassifications have been made to financial information presented for prior years to conform to the current year's presentation. Amounts related to trade capital providers, who are third-party capital participants that provided underwriting capital to the sold Syndicate 1200 are included in the balance sheet as held-for-sale at December 31, 2022. Trade capital providers participated on a quota share basis, assuming 100% of their contractual participation in the underwriting syndicate results and with such results settled on a year of account basis.

We have evaluated our investment in our eleven statutory trusts (collectively, the "Trusts") under the Financial Accounting Standards Board's ("FASB's") provisions for consolidation of variable interest entities under Accounting Standards Codification ("ASC") Topic 810-10, "Consolidation," as amended. We determined that the Trusts are variable interest entities due to the fact that the Trusts do not have sufficient equity to finance their activities without additional subordinate financial support from other parties. We do not have any power to direct the activities that impact the Trusts' economic performance. We are not entitled to receive a majority of the residual returns of the Trusts. Additionally, we are not responsible for absorbing the majority of the expected losses of the Trusts; therefore, we are not the primary beneficiary and, accordingly, the Trusts are not included in our Consolidated Financial Statements.

Investments

Investments in fixed maturities at December 31, 2023 and 2022 include bonds and structured securities. Equity securities include common stocks, preferred stocks and mutual funds. Other investments consist of foreign regulatory deposits, hedge funds, private equity funds, private equity direct investments, and voluntary pools. Short-term investments consist of money market funds, certificates of deposit, bonds, sovereign debt and interest-bearing cash accounts. Investments with original maturities of over 90 days and less than one year are classified as short-term investments in our Consolidated Financial Statements as they are part of our investing activities. Previous to the Merger and the application of push-down accounting, the Company classified interest-bearing cash accounts and short-term investments with original maturities of 90 days or less as *Short-term investments* in our Consolidated Balance Sheets. Post Merger, these securities are classified in *Cash, restricted cash and cash equivalents* in our Consolidated Balance Sheets.

The amortized cost of fixed maturity securities is adjusted for amortization of premiums and accretion of discounts. This amortization or accretion is included in *Net investment income* in our Consolidated Statements of Income (Loss).

For the structured securities portion of the fixed maturity securities portfolio, we recognize income using a constant effective yield based on anticipated prepayments and the estimated economic life of the securities. Premium or discount is amortized into income using the retrospective method.

Our investments in fixed maturities are considered available-for-sale and are carried at fair value. As available-for-sale investments, changes in the fair value of fixed maturities are not recognized in income during the period, but rather are recognized as a separate component of stockholders' equity until realized. Fair value of these investments is estimated using prices obtained from third-party pricing services, where available. For securities where we were unable to obtain fair values from a pricing service or broker, fair values were estimated using information obtained from investment advisors. We performed several processes to ascertain the reasonableness of these investment values by (1) obtaining and reviewing internal control reports for our service providers that obtain fair values from third-party pricing services, (2) obtaining and reviewing evaluated pricing methodology documentation from third-party pricing services and (3) comparing the security pricing received from a secondary third-party pricing service versus the prices used in the Consolidated Financial Statements and obtaining additional information for variances that exceeded a defined threshold. As of December 31, 2023, investments reported at fair value for which we did not receive a fair value from a pricing service or broker accounted for less than 2% of our investment portfolio. The actual value at which such securities could be sold or settled with a willing buyer or seller may differ from such estimated fair values depending on a number of factors including, but not limited to, current and future economic conditions, the quantity sold or settled, the presence of an active market and the availability of a willing buyer or seller. The cost of securities sold is based on the specific identification method.

Commercial mortgage loans are carried at unpaid principal balances less allowance for credit losses, plus or minus adjustments for the accretion or amortization of discount or premium. Interest income on such loans is accrued as earned.

Our investments in equity securities are reported at fair value, changes in the fair value of equity securities are included in *Net realized investment and other gains (losses)* in the Consolidated Statements of Income (Loss).

Changes in the value of other investments consisting of hedge funds, private equity funds, private equity direct investments and voluntary pools are principally recognized in income during the period using the equity method of accounting. Our foreign regulatory deposits are assets held in trust in jurisdictions where there is a legal and regulatory requirement to maintain funds locally in order to protect policyholders. Lloyd's was the appointed investment manager for the funds. The underlying assets were invested in government securities, agency securities and corporate bonds whose values were obtained from Lloyd's. Our AUA business was sold in February 2023. Foreign currency future contracts held by us are valued by our counterparties using market driven foreign currency exchanges rates.

We regularly review our investments to identify and evaluate those that may be credit impaired. For fixed maturity securities, the evaluation for credit losses is generally based on the present value of expected cash flows of the security as compared to the amortized book value, the financial condition, near-term and long-term prospects for the issuer, including industry conditions, implications of rating agency actions, the likelihood of principal and interest recoverability and whether it is more likely than not we will be required to sell the investment prior to the anticipated recovery in value.

Effective January 1, 2020 with the adoption of ASU 2016-13 Financial Instruments-Credit Losses, we recognize credit losses on fixed maturities through an allowance account. For fixed maturities that we do not intend to sell or for which it is more likely than not we will not be required to sell prior to the anticipated recovery in value, we separate the credit component of the impairment from the component related to all other market factors and report the credit loss component to net realized investment gains (losses) in the Consolidated Statement of Income (Loss). The impairment related to all other market factors is reported as a separate component of stockholder's equity in other comprehensive income (loss). The credit loss allowance account is adjusted for any additional credit losses or subsequent recoveries and the cost basis of the fixed maturity security is not adjusted.

For fixed maturity securities that we intend to sell or for which it is more likely than not that we will be required to sell before an anticipated recovery in value, the full amount of the impairment is recognized in *Net realized investment and other gains (losses)* in the Consolidated Statements of Income (Loss) and the cost basis of the fixed maturity security is adjusted to reflect the recognized realized loss. The new cost basis is not adjusted for any recoveries in fair value.

We report accrued investment income separately from fixed maturity securities and have elected to not measure an allowance for credit losses for accrued investment income. The write-off of investment income accrued for fixed maturities that have defaulted on interest payments is recognized as a loss in *Net realized investment and other gains (losses)*, in the period of the default, in the Consolidated Statements of Income (Loss).

At December 31, 2022, amounts relating to Syndicate 1200 trade capital providers were reclassified to *Assets held-for-sale* on our Consolidated Balance Sheets. The results of operations and other comprehensive income exclude amounts relating to trade capital providers.

Cash, restricted cash, and cash equivalents

Cash, restricted cash, and cash equivalents consists of cash deposited in operating accounts with commercial banks and short-term investments with original maturities of 90 days or less. Previous to the Merger and the application of push-down accounting, the Company classified short-term investments with original maturities of 90 days or less as *Short-term investments* in our Consolidated Balance Sheets.

Premiums Receivables and Reinsurance Recoverables

Premiums receivable, representing amounts due from insureds, are presented net of an allowance for uncollectible premiums, including expected lifetime credit losses, both dispute and credit related. The allowance is based upon our ongoing review of amounts outstanding, historical loss data, including delinquencies and write-offs, current and forecasted economic conditions and other relevant factors. Credit risk is partially mitigated by our ability to cancel the policy if the policyholder does not pay the premium.

Reinsurance recoverables represent amounts of paid losses and loss adjustment expenses, case reserves and incurred but not reported ("IBNR") amounts ceded to reinsurers under reinsurance treaties. Amounts recoverable from reinsurers are estimated in a manner consistent with the associated claim liability. We report our reinsurance recoverables net of an allowance for estimated uncollectible reinsurance, including expected credit losses. The allowance is based upon our ongoing review of amounts outstanding, length of collection periods, changes in reinsurer credit standing, disputes, applicable coverage defenses and other relevant factors. We use the rating-based method to estimate the uncollectible reinsurance reserves due to credit losses. Under this method, reinsurance credit risk is estimated by considering the reinsurers probability of default. Reinsurance recoverables are forecasted out of the assumed billing periods and a liquidation factor is applied based on the rating of the reinsurer and adjusted as needed based on our historical experience with the reinsurers. Additionally, reinsurance recoverable balances are evaluated to identify any dispute risk and when required, an additional reserve is recorded. Amounts deemed to be uncollectible, including amounts due from known insolvent reinsurers, are written off against the allowance. Changes in the allowance, as well as any subsequent collections of amounts previously written off, are reported as part of underwriting expense. We evaluate and monitor the financial condition of our reinsurers under voluntary reinsurance arrangements to minimize our exposure to significant losses from reinsurer insolvencies.

As a result of push-down accounting due to the Merger, the fair value of the allowance for uncollectible premiums as well as reinsurance recoverables were nil as of November 16, 2023. The previous allowances were applied to the premium receivable or reinsurance recoverable balance, resulting in no net change in the asset.

At December 31, 2022, premiums receivable and reinsurance recoverables include amounts relating to the trade capital providers' quota share, which were reclassified to *Assets held-for-sale* in our Consolidated Balance Sheets.

Recoveries occur when subsequent collection or litigation results in the receipt of amounts previously written off. Amounts recovered are applied against the allowance for expected credit losses. For further disclosures about the allowance for expected credit losses, see Note 4, "Allowance for Credit Losses."

Deferred Acquisition Costs

Policy acquisition costs, which include commissions, premium taxes, fees and certain other costs of underwriting policies, are deferred, when such class of policies are profitable, and amortized over the same period in which the related premiums are earned. To qualify for capitalization, the policy acquisition cost must be directly related to the successful acquisition of an insurance contract. We continually review the methods of making such estimates and establishing the deferred costs with any adjustments made in the accounting period in which it arose.

The amortization of deferred acquisition costs is included in *Underwriting, acquisition and general expenses* in our Consolidated Statements of Income (Loss).

The Company evaluates the recoverability of deferred acquisition costs by determining if the future-earned premiums is greater than the expected future claims and expenses. The Company considers anticipated investment income in this determination. If a loss is probable on the unexpired portion of policies in force, a premium deficiency reserve is recognized. At December 31, 2023 and 2022, the deferred acquisition costs were considered fully recoverable and no premium deficiency reserve was recorded.

As a result of push-down accounting due to the Merger, the fair value of our deferred acquisition costs was nil as of November 16, 2023. Our deferred acquisition costs as of December 31, 2023 relates to policy acquisition costs incurred after November 16, 2023.

The 2022 net amortization of policy acquisition costs will not equal the change in our Consolidated Balance Sheets as Syndicate 1200 deferred acquisition costs were reclassified to *Assets held-for-sale* on our Consolidated Balance Sheets at December 31, 2022. The 2022 net amortization of policy acquisition costs will not equal the change in our Consolidated Balance Sheets as the trade capital providers' share is not reflected in our Consolidated Statements of Income (Loss) and differences arise from foreign currency exchange rates applied to deferred acquisition costs which are treated as a nonmonetary asset.

Goodwill, Value of Business Acquired and Other Intangible Assets

Goodwill and intangible assets are allocated to reporting units in which the results of operations for the acquired company are reported (see Note 19, "Segment Information" for further discussion). Intangible assets with a finite life are amortized over the estimated useful life of the asset. Goodwill and intangible assets with an indefinite useful life are not amortized. Goodwill and intangible assets are tested for impairment on an annual basis or more frequently if events or changes in circumstances indicate that the carrying amount may not be recoverable.

We perform our annual goodwill and intangible asset impairment test on October 1 of each year.

The intangible asset amortization expense is reflected in *Underwriting, acquisition and general expenses* in our Consolidated Statements of Income (Loss).

Successor

The following table presents our intangible assets recognized on our Consolidated Balance Sheets as result of push-down accounting and the accumulated amortization:

	As of December 31, 2023			
(in millions)	Gross Carrying Amount	Accumulated Amortization	Net Value	Useful Life
Value of business acquired	$ 176.3	$ (32.7)	$ 143.6	(a)
Other intangible assets:				
Broker relations	21.5	(0.2)	21.3	13 to 16 years
Trade names	12.9	(0.3)	12.6	5 years
Insurance licenses	25.0	—	25.0	Indefinite
Leases	7.1	(0.1)	7.0	9 years
Internally developed software	16.5	(0.3)	16.2	5 to 7 years
Fair value adjustment for reserves for losses and loss adjustment expenses	102.8	(4.3)	98.5	(b)
Total other intangible assets	185.8	(5.2)	180.6	
Total intangible assets	$ 362.1	$ (37.9)	$ 324.2	

(a) Amortized based on unearned premium earnout pattern.

(b) Amortized based on settlement pattern.

Total intangible asset amortization expense was $37.9 million for the period November 16, 2023 through December 31, 2023 (Successor).

The Company did not recognize any goodwill as a result of the Merger as the Company's fair value of assets acquired and liabilities assumed exceeded the total consideration paid by $48.9 million, resulting in a bargain purchase. This amount is reflected as *Additional paid-in capital* on our Consolidated Balance Sheets as of the Merger Date. Refer to Note 2, "Recent Acquisitions, Disposals & Other Transactions" for additional detail.

The following table outlines the estimated future amortization expense related to definite lived intangible assets held as of December 31, 2023:

(in millions)

Years	As of December 31,
2024	$ 171.7
2025	39.8
2026	25.7
2027	17.4
2028	13.3
Thereafter	31.3
Total amortization expense	$ 299.2

Intangible asset amortization expense is included in *Underwriting, acquisition and general expenses* in our Consolidated Statements of Income (Loss).

Predecessor

In conjunction with our annual test, the estimated fair value of each reporting unit exceeded its carrying value for the year ended December 31, 2022, except for our Syndicate 1200 reporting unit. As a result of the announced sale of Argo Underwriting Agency Limited and its Lloyd's Syndicate 1200, an estimated fair value was established for Syndicate 1200 that was below its carrying value. For the year ended December 31, 2022, we recorded a $28.5 million impairment charge in the third quarter, consisting of $17.3 million of indefinite lived intangible assets and $11.2 million of goodwill so that carrying value equals fair value.

For the year ended December 31, 2021, the carrying value of the Syndicate 1200 reporting unit exceeded the fair value by $43.2 million. Goodwill assigned to this reporting unit totaled $28.7 million (pre-tax) and indefinite-lived intangible assets totaled $60.5 million (pre-tax). In accordance with ASC Topic 350-10, "Impairment and Disposal of Long-Lived Assets", we applied the impairment against the indefinite-lived intangible asset, resulting in a carrying value of $17.3 million. Our Syndicate 1200 reporting unit in past years has been adversely impacted by catastrophe and other losses. As a result, we have exited a number of business lines, focusing on profitability. Due to the change in our business plan, we performed a stress test on our fair value testing, focusing on low to negative growth. The result of this stress testing resulted in the indication that the carrying value of the reporting unit exceeded its fair value, resulting in the impairment.

As of December 31, 2020, all of our finite-lived intangible assets had been fully amortized and we had no amortization expense for the years ended December 31, 2022 and 2021.

Leases

We determine if a contract contains a lease at inception and recognize operating lease right-of-use assets and operating lease liabilities based on the present value of the future minimum lease payments at the commencement date. As our leases do not provide an implicit interest rate, we use our incremental borrowing rate based on the information available at the commencement date to determine the present value of future payments. Lease agreements have lease and non-lease components. We account for these components separately, therefore our operating lease right-of-use asset and operating lease liabilities represent base rent only. Lease expense is recognized on a straight-line basis over the lease term. Renewal options are evaluated prior to the expiration date and recorded upon exercise.

Property and Equipment

Property and equipment used in operations, including certain costs incurred to develop or obtain computer software for internal use, are capitalized and carried at cost less accumulated depreciation and are reported in *Other assets* in our Consolidated Balance Sheets. Depreciation is calculated using a straight-line method over the estimated useful lives of the assets, generally three to thirty-nine years. The accumulated depreciation for property and equipment was, $2.3 million and $144.7 million at December 31, 2023 and 2022, respectively. The net book value of our property and equipment at December 31, 2023 and 2022 was $31.1 million and $43.6 million, respectively. The depreciation expenses were $2.3 million for the period November 16, 2023 through December 31, 2023 (Successor), $9.1 million for the period January 1, 2023 through November 15, 2023 as compared to, $22.3 million, and $23.9 million for the years ended December 31, 2022, and 2021, respectively.

Derivative Instruments

We enter into short-term, currency spot and forward contracts to manage operational currency exposure from our non-USD insurance operations. The forward contracts are typically thirty to ninety days and are renewed as management deems necessary to accomplish the objectives of the contracts. These foreign currency forward contracts are carried at fair value in *Other assets* on our Consolidated Balance Sheets at December 31, 2023 and 2022, respectively. The realized and unrealized gains and losses are included in *Net realized investment and other gains (losses)* in our Consolidated Statements of Income (Loss). The forwards contracts are not designated as hedges for accounting purposes.

Assets held-for-sale

Assets held-for-sale consists of assets associated with pending business dispositions. The Company classifies a business as held-for-sale when the Company has entered into an agreement to sell the business and certain other specified criteria are met. The business classified as held-for-sale is recorded at the lower of carrying value or estimated fair value, less costs to sell. If the carrying value of the business exceeds its estimated fair value, less costs to sell, a loss is recognized when the criteria for the held-for-sale classification as described above are met. If the estimated fair value, less costs to sell, exceeds the carrying value of the business, the gain is recorded when the sale is completed. See Note 2, “Recent Acquisitions, Disposals & Other Transactions” for further discussion.

Reserves for Losses and Loss Adjustment Expenses

Liabilities for unpaid losses and loss adjustment expenses include the accumulation of individual case estimates for claims reported as well as estimates of IBNR claims and estimates of claim settlement expenses. Reserves for loss and loss adjustment expenses represents management's best estimate of the ultimate liability to settle these claims as of the balance sheet date. The effects of changes in this estimate are included in results of operations in the period in which the estimates are changed. Reinsurance recoverables on unpaid claims and claim expenses represent estimates of the portion of such liabilities that will be recoverable from reinsurers. Amounts recoverable from reinsurers are recognized as assets at the same time and in a manner consistent with the unpaid claims liabilities associated with the reinsurance policy.

Reinsurance

In the normal course of business, our insurance subsidiaries cede risks above certain retention levels to other insurance companies. Reinsurance recoverables include claims we paid and estimates of unpaid losses and loss adjustment expenses that are subject to reimbursement under reinsurance and retrocessional contracts. The method for determining reinsurance recoverables for unpaid losses and loss adjustment expenses involves reviewing actuarial estimates of gross unpaid losses and loss adjustment expenses to determine our ability to cede unpaid losses and loss adjustment expenses under our existing reinsurance contracts. This method is continually reviewed and updated and any resulting adjustments are reflected in earnings in the period identified. Reinsurance premiums, commissions and expense reimbursements are accounted for on a basis consistent with those used in accounting for the original policies issued and the term of the reinsurance contracts. Amounts recoverable from reinsurers for losses and loss adjustment expenses for which our insurance and reinsurance subsidiaries have not been relieved of their legal obligations to the policyholder are reported as assets.

On November 9, 2022, the Company closed on the U.S. LPT with Enstar covering a majority of the Company’s U.S. casualty insurance reserves, including construction, for accident years 2011 to 2019. See Note 2, “Recent Acquisitions, Disposals & Other Transactions” for additional information.

Earned Premiums

Premium revenue is generally recognized ratably over the policy period. Premiums that have yet to be earned are reported as *Unearned premiums* in our Consolidated Balance Sheets.

At December 31, 2022, trade capital providers balances were reclassified to *Assets held-for-sale.*

Assumed reinstatement premiums that reinstate coverage are written and earned at the time the associated loss event occurs. The original premium is earned over the remaining exposure period of the contract. Reinstatement premiums are estimated based upon contract terms for reported losses and estimated for incurred but not reported losses.

Retrospectively Rated Policies

We have written a number of workers compensation, property and other liability policies that are retrospectively rated. Under this type of policy, the policyholder or coverholder may be entitled, subsequent to coverage expiration, to a refund or may owe additional premiums based on the amount of losses incurred under the policy. The retrospective premium adjustments on certain policies are limited to a minimum or maximum premium adjustment, which is calculated as a percentage of the standard amount of premium charged during the life of the policy. Accrued retrospectively rated premiums have been determined based on estimated ultimate loss experience of the individual policyholder accounts. The estimated liability for return of premiums under retrospectively rated policies is included in *Unearned premiums* in our Consolidated Balance Sheets and was nil and $0.2 million at December 31, 2023 and 2022, respectively. The estimated amount included in premiums receivables for additional premiums due under retrospectively rated policies was $0.2 million and $0.2 million at December 31, 2023 and 2022, respectively.

Liabilities held-for-sale

Liabilities held-for-sale consists of liabilities associated with pending business dispositions. See *Assets held-for-sale* above for further description of the held-for-sale classification.

Non-Operating Expenses

Non-operating expenses represent costs not associated with our ongoing insurance or other operations, including severance expenses, certain legal costs, merger and acquisition and other transaction-related expenses, and certain non-recurring expenses. As such, non-operating expenses have been excluded from the calculation of our expense ratio. These non-recurring costs are included in the line item *Non-operating expenses* in the Company's Consolidated Statements of Income (Loss).

Share-Based Payments

Compensation expense for share-based payments is recognized based on the measurement-date fair value for awards that will settle in shares. The fair value of our performance share and restricted share awards is based on the grant date closing market price. The fair value for our stock settled share appreciation rights is calculated using the Black-Sholes valuation model. Compensation expense for awards that are settled in equity are recognized on a straight line pro rata basis over the vesting period, adjusted for expected forfeitures. All unvested shares immediately prior to the Merger became fully vested as a result of the Merger. They were subsequently canceled and converted into a right to receive cash of $30 per share. See Note 14, "Share-based Compensation" for related disclosures.

Foreign Currency Exchange Gain (Loss)

The reporting currency of the Company is the U.S. dollar ("USD"). USD is the functional currency of all but one of our remaining foreign operations. For foreign operations with the U.S. dollar as the functional currency, monetary assets and liabilities that are denominated in local currencies are remeasured at the exchange rates in effect at the balance sheet date. The resulting gains and losses from changes in the foreign exchange rates are reflected in net income. Non-monetary assets and liabilities are not remeasured. In the case of our non-USD denominated available-for-sale investments, the change in exchange rates between the local currency and USD at each balance sheet date represents an unrealized appreciation or depreciation in value of these securities and is included as a component of *Accumulated other comprehensive income (loss)* on our Consolidated Balance Sheets. Revenues and expenses denominated in foreign currencies are translated at the prevailing exchange rate during the period with the resulting foreign exchange gains and losses included in net income for the period.

Translation gains and losses related to our operations denominated in local currencies are recorded as a component of stockholders' equity in our Consolidated Balance Sheets. At December 31, 2023 and 2022, the foreign currency translation adjustments were a loss of $0.1 million and $4.2 million, respectively. The change in the foreign currency translation adjustments was primarily driven by disposal of the Company's Brazil and Malta operations. See Note 2, "Recent Acquisitions, Disposals & Other Transactions" for further discussion.

Income Taxes

Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in net income or loss in the period in which the change is enacted.

We recognize interest expense and penalties related to the unrecognized tax benefits in *Interest expense* and *Underwriting, acquisition and general expenses*, respectively, in our Consolidated Statements of Income (Loss).

We recognize valuation allowance in *Income tax provision (benefit)* in our Consolidated Statements of Income (Loss).

Supplemental Cash Flow Information

Interest paid and income taxes paid (recovered) were as follows:

	Successor	Predecessor		
	Period from November 16, 2023 through December 31, 2023	Period from January 1, 2023 through November 15, 2023	For the Years Ended December 31,	
			2022	2021
(in millions)				
Senior unsecured fixed rate notes	$ 1.2	$ 8.2	$ 9.3	$ 9.3
Junior subordinated debentures	4.1	19.3	13.5	10.0
Other indebtedness	—	0.8	1.3	2.5
Total interest paid	$ 5.3	$ 28.3	$ 24.1	$ 21.8
Income taxes paid	0.1	0.2	26.2	43.0
Income taxes recovered	—	(0.1)	(2.1)	(2.6)
Income taxes paid, net	$ 0.1	$ 0.1	$ 24.1	$ 40.4

Recently Adopted Accounting Pronouncements

On October 9, 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2023-06—*Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative ("ASU 2023-06").* The amendments modify the disclosure or presentation requirements on a variety of Topics in the Codification. Certain of the amendments represent clarifications to or technical corrections of the current requirements and also facilitate the comparison of entities subject to the SEC's existing disclosures with those entities that were not previously subject to the SEC's requirements. Further, the amendments align the requirements in the Codification with the SEC's regulations.

The effective date for each amendment will be the date on which the SEC's removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective, with early adoption prohibited. The amendments in this Update should be applied prospectively.

We are currently evaluating the requirements of ASU 2023-06. However, as they apply to disclosure requirements, the adoption of the standard is not anticipated to have a material impact on our profitability, financial position or cash flows.

On November 27, 2023, the FASB issued Accounting Standards Update 2023-07—*Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures ("ASU 2023-07").* The amendments improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. In addition, the amendments enhance interim disclosure requirements, clarify circumstances in which an entity can disclose multiple segment measures of profit or loss, provide new segment disclosure requirements for entities with a single reportable segment, and contain other disclosure requirements.

The amendments in ASU 2023-07 are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted.

We plan to adopt ASU 2023-07 effective January 1, 2024. As ASU 2023-07 applies to disclosure requirements, the adoption of the standard is not anticipated to have a material impact on our profitability, financial position or cash flows.

On December 14, 2023, the FASB issued Accounting Standards Update 2023-09—*Income Taxes (Topic 740): Improvements to Income Tax Disclosures ("ASU 2023-09").* The amendments improve income tax disclosures by requiring (1) consistent categories and greater disaggregation of information in the rate reconciliation and (2) income taxes paid disaggregated by jurisdiction. It also includes certain other amendments to improve the effectiveness of income tax disclosures.

The amendments in ASU 2023-09 are effective for fiscal years beginning after December 15, 2024. Early adoption is permitted.

We are currently evaluating the requirements of ASU 2023-09. However, as they apply to disclosure requirements, the adoption of the standard is not anticipated to have a material impact on our profitability, financial position or cash flows.

2. Recent Acquisitions, Disposals & Other Transactions

Merger

On November 16, 2023, the Company completed the Merger, which resulted in a change to the Company's ownership. The Company became an indirect wholly-owned subsidiary of Brookfield Reinsurance Ltd.

Pursuant to ASC 805, the total value of the consideration transferred was $1,058.9 million. This which consisted of $1,056.6 million for 35,221,291 shares of common stock issued and outstanding immediately prior to the Merger which were automatically canceled and converted into the right to receive an amount in cash equal to $30.00, without interest, and a $2.3 million settlement of unvested employee stock. There is no contingent consideration arrangement in connection with the Merger.

The Merger resulted in a $48.9 million bargain purchase since the value of the net assets acquired exceeded the purchase consideration. The bargain purchase determination is consistent with the fact that the Company's shares traded at a discount to book value, and when considering the circumstances surrounding the Company at the time of sale, including those related to the strategic review.

As the Merger resulted in a bargain purchase, which is uncommon, the values of certain assets and liabilities are considered preliminary in nature that are subject to adjustment as additional information is obtained. The valuations will be finalized within the measurement period which cannot exceed 12 months from the close of the acquisition. When the valuations are finalized, any changes to the preliminary valuation of assets acquired or liabilities assumed may result in retrospective adjustments to the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the measurement of the amounts recognized as of that date.

The following table is a summary of the purchase price and the fair value of assets acquired and liabilities assumed as part of the Merger as of November 16, 2023:

(in millions)		As of November 16, 2023
Consideration transferred settling 35,221,291 shares of outstanding common stock	$	1,056.6
Consideration transferred settling unvested employee stock		2.3
Total consideration	$	1,058.9
Assets		
Investments:		
Fixed maturities available-for-sale, at fair value	$	2,525.3
Commercial mortgage loans		144.9
Equity securities, at fair value		11.7
Other investments		327.8
Short-term investments, at fair value		450.1
Total investments		3,459.8
Cash		712.9
Accrued investment income		17.1
Premiums receivable		306.8
Reinsurance recoverables		2,981.6
Other intangible assets		186.1
Current income taxes receivable, net		53.2
Deferred tax asset, net		54.0
Ceded unearned premiums		387.6
Operating lease right-of-use assets		51.6
Other assets		190.8
Value of business acquired		176.3
Total assets [1]	$	8,577.8
Liabilities		
Reserves for losses and loss adjustment expenses		5,526.4
Unearned premiums		986.2
Accrued underwriting expenses and other liabilities		92.0
Ceded reinsurance payable, net		257.4
Funds held		49.9
Senior unsecured fixed rate notes		127.9
Junior subordinated debentures		241.0
Operating lease liabilities		52.1
Total liabilities assumed [2]	$	7,332.9
Fair value of net assets acquired	$	1,244.9
Other claims on net assets:		
Preferred stock	$	137.1
Bargain purchase recognized in *Additional paid-in capital*	$	48.9

[1] Reflects net fair value adjustments of $114.2 million to increase the total assets acquired, including value of business acquired and other intangible assets.
[2] Reflects net fair value adjustments of $80.9 million to reduce the total liabilities assumed.

Business Dispositions

Sale of Argo Underwriting Agency Limited

On September 8, 2022, Argo International Holdings Limited (the “Seller”), a wholly-owned subsidiary of the Company, and Ohio Farmers Insurance Company (the “Buyer”), part of the Westfield group of insurance companies, entered into a sale and purchase agreement (the “Transaction”) under which the Seller agreed to sell, and the Buyer agreed to purchase, the entire issued share capital of AUA, for which the financial results are reported in our International segment. This transaction simplifies our reporting structure and is intended to drive greater efficiencies.

The base cash consideration for the purchase is $125.0 million, which will be adjusted to reflect the extent by which AUA’s net assets as at completion are greater or lesser than AUA net assets as of March 31, 2022. In the third quarter of 2022, as a result of the sale, an impairment was recorded in the amount of $28.5 million, consisting of $17.3 million of indefinite lived intangible assets and $11.2 million of goodwill, representing the difference between the carrying value and implied fair value as determined by the consideration to be received. In addition, the Buyer will be obliged to replace certain funds provided by the Company to support the activities of AUA and certain of its subsidiaries at Lloyd’s of London, which would then be released to the Company.

As of December 31, 2022, the Company reported the assets and liabilities of this block of business as *held-for-sale* on Consolidated Balance Sheets with results continuing to be reported within the Consolidated Statements of Comprehensive Income (Loss) and the International Operations segment. The Company has determined that the Transaction does not represent a strategic shift, and therefore, does not meet the requirements for discontinued operations.

On February 2, 2023, the Seller completed the sale of the entire issued share capital of AUA. At the closing, the Company received total consideration of $155.7 million, which included cash proceeds of $125.1 million as base consideration and an additional $30.6 million which was placed in escrow by the Buyer related to certain reinsurance-related recoverables. The funds in escrow may be released to the Seller over a period of two years following the closing. At the end of the two-year escrow period, any remaining balance of the escrow will be returned to the Buyer.

As a result of the sale, we realized a loss of $20.3 million in the first quarter of 2023, which is included as a component of *Net realized investment and other gains (losses)* in our Consolidated Statements of Comprehensive Income (Loss). This loss is due to the realization of unrealized investment losses, which was previously a component of accumulated other comprehensive income.

The total consideration was adjusted to $161.3 million based on a mutually agreed final closing balance sheet, which resulted in an additional $5.6 million of cash proceeds received by the Company in July 2023.

Since the sale of AUA, $12.9 million of the consideration placed in escrow was released to the Company.

The table below reflects the carrying amounts of assets and liabilities held-for-sale related to the pending disposition described above:

(in millions)	As of December 31, 2022
Assets	
Investments:	
Fixed maturities available-for-sale, at fair value	$ 490.6
Other investments	81.6
Short-term investments, at fair value	114.1
Total investments	686.4
Cash	70.8
Accrued investment income	2.1
Premiums receivable	331.9
Reinsurance recoverables	733.1
Current income taxes receivable, net	6.3
Deferred tax asset, net	28.1
Deferred acquisition costs, net	69.4
Ceded unearned premiums	76.1
Other assets	62.0
Total assets	$ 2,066.2
Liabilities	
Reserves for losses and loss adjustment expenses	993.4
Unearned premiums	335.6
Accrued underwriting expenses and other liabilities	34.4
Ceded reinsurance payable, net	323.5
Funds held	172.9
Other indebtedness	54.7
Total liabilities	$ 1,914.5

The pretax net income (loss) of our held-for-sale business was $15.6 million, $66.8 million, and $22.4 million for the period January 1, 2023 through November 15, 2023 (Predecessor), 2022, and 2021, respectively. These amounts include business that is assumed from Westfield post the sale of the Syndicate.

Sale of ArgoGlobal SE

On June 22, 2022, we completed the sale of our Malta operations, ArgoGlobal Holdings (Malta) Ltd. and its subsidiaries ("AGSE") to RiverStone Holdings Limited (part of the RiverStone International Group) for €4.9 million (approximately $5.2 million), subject to the terms and conditions set forth in the purchase agreement. AGSE is one of the business units within our International Operations reporting segment. As a result, we realized a loss on the sale of AGSE of $21.3 million, which is included as a component of *Net realized investment and other gains (losses)* in our Consolidated Statements of Income (Loss). This amount includes $4.5 million of losses from the realization of historical foreign currency translation, which was previously a component of accumulated other comprehensive income.

Sale of Argo Seguros Brasil S.A.

On February 15, 2022, we completed the sale of our Brazilian operations, Argo Seguros Brasil S.A. ("Argo Seguros"), to Spice Private Equity Ltd., an investment company focused on global private equity investments, for a final purchase price of 140 million Brazilian Reais (approximately $26.9 million), subject to the terms and conditions set forth in the purchase agreement. Argo Seguros is one of the business units within our International Operations reporting segment. As a result, we realized a loss on the sale of Argo Seguros of $33.8 million in 2022, which is included as a component of *Net realized investment and other gains (losses)* in our Consolidated Statements of Income (Loss). This amount includes $27.3 million of losses from the realization of historical foreign currency translation, which was previously a component of accumulated other comprehensive income. We previously recognized a $6.3 million loss during 2021 as we adjusted the carrying value of Argo Seguros to its fair value.

Other Transactions

Loss Portfolio Transfer - U.S.

On August 8, 2022, the Company entered into a loss portfolio transfer agreement with a wholly-owned subsidiary of Enstar Group Limited ("Enstar") covering a majority of the Company's U.S. casualty insurance reserves, including construction, for accident years 2011 to 2019.

Enstar's subsidiary will provide ground up cover of $746.0 million of reserves, and an additional $275.0 million of cover in excess of $821.0 million, up to a policy limit of $1,096.0 million effective January 1, 2022. The Company will retain a loss corridor of $75.0 million up to $821.0 million. For the year ended December 31, 2022, the Company recognized $75.0 million of losses that fall within the corridor and $188.6 million of the $275.0 million LPT limit remains available to the Company.

In addition, as a result of the anticipated loss portfolio transfer in the third quarter of 2022, the Company determined that it was more likely than not it would be required to sell certain securities before recovery of its amortized cost. As such, the Company recognized $34.2 million of realized losses related to the impairment of assets that were transferred at fair value to a third party at the close of the transaction. These losses were previously a component of accumulated other comprehensive income. In addition, in the fourth quarter of 2022, the Company recognized an additional $3.4 million loss at the close of the transaction. The realized losses are included as a component of *Net realized investment and other gains (losses)* in our Consolidated Statements of Income (Loss).

On November 9, 2022, the U.S. loss portfolio transaction with Enstar covering a majority of the Company's U.S. casualty insurance reserves, including construction, for accident years 2011 to 2019 closed.

The estimated subject reserves transferred to Enstar on the closing date were $509.0 million, which represents the $746.0 million in loss reserves as of January 1, 2022, less estimated claims paid through October 31, 2022. On the closing date, the Company also transferred approximately $630.0 million of cash and investments to Enstar for which a portion was deposited into a Trust established to secure Enstar's claim payment obligation to the Company. The financial statement impact of this transaction on the closing date, which was recorded in the fourth quarter of 2022, is a $509.0 million increase in Reinsurance recoverables, a reduction of $630.0 million in cash and investments, and an after-tax charge of approximately $100.0 million. The charge consists mainly of ceded premiums for a total of $121.0 million and is reflected in Earned premiums in our Consolidated Statements of Income (Loss). In 2023, the reserves ceded under the U.S. loss portfolio transfer exceeded the consideration paid by $82.4 million, and was reflected as a deferred gain liability included in Accrued underwriting expenses and other liabilities on the Consolidated Balance Sheets, net of amortization, prior to the Merger. The deferred gain was amortized to earnings using the recovery method over the estimated claims settlement period. At the time of the Merger, the deferred gain liability was eliminated as it has no future cash flows associated with it. In addition, any potential future adverse loss development covered under the loss portfolio transfer will not result in any deferred gains.

Loss Portfolio Transfer - Syndicate 1200

In April 2022, Argo Managing Agency Limited, for and on behalf of Lloyd's Syndicate 1200, reached an agreement to enter into a loss portfolio transfer of the 2018 and 2019 years of account to Riverstone Managing Agency Limited, for and on behalf of Lloyd's Syndicate 3500, retrospectively from January 1, 2022. These years of account are included in a reinsurance to close transaction with Riverstone Managing Agency Limited entered into on January 1, 2023. As of December 31, 2022, these balances are classified as *held-for-sale* on our Consolidated Balance Sheets as described in *Sale of Argo Underwriting Agency Limited* above.

3. Investments

As a result of the push-down accounting due the Merger, the amortized cost of our investments is based on the fair value as of November 16, 2023.

Included in our *Assets held-for-sale* at December 31, 2022 in our Consolidated Balance Sheets is $55.9 million, respectively, of assets managed on behalf of the trade capital providers, who are third-party participants that provide underwriting capital to the operations of Syndicates 1200 and 1910.

Fixed Maturities

The amortized cost, gross unrealized gains, gross unrealized losses, allowance for credit losses, and fair value in fixed maturity investments were as follows:

December 31, 2023

(in millions)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses	Fair Value
Fixed maturities					
U.S. Governments	$ 357.7	$ 4.5	$ —	$ —	$ 362.2
Foreign Governments	27.9	2.6	—	0.2	30.3
Obligations of states and political subdivisions	92.4	2.0	—	—	94.4
Corporate bonds	1,185.0	28.9	0.8	—	1,213.1
Commercial mortgage-backed securities	270.9	10.1	0.5	—	280.5
Residential mortgage-backed securities	235.2	13.6	—	—	248.8
Asset-backed securities	140.4	1.7	0.1	—	142.0
Collateralized loan obligations	212.0	2.1	—	—	214.1
Total fixed maturities	$ 2,521.5	$ 65.5	$ 1.4	$ 0.2	$ 2,585.4

December 31, 2022

(in millions)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses	Fair Value
Fixed maturities					
U.S. Governments	$ 410.9	$ —	$ 30.2	$ —	$ 380.7
Foreign Governments	35.6	0.3	6.7	0.8	28.4
Obligations of states and political subdivisions	109.9	0.4	10.1	0.4	99.8
Corporate bonds	1,394.8	0.9	160.0	1.6	1,234.1
Commercial mortgage-backed securities	337.4	—	52.0	—	285.4
Residential mortgage-backed securities	320.0	0.2	50.2	—	270.0
Asset-backed securities	153.4	—	14.2	—	139.2
Collateralized loan obligations	254.4	0.3	16.8	—	237.9
Total fixed maturities	$ 3,016.4	$ 2.1	$ 340.2	$ 2.8	$ 2,675.5

Contractual Maturity

The amortized cost and fair values of fixed maturity investments as of December 31, 2023, by contractual maturity, were as follows:

(in millions)	Amortized Cost	Fair Value
Due in one year or less	$ 290.2	$ 290.8
Due after one year through five years	1,019.7	1,037.4
Due after five years through ten years	322.1	337.7
Due after ten years	30.9	34.1
Structured securities	858.6	885.4
Total	$ 2,521.5	$ 2,585.4

The actual maturities may differ from the contractual maturities because debtors may have the right to call or prepay obligations. The model duration of the assets comprising our fixed maturity investment portfolio was 2.68 years and 3.29 years at December 31, 2023 and 2022, respectively.

Other Invested Assets

Details regarding the carrying value and unfunded investment commitments of other investments as of December 31, 2023 and 2022 were as follows:

December 31, 2023

(in millions)	Carrying Value	Unfunded Commitments
Investment Type		
Hedge funds	$ 56.2	$ —
Private equity	250.3	93.4
Other	4.5	—
Total other investments	$ 311.0	$ 93.4

December 31, 2022

(in millions)	Carrying Value	Unfunded Commitments
Investment Type		
Hedge funds	$ 54.0	$ —
Private equity	264.6	108.9
Other	4.6	—
Total other investments	$ 323.2	$ 108.9

The following describes each investment type:

- **Hedge funds**: Hedge funds, carried at net asset value (“NAV”) as a practical expedient of fair value, include funds that primarily buy and sell stocks, including short sales, multi-strategy credit, relative value credit and distressed credit.
- **Private equity**: Private equity includes buyout funds, real asset/infrastructure funds, credit special situations funds, mezzanine lending funds and direct investments and strategic non-controlling minority investments in private companies that are principally accounted for using the equity method of accounting.
- **Other**: Other includes participation in investment pools.

Unrealized Losses and Other-than-temporary Impairments

An aging of unrealized losses on our investments in fixed maturities is presented below:

December 31, 2023	Less Than One Year		One Year or Greater		Total	
(in millions)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Fixed maturities						
U.S. Governments	$ —	$ —	$ —	$ —	$ —	$ —
Foreign Governments	0.1	—	—	—	0.1	—
Obligations of states and political subdivisions	0.5	—	—	—	0.5	—
Corporate bonds	38.7	0.8	—	—	38.7	0.8
Commercial mortgage-backed securities	32.2	0.5	—	—	32.2	0.5
Residential mortgage-backed securities	2.9	—	—	—	2.9	—
Asset-backed securities	11.4	0.1	—	—	11.4	0.1
Collateralized loan obligations	21.4	—	—	—	21.4	—
Total fixed maturities	$ 107.2	$ 1.4	$ —	$ —	$ 107.2	$ 1.4

December 31, 2022	Less Than One Year		One Year or Greater		Total	
(in millions)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Fixed maturities						
U.S. Governments	$ 271.0	$ 18.1	$ 109.8	$ 12.1	$ 380.8	$ 30.2
Foreign Governments	16.7	4.9	2.6	1.8	19.3	6.7
Obligations of states and political subdivisions	67.4	4.1	24.3	6.0	91.7	10.1
Corporate bonds	695.1	68.3	519.6	91.7	1,214.7	160.0
Commercial mortgage-backed securities	144.2	18.6	141.2	33.4	285.4	52.0
Residential mortgage-backed securities	88.7	8.8	178.8	41.4	267.5	50.2
Asset-backed securities	93.3	7.5	45.9	6.7	139.2	14.2
Collateralized loan obligations	181.1	13.3	44.2	3.5	225.3	16.8
Total fixed maturities	$ 1,557.5	$ 143.6	$ 1,066.4	$ 196.6	$ 2,623.9	$ 340.2

We hold a total of 1,431 fixed maturity securities, of which 104 were in an unrealized loss position for less than one year and none were in an unrealized loss position for a period one year or greater as of December 31, 2023.

For fixed maturities with a decline in fair value below the amortized cost due to credit-related factors, an allowance is established for the difference between the estimated recoverable value and amortized cost with a corresponding charge to *Net investment and other gains (losses)* in the Consolidated Statements of Income (Loss). The allowance is limited to the difference between amortized cost and fair value. The estimated recoverable value is the present value of cash flows expected to be collected, as determined by management. The difference between fair value and amortized cost that is not associated with credit-related factors is recognized in the Condensed Consolidated Statements of Comprehensive Income (Loss). Accrued interest is excluded from the measurement of the allowance for credit losses.

When determining if a credit loss has been incurred, we may consider the historical performance of the security, available market information and security specific considerations such as the priority payment of the security. In addition, inputs used in our analysis include, but are not limited to, credit ratings and downgrades, delinquency rates, missed scheduled interest or principal payments, purchase yields, underlying asset performance, collateral types, modeled default rates, modeled severity rates, call/prepayment rates, expected cash flows, industry concentrations, and potential or filed bankruptcies or restructurings.

In cooperation with our investment managers, we evaluate for credit losses each quarter utilizing a bottom up review approach. At the security level, a determination is made as to whether a decline in fair value below the amortized cost basis is due to credit-related or noncredit-related factors. If we determine that all or a portion of a fixed maturity is uncollectible, the uncollectible amortized cost is written off with a corresponding reduction to the allowance for credit losses. If we collect cash flows that were previously written off, the recovery is recognized in realized investment gains. We also consider whether we intend to sell an available-for-sale security or if it is more likely than not that we will be required to sell the security before recovery of its amortized cost. In these instances, a decline in fair value is recognized in *Net investment and other gains (losses)* in the Consolidated Statements of Income (Loss) based on the fair value of the security at the time of assessment, resulting in a new cost basis for the security.

The following table presents a roll-forward of the changes in allowance for credit losses on available-for-sale fixed maturities by industry category for the months ending December 31, 2023 and 2022, respectively:

	Predecessor				
	Foreign Governments	Obligations of states and political subdivisions	Corporate bonds	Asset backed securities	Total
Balance, January 1, 2022	$ 0.2	$ —	$ 2.2	$ 0.1	$ 2.5
Securities for which allowance was not previously recorded	0.4	—	1.8	—	2.2
Securities sold during the period	(0.1)	—	(0.7)	—	(0.8)
Reductions for credit impairments	—	—	(1.4)	—	(1.4)
Additional net increases (decreases) in existing allowance	0.2	0.4	(0.3)	—	0.3
Balance, December 31, 2022	$ 0.7	$ 0.4	$ 1.6	$ 0.1	$ 2.8
Additions-initial adoption of accounting standard	—	—	—	—	—
Securities for which allowance was not previously recorded	0.1	0.5	2.1	—	2.7
Securities sold during the period	—	—	(0.7)	—	(0.7)
Reductions for credit impairments	—	—	—	—	—
Additional net increases (decreases) in existing allowance	0.3	(0.4)	(0.4)	—	(0.5)
Balance, November 15, 2023	$ 1.1	$ 0.5	$ 2.6	$ 0.1	$ 4.3
	Successor				
Balance, November 16, 2023	$ —	$ —	$ —	$ —	$ —
Additional net increases (decreases) in existing allowance	—	—	0.2	—	0.2
Balance, December 31, 2023	$ —	$ —	$ 0.2	$ —	$ 0.2

Total credit impairment (gains) losses, net of allowance for credit losses, included in *Net investment and other gains (losses)* in the Consolidated Statements of Income (Loss) was $0.2 million for the period November 16, 2023 through December 31, 2023 (Successor), $2.2 million for the period January 1, 2023 through November 15, 2023 and $2.5 million for the year ended December 31, 2022, respectively.

For commercial mortgage loans, an allowance for credit losses is established at the time of origination or purchase, as necessary, and is updated each reporting period. Changes in the allowance for credit losses are recorded in *Net investment and other gains (losses)*. This allowance reflects the risk of loss, even when that risk is remote, that is expected over the remaining contractual life of the loan. The allowance for credit losses considers available relevant information about the collectability of cash flows, including information about past events, current conditions, and reasonable and supportable forecasts of future economic conditions.

Commercial Mortgage Loans

Commercial mortgage loan investments are composed of participation interests in a portfolio of commercial mortgage loans. Loan collateral is diversified with regard to property type and geography. The following table presents loans by property type:

	December 31, 2023		
(in millions)	Cost	Composition	Loan Count
Apartments	$ 76.1	52.6 %	16
Hotel	22.4	15.4 %	4
Industrial	26.0	18.0 %	4
Retail	20.3	14.0 %	4
Total	$ 144.8	100.0 %	28

	December 31, 2022		
(in millions)	Cost	Composition	Loan Count
Apartments	$ 87.4	54.5 %	16
Hotel	25.0	15.6 %	4
Industrial	26.0	16.3 %	4
Retail	21.5	13.6 %	4
Total	$ 159.9	100.0 %	28

The following table presents our loans by Debt Service Coverage Ratio (“DSCR”):

	December 31, 2023	
(in millions)	Cost	Loan Count
Less than 1.00	$ 36.2	8
1.00 to 1.50	29.4	6
Greater than 1.5 to 2.0	30.9	6
Greater than 2.0 to 3.0	36.0	6
Greater than 3.0 to 4.0	12.3	2
Total	$ 144.8	28

	December 31, 2022	
(in millions)	Cost	Loan Count
1.00 to 1.50	$ 10.4	2
Greater than 1.5 to 2.0	60.4	10
Greater than 2.0 to 3.0	52.0	10
Greater than 3.0 to 4.0	25.8	4
Greater than 4.0	11.3	2
Total	$ 159.9	28

The following table presents loans by Loan To Value ("LTV"):

(in millions)	December 31, 2023	
	Cost	Loan Count
Equal to or less than 50.0%	$ 12.3	2
Greater than 50.0% to 55.0%	9.1	2
Greater than 55.0% to 60.0%	18.9	4
Greater than 60.0% to 70.0%	37.3	6
Greater than 70.0%	67.2	14
Total	$ 144.8	28

(in millions)	December 31, 2022	
	Cost	Loan Count
Equal to or less than 50.0%	$ 36.7	6
Greater than 50.0% to 55.0%	9.1	2
Greater than 55.0% to 60.0%	42.6	8
Greater than 60.0% to 70.0%	71.5	12
Total	$ 159.9	28

The following table presents loans by maturity:

(in millions)	December 31, 2023	
	Cost	Loan Count
One Year or Less	$ 19.7	4
Greater than One Year and Less than Three	34.9	6
Greater than Three Years and Less than Five Years	32.4	6
Greater than Five Years and Less than Seven Years	17.2	4
Greater than Seven Years and Less than Ten Years	40.6	8
Total	$ 144.8	28

(in millions)	December 31, 2022	
	Cost	Loan Count
Greater than One Year and Less than Three	$ 54.8	$ 10
Greater than Three Years and Less than Five Years	33.8	6
Greater than Five Years and Less than Seven Years	20.4	4
Greater than Seven Years and Less than Ten Years	50.9	8
Total	$ 159.9	28

Investment Gains and Losses

The following table presents our gross realized investment gains and losses:

	Successor	Predecessor		
	Period from	Period from	For the Years Ended December 31,	
(in millions)	November 16, 2023 through December 31, 2023	January 1, 2023 through November 15, 2023	2022	2021
Realized gains on fixed maturities and other:				
Fixed maturities	$ 0.1	$ 0.6	$ 20.5	$ 30.6
Other investments, including short-terms	5.4	14.9	34.8	9.8
Other assets	—	—	—	3.3
	5.5	15.5	55.3	43.7
Realized losses on fixed maturities and other:				
Fixed maturities	—	(25.7)	(29.9)	(11.8)
Other investments, including short-terms	(5.4)	(11.3)	(51.1)	(18.5)
Other assets	—	—	—	(12.5)
	(5.4)	(37.0)	(81.0)	(42.8)
Other net losses recognized on fixed maturities and other:				
Credit gains (losses) on fixed maturities	(0.2)	(2.2)	(4.6)	0.6
Impairment related to change in intent[1]	—	(2.9)	(34.2)	—
Other[2]	—	(8.4)	(55.1)	(6.3)
	(0.2)	(13.5)	(93.9)	(5.7)
Equity securities				
Net realized gains (losses) on equity securities	—	6.8	1.2	71.5
Change in unrealized gains (losses) on equity securities held at the end of the period	(0.2)	5.5	3.1	(34.1)
Net gains (losses) on equity securities	(0.2)	12.3	4.3	37.4
Net investment and other gains (losses) before income taxes	(0.3)	(22.7)	(115.3)	32.6
Income tax (benefit) provision	(0.1)	(6.8)	(10.0)	6.2
Net investment and other gains (losses), net of income taxes	$ (0.2)	$ (15.9)	$ (105.3)	$ 26.4

[1] Refer to the Loss Portfolio Transfer - U.S. in Note 2, “Recent Acquisitions, Disposals & Other Transactions” for the year ended December 31, 2022.

[2] Refer to the sale of AGSE and Argo Seguros in Note 2, “Recent Acquisitions, Disposals & Other Transactions” for the year ended December 31, 2022.

The cost of securities sold is based on the specific identification method.

Changes in unrealized gains (losses) related to investments are summarized as follows:

	Successor	Predecessor		
	Period from	Period from	For the Years Ended December 31,	
(in millions)	November 16, 2023 through December 31, 2023	January 1, 2023 through November 15, 2023	2022	2021
Change in unrealized gains (losses)				
Fixed maturities	$ 64.2	$ 41.2	$ (383.7)	$ (105.9)
Other and short-term investments	0.4	2.0	(0.8)	(1.0)
Net unrealized investment gains (losses) before income taxes	64.6	43.2	(384.5)	(106.9)
Income tax provision (benefit)	13.5	7.4	(71.7)	(21.5)
Net unrealized investment gains (losses), net of income taxes	$ 51.1	$ 35.8	$ (312.8)	$ (85.4)

Foreign Currency Exchange Forward Contracts

We entered into foreign currency exchange forward contracts primarily to manage operation currency exposure from our non-USD insurance operations. We also invested in a total return strategy which invested in multiple currencies, and that investment was terminated in mid-2021. The currency forward contracts are carried at fair value in our Consolidated Balance Sheets in *Other liabilities* and *Other assets* at December 31, 2023 and 2022. The net realized gains and (losses) are included in *Net realized investment and other gains (losses)* in our Consolidated Statements of Income (Loss).

The fair value of our foreign currency exchange forward contracts as of December 31, 2023 and 2022 was as follows:

	As of	
(in millions)	December 31, 2023	December 31, 2022
Operational currency exposure	$ 1.8	$ 5.8
Asset manager investment exposure	(0.5)	(0.6)
Total	$ 1.3	$ 5.2

The following table presents our gross investment realized gains and losses on our foreign currency exchange forward contracts:

	Successor	Predecessor		
	Period from	Period from	For the Years Ended December 31,	
(in millions)	November 16, 2023 through December 31, 2023	January 1, 2023 through November 15, 2023	2022	2021
Realized gains				
Operational currency exposure	$ 4.5	$ 12.0	$ 30.0	$ 16.5
Asset manager investment exposure	—	1.5	3.9	3.7
Total return strategy	—	—	—	13.0
Gross realized investment gains	4.5	13.5	33.9	33.2
Realized losses				
Operational currency exposure	(2.9)	(11.4)	(46.3)	(28.9)
Asset manager investment exposure	(0.7)	(1.0)	(0.9)	(1.0)
Total return strategy	—	—	—	(12.0)
Gross realized investment losses	(3.6)	(12.4)	(47.2)	(41.9)
Net realized investment gains (losses) on foreign currency exchange forward contracts	$ 0.9	$ 1.1	$ (13.3)	$ (8.7)

Regulatory Deposits, Pledged Securities and Letters of Credit

We are required to maintain assets on deposit with various regulatory authorities to support our insurance and reinsurance operations. We maintain assets pledged as collateral in support of irrevocable letters of credit issued under the terms of certain reinsurance agreements for reported loss and loss expense reserves. The following table presents our components of restricted assets:

	As of	
(in millions)	December 31, 2023	December 31, 2022
Securities and cash on deposit for regulatory and other purposes	$ 153.4	$ 149.3
Securities pledged as collateral for letters of credit and other	109.2	169.8
Securities on deposit supporting Lloyd's business [1]	—	171.4
Total restricted investments	$ 262.6	$ 490.5

[1] Argo Group was required to maintain Funds at Lloyd's ("FAL") to support its business for Syndicate 1200 and Syndicate 1910. At December 31, 2022 the amount of securities pledged for FAL was $171.4 million, which was provided by Argo Re, Ltd. FAL of $123.7 million held by Syndicate 1200 and 1910 was reclassified to *Assets held-for-sale*. During the second quarter 2023, the funds at Lloyd's (FAL) previously used to support the activities of AUA and its subsidiaries, were released to the Company. See Note 2, "Recent Acquisitions, Disposals & Other Transactions" for additional information.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability, or in the absence of a principal market, the most advantageous market. Market participants are buyers and sellers in the principal (or most advantageous) market that are independent, knowledgeable, able to transact for the asset or liability and willing to transfer the asset or liability.

Valuation techniques consistent with the market and income approach are used to measure fair value. The inputs of these valuation techniques are categorized into three levels.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the reporting date. We define actively traded as a security that has traded in the past seven days. We receive one quote per instrument for Level 1 inputs.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. We receive one quote per instrument for Level 2 inputs.
- Level 3 inputs are unobservable inputs. Unobservable inputs reflect our own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available in the circumstances.

We receive fair value prices from third-party pricing services and our outside investment managers. These prices are determined using observable market information such as dealer quotes, market spreads, cash flows, yield curves, live trading levels, trade execution data, market consensus prepayment speeds, credit information and the security's terms and conditions, among other things. We have reviewed the processes used by the third-party providers for pricing the securities, and have determined that these processes result in fair values consistent with GAAP requirements. In addition, we review these prices for reasonableness, and have not adjusted any prices received from the third-party providers as of December 31, 2023 and 2022. A description of the valuation techniques we use to measure assets at fair value is as follows:

Fixed Maturities (Available-for-Sale) Levels 1 and 2:

- U.S. Treasury securities are typically valued using Level 1 inputs. For these securities, we obtain fair value measurements from third-party pricing services using quoted prices (unadjusted) in active markets at the reporting date.
- U.S. Government agencies, non-U.S. Government securities, obligations of states and political subdivisions, credit securities and foreign denominated government and credit securities are reported at fair value using Level 2 inputs. For these securities, we obtain fair value measurements from third-party pricing services. Observable data may include dealer quotes, market spreads, yield curves, live trading levels, trade execution data, credit information and the security's terms and conditions, among other things.
- Asset and mortgage-backed securities and collateralized loan obligations are reported at fair value using Level 2 inputs. For these securities, we obtain fair value measurements from third-party pricing services. Observable data may include dealer quotes, market spreads, cash flows, yield curves, live trading levels, trade execution data, market consensus prepayment speeds, credit information and the security's terms and conditions, among other things.

Fixed Maturities Level 3: We own term loans and asset-backed securities that are valued using unobservable inputs.

Equity Securities Level 1: Equity securities are principally reported at fair value using Level 1 inputs. For these securities, we obtain fair value measurements from a third-party pricing service using quoted prices (unadjusted) in active markets at the reporting date.

Equity Securities Level 3: We own certain equity securities that are reported at fair value using Level 3 inputs. The valuation techniques for these securities include the following:

- Fair value measurements for an investment in an equity fund obtained by applying final prices provided by the administrator of the fund, which is based upon certain estimates and assumptions.
- Fair value measurements from a broker and an independent valuation service, both based upon estimates and assumptions.

Short-term Investments: Short-term investments are principally reported at fair value using Level 1 inputs, with the exception of short-term corporate and governmental bonds reported at fair value using Level 2 inputs as described in the fixed maturities section above. Values for the investments categorized as Level 1 are obtained from various financial institutions as of the reporting date.

Based on an analysis of the inputs, our financial assets and liabilities measured at fair value on a recurring basis have been categorized as follows:

(in millions)	December 31, 2023	Fair Value Measurements at Reporting Date Using Level 1 [(1)]	Level 2 [(2)]	Level 3 [(3)]
Fixed maturities				
U.S. Governments	$ 362.2	$ 360.1	$ 2.1	$ —
Foreign Governments	30.3	—	30.3	—
Obligations of states and political subdivisions	94.4	—	94.4	—
Corporate bonds	1,213.1	—	1,180.5	32.6
Commercial mortgage-backed securities	280.5	—	280.5	—
Residential mortgage-backed securities	248.8	—	248.8	—
Asset-backed securities	142.0	—	124.2	17.8
Collateralized loan obligations	214.1	—	214.1	—
Total fixed maturities	2,585.4	360.1	2,174.9	50.4
Equity securities	10.7	4.3	—	6.4
Other investments	0.2	—	0.2	—
Short-term investments	429.5	429.0	0.5	—
Derivatives	1.3	—	1.3	—
Total assets	$ 3,027.1	$ 793.4	$ 2,176.9	$ 56.8

[(1)] Quoted prices in active markets for identical asset
[(2)] Significant other observable inputs
[(3)] Significant unobservable inputs

(in millions)	December 31, 2022	Fair Value Measurements at Reporting Date Using Level 1 [(1)]	Level 2 [(2)]	Level 3 [(3)]
Fixed maturities				
U.S. Governments	$ 380.7	$ 378.7	$ 2.0	$ —
Foreign Governments	28.4	—	28.4	—
Obligations of states and political subdivisions	99.8	—	99.8	—
Corporate bonds	1,234.1	—	1,212.1	22.0
Commercial mortgage-backed securities	285.4	—	285.4	—
Residential mortgage-backed securities	270.0	—	270.0	—
Asset-backed securities	139.2	—	120.5	18.7
Collateralized loan obligations	237.9	—	237.9	—
Total fixed maturities	2,675.5	378.7	2,256.1	40.7
Equity securities	43.9	28.4	—	15.5
Other investments	0.3	—	0.3	—
Short-term investments	449.6	449.3	0.3	—
Derivatives	5.2	—	5.2	—
Total assets	$ 3,174.5	$ 856.4	$ 2,261.9	$ 56.2

[(1)] Quoted prices in active markets for identical asset
[(2)] Significant other observable inputs
[(3)] Significant unobservable inputs

The fair value measurements in the tables above do not equal *Total investments* on our Consolidated Balance Sheets as they primarily exclude private equity and hedge funds which are carried at NAV as a practical expedient.

A reconciliation of the beginning and ending balances for the investments categorized as Level 3 are as follows:

Fair Value Measurements Using Observable Inputs (Level 3)

(in millions)	Credit Financial	Equity Securities	Total
Beginning balance, January 1, 2023	$ 40.7	$ 15.5	$ 56.2
Transfers into Level 3	5.6	—	5.6
Transfers out of Level 3	(5.6)	(7.6)	(13.2)
Total gains or losses (realized/unrealized):			
Included in net income	(0.1)	(0.4)	(0.5)
Included in other comprehensive income	0.8	—	0.8
Purchases, issuances, sales, and settlements:			
Purchases	10.6	—	10.6
Issuances	—	—	—
Sales	(0.5)	(1.1)	(1.6)
Settlements	(1.1)	—	(1.1)
Ending balance, December 31, 2023	$ 50.4	$ 6.4	$ 56.8
Amount of total gains or losses for the year included in net income attributable to the change in unrealized gains or losses relating to assets still held at December 31, 2023	$ —	$ (0.8)	$ (0.8)

(in millions)	Credit Financial	Equity Securities	Total
Beginning balance, January 1, 2022	$ 2.8	$ 14.7	$ 17.5
Transfers into Level 3	36.1	1.5	37.6
Transfers out of Level 3	—	—	—
Total gains or losses (realized/unrealized):			
Included in net income	(0.4)	(0.7)	(1.1)
Included in other comprehensive loss	(4.8)	—	(4.8)
Purchases, issuances, sales, and settlements:			
Purchases	9.0	1.0	10.0
Issuances	—	—	—
Sales	(2.0)	(1.0)	(3.0)
Settlements	—	—	—
Ending balance, December 31, 2022	$ 40.7	$ 15.5	$ 56.2
Amount of total gains or losses for the year included in net income attributable to the change in unrealized gains or losses relating to assets still held at December 31, 2022	$ —	$ (4.4)	$ (4.4)

At December 31, 2023 and 2022, we did not have any financial assets or financial liabilities measured at fair value on a nonrecurring basis or any financial liabilities on a recurring basis.

The Company holds investments in commercial mortgage loans reported at cost, less an allowance for expected credit losses of $0.2 million, on the Consolidated Balance Sheets. As of December 31, 2023, the cost and estimated fair value of the investments in commercial mortgage loans were:

	As of			
	December 31, 2023		December 31, 2022	
(in millions)	Cost	Fair Value	Cost	Fair Value
Commercial Mortgage Loans	$ 144.8	$ 148.8	$ 159.9	$ 150.7

4. Allowance for Credit Losses

Premiums receivable

The following table represents the balances of premiums receivable, net of allowance for estimated uncollectible premiums, including expected lifetime credit losses, as of December 31, 2023, 2022 and 2021, and the changes in the allowance for the period November 16, 2023 through December 31, 2023 (Successor), January 1, 2023 through November 15, 2023 (Predecessor), and for the years ended December 31, 2022 and 2021.

	Predecessor	
(in millions)	Premiums Receivable, Net of Allowance for Estimated Uncollectible Premiums	Allowance for Estimated Uncollectible Premiums
Balance, December 31, 2021	$ 648.6	$ 5.7
Current period change for estimated uncollectible premiums		0.2
Write-offs of uncollectible premiums receivable		(1.2)
Balance, December 31, 2022	$ 292.0	$ 4.7
Current period change for estimated uncollectible premiums		5.4
Write-offs of uncollectible premiums receivable		(2.7)
Balance, November 15, 2023	$ 306.8	$ 7.4
	Successor	
Balance, November 16, 2023	$ 306.8	$ —
Current period change for estimated uncollectible premiums		3.3
Write-offs of uncollectible premiums receivable		(0.3)
Balance, December 31, 2023	$ 230.7	$ 3.0

Reinsurance Recoverables

The following table presents the balances of reinsurance recoverables, net of the allowance for estimated uncollectible reinsurance, including expected credit losses, at December 31, 2023, 2022 and 2021, and changes in the allowance for the period November 16, 2023 through December 31, 2023 (Successor), January 1, 2023 through November 15, 2023 (Predecessor), and for the years ended December 31, 2022 and 2021.

	Predecessor	
(in millions)	Reinsurance Recoverables, Net of Allowance for Estimated Uncollectible Reinsurance	Allowance for Estimated Uncollectible Reinsurance
Balance, December 31, 2021	$ 2,966.4	$ 3.8
Current period change for estimated uncollectible reinsurance		1.7
Reclassified to assets held-for-sale		(0.8)
Balance, December 31, 2022	$ 3,029.1	$ 4.7
Balance, November 15, 2023	$ 2,981.6	$ 4.7
	Successor	
Balance, December 31, 2023	$ 2,959.3	$ —

We primarily utilize A.M. Best credit ratings when determining the allowance, adjusted as needed based on our historical experience with the reinsurers. Certain of our reinsurance recoverables are collateralized by letters of credit, funds held or trust agreements.

5. Leases

Our operating lease obligations are for office facilities. Our leases have remaining lease terms ranging between less than 1 year and 10 years, some of which include options to extend the leases.

The lease information is as follows:

	December 31,	
(in millions)	2023	2022
Operating leases right-of-use assets [(1)]	$ 51.2	$ 57.7
Operating lease liabilities [(2)]	51.4	66.4
Operating lease weighted-average remaining lease term	7.70	8.22
Operating lease weighted-average discount rate	6.13 %	3.44 %

[(1)] $0.5 million of Operating leases right-of-use-assets were reclassified to assets held-for-sale. See Note 2, “Recent Acquisitions, Disposals & Other Transactions” at December 31, 2022.

[(2)] $0.5 million of Operating lease liabilities were reclassified to liabilities held-for-sale. See Note 2, “Recent Acquisitions, Disposals & Other Transactions” at December 31, 2022.

	Successor	Predecessor	
	Period from	Period from	
(in millions)	November 16, 2023 through December 31, 2023	January 1, 2023 through November 15, 2023	For the Year Ended December 31, 2022
Operating lease costs	$ 0.7	$ 5.2	$ 8.1
Variable lease costs	0.5	3.3	4.7
Sublease income	(0.1)	(0.9)	(1.0)
Total lease costs	$ 1.1	$ 7.6	$ 11.8

Our short-term leases as of December 31, 2023 and 2022 were not material.

Future minimum lease payments under operating leases as of December 31, 2023 were as follows:

(in millions)		December 31, 2023
2024		8.9
2025		9.1
2026		8.9
2027		8.3
2028		6.9
Thereafter		22.5
Total future minimum lease payments	$	64.6
Less imputed interest		(13.2)
Total operating lease liability	$	51.4

6. Reinsurance

We reinsure certain risks with other insurance companies. Such arrangements serve to limit our maximum loss on certain individual risks as well as on catastrophes and large or unusually hazardous risks. We are liable to our insureds for reinsurance ceded in the event our reinsurers do not meet their obligations. Thus, a credit exposure exists with respect to reinsurance ceded to the extent that any reinsurer is unable or unwilling to meet the obligations assumed under the reinsurance contracts. Our allowance for uncollectible reinsurance balances receivable on paid losses and incurred claims was nil at December 31, 2023 as compared to $4.7 million at December 31, 2022 (see Note 4, “Allowance for Credit Losses” for additional information). Under certain reinsurance agreements, collateral, including letters of credit, is held to secure performance of reinsurers in meeting their obligations. The amount of such collateral was $1,212.2 million and $1,299.3 million at December 31, 2023 and December 31, 2022, respectively. The collateral we hold does not apply to our entire outstanding reinsurance recoverable. Rather, collateral is provided on an individual contract basis, as appropriate. For each individual reinsurer, the collateral held may exceed or fall below the total outstanding recoverable from that individual reinsurer.

The long-term nature of the reinsurance contracts creates a credit risk to us over time arising from potentially uncollectible reinsurance. To mitigate that counterparty risk, we evaluate our reinsurers to assess their financial condition. The factors that underlie these reviews include a financial risk assessment as well as an internal assessment of the capitalization and the operational risk of the reinsurer. As a result of these reviews, we may make changes to the approved markets that are used in both our treaty and facultative reinsurance programs.

In light of collateral held, we believe that no exposure to a single reinsurer represents an inappropriate concentration of credit risk to the Company. Gross reinsurance assets due from reinsurers exceeding five percent of our total reinsurance assets were approximately $945.0 million and $1,244.3 million at December 31, 2023 and 2022, respectively, of which approximately $465.1 million and $564.0 million, respectively, was secured by collateral.

Estimated losses recoverable from reinsurers and the ceded portion of unearned premiums are reported as assets in our Consolidated Balance Sheets. Included in *Reinsurance recoverables* are paid loss recoverables of $161.9 million and $190.6 million as of December 31, 2023 and 2022, respectively. Earned premiums and losses and loss adjustment expenses are reported net of reinsurance in our Consolidated Statements of Income (Loss).

Losses and loss adjustment expenses were $94.2 million for the period November 16, 2023 through December 31, 2023 (Successor), $1,043.2 million for January 1, 2023 through November 15, 2023 (Predecessor), and, $1,166.9 million and $1,314.6 million for the years ended December 31, 2022, and 2021, respectively, are net of amounts ceded to reinsurers of $79.3 million, $607.3 million, $958.8 million and $829.6 million, respectively.

We are required to accept certain assigned risks and other legally mandated reinsurance obligations. Prior to the mid-1980s, we assumed various forms of casualty reinsurance for which we continue to maintain reserves for losses and loss adjustment expenses (see Note 8, “Run-off Lines”). For such assumed reinsurance transactions, we engage in various monitoring steps that are common with assumed reinsurance such as ongoing claims reviews. We assumed property related reinsurance primarily through, Argo Re and Ariel Re, and casualty related reinsurance.

Premiums were as follows:

(in millions)	Successor: Period from November 16, 2023 through December 31, 2023	Predecessor: Period from January 1, 2023 through November 15, 2023	Predecessor: For the Years Ended December 31, 2022	Predecessor: For the Years Ended December 31, 2021
Direct written premiums	$ 186.0	$ 1,907.9	$ 2,682.8	$ 2,990.6
Reinsurance ceded to other companies	(66.8)	(803.6)	(1,106.7)	(1,203.9)
Reinsurance assumed from other companies	5.1	40.4	165.4	190.6
Net written premiums	$ 124.3	$ 1,144.7	$ 1,741.5	$ 1,977.3
Direct earned premiums	$ 252.3	$ 1,906.5	$ 2,757.8	$ 2,917.7
Reinsurance ceded to other companies	(98.4)	(724.9)	(1,205.3)	(1,272.7)
Reinsurance assumed from other companies	8.4	44.3	187.9	265.1
Net earned premiums	$ 162.3	$ 1,225.9	$ 1,740.4	$ 1,910.1
Percentage of reinsurance assumed to net earned premiums	5.2 %	3.6 %	10.8 %	13.9 %

Loss Portfolio Transfer - U.S.

On November 9, 2022, the U.S. loss portfolio transaction with Enstar covering a majority of the Company's U.S. casualty insurance reserves, including construction, for accident years 2011 to 2019 closed. See Note 2, "Recent Acquisitions, Disposals & Other Transactions" for further discussion.

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7. Reserves for Losses and Loss Adjustment Expenses

The following table provides a reconciliation of reserves for losses and loss adjustment expenses ("LAE"):

	Successor	Predecessor		
	Period from	Period from	For the Years Ended December 31,	
(in millions)	November 16, 2023 through December 31, 2023	January 1, 2023 through November 15, 2023	2022	2021
Net reserves beginning of the period	$ 2,734.6	$ 2,213.1	$ 3,123.2	$ 2,906.1
Add:				
Losses and LAE incurred during current calendar year, net of reinsurance:				
Current accident year	94.2	775.3	1,102.2	1,176.3
Prior accident years	—	267.9	64.7	138.3
Losses and LAE incurred during calendar year, net of reinsurance	94.2	1,043.2	1,166.9	1,314.6
Deduct:				
Losses and LAE payments made during current calendar year, net of reinsurance:				
Current accident year	33.5	100.6	171.5	180.8
Prior accident years	51.8	427.3	828.0	688.4
Losses and LAE payments made during current calendar year, net of reinsurance:	85.3	527.9	999.5	869.2
Add/(Deduct):				
Divestitures [1]	—	24.4	(35.2)	—
Reclassified to liabilities held-for-sale [2]	—	—	(313.0)	—
Net reserves ceded to Syndicate 1200 [2]	—	—	(129.6)	—
Deferred gain on U.S. loss portfolio transfer, net of amortization	—	(40.9)	—	—
Loss portfolio transfer:				
U.S. [3]	—	—	(472.6)	—
Syndicate 1200 (for years of account 2019 and 2018) [4]	—	—	(144.0)	—
Reinsurance to close transaction (for years of account 2017 and prior) [5]	—	—	—	(219.7)
Retroactive reinsurance [6]	—	21.7	—	—
Change in participation interest [7]	—	—	34.3	8.4
Total net reserve adjustments	—	5.2	(1,060.1)	(211.3)
Foreign exchange adjustments	3.6	1.0	(17.4)	(17.0)
Net reserves - end of period	2,747.1	2,734.6	2,213.1	3,123.2
Add:				
Reinsurance recoverables on unpaid losses and LAE, end of year	2,797.4	2,791.8	2,838.5	2,471.8
Gross reserves - end of period	$ 5,544.5	$ 5,526.4	$ 5,051.6	$ 5,595.0

(1) For the period ended November 15, 2023, the adjustment relates to the year-to-date activity of Syndicate 1200 and on reinsurance contracts with AUA subsidiaries. Refer to the sale of Argo Underwriting Agency Limited in Note 2, "Recent Acquisitions, Disposals & Other Transactions" for additional information. For the period ended December 31, 2022, refer to the sale of Argo Seguros and AGSE in Note 2, "Recent Acquisitions, Disposals & Other Transactions" for additional information.

(2) Refer to the sale of Argo Underwriting Agency Limited in Note 2, "Recent Acquisitions, Disposals & Other Transactions" for additional information. Additionally, the Company reduced net reserves in the amount of $129.6 million for reinsurance contracts with AUA subsidiaries, which were reclassified to held-for-sale.

(3) Loss portfolio transfer of the Company's U.S. casualty insurance reserves for accident years 2011 to 2019. Refer to Note 2, "Recent Acquisitions, Disposals & Other Transactions" for additional information.

(4) Loss portfolio transfer on Syndicate 1200's reserves for the 2018 and 2019 years of account. Refer to Note 2, "Recent Acquisitions, Disposals & Other Transactions" for additional information.

(5) Amount represents reserves ceded under the reinsurance to close transaction with RiverStone for Lloyd's years of account 2017 and prior, effective January 1, 2021.

(6) In connection with the sale of AUA, the Company entered into two retroactive reinsurance agreements with AUA subsidiaries.

(7) Amount represents the change in reserves due to changing our participation in Syndicates 1200 and 1910.

Reserves for losses and LAE represent the estimated indemnity cost and related adjustment expenses necessary to investigate and settle claims. Such estimates are based upon individual case estimates for reported claims, estimates from ceding companies for reinsurance assumed and actuarial estimates for losses that have been incurred but not yet reported to the insurer. Any change in probable ultimate liabilities is reflected in current operating results.

The Company did not incur net losses and loss adjustment expenses attributed to the COVID-19 pandemic for the year ended December 31, 2023 and December 31, 2022. Underwriting results for the years ended December 31, 2021 included net losses and loss adjustment expenses attributed to the COVID-19 pandemic of $12.4 million, primarily resulting from contingency and property exposures in the Company's International Operations. Property losses relate to sub-limited affirmative business interruption coverage, primarily in certain International markets, as well as expected costs associated with claims handling.

The impact from the net unfavorable (favorable) development of prior accident years' losses and LAE reserves on each reporting segment is presented below:

	Predecessor		
	Period from	For the Years Ended December 31,	
(in millions)	January 1, 2023 through November 15, 2023	2022	2021
U.S. Operations	$ 246.3	$ 64.5	$ 120.9
International Operations	21.4	(2.7)	(26.9)
Run-off Lines	0.2	2.9	44.3
Total (favorable) unfavorable prior-year development	$ 267.9	$ 64.7	$ 138.3

The Company did not recognize any development of prior accident years' losses and LAE reserves for the period November 16, 2023 through December 31, 2023 (Successor).

The following describes the primary factors behind each segment's net prior accident year reserve development for the period for January 1, 2023 through November 15, 2023 (Predecessor), and years ended December 31, 2022 and 2021:

Period ended January 1, 2023 through November 15, 2023 (Predecessor):

- *U.S. Operations:* Net unfavorable development primarily related to liability lines and professional lines, including the impact of large losses partially offset by favorable development in specialty lines. The liability lines movement was largely due to businesses we have exited. The professional lines movement largely impacted accident years 2019 through 2021.
- *International Operations:* Net unfavorable development primarily related to unfavorable development in professional and liability lines in Argo Insurance Bermuda.
- *Run-off Lines:* Net unfavorable development primarily related to asbestos and environmental lines largely offset by favorable loss reserve development in run-off workers compensation and liability losses excluding asbestos and environmental.

Year ended December 31, 2022:

- *U.S. Operations:* Net unfavorable development primarily related to liability lines, including the impact of large losses and claims alleging construction defect, and driven by businesses we have exited, partially offset by favorable development in specialty and professional lines. The net unfavorable prior year development relates to accident years 2019 and prior partially offset by favorable prior year development on accident years 2020 and 2021.
- *International Operations:* Net favorable development primarily related to favorable development in liability and specialty lines, partially offset by unfavorable development from professional and property lines. The professional lines development included large claim movements in Argo Insurance Bermuda.
- *Run-off Lines:* Net unfavorable development primarily related to asbestos and environmental lines partially offset by favorable loss reserve development in run-off liability losses excluding asbestos and environmental.

Year ended December 31, 2021:

- *U.S. Operations:* Net unfavorable development in liability and professional lines, partially offset by favorable development in specialty. The liability lines and professional lines prior-year development was largely due to movements in the fourth quarter of 2021. The liability lines movement was largely due to actual incurred loss movements greater than the expected movements in business units with significant exposure to claims alleging construction defect ($112.1 million of prior year development), driven by accident years 2017 and prior. The professional lines movement was driven by evaluations of individual management liability claims. The professional lines prior-year development of $33.0 million was driven by accident years 2018 and prior.
- *International Operations:* Net favorable development primarily related to favorable development in liability and property lines, partially offset by unfavorable development in Argo Insurance Bermuda. The unfavorable movement in Argo Insurance Bermuda was driven by liability and professional losses.
- *Run-off Lines:* Net unfavorable loss reserve development in run-off liability lines, including asbestos and environmental lines, and risk management workers compensation. The movement on liability exposures excluding asbestos and environmental was due to analysis of individual claims. The exposures driving the change were largely the result of claims alleging abuse. A large portion of the change was due to defense costs. The movement on asbestos and environmental lines was due to higher than expected loss activity and movements on large claims alleging environmental losses.

Our reserves represent the best estimate of our ultimate liabilities, based on currently known facts, current law, and reasonable assumptions where facts are not known. Due to the significant uncertainties and related management judgments, there can be no assurance that future favorable or unfavorable loss development, which may be material, will not occur.

Actuarial models base future emergence on historic experience, with adjustments for current trends, and the appropriateness of these assumptions involved more uncertainty as of December 31, 2023. We expect there will be impacts to the timing of loss emergence and ultimate loss ratios for certain coverages we underwrite. The industry is experiencing new issues, including the temporary suspension of civil court cases in most states, the extension of certain statutes of limitations and the impact on our insureds from a significant reduction in economic activity. Our booked reserves include consideration of these factors, but legislative, regulatory or judicial actions could result in loss reserve deficiencies and reduce earnings in future periods.

Short-Duration Contract Disclosures

Our basis for disaggregating short-duration contracts is by each of our two ongoing reporting segments, U.S. Operations and International Operations, with International Operations further disaggregated by operating divisions. We have chosen to disaggregate the data in this way so as to not obscure useful information by otherwise aggregating items with significantly different characteristics. See Note 19, “Segment Information,” for additional information regarding our two ongoing reporting segments.

Operating Divisions

Our U.S. Operations reporting segment is comprised of one primary operating division (see Note 19, “Segment Information” for additional information on U.S Operations). International Operations’ primary operating division is Argo Insurance Bermuda, further described below.

Argo Insurance Bermuda

Argo Insurance Bermuda offers casualty, property and professional lines, which serves the needs of global clients by providing the following coverages: property, general and products liability, directors and officers liability, errors and omissions liability and employment practices liability.

Lines of Business

We use an underwriting committee structure to monitor and evaluate the operating performance of our lines of business. The underwriting committees are organized to allow products or coverages with similar characteristics to be managed and evaluated in distinct groups. Using this approach, our insurance business is categorized into underwriting groups, which are Property, Liability, Professional, and Specialty. Noted below are descriptions of the types of characteristics considered to disaggregate our business into these groups, as well as other qualitative factors to consider when using the information contained in the following incurred and paid claims development tables.

Property

Property losses are generally reported within a short period of time from the date of loss, and in most instances, property claims are settled and paid within a relatively short timeframe. However, Property can be impacted by catastrophe losses which can be more complex than non-catastrophe Property claims due to factors such as difficulty accessing impacted areas and other physical, legal and regulatory impediments potentially extending the period of time it takes to settle and pay claims.

Liability

Our Liability business generally covers exposures where most claims are reported without a significant time lag between the event that gives rise to a claim and the date the claim is reported to us, but certain claims like those alleging construction defect can involve a longer time period between the event and the date the claim is reported to us. Since facts and information are frequently not complete at the time claims are reported to us, and because protracted litigation is sometimes involved, it can be several years before the ultimate value of these claims is determined. In our Argo Bermuda Insurance division, much of the business covers higher layers, potentially increasing the time it takes to fully determine our exposure.

Professional

Much of our Professional business is written on a claims-made basis resulting in coverage only for claims that are reported to us during the year in which the policy is effective, thus reducing the number of claims that will become known to us after the end of the policy expiration date. However, facts and information are frequently not complete at the time claims are reported to us, and protracted litigation is sometimes involved. It can be several years before the ultimate value of these claims is determined. In our Argo Bermuda Insurance division, much of the business covers higher layers, potentially increasing the time it takes to fully determine our exposure.

Specialty

Specialty lines losses are generally reported within a short period of time from the date of loss, and in most instances, Specialty lines claims are settled and paid within a relatively short timeframe. However, Specialty lines can be impacted by larger losses where facts and information are frequently not complete at the time claims are reported to us. These large losses can be more complex than smaller Specialty claims due to factors such as difficulty determining actual damages and other physical, legal and regulatory impediments potentially extending the period of time it takes to settle and pay claims.

Descriptions of the primary types of coverages, as disclosed in the following tables, included in the significant lines of business for each operating division are noted below:

U.S Operations

- *Liability:* primary and excess specialty casualty, construction defect, general liability, commercial multi-peril, workers compensation, product liability, environmental liability, and auto liability
- *Professional:* management liability, transaction liability and errors and omissions liability
- *Property:* primary and excess property, inland marine and auto physical damage
- *Specialty:* surety, animal mortality and ocean marine

Argo Insurance Bermuda

- *Liability*: general and products liability
- *Professional*: directors and officers liability, errors and omissions liability and employment practices liability
- *Property:* a wide range of commercial, industrial and residential property

Run-off Lines Segment

We have a Run-off Lines segment for certain products that we no longer underwrite, including asbestos and environmental claims. We have excluded the Run-off Lines segment from the following disaggregated short-duration contract disclosures due to its insignificance to our consolidated financial position and results of operations, both quantitatively and qualitatively. Gross reserves for losses and LAE in Run-off Lines account for less than 4% of our consolidated gross reserves for losses and LAE, and are primarily related to accident years prior to the mid-1990s. As such, claims development tables for the most recent ten accident years would not provide meaningful information to users of our financial statements, as the majority of the remaining reserves for losses and LAE would be for accident years not separately presented. See Note 8, "*Run-off Lines*," for further information on this segment, including discussion of prior accidents years' development.

Loss Portfolio Transfers

On August 8, 2022, the Company entered into a loss portfolio transfer agreement with a wholly-owned subsidiary of Enstar covering a majority of the Company's U.S. casualty insurance reserves, including construction, for accident years 2011 to 2019. See Note 2, "Recent Acquisitions, Disposals & Other Transactions" for additional information on the U.S. loss portfolio transfer. The activity in the claims development table includes the impact of this agreement.

Reserves for IBNR Claims

Reserves for IBNR claims are based on the estimated ultimate cost of settling claims, including the effects of inflation and other social and economic factors, using past experience adjusted for current trends and any other factors that would modify past experience. We use a variety of actuarial techniques to analyze current claims costs, including frequency and severity data. These actuarial techniques consider variables such as past loss experience, current claims trends, and prevailing economic, social and legal environments. Each such method has its own set of assumptions and outputs, and each has strengths and weaknesses in different areas. Since no single estimation method is superior to another method in all situations, the methods and assumptions used to project loss reserves will vary by coverage and product. We use what we believe to be the most appropriate set of actuarial methods and assumptions for each product line grouping and coverage. While the loss projection methods may vary by product line and coverage, the general approach for calculating IBNR remains the same: ultimate losses are forecasted first, and that amount is reduced by the amount of cumulative paid claims and case reserves. Reserves established in prior years are adjusted as loss experience develops and new information becomes available. Adjustments to previously estimated reserves are reflected in the results of operations in the year in which they are made.

As described above, various actuarial methods are used to determine the reserves for losses and LAE recorded in our Consolidated Balance Sheets. Weightings of methods at a detailed level may change from evaluation to evaluation based on a number of observations, measures, and time elements. In comparing loss reserve methods and assumptions used at December 31, 2023 as compared with methods and assumptions used at December 31, 2022, management has not changed or adjusted methodologies or assumptions in any significant manner.

Incurred & Paid Claims Development Disclosures

The following tables provide information about incurred and cumulative paid losses and allocated loss adjustment expenses ("ALAE"), net of reinsurance. The following tables also include IBNR reserves plus expected development on reported claims and the cumulative number of reported claims as of December 31, 2023.

Reporting Segment: *U.S. Operations*
Line of Business: *Liability*
(in millions, except number of claims reported)

Accident Year	Incurred Losses & ALAE, Net of Reinsurance For the Years Ended December 31, 2014 [1]	2015 [1]	2016 [1]	2017 [1]	2018 [1]	2019 [1]	2020 [1]	2021 [1]	2022 [1]	2023 [1]
2014	$ 328.6	$ 337.1	$ 330.0	$ 326.3	$ 323.9	$ 321.9	$ 327.4	$ 341.3	$ 310.7	$ 312.1
2015		339.8	343.8	330.3	328.7	328.0	335.4	347.9	318.9	321.5
2016			342.6	350.5	342.4	353.0	355.3	379.0	349.1	354.5
2017				374.8	373.7	384.3	397.7	431.7	385.2	391.2
2018					426.1	430.4	414.5	420.4	366.5	390.7
2019						421.1	423.7	427.1	318.6	353.1
2020							404.2	386.7	371.1	433.9
2021								416.4	419.1	461.2
2022									439.5	466.9
2023										435.8
									Total	$ 3,920.9

Accident Year	Cumulative Paid Losses & ALAE, Net of Reinsurance For the Years Ended December 31, 2014 [1]	2015 [1]	2016 [1]	2017 [1]	2018 [1]	2019 [1]	2020 [1]	2021 [1]	2022 [1]	2023 [1]
2014	$ 32.4	$ 91.0	$ 154.6	$ 206.9	$ 240.6	$ 266.3	$ 283.2	$ 291.4	$ 304.4	$ 305.8
2015		33.7	86.9	140.2	195.6	236.4	263.9	289.3	305.6	307.2
2016			28.5	84.5	144.1	217.1	255.6	293.8	327.1	331.8
2017				27.8	83.0	158.8	238.5	295.2	348.0	354.2
2018					34.3	98.9	175.8	245.5	315.9	335.7
2019						32.4	113.6	186.1	260.1	290.6
2020							25.6	85.9	149.0	228.7
2021								27.5	83.1	164.8
2022									27.2	92.0
2023										22.4
									Total	$ 2,433.2
	Other Property outstanding liabilities including unpaid loss and ALAE prior to 2014, net of reinsurance									58.7
	Total outstanding liabilities for unpaid losses and ALAE, net of reinsurance									$ 1,546.4

Accident Year	As of December 31, 2023 Incurred Losses & ALAE, Net of Reinsurance	IBNR & Expected Development on Reported Claims	Cumulative Number of Reported Claims [2]
2014	$ 312.1	$ (7.0)	22,319
2015	321.5	(1.3)	20,936
2016	354.5	4.9	18,105
2017	391.2	0.1	20,982
2018	390.7	6.1	23,539
2019	353.1	(4.2)	22,976
2020	433.9	115.1	18,812
2021	461.2	211.7	15,248
2022	466.9	291.5	13,729
2023	435.8	361.0	10,514

[1] Information presented for calendar years prior to 2023 is required supplementary information and is unaudited.
[2] During 2021, the Company revised the manner in which it measures reported claims. The cumulative number of reported claims is measured by individual claimant at a coverage level. Reported occurrences that do not result in a liability are included as reported claims. During 2021, we implemented additional processes to consolidate multiple data sources for U.S. Operations reserving. As part of that process, the level of detail used to determine the number of reported claims for some of the business units in US Operations changed. As a result, the cumulative number of reported claims for each accident year presented above as of December 31, 2021 is not comparable to the cumulative number of reported claims disclosed in previously issued financial statements.

Reporting Segment: *U.S. Operations*
Line of Business: *Professional*
(in millions, except number of claims reported)

Accident Year	Incurred Losses & ALAE, Net of Reinsurance For the Years Ended December 31,									
	2014 [1]	2015 [1]	2016 [1]	2017 [1]	2018 [1]	2019 [1]	2020 [1]	2021 [1]	2022 [1]	2023 [1]
2014	$ 22.4	$ 22.4	$ 26.0	$ 33.7	$ 36.2	$ 35.4	$ 35.1	$ 34.4	$ 32.7	$ 32.7
2015		29.9	29.5	33.2	34.0	37.1	37.9	38.3	31.3	31.3
2016			44.2	44.8	45.1	42.9	35.5	43.0	43.5	46.1
2017				60.1	61.8	78.3	87.9	99.5	87.0	87.3
2018					70.8	73.2	79.2	94.8	88.5	87.8
2019						94.4	96.8	105.0	94.5	117.7
2020							152.6	142.6	127.8	160.0
2021								177.8	159.5	159.6
2022									185.4	169.1
2023										164.0
									Total	1,055.6

Accident Year	Cumulative Paid Losses & ALAE, Net of Reinsurance For the Years Ended December 31,									
	2014 [1]	2015 [1]	2016 [1]	2017 [1]	2018 [1]	2019 [1]	2020 [1]	2021 [1]	2022 [1]	2023 [1]
2014	$ 2.3	$ 5.4	$ 15.1	$ 24.1	$ 25.5	$ 32.3	$ 33.3	$ 33.6	$ 33.5	$ 33.6
2015		1.8	8.3	15.6	20.8	26.2	31.3	31.7	33.8	33.8
2016			2.4	11.9	24.6	28.9	30.8	34.4	38.3	43.5
2017				3.5	24.9	38.0	59.7	77.9	85.5	85.5
2018					4.5	16.7	43.8	62.6	78.8	79.7
2019						4.9	32.9	50.0	81.7	92.9
2020							13.3	36.4	70.5	81.6
2021								12.2	39.6	54.7
2022									14.3	25.7
2023										4.1
									Total	$ 535.1
					Other Property outstanding liabilities including unpaid loss and ALAE prior to 2014, net of reinsurance					11.5
					Total outstanding liabilities for unpaid losses and ALAE, net of reinsurance					$ 532.0

Accident Year	As of December 31, 2023		
	Incurred Losses & ALAE, Net of Reinsurance	IBNR & Expected Development on Reported Claims	Cumulative Number of Reported Claims [2]
2014	$ 32.7	$ (0.8)	1,044
2015	31.3	(2.5)	1,832
2016	46.1	2.2	3,264
2017	87.3	(9.7)	3,774
2018	87.8	(3.7)	4,298
2019	117.7	15.4	4,901
2020	160.0	41.6	5,012
2021	159.6	68.4	5,153
2022	169.1	122.1	5,120
2023	164.0	141.8	4,396

[1] Information presented for calendar years prior to 2023 is required supplementary information and is unaudited.

[2] During 2021, the Company revised the manner in which it measures reported claims. The cumulative number of reported claims is measured by individual claimant at a coverage level. Reported occurrences that do not result in a liability are included as reported claims. During 2021, we implemented additional processes to consolidate multiple data sources for U.S. Operations reserving. As part of that process, the level of detail used to determine the number of reported claims for some of the business units in US Operations changed. As a result, the cumulative number of reported claims for each accident year presented above as of December 31, 2021 is not comparable to the cumulative number of reported claims disclosed in previously issued financial statements.

Reporting Segment: ***U.S. Operations***
Line of Business: ***Property***
(in millions, except number of claims reported)

Incurred Losses & ALAE, Net of Reinsurance
For the Years Ended December 31,

Accident Year	2014 [1]	2015 [1]	2016 [1]	2017 [1]	2018 [1]	2019 [1]	2020 [1]	2021 [1]	2022 [1]	2023 [1]
2014	$ 80.4	$ 82.2	$ 77.0	$ 77.1	$ 76.9	$ 76.9	$ 76.1	$ 76.0	$ 76.1	$ 74.8
2015		74.0	73.4	69.9	68.9	69.1	69.2	69.2	68.4	67.8
2016			59.4	57.6	57.1	56.6	56.6	56.5	54.2	54.4
2017				75.2	79.6	86.9	94.9	94.5	97.4	91.3
2018					89.2	93.1	95.1	96.9	102.4	101.1
2019						91.4	88.8	98.4	97.9	90.3
2020							129.5	133.2	133.1	134.0
2021								111.7	114.8	116.7
2022									103.1	104.4
2023										94.7
									Total	$ 929.5

Cumulative Paid Losses & ALAE, Net of Reinsurance
For the Years Ended December 31,

Accident Year	2014 [1]	2015 [1]	2016 [1]	2017 [1]	2018 [1]	2019 [1]	2020 [1]	2021 [1]	2022 [1]	2023 [1]
2014	$ 51.6	$ 73.1	$ 75.7	$ 76.4	$ 76.3	$ 76.4	$ 76.1	$ 76.0	$ 76.0	$ 76.0
2015		44.6	67.6	68.6	67.9	68.3	68.5	69.0	68.6	68.6
2016			39.4	55.2	55.8	56.1	56.4	56.3	54.5	54.5
2017				54.4	95.3	113.9	100.8	88.4	95.1	90.5
2018					61.3	126.7	107.0	98.8	101.4	102.5
2019						55.8	82.4	90.9	94.0	96.0
2020							75.9	116.6	121.6	126.6
2021								71.3	118.3	118.2
2022									52.2	94.7
2023										59.1
									Total	886.7
Other Property outstanding liabilities including unpaid loss and ALAE prior to 2014, net of reinsurance										0.5
Total outstanding liabilities for unpaid losses and ALAE, net of reinsurance										$ 43.3

As of December 31, 2023

Accident Year	Incurred Losses & ALAE, Net of Reinsurance	IBNR & Expected Development on Reported Claims	Cumulative Number of Reported Claims [2]
2014	$ 74.8	$ (1.2)	8,057
2015	67.8	(0.8)	7,362
2016	54.4	(0.1)	7,701
2017	91.3	(2.6)	9,930
2018	101.1	(4.3)	10,881
2019	90.3	(6.9)	11,496
2020	134.0	(6.4)	11,379
2021	116.7	(5.8)	10,312
2022	104.4	2.6	9,119
2023	94.7	16.2	7,707

[1] Information presented for calendar years prior to 2023 is required supplementary information and is unaudited.

[2] During 2021, the Company revised the manner in which it measures reported claims. The cumulative number of reported claims is measured by individual claimant at a coverage level. Reported occurrences that do not result in a liability are included as reported claims. During 2021, we implemented additional processes to consolidate multiple data sources for U.S. Operations reserving. As part of that process, the level of detail used to determine the number of reported claims for some of the business units in US Operations changed. As a result, the cumulative number of reported claims for each accident year presented above as of December 31, 2021 is not comparable to the cumulative number of reported claims disclosed in previously issued financial statements.

Reporting Segment: *U.S. Operations*
Line of Business: *Specialty*
(in millions, except number of claims reported)

Accident Year	Incurred Losses & ALAE, Net of Reinsurance For the Years Ended December 31,									
	2014 [1]	2015 [1]	2016 [1]	2017 [1]	2018 [1]	2019 [1]	2020 [1]	2021 [1]	2022 [1]	2023 [1]
2014	$ 13.1	$ 13.1	$ 8.9	$ 6.0	$ 4.8	$ 4.6	$ 4.6	$ 4.1	$ 4.1	$ 4.1
2015		14.8	14.3	9.5	5.5	1.2	0.5	0.3	0.2	0.2
2016			15.0	15.0	11.2	6.2	4.7	3.3	3.2	2.8
2017				16.2	16.2	7.6	0.9	0.7	0.7	0.6
2018					20.9	17.4	3.3	3.5	3.5	3.3
2019						22.7	8.5	5.6	5.9	5.8
2020							25.4	10.3	15.9	15.0
2021								27.9	5.2	2.0
2022									33.0	28.9
2023										34.6
									Total	$ 97.3

Accident Year	Cumulative Paid Losses & ALAE, Net of Reinsurance For the Years Ended December 31,									
	2014 [1]	2015 [1]	2016 [1]	2017 [1]	2018 [1]	2019 [1]	2020 [1]	2021 [1]	2022 [1]	2023 [1]
2014	$ 1.1	$ 3.3	$ 4.0	$ 4.0	$ 4.1	$ 4.1	$ 4.0	$ 4.1	$ 4.1	$ 4.1
2015		0.2	0.1	0.2	0.3	0.3	0.3	0.3	0.2	0.2
2016			1.3	1.6	2.2	2.2	2.2	2.8	2.8	2.8
2017				0.3	0.1	—	0.1	0.2	0.2	0.2
2018					—	0.7	1.7	1.2	2.4	2.9
2019						0.7	0.7	3.2	5.4	5.2
2020							0.3	7.6	10.6	10.5
2021								0.2	1.4	1.6
2022									0.1	13.4
2023										1.1
									Total	42.0
	Other Property outstanding liabilities including unpaid loss and ALAE prior to 2014, net of reinsurance									0.6
	Total outstanding liabilities for unpaid losses and ALAE, net of reinsurance									$ 55.9

Accident Year	As of December 31, 2023 Incurred Losses & ALAE, Net of Reinsurance	IBNR & Expected Development on Reported Claims	Cumulative Number of Reported Claims [2]
2014	$ 4.1	$ —	20
2015	0.2	—	14
2016	2.8	0.1	46
2017	0.6	0.4	62
2018	3.3	0.3	82
2019	5.8	0.1	124
2020	15.0	—	274
2021	2.0	0.3	291
2022	28.9	5.6	257
2023	34.6	33.1	175

(1) Information presented for calendar years prior to 2023 is required supplementary information and is unaudited.

(2) During 2021, the Company revised the manner in which it measures reported claims. The cumulative number of reported claims is measured by individual claimant at a coverage level. Reported occurrences that do not result in a liability are included as reported claims. During 2021, we implemented additional processes to consolidate multiple data sources for U.S. Operations reserving. As part of that process, the level of detail used to determine the number of reported claims for some of the business units in US Operations changed. As a result, the cumulative number of reported claims for each accident year presented above as of December 31, 2021 is not comparable to the cumulative number of reported claims disclosed in previously issued financial statements.

Reporting Segment: ***International Operations***
Operating Division: ***Argo Insurance Bermuda***
Line of Business: ***Liability***
(in millions, except number of claims reported)

Incurred Losses & ALAE, Net of Reinsurance
For the Years Ended December 31,

Accident Year	2014 [1]	2015 [1]	2016 [1]	2017 [1]	2018 [1]	2019 [1]	2020 [1]	2021 [1]	2022 [1]	2023 [1]
2014	$ 9.8	$ 9.8	$ 9.8	$ 6.2	$ 1.5	$ 2.3	$ 2.3	$ 1.6	$ 1.6	$ 1.6
2015		11.3	14.3	24.8	35.4	45.4	45.1	51.3	50.3	50.3
2016			13.9	14.0	14.0	6.6	6.1	0.8	2.4	6.5
2017				17.1	17.3	26.9	30.3	37.3	44.3	46.2
2018					8.9	32.1	26.6	24.2	22.9	19.8
2019						13.3	13.6	13.8	13.3	13.3
2020							23.3	24.9	12.4	12.4
2021								12.3	11.4	12.4
2022									11.1	11.1
2023										12.7
									Total	$ 186.3

Cumulative Paid Losses & ALAE, Net of Reinsurance
For the Years Ended December 31,

Accident Year	2014 [1]	2015 [1]	2016 [1]	2017 [1]	2018 [1]	2019 [1]	2020 [1]	2021 [1]	2022 [1]	2023 [1]
2014	$ —	$ —	$ 0.1	$ 0.1	$ 1.2	$ 1.2	$ 1.4	$ 1.4	$ 1.4	$ 1.4
2015		—	—	16.1	20.3	26.6	34.8	38.9	50.2	50.3
2016			—	—	—	0.1	0.1	0.2	0.3	0.3
2017				—	3.3	3.4	18.0	19.7	22.0	27.6
2018					—	13.8	18.3	18.5	18.5	19.1
2019						—	0.1	0.7	0.6	0.9
2020							0.8	7.0	0.5	0.6
2021								—	—	0.3
2022									—	—
2023										—
									Total	$ 100.5
	Other Property outstanding liabilities including unpaid loss and ALAE prior to 2014, net of reinsurance									2.5
	Total outstanding liabilities for unpaid losses and ALAE, net of reinsurance									$ 88.3

As of December 31, 2023

Accident Year	Incurred Losses & ALAE, Net of Reinsurance	IBNR & Expected Development on Reported Claims	Cumulative Number of Reported Claims [2]
2014	$ 1.6	$ (0.4)	1,361
2015	50.3	—	1,629
2016	6.5	6.0	1,969
2017	46.2	7.8	2,176
2018	19.8	0.4	1,159
2019	13.3	12.4	1,254
2020	12.4	7.0	1,434
2021	12.4	6.2	1,436
2022	11.1	11.1	1,293
2023	12.7	12.5	1,519

[1] Information presented for calendar years prior to 2023 is required supplementary information and is unaudited.

[2] The cumulative number of reported claims is measured by individual claimant at a coverage level. Reported occurrences that do not result in a liability are included as reported claims.

Reporting Segment: ***International Operations***
Operating Division: ***Argo Insurance Bermuda***
Line of Business: Professional
(in millions, except number of claims reported)

Accident Year	Incurred Losses & ALAE, Net of Reinsurance For the Years Ended December 31,									
	2014 (1)	2015 (1)	2016 (1)	2017 (1)	2018 (1)	2019 (1)	2020 (1)	2021 (1)	2022 (1)	2023 (1)
2014	$ 4.0	$ 4.0	$ 4.0	$ 4.0	$ 3.9	$ 10.2	$ 12.5	$ 8.1	$ 10.1	$ 10.1
2015		4.9	4.9	4.9	2.7	5.0	5.2	7.3	7.9	5.2
2016			6.7	6.7	4.8	3.1	7.3	3.1	1.9	3.8
2017				7.6	7.6	9.7	9.5	12.4	10.5	15.3
2018					8.3	8.3	8.0	6.5	21.3	36.8
2019						9.6	8.7	16.4	18.3	18.1
2020							10.4	10.4	10.4	11.1
2021								13.0	13.0	12.3
2022									9.5	9.4
2023										15.9
									Total	$ 138.0

Accident Year	Cumulative Paid Losses & ALAE, Net of Reinsurance For the Years Ended December 31,									
	2014 (1)	2015 (1)	2016 (1)	2017 (1)	2018 (1)	2019 (1)	2020 (1)	2021 (1)	2022 (1)	2023 (1)
2014	$ —	$ —	$ —	$ 0.3	$ 1.0	$ 0.4	$ 3.2	$ 0.4	$ 0.4	$ 0.4
2015		—	—	—	—	—	—	2.9	2.9	4.0
2016			—	—	—	—	—	—	—	0.1
2017				0.1	0.1	4.9	9.8	9.8	9.8	9.9
2018					—	—	2.0	2.1	6.0	6.1
2019						2.0	0.6	0.6	0.7	0.7
2020							—	—	—	6.1
2021								—	—	—
2022									—	—
2023										—
									Total	27.3
	Other Property outstanding liabilities including unpaid loss and ALAE prior to 2014, net of reinsurance									3.2
	Total outstanding liabilities for unpaid losses and ALAE, net of reinsurance									$ 113.9

Accident Year	As of December 31, 2023 Incurred Losses & ALAE, Net of Reinsurance	IBNR & Expected Development on Reported Claims	Cumulative Number of Reported Claims (2)
2014	$ 10.1	$ 2.3	1,130
2015	5.2	1.1	1,158
2016	3.8	3.7	1,280
2017	15.3	5.3	1,471
2018	36.8	23.0	1,101
2019	18.1	7.1	1,111
2020	11.1	5.0	965
2021	12.3	11.5	858
2022	9.4	9.4	844
2023	15.9	15.8	883

(1) Information presented for calendar years prior to 2023 is required supplementary information and is unaudited.

(2) The cumulative number of reported claims is measured by individual claimant at a coverage level. Reported occurrences that do not result in a liability are included as reported claims.

The reconciliation of the net incurred and paid development tables to the liability for unpaid losses and LAE in our Consolidated Balance Sheets is as follows:

(in millions)	As of December 31, 2023
Liabilities for unpaid losses and ALAE:	
US Operations:	
Liability	$ 1,546.4
Professional	532.0
Property	43.3
Specialty	55.9
International Operations:	
Argo Insurance Bermuda- Liability	88.3
Argo Insurance Bermuda- Professional	113.9
Run-off Lines	147.7
Other lines	169.7
Total liabilities for unpaid losses and ALAE, net of reinsurance	2,697.2
Reinsurance recoverables on unpaid losses and LAE:	
US Operations:	
Liability	1,382.6
Professional	424.4
Property	169.9
Specialty	25.5
International Operations:	
Argo Insurance Bermuda- Liability	246.3
Argo Insurance Bermuda- Professional	181.7
Run-off Lines	53.2
Other lines	313.8
Total reinsurance recoverables on unpaid losses and LAE	2,797.4
Unallocated loss adjustment expenses	70.7
Unamortized reserve discount	(20.8)
Gross liability for unpaid losses and LAE	$ 5,544.5

Other lines in the table above are comprised of lines of business and operating divisions within our two ongoing reporting segments which are not individually significant for separate disaggregated disclosure.

Claims Duration

The following table provides supplementary unaudited information about the annual percentage payout of incurred losses and ALAE, net of reinsurance, as of December 31, 2023:

	Average Annual Percentage Payout of Incurred Claims by Age, Net of Reinsurance [1]										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Remainder
U.S. Operations:											
U.S. Liability	8.6%	18.8%	20.8%	21.4%	11.8%	7.1%	4.2%	2.5%	1.6%	1.0%	2.2%
U.S. Professional	7.1%	17.5%	19.6%	17.3%	13.2%	9.2%	6.1%	3.9%	2.4%	1.5%	2.2%
U.S. Property	56.4%	35.8%	5.7%	1.6%	0.4%	0.1%	—%	—%	—%	—%	—%
U.S. Specialty	15.2%	47.8%	23.8%	8.6%	2.5%	1.1%	0.5%	0.2%	0.1%	0.1%	0.1%
International Operations:											
Bermuda Insurance Professional	2.7%	7.6%	11.8%	13.7%	13.5%	11.9%	9.8%	7.7%	5.9%	4.4%	11.1%
Bermuda Insurance Liability	0.5%	13.5%	18.4%	14.7%	10.7%	7.8%	5.9%	4.5%	3.6%	2.9%	17.5%

[1] The average annual percentage payout is calculated from a paid losses and ALAE development pattern based on an actuarial analysis of the paid losses and ALAE movements by accident year for each disaggregation category. The paid losses and ALAE development pattern provides the expected percentage of ultimate losses and ALAE to be paid in each year. The pattern considers all accident years included in the claim's development tables.

Information About Amounts Reported at Present Value

We discount certain workers compensation liabilities for unpaid losses and LAE within our U.S. Operations and Run-off Lines segments. The discounted U.S. Operations liabilities relate to all non-ALAE workers compensation liabilities within one of our insurance subsidiaries. In Run-off Lines, we discount certain pension-type liabilities for unpaid losses and LAE. The following tables provide information about these discounted liabilities for unpaid losses and LAE:

	Carrying Amount of Reserves for Losses & LAE			Aggregate Amount of Discount		
	As of December 31,			As of December 31,		
(in millions, except discount percentages)	2023	2022	2021	2023	2022	2021
US Operations:						
Commercial Specialty - Liability	$ 182.6	$ 168.0	$ 163.1	$ 16.1	$ 14.7	$ 14.1
Run-off Lines	76.8	93.0	114.3	4.7	4.6	4.7
Total	$ 259.4	$ 261.0	$ 277.4	$ 20.8	$ 19.3	$ 18.8

	Interest Accretion [1]				Discount Rate		
	Successor	Predecessor					
	Period from November 16, 2023 through December 31, 2023	Period from January 1, 2023 through November 15, 2023	For the Years Ended December 31,		As of December 31,		
			2022	2021	2023	2022	2021
US Operations:							
Commercial Specialty - Liability	$ 0.1	$ 1.3	$ 1.7	$ 0.9	2.25%	2.25%	2.25%
Run-off Lines	—	0.1	0.1	0.2	3.50%	3.50%	3.50%
Total	$ 0.1	$ 1.4	$ 1.8	$ 1.1			

[1] Interest accretion is recorded in the line item *Losses and loss adjustment expenses* in our Consolidated Statements of Income (Loss).

8. Run-off Lines

We have discontinued active underwriting of certain lines of business, including those lines that were previously recorded in Argo Group's risk-management segment. All current activity within these lines is related to the management of claims and other administrative functions. Also included in Run-off Lines are other liability reserves, which include exposure to claims for asbestos and environmental liabilities written in past years. The other liability reserves are often characterized by long elapsed periods between the occurrence of a claim and ultimate payment to resolve the claim. We use a specialized staff dedicated to administer and settle these claims.

The following table presents our gross reserves for Run-off Lines:

(in millions)	December 31, 2023	December 31, 2022
Asbestos and Environmental:		
Reinsurance assumed	$ 30.4	$ 31.1
Other	29.0	34.4
Total Asbestos and Environmental	59.4	65.5
Risk-management	119.0	144.6
Run-off reinsurance lines	0.4	0.4
Other run-off lines	17.3	22.6
Gross reserves - Run-off Lines	$ 196.1	$ 233.1

We have received asbestos and environmental liability claims arising from other liability coverage primarily written in the 1960s, 1970s and into the early 1980s. Asbestos and environmental claims originate from policies directly underwritten by us and from reinsurance assumed during this period, including a portion assumed from the London market. Reserves for other run-off lines relate to other liability coverage primarily written in the 1970's, with recent claim activity relating to abuse claims.

The following table represents the total gross reserves for our asbestos exposure:

(in millions)	December 31, 2023	2022	2021
Direct written			
Case reserves	$ 2.9	$ 3.2	$ 3.0
Unallocated loss adjustment expense	0.5	0.5	0.5
Incurred but not reported	14.3	17.4	19.9
Total direct written reserves	17.7	21.1	23.4
Assumed domestic			
Case reserves	7.6	6.8	7.4
Unallocated loss adjustment expense	0.8	0.8	0.8
Incurred but not reported	11.6	13.0	11.9
Total assumed domestic reserves	20.0	20.6	20.1
Assumed London			
Case reserves	2.8	2.4	2.1
Incurred but not reported	0.1	2.6	2.3
Total assumed London reserves	2.9	5.0	4.4
Total asbestos reserves	$ 40.6	$ 46.7	$ 47.9

The following table presents our underwriting losses for Run-off Lines:

	Successor	Predecessor		
	Period from	Period from	For the Years Ended December 31,	
(in millions)	November 16, 2023 through December 31, 2023	January 1, 2023 through November 15, 2023	2022	2021
Asbestos and Environmental:				
Reinsurance assumed	$ —	$ —	$ 3.5	$ 4.7
Other	0.3	1.2	7.0	10.0
Total Asbestos and Environmental	0.3	1.2	10.5	14.7
Risk-management	—	—	1.4	9.9
Run-off reinsurance lines	—	—	—	—
Other run-off lines	0.4	2.0	(8.3)	20.1
Total underwriting loss - Run-off Lines	$ 0.7	$ 3.2	$ 3.6	$ 44.7

Reserves for asbestos and environmental claims cannot be estimated with traditional loss reserving techniques that rely on historical accident year loss development factors. The uncertainty in the asbestos and environmental reserves estimates arises from several factors including lack of actuarially credible historical data, inapplicability of standard actuarial projection techniques, uncertainty with regards to claim costs, coverage interpretations and judicial, statutory and regulatory provisions under which the claims may be ultimately resolved. It is impossible to predict how the courts will interpret coverage issues and these resolutions may have a material impact on the ultimate resolution of the asbestos and environmental liabilities. We use a variety of estimation methods to calculate reserves as a whole; however, reserves for asbestos and environmental claims were determined using a variety of methods which rely on historical claim reporting and average claim cost information. We apply greatest weight to the method that projects future calendar period claims and average claim costs because it best captures the unique claim characteristics of our underlying exposures. Although management has recorded its best estimate of loss reserves, due to the uncertainties of estimation of liability that may arise as discussed herein, further deterioration of claims could occur in the future.

Please see Note 7, “Reserves for Losses and Loss Adjustment Expenses” for further discussion.

9. Long-term Debt

The Company recorded its debt at its fair value as of November 16, 2023 due to push-down accounting which included a discount rate to the total principal amount. The discount is being amortized to *Interest expense* in our Consolidated Statements of Income (Loss) using the effective yield method over the remaining period of the underlying debt obligations.

Senior Unsecured Fixed Rate Notes

In September 2012, Argo Group (the “Parent Guarantor”), through its subsidiary Argo Group US (the “Subsidiary Issuer”), issued $143.8 million aggregate principal amount of the Subsidiary Issuer’s 6.5% Senior Notes due September 15, 2042 (the “Notes”). The Notes are unsecured and unsubordinated obligations of the Subsidiary Issuer and rank equally in right of payment with all of the Subsidiary Issuer’s other unsecured and unsubordinated debt. The Notes are guaranteed on a full and unconditional senior unsecured basis by the Parent Guarantor. The Notes may be redeemed, for cash, in whole or in part, on or after September 15, 2017, at the Subsidiary Issuer’s option, at any time and from time to time, prior to maturity at a redemption price equal to 100% of the principal amount of the Notes to be redeemed, plus accrued but unpaid interest on the principal amount being redeemed to, but not including, the redemption date.

In accordance with ASU 2015-3, “Simplifying the Presentation of Debt Issuance Costs” (Topic 835), we present the unamortized debt issuance costs in the balance sheet as a direct deduction from the carrying value of the debt liability. At December 31, 2023 and 2022, the Notes consisted of the following:

(in millions)	December 31, 2023	December 31, 2022
Senior unsecured fixed rate notes		
Principal	$ 143.8	$ 143.8
Less: unamortized debt issuance costs and fair value adjustment	(15.8)	(3.3)
Senior unsecured fixed rate notes, less unamortized debt issuance costs	$ 128.0	$ 140.5

Junior Subordinated Debentures

Through a series of trusts, that are wholly-owned subsidiaries (non-consolidated), we issued debt. The debentures are variable with the rate being reset quarterly and subject to certain interest rate ceilings. Interest payments are payable quarterly. The debentures are all unsecured and are subordinated to other indebtedness. At December 31, 2023 and 2022, all debentures were eligible for redemption subject to certain terms and conditions at a price equal to 100% of the principal plus accrued and unpaid interest.

A summary of our outstanding junior subordinated debentures is presented below:

December 31, 2023
(in millions)

Issue Date	Trust Preferred Pools	Maturity	Rate Structure	Interest Rate at December 31, 2023	Amount
Argo Group					
5/15/2003	PXRE Capital Statutory Trust II	5/15/2033	3M SOFR + TSA + 4.10%	9.74%	$ 18.0
11/6/2003	PXRE Capital Trust VI	9/30/2033	3M SOFR + TSA + 3.90%	9.49%	10.3
Argo Group US					
5/15/2003	Argonaut Group Statutory Trust I	5/15/2033	3M SOFR + TSA + 4.10%	9.74%	15.5
12/16/2003	Argonaut Group Statutory Trust III	1/8/2034	3M SOFR + TSA + 4.10%	9.76%	12.3
4/29/2004	Argonaut Group Statutory Trust IV	4/29/2034	3M SOFR + TSA + 3.85%	9.49%	13.4
5/26/2004	Argonaut Group Statutory Trust V	5/24/2034	3M SOFR + TSA + 3.85%	9.49%	12.4
5/12/2004	Argonaut Group Statutory Trust VI	6/17/2034	3M SOFR + TSA + 3.80%	9.47%	13.4
9/17/2004	Argonaut Group Statutory Trust VII	12/15/2034	3M SOFR + TSA + 3.60%	9.25%	15.5
9/22/2004	Argonaut Group Statutory Trust VIII	9/22/2034	3M SOFR + TSA + 3.55%	9.18%	15.5
10/22/2004	Argonaut Group Statutory Trust IX	12/15/2034	3M SOFR + TSA + 3.60%	9.25%	15.5
9/15/2005	Argonaut Group Statutory Trust X	9/15/2035	3M SOFR + TSA + 3.40%	9.05%	30.9
	Less: fair value adjustment				(11.9)
	Total Outstanding				$ 160.8

December 31, 2022

(in millions)

Issue Date	Trust Preferred Pools	Maturity	Rate Structure	Interest Rate at December 31, 2022	Amount
Argo Group					
5/15/2003	PXRE Capital Statutory Trust II	5/15/2033	3M LIBOR + 4.10%	8.71%	$ 18.0
11/6/2003	PXRE Capital Trust VI	9/30/2033	3M LIBOR + 3.90%	8.63%	10.3
Argo Group US					
5/15/2003	Argonaut Group Statutory Trust I	5/15/2033	3M LIBOR + 4.10%	8.71%	15.5
12/16/2003	Argonaut Group Statutory Trust III	1/8/2034	3M LIBOR + 4.10%	8.18%	12.3
4/29/2004	Argonaut Group Statutory Trust IV	4/29/2034	3M LIBOR + 3.85%	8.50%	13.4
5/26/2004	Argonaut Group Statutory Trust V	5/24/2034	3M LIBOR + 3.85%	8.61%	12.4
5/12/2004	Argonaut Group Statutory Trust VI	6/17/2034	3M LIBOR + 3.80%	8.54%	13.4
9/17/2004	Argonaut Group Statutory Trust VII	12/15/2034	3M LIBOR + 3.60%	8.37%	15.5
9/22/2004	Argonaut Group Statutory Trust VIII	9/22/2034	3M LIBOR + 3.55%	8.30%	15.5
10/22/2004	Argonaut Group Statutory Trust IX	12/15/2034	3M LIBOR + 3.60%	8.37%	15.5
9/15/2005	Argonaut Group Statutory Trust X	9/15/2035	3M LIBOR + 3.40%	8.17%	30.9
	Total Outstanding				$ 172.7

Junior Subordinated Debentures from Maybrooke Acquisition

Unsecured junior subordinated debentures with a principal balance of $91.8 million were assumed through the acquisition of Maybrooke (“the acquired debt”). The acquired debt is carried on our Consolidated Balance Sheets at $80.4 million, which represents the debt’s fair value as of November 16, 2023 as required by accounting for business combinations under ASC 805. At December 31, 2023, the acquired debt was eligible for redemption at par. Interest accrues on the acquired debt based on a variable rate, which is reset quarterly. Interest payments are payable quarterly.

A summary of the terms of the acquired debt outstanding is presented below:

(in millions)

Issue Date	Maturity	Rate Structure	Interest Rate at December 31, 2023	Principal at December 31, 2023	Carrying Value at December 31, 2023
9/13/2007	9/15/2037	3M SOFR + TSA + 3.15%	8.79 %	$ 91.8	$ 80.4

(in millions)

Issue Date	Maturity	Rate Structure	Interest Rate at December 31, 2022	Principal at December 31, 2022	Carrying Value at December 31, 2022
9/13/2007	9/15/2037	3 month LIBOR + 3.15%	7.92 %	$ 91.8	$ 85.9

Other Indebtedness

The following table presents interest and maturities of long-term debt as of December 31, 2023:

		For the Years Ended					
(in millions)	Total	2024	2025	2026	2027	2028	Thereafter
Long-term debt:							
Junior subordinated debentures [(1)]	548.3	24.6	24.6	24.6	24.6	24.6	425.3
Senior unsecured fixed rate notes [(2)]	316.5	9.3	9.3	9.3	9.3	9.3	270.0

[(1)] Interest only on Junior Subordinated Debentures through 2037. Interest calculated based on interest rate forecast. Principal due beginning May 2033.
[(2)] Interest only on Senior Unsecured Fixed Rate Notes through 2042. Interest calculated based on the fixed rate of the notes. Principal due September 2042.

Borrowing Under Revolving Credit Facility

On November 2, 2018, each of Argo Group, Argo Group US, Argo International Holdings Limited, and AUA, collectively (the “Borrowers”) entered into a new $325 million credit agreement (the “Credit Agreement”) with JPMorgan Chase Bank, N.A., as administrative agent. The Credit Agreement includes a one-time borrowing of $125 million for a term loan (the “Term Loan”), and a $200 million revolving credit facility. The Company used most of the net proceeds from the Preferred Stock Offering (as defined in Note 11, “Stockholders’ Equity”) to pay off the Term Loan in September 2020. The Credit Agreement was subsequently amended to increase the revolving credit facility amount to $220 million, and to provide the removal of AIH and AUA as Borrowers upon the sale of AIH and AUA, which occurred on February 2, 2023.

During July 2023, the Credit Agreement was amended to permit the acquisition of Argo Group by Brookfield Reinsurance Ltd. pursuant to the Merger Agreement and extend the maturity date of certain commitments under the revolving credit facility from November 2, 2023 to November 2, 2024. The Credit Agreement decreased from $220 million to $200 million effective November 2, 2023.

Borrowings under the Credit Agreement may be used for general corporate purposes, including working capital, permitted acquisitions and letters of credit, and each of the Borrowers has agreed to be jointly and severally liable for the obligations of the other Borrowers under the Credit Agreement.

The Credit Agreement contains customary events of default. If an event of default occurs and is continuing, the Borrowers could be required to immediately repay all amounts outstanding under the Credit Agreement. The lenders could elect to accelerate the maturity of the loans and/or terminate the commitments under the Credit Agreement upon the occurrence and during the continuation of an event of default. No defaults or events of defaults have occurred as of the date of this filing.

The Credit Agreement allows 100% of the revolving credit facility to be used for letters of credit, subject to availability. At December 31, 2023 and 2022, there were $0.1 million and $0.3 million of letters of credit, respectively, issued against the Credit Facility.

Letter of Credit Facilities - Argo Re

Argo Re may be required to secure its obligations under various reinsurance contracts in certain circumstances. In order satisfy these requirements, Argo Re has entered into one committed and two uncommitted secured bilateral letters of credit facilities with commercial banks and generally uses these facilities to issue letters of credit in support of non-admitted reinsurance obligations in the U.S. and other jurisdictions. The committed letters of credit facility has a term of one year and includes customary conditions and event of default provisions.

The issuance of letters of credit using the uncommitted letters of credit facilities is at the discretion of the lenders. The availability of letters of credit under these secured facilities are subject to a borrowing base requirement, determined on the basis of specified percentages of the market value of eligible categories of securities pledged to the lender. On December 31, 2023, committed and uncommitted letters of credit facilities totaled $165.0 million.

On December 31, 2023, letters of credit totaling $62.0 million were outstanding, of which $27.0 million were issued against the committed, secured bilateral letters of credit facility and $35.1 million were issued by commercial banks against the uncommitted, secured bilateral letters of credit facilities. Collateral with a market value of $109.2 million was pledged to these banks as security against these letters of credit.

In addition to the bilateral, secured letters of credit facilities described above, Argo Re can use other forms of collateral to secure these reinsurance obligations including trust accounts, cash deposits, letters of credit issued by commercial banks on an uncommitted basis and the Credit Agreement.

On June 22, 2022, we posted collateral in the form of a $50.0 million letter of credit under the terms of the Malta sales agreement. The letter of credit is subject to reimbursement by Argo in the event of a drawdown.

Other Letters of Credit

Other letters of credit issued and outstanding on December 31, 2023 were $4.3 million.

10. Disclosures about Fair Value of Financial Instruments

Cash. The carrying amount approximates fair value.

Investment securities and short-term investments. See Note 3, “Investments,” for additional information.

Premiums receivable and reinsurance recoverables on paid losses. The carrying value of current receivables and reinsurance recoverables on paid losses approximates fair value due to their short term nature.

Debt. At December 31, 2023 and 2022, the fair value of our debt instruments is determined using both Level 1 and Level 2 inputs, as previously defined in Note 3, “Investments”.

We receive fair value prices from third-party pricing services for our financial instruments as well as for similar financial instruments. These prices are determined using observable market information such as publicly traded quoted prices, and trading prices for similar financial instruments actively being traded in the current market. We have reviewed the processes used by the third-party providers for pricing the securities and have determined that these processes result in fair values consistent with GAAP requirements. In addition, we review these prices for reasonableness, and have not adjusted any prices received from the third-party providers as of December 31, 2023 and December 31, 2022. A description of the valuation techniques we use to measure these liabilities at fair value is as follows:

Senior Unsecured Fixed Rate Notes Level 1:

- Our senior unsecured fixed rate notes are valued using Level 1 inputs. For these securities, we obtain fair value measurements from a third-party pricing service using quoted prices (unadjusted) in active markets at the reporting date.

Junior Subordinated Debentures and Floating Rate Loan Stock Level 2:

- Our trust preferred debentures, subordinated debentures and floating rate loan stock are typically valued using Level 2 inputs. For these securities, we obtain fair value measurements using quoted prices for similar securities being traded in active markets at the reporting date, as our specific debt instruments are less frequently traded.

A summary of our financial instruments whose carrying value did not equal fair value is shown below:

	December 31,			
	2023		2022	
(in millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Junior subordinated debentures:				
Trust preferred debentures	$ 160.8	$ 165.9	$ 172.7	$ 165.8
Subordinated debentures	80.4	83.3	85.9	88.1
Total junior subordinated debentures	241.2	249.2	258.6	253.9
Senior unsecured fixed rate notes	128.0	132.7	140.5	112.7
Floating rate loan stock [1]	—	—	54.7	52.5
	$ 369.2	$ 381.9	$ 453.8	$ 419.1

[1] Floating rate loan stock reclassified to liabilities held-for-sale in 2022. See Note 2, "Recent Acquisitions, Disposals & Other Transactions".

Based on an analysis of the inputs, our financial instruments measured at fair value on a recurring basis have been categorized as follows:

		Fair Value Measurements at Reporting Date Using		
(in millions)	December 31, 2023	Level 1 [1]	Level 2 [2]	Level 3 [3]
Junior subordinated debentures:				
Trust preferred debentures	$ 165.9	$ —	$ 165.9	$ —
Subordinated debentures	83.3	—	83.3	—
Total junior subordinated debentures	249.2	—	249.2	—
Senior unsecured fixed rate notes	132.7	132.7	—	—
	$ 381.9	$ 132.7	$ 249.2	$ —

[1] Quoted prices in active markets for identical assets
[2] Significant other observable inputs
[3] Significant unobservable inputs

		Fair Value Measurements at Reporting Date Using		
(in millions)	December 31, 2022	Level 1 [1]	Level 2 [2]	Level 3 [3]
Junior subordinated debentures:				
Trust preferred debentures	$ 165.8	$ —	$ 165.8	$ —
Subordinated debentures	88.1	—	88.1	—
Total junior subordinated debentures	253.9	—	253.9	—
Senior unsecured fixed rate notes	112.7	112.7	—	—
Floating rate loan stock	52.5	—	52.5	—
	$ 419.1	$ 112.7	$ 306.4	$ —

[1] Quoted prices in active markets for identical assets
[2] Significant other observable inputs
[3] Significant unobservable inputs

11. Stockholders' Equity

Preferred Stock

At December 31, 2023, we have issued and outstanding 6,000 shares of our preferred stock (equivalent to 6,000,000 depositary shares, each representing a 1/1,000th interest in a share of preferred stock) with a $25,000 liquidation preference per share (equivalent to $25 per depositary share) (the "Preferred Stock Offering").

Dividends to the holders of the preferred stock will be payable on a non-cumulative basis only when, as and if declared by our Board of Directors (the "Board") or a duly authorized committee thereof, quarterly in arrears on the 15th of March, June, September, and December of each year, commencing on September 15, 2020, at a rate equal to 7.00% of the liquidation preference per annum (equivalent to $1,750 per share of preferred stock and $1.75 per depositary share per annum) up to but excluding September 15, 2025. Beginning on September 15, 2025, any such dividends will be payable on a non-cumulative basis, only when, as and if declared by our Board or a duly authorized committee thereof, during each reset period, at a rate per annum equal to the Five-Year U.S. Treasury Rate as of the most recent reset dividend determination date (as described in the Company's prospectus supplement dated July 7, 2020) plus 6.712% of the liquidation preference per annum.

So long as any shares of preferred stock remain outstanding, unless dividends on all outstanding shares of preferred stock payable on a dividend payment date have been declared and paid or provided for in full, (1) no dividend shall be paid or declared on our shares of common stock or any other junior shares or any parity shares, other than a dividend payable solely in our shares of common stock, other junior shares or (solely in the case of parity shares) other parity shares, as applicable, and (2) no shares of common stock, other junior shares or parity shares shall be purchased, redeemed or otherwise acquired for consideration by us, directly or indirectly (other than (i) as a result of a reclassification of junior shares for or into other junior shares, or a reclassification of parity shares for or into other parity shares, or the exchange or conversion of one junior share for or into another junior share or the exchange or conversion of one parity share for or into another parity share, (ii) through the use of the proceeds of a substantially contemporaneous sale of junior shares or (solely in the case of parity shares) other parity shares, as applicable, or (iii) as required by or necessary to fulfill the terms of any employment contract, benefit plan or similar arrangement with or for the benefit of one or more employees, directors or consultants), in each case, during the following dividend period.

Upon any voluntary or involuntary liquidation, dissolution or winding-up of Argo Group holders of the preferred stock are entitled to receive out of our assets available for distribution to stockholders, before any distribution is made to holders of our shares of common stock or other junior shares, a liquidating distribution in the amount of $25,000 per share of common stock (equivalent to $25 per depositary share) plus the amount of declared and unpaid dividends, if any, to the date fixed for distribution, without interest on such unpaid dividends. Distributions will be made pro rata in accordance with the respective aggregate liquidation preferences of the preferred stock and any parity shares, and only to the extent of our assets, if any, that are available after satisfaction of all liabilities to creditors.

Neither the depositary shares nor the underlying shares of preferred stock will be convertible into, or exchangeable for, shares of any other class or series of stock or other securities of Argo Group or our subsidiaries. Neither the depositary shares nor the underlying shares of preferred stock have a stated maturity or will be subject to any sinking fund, retirement fund, or purchase fund or other obligation of ours to redeem, repurchase or retire the depositary shares or the shares of preferred stock.

We may redeem the shares of preferred stock at our option, in whole or in part, from time to time, on or after September 15, 2025, at a redemption price equal to $25,000 per share (equivalent to $25 per depositary share), plus the amount of declared and unpaid dividends, if any, without interest on such unpaid dividends. In addition, we may redeem the shares of preferred stock in specified circumstances relating to certain corporate, regulatory, rating agency or tax events; provided that no such redemption may occur prior to September 15, 2025 unless one of the redemption requirements is satisfied. The depositary shares will be redeemed only if and to the extent the related shares of preferred stock are redeemed by us.

The shares of preferred stock will not have voting rights, except under limited circumstances.

During 2023, our Board declared quarterly cash dividends totaling $1,750 on each share of our preferred stock, or $1.75 per depositary share, outstanding to our stockholders of record. We did not declare any cash dividends during the period November 16, 2023 through December 31, 2023. For the period January 1, 2023 through November 15, 2023 we declared cash dividends totaling $10.5 million to our preferred stockholders.

We are authorized to issue 30 million shares of $1.00 par value preferred stock. As of December 31, 2023 and 2022, 6,000 shares of preferred stock were issued and outstanding.

Common Stock

On February 8, 2023, the Company entered into the Merger Agreement with Brookfield Reinsurance Ltd. and Merger Sub. As part of the Merger Agreement, the Company has agreed to suspend any dividends that would otherwise be declared and paid on the Company Shares during the period from the date of the Merger Agreement through the earlier of the closing of the transaction and the termination of the Merger Agreement.

As of November 16, 2023, pursuant to the Merger Agreement, each share of common stock of the Company issued and outstanding immediately prior to the Merger was automatically canceled and converted into the right to receive an amount in cash equal to $30.00.

As a result of the Merger, the Company's new authorized share capital is 2,000,000,000 shares of common stock with a par value of $1.00 per share. All 1,056,638,730 outstanding shares are owned by BNRE Triangle Acquisition Inc.

During 2022, our Board declared quarterly cash dividends totaling $1.24 on each share of common stock outstanding to our stockholders of record. For the year ended December 31, 2022, we paid cash dividends totaling $43.4 million to our common stockholders.

During 2021, our Board declared quarterly cash dividends totaling $1.24 on each share of common stock outstanding. For the year ended December 31, 2021, we paid cash dividends totaling $43.9 million to our stockholders.

On May 3, 2016, our Board authorized the repurchase of up to $150.0 million of our shares of common stock ("2016 Repurchase Authorization"). The 2016 Repurchase Authorization supersedes all the previous Repurchase Authorizations. As of December 31, 2022, availability under the 2016 Repurchase Authorization for future repurchases of our shares of common stock was $53.3 million.

For the period January 1, 2023 through November 15, 2023 (Predecessor) and December 31, 2022, we did not repurchase any shares of common stock. The repurchase of common stock is also subject to the terms of our preferred stock, pursuant to which we may not (other than in limited circumstances) purchase, redeem or otherwise acquire our common stock unless the full dividends for the latest completed dividend period on all outstanding shares of our preferred stock have been declared and paid or provided for.

12. Accumulated Other Comprehensive Income (Loss)

A summary of changes in accumulated other comprehensive income (loss), net of taxes (where applicable) by component for the periods November 16, 2023 through December 31, 2023 (Successor), January 1, 2023 through November 15, 2023 (Predecessor), and for the years ended December 31, 2022 and 2021 is presented below:

(in millions)	Foreign Currency Translation Adjustments	Unrealized Holding Gains (Losses) on Securities	Defined Benefit Pension Plans	Total
		Predecessor		
Balance, December 31, 2021	$ (35.3)	$ 19.7	$ (7.1)	$ (22.7)
Other comprehensive loss before reclassifications	(0.7)	(347.2)	(0.7)	(348.6)
Amounts reclassified from accumulated other comprehensive loss	31.8	34.4	—	66.2
Net current-period other comprehensive income (loss)	31.1	(312.8)	(0.7)	(282.4)
Balance, December 31, 2022	(4.2)	(293.1)	(7.8)	(305.1)
Other comprehensive income before reclassifications	1.0	13.7	0.8	15.5
Amounts reclassified from accumulated other comprehensive loss	—	22.1	—	22.1
Net current-period other comprehensive income	1.0	35.8	0.8	37.6
Balance, November 15, 2023	$ (3.2)	$ (257.3)	$ (7.0)	$ (267.5)
		Successor		
Balance, November 16, 2023	—	—	—	—
Other comprehensive income before reclassifications	0.1	51.2	0.6	51.9
Amounts reclassified from accumulated other comprehensive income	—	(0.1)	—	(0.1)
Net current-period other comprehensive income	0.1	51.1	0.6	51.8
Balance, December 31, 2023	$ 0.1	$ 51.1	$ 0.6	$ 51.8

The amounts reclassified from accumulated other comprehensive (loss) income shown in the above table have been included in the following captions in our Consolidated Statements of Income (Loss):

	Successor	Predecessor		
	Period from November 16, 2023 through December 31, 2023	Period from January 1, 2023 through November 15, 2023	For the Years Ended December 31,	
(in millions)			2022	2021
Unrealized gains and losses on securities:				
Net realized investment and other losses (gains) [1]	$ (0.1)	$ 28.0	$ 43.6	$ (12.2)
(Benefit) provision for income taxes	—	(5.9)	(9.2)	4.2
Foreign currency translation adjustments:				
Net realized investment and other losses (gains) [2]	—	—	31.8	—
Total, net of taxes	$ (0.1)	$ 22.1	$ 66.2	$ (8.0)

[1] Net realized investment and other losses (gains) in the Predecessor periods include losses realized as a result of the Loss Portfolio Transfer - U.S. and the sale of Argo Underwriting Agency Limited. Refer to Note 2, “Recent Acquisitions, Disposals & Other Transactions” for additional information.

[2] Foreign currency translation losses were realized as a result of the sale of Argo Seguros and AGSE in 2022. Refer to the sale of Argo Seguros and AGSE in Note 2, “Recent Acquisitions, Disposals & Other Transactions” for additional information.

Income tax effects are released from accumulated other comprehensive income (loss) for unrealized gains or losses when the gains or losses are realized, and are taxed at the statutory rate based on jurisdiction of the underlying transaction.

13. Net (Loss) Income Per Common Stock

As a result of the Merger, all Argo Group common stock ceased to be traded on the New York Stock Exchange as of November 16, 2023. In accordance with ASC 260, *Earnings Per Share*, calculation of earnings per share is not required for entities whose publicly traded securities only include nonconvertible debt. For the Successor period of November 16, 2023 through December 31, 2023, the earnings per share calculation is not required.

The following table presents the calculation of net (loss) income per shares of common stock on a basic and diluted basis for the Predecessor period:

	Predecessor		
	Period from	For the Years Ended December 31,	
(in millions, except number of shares and per share amounts)	January 1, 2023 through November 15, 2023	2022	2021
Net income (loss)	$ (210.4)	$ (175.2)	$ 6.7
Less: Preferred stock dividends	10.5	10.5	10.5
Net income (loss) attributable to common stockholders	(220.9)	(185.7)	(3.8)
Weighted average common stock outstanding - basic	35,166,679	34,980,608	34,816,160
Effect of dilutive securities:			
Equity compensation awards	—	—	—
Weighted average common stock outstanding - diluted	35,166,679	34,980,608	34,816,160
Net income (loss) per common stock:			
Basic	$ (6.28)	$ (5.31)	$ (0.11)
Diluted	$ (6.28)	$ (5.31)	$ (0.11)

Excluded from the weighted average shares of common stock outstanding calculation are treasury shares of 11,318,339 shares at November 15, 2023, December 31, 2022 and 2021, respectively. The shares are excluded as of their repurchase date. Due to the net losses incurred for the period January 1, 2023 through November 15, 2023, and for the years ended December 31, 2022 and 2021, the potentially dilutive securities that were anti-dilutive, and therefore, omitted from the calculation were 47,571, 79,276, and 208,524 shares, respectively.

14. Share-based Compensation

The fair value method of accounting was used for share-based compensation plans. Under the fair value method, compensation cost is measured based on the fair value of the award at the measurement date and recognized over the requisite service period, less estimated forfeitures.

We estimated forfeitures based on historical forfeitures patterns, thereby recognizing expense only for those awards that are expected to vest. The estimate of forfeitures was adjusted as actual forfeitures differed from our estimate, resulting in recognition of compensation expense only for those awards that actually vest.

In conjunction with the Merger, the vesting of all outstanding restricted share awards were accelerated and converted to cash at $30 per share in accordance with the Merger Agreement, contributing $2.2 million to the purchase price. The performance shares were evaluated to determine the assumed level of performance. As a result of this evaluation, 5,031 shares were converted to cash at $30 per share, resulting in $0.1 million being included as part of the purchase price.

Total expense for all share-based payment compensation agreements totaled $4.3 million, with $1.5 million being reported as *Underwriting, acquisition and general expenses* in the Predecessor period and $2.8 million being included in *Non-operating expenses* in the Consolidated Statements of Income (Loss) in the Successor period. The non-operating expense classification represents the expense recorded on the acceleration of non-vested share awards as a result of the Merger.

We present all tax benefits resulting from the exercise of stock options and vesting of non-vested shares as cash flows from operating activities. Excess tax benefits are realized tax benefits from tax deductions for exercised options and vested shares in excess of the deferred tax asset attributable to stock compensation costs for such options. Such tax benefits and cash flows were immaterial for all reporting periods.

Performance Shares

We issued to certain key employees non-vested restricted stock awards whose vesting is subject to the achievement of certain performance measures. The non-vested performance share awards generally vest over one to four years. Non-vested performance share awards are valued based on the fair market value as of the grant date. Vesting of the awards is subject to the achievement of defined performance measures and the number of shares vested may be adjusted based on the achievement of certain targets. We evaluate the likelihood of the employee achieving the performance condition and include this estimate in the determination of the forfeiture factor for these grants.

A summary of non-vested performance share activity as of December 31, 2023 and changes during the year then ended is as follows:

	Shares	Weighted-Average Grant Date Fair Value
Outstanding at January 1, 2023	124,974	$ 46.41
Expired or forfeited	(119,943)	$ 46.64
Converted to cash	(5,031)	$ 41.00
Outstanding at December 31, 2023	—	$ —

Included in the awards expired or forfeited were 102,891 shares that were canceled due to the performance measures not being achieved.

Restricted Shares

A summary of restricted share activity as of December 31, 2023 and changes during the year then ended is as follows:

	Shares	Weighted-Average Grant Date Fair Value
Outstanding at January 1, 2023	341,670	$ 42.19
Vested and issued	(114,101)	$ 41.66
Expired or forfeited	(87,309)	$ 43.78
Converted to cash	(140,260)	$ 41.64
Outstanding at December 31, 2023	—	$ —

Fair value of shares vested during the year was $4.8 million.

Stock-settled Share Appreciation Rights

In June 2022, we issued 135,000 stock-settled share appreciation rights (“SSARs”) to our former Chief Executive Officer. The SSARs were to vest on a pro rata basis over a three year period, and had an exercise price of $43.80 per share. We valued the shares using the Black Scholes model, which resulted in a grant date fair value of $8.28 per share. Immediately prior to the Merger, the awards were forfeited with the resignation of the former Chief Executive Officer. Prior to the forfeiture of the awards, 45,000 awards had vested. Expense recognized on these awards for the year ended December 31, 2023 was $0.3 million in the Predecessor period.

Employee Stock Purchase Plans

We had established an employee stock purchase plan for eligible employees (Argo Group's 2007 Employee Share Purchase Plan). Under this plan, newly issued shares of our common stock could be purchased over an offering period of three months at 85% of the lower of the market value on the first day of the offering period or on the designated purchase date at the end of the offering period. We had also established a "Save As You Earn Plan" for our United Kingdom ("U.K.") employees. Under this plan, newly issued shares of our common stock could be purchased over an offering period of three or five years at 85% of the market value of the shares of common stock on the first day of the offering period. Expense recognized under these plans for the years ended December 31, 2023, 2022 and 2021 was $0.2 million, $0.7 million and $0.5 million, respectively.

In connection with the Merger, Argo Group common stock ceased to be traded on the NYSE.

15. Underwriting, Acquisition and General Expenses

Underwriting, acquisition and general expenses were as follows:

	Successor	Predecessor		
	Period from November 16, 2023 through December 31, 2023	Period from January 1, 2023 through November 15, 2023	For the Years Ended December 31, 2022	2021
(in millions)				
Commissions	$ 12.7	$ 141.7	$ 280.2	$ 289.5
Other underwriting and insurance expenses	33.8	268.3	401.0	428.6
Amortization of value of business acquired and other intangible assets	37.9	—	—	—
Total	84.4	410.0	681.2	718.1
Net deferral of policy acquisition costs	(7.2)	9.0	(10.5)	(15.8)
Total underwriting, acquisition and general expenses	$ 77.2	$ 419.0	$ 670.7	$ 702.3

16. Income Taxes

The Company was incorporated under the laws of Bermuda until November 30, 2023. Under Bermuda law, the Company was not obligated to pay any taxes in Bermuda based upon income or capital gains. We previously received an undertaking from the Supervisor of Insurance in Bermuda pursuant to the provisions of the Exempted Undertakings Tax Protection Act, 2011, which exempted us from any Bermuda taxes computed on profits, income or any capital asset, gain or appreciation or any tax in the nature of estate duty or inheritance tax, at least until the year 2035. As of November 30, 2023, the Company redomiciled from Bermuda to the United States. In connection with redomiciling from Bermuda to the United States, the Company's pre-tax loss is reported in Bermuda for the predecessor period. No tax is associated with this entity during the predecessor period. Subsequent to redomiciling, the Company pre-tax loss and tax benefit is reported in the United States for the successor period. Separately, Argo Re is in the process of completing an Internal Revenue Code Section 953(d) election to treat the entity as a U.S. taxpayer. The election is deemed retroactive to the period beginning January 1, 2023. Argo Re pre-tax loss for the predecessor period is reported in Bermuda. The retroactive United States tax benefit incurred for the predecessor period is reflected in purchase accounting. Argo Re pre-tax loss and tax benefit is reported in the United States for the successor period.

We have subsidiaries based in the U.K. that are subject to the tax laws of that country. Under current law, these subsidiaries are taxed at the applicable corporate tax rates. Certain U.K. subsidiaries are deemed to be engaged in business in the U.S., and therefore, are subject to U.S. corporate tax in respect of a proportion of their U.S. underwriting business only. Relief is available against the U.K. tax liabilities in respect of overseas taxes paid that arise from the underwriting business. Our U.K. subsidiaries file separate U.K. income tax returns. On February 2, 2023, Argo International Holdings Limited, a wholly-owned U.K. subsidiary of the Company, sold AUA. See Note 2, "Recent Acquisitions, Disposal & Transactions" for additional information related this transaction.

We have subsidiaries based in the U.S. that are subject to U.S. tax laws. Under current law, these subsidiaries are taxed at the applicable corporate tax rates. Our U.S. subsidiaries generally file a consolidated U.S. federal income tax return.

We also have operations in Ireland and Italy which are subject to income taxes imposed by the jurisdiction in which they operate. In addition, we have an operation in Barbados which is not subject to income tax under the laws of that country.

On June 10, 2021, U.K. tax legislation referred to as Finance Act 2021 received Royal Assent and was enacted. The effects of changes in tax laws and tax rates are recognized in the period of enactment. Accordingly, we recorded the impacts of Finance Act 2021 in our June 30, 2021 consolidated financial statements which primarily includes the remeasurement of our deferred tax assets and liabilities for the increased U.K. tax rate from 19% to 25% beginning on April 1, 2023.

On August 16, 2022, U.S. legislation referred to as the Inflation Reduction Act of 2022 was enacted. This legislation enacted a new Corporate Alternative Minimum Tax ("CAMT") and Excise Tax on Repurchases of Corporate Stock. The Company has determined as of the period ending December 31, 2023, that it is not a CAMT taxpayer or subject to Excise Tax on Repurchases of Corporate Stock.

The following table presents the components of income tax provision (benefit) included in the amounts reported in our consolidated financial statements:

	Successor	Predecessor		
	Period from	Period from	For the Years Ended December 31,	
(in millions)	November 16, 2023 through December 31, 2023	January 1, 2023 through November 15, 2023	2022	2021
Current income tax provision (benefit) related to:				
United States (Federal)	$ 4.2	$ 15.1	$ (21.0)	$ 35.4
United States (State)	(4.2)	0.1	0.1	2.4
United Kingdom	—	(0.1)	(0.8)	(2.2)
Other jurisdictions	—	0.1	(1.7)	1.6
Total current income tax provision	—	15.2	(23.4)	37.2
Deferred income tax provision (benefit) related to:				
United States	1.3	(7.9)	6.0	(26.3)
United Kingdom	—	(7.0)	7.3	(12.3)
Other jurisdictions	—	—	2.1	—
Total deferred income tax (benefit)	1.3	(14.9)	15.4	(38.6)
Income tax provision (benefit)	$ 1.3	$ 0.3	$ (8.0)	$ (1.4)

Our expected income tax provision (benefit) computed on pre-tax income (loss) at the weighted average tax rate has been calculated as the sum of the pre-tax income (loss) in each jurisdiction multiplied by that jurisdiction's applicable statutory tax rate. For the years ended December 31, 2023, 2022 and 2021, pre-tax income (loss) attributable to our operations and the operations' effective tax rates were as follows:

	Successor		Predecessor					
	Period from		Period from		For the Years Ended December 31,			
	November 16, 2023 through December 31, 2023		January 1, 2023 through November 15, 2023		2022		2021	
(in millions)	Pre-Tax Income (Loss)	Effective Tax Rate	Pre-Tax Income (Loss)	Effective Tax Rate	Pre-Tax Income (Loss)	Effective Tax Rate	Pre-Tax Income (Loss)	Effective Tax Rate
Bermuda	$ (11.3)	— %	$ (90.3)	— %	$ (76.0)	— %	$ (18.0)	— %
United States	14.3	9.0 %	(96.9)	(7.5)%	(83.2)	17.9 %	65.6	18.1 %
United Kingdom	(1.3)	— %	(23.2)	30.4 %	23.4	27.9 %	(61.1)	24.4 %
Barbados	—	— %	—	— %	(4.5)	— %	— [(1)]	— %
Brazil	—	— %	—	— %	(0.1)	(422.4)%	15.3	10.4 %
United Arab Emirates	—	— %	0.3	— %	1.4	— %	1.4	— %
Ireland	0.5	— %	(0.1)	— %	(39.1)	— %	(0.2)	— %
Italy	—	2.1 %	0.1	50.3 %	(0.9)	(4.8)%	1.4	— %
Malta	—	— %	—	— %	(4.2)	— %	0.9	— %
Pre-tax income (loss)	$ 2.2	59.1 %	$ (210.1)	0.1 %	$ (183.2)	4.3 %	$ 5.3	(26.4)%

(1) Pre-tax income for the respective year was less than $0.1 million.

Our effective tax rate may vary significantly from period to period depending on the jurisdiction generating the pre-tax income (loss) and its corresponding statutory tax rate. The geographic distribution of pre-tax income (loss) can fluctuate significantly between periods given the inherent nature of our business. A reconciliation of the difference between the provision for income taxes and the expected tax provision (benefit) at the weighted average tax rate is as follows:

	Successor	Predecessor		
	Period from November 16, 2023 through December 31, 2023	Period from January 1, 2023 through November 15, 2023	For the Years Ended December 31, 2022	2021
(in millions)				
Income tax provision (benefit) at expected rate	$ 2.9	$ (24.7)	$ (14.7)	$ 9.8
Tax effect of:				
Nontaxable investment income	—	(0.1)	(0.4)	(0.5)
Foreign exchange adjustments	—	(2.6)	(2.1)	(0.7)
Impairment of goodwill	—	—	5.4	8.2
Base Erosion and Anti-Abuse Tax	—	23.5	—	—
Withholding taxes	—	0.1	2.7	0.1
U.S. state tax expense, net of federal income tax effect	0.1	(1.2)	—	—
Change in uncertain tax position liability	(3.4)	1.2	(1.4)	(4.5)
Change in valuation allowance	1.8	(1.4)	(7.6)	(0.7)
Impact of change in tax rate related to Finance Act 2021	(0.2)	(0.2)	1.7	(8.3)
Brazil Premiums and Underwriting	—	—	0.3	(5.3)
Sale of Brazil and Malta Operations	—	—	6.6	—
Excess Executive Compensation	—	2.0	—	—
Other	0.1	3.7	1.5	0.5
Income tax provision (benefit)	$ 1.3	$ 0.3	$ (8.0)	$ (1.4)

The net deferred tax asset (liability) comprises the tax effects of temporary differences related to the following assets and liabilities:

(in millions)	As of December 31, 2023	2022
Deferred tax assets:		
Losses and loss adjustment expense reserve discounting	$ 45.5	$ 31.4
Unearned premiums	23.9	26.5
Net operating loss carryforwards	36.3	26.5
Investment in limited partnership interests	9.3	14.0
Unrealized losses on equity securities	6.9	8.2
Unrealized losses on fixed maturities and other investment securities	42.3	63.6
Investments	4.9	—
Right of use assets	10.6	12.8
Accrued bonus	5.5	6.9
Stock option expense	—	0.9
Bad debt	3.2	1.9
Other	2.6	4.3
Deferred tax assets, gross	191.0	197.0
Deferred tax liabilities:		
Debt obligations	(6.4)	—
Unrealized gains on limited partnership interests	(24.8)	(25.3)
Investments		(5.8)
Depreciable fixed assets	(7.3)	(7.1)
Deferred acquisition costs	(0.5)	(23.0)
Lease liability	(12.1)	(11.0)
TCJA reserve transitional liability	(1.1)	(1.6)
Value of business acquired	(32.2)	—
Other intangible assets	(37.1)	—
Underwriting results	(9.1)	—
Other	(0.6)	(1.7)
Deferred tax liabilities, gross	(131.2)	(75.5)
Deferred tax assets, net before valuation allowance	$ 59.8	$ 121.5
Valuation allowance	(20.7)	(20.3)
Deferred tax asset (liabilities), net	$ 39.1	$ 101.2
Net deferred tax assets (liabilities) - United States	39.1	101.2
Deferred tax asset (liabilities), net	$ 39.1	$ 101.2

Our gross deferred tax assets are supported by taxes paid in previous periods, reversal of taxable temporary differences and recognition of future taxable income. Management regularly evaluates the recoverability of the deferred tax assets and makes any necessary adjustments to them based upon any changes in management's expectations of future taxable income. Realization of deferred tax assets is dependent upon our generation of future taxable income sufficient to recover tax benefits that cannot be recovered from taxes paid in the carryback period, generally for our U.S. property and casualty insurers two years for net operating losses and for all our U.S. subsidiaries three years for capital losses. If a company determines that any of its deferred tax assets will not result in future tax benefits, a valuation allowance must be established for the portion of these assets that are not expected to be realized. The valuation allowance for deferred tax assets increased by $0.4 million in 2023 and primarily related to the following: ($1.3) million Internal Revenue Code Section 382 limited net operating loss carryforwards within the U.S., and $1.7 million of losses incurred in the United Kingdom. Based upon a review of our available evidence, our management concluded that it is more-likely-than-not that $39.1 million of our deferred tax assets will be realized.

For tax return purposes, as of December 31, 2023, we had NOL carryforwards in Italy, United States, and United Kingdom. The amount and timing of realizing the benefits of NOL carryforwards depend on future taxable income and limitations imposed by tax laws. Only a portion of the United States NOL carryforwards has been recognized as mentioned above in the consolidated financial statements and is included in net deferred tax assets. The NOL amounts by jurisdiction and year of expiration are as follows:

(in millions)	December 31, 2023	Expiration
Net operating loss carryforwards by jurisdiction:		
Ireland	9.8	Indefinite
Italy	49.7	Indefinite
United Kingdom	6.9	Indefinite
United States	92.3	2025-2043

For any uncertain tax positions not meeting the “more-likely-than-not” recognition threshold, accounting standards require recognition, measurement and disclosure in a company’s financial statements. Included in the balances at December 31, 2023 and 2022 were $0.0 million and $4.6 million, respectively, of unrecognized tax benefits that, if recognized, would affect the annual effective tax rate. A net increase (decrease) of interest in the amount of $(0.4) million, $0.6 million, and $(1.0) million has been recorded in the line item *Interest Expense* in our Consolidated Statements of Income (Loss) for the twelve months ended December 31, 2023, 2022, and 2021, respectively. A net increase (decrease) of penalty in the amount of $0.0 million, $0.1 million, and $(0.8) million has been recorded in the line item *Underwriting, acquisition and general expenses* in our Consolidated Statements of Income (Loss) for the twelve months ended December 31, 2023, 2022, and 2021, respectively.

The following is a reconciliation of the beginning and ending amount of unrecognized tax benefits for the years ended December 31, 2023 and 2022:

(in millions)	2023	2022
Balance at January 1	$ 4.6	$ 3.6
Additions for tax positions of prior years	—	3.0
Reductions for tax positions of prior years	(1.0)	(1.4)
Reductions based on settlements with taxing authorities	(2.4)	—
Expiration of statute of limitations	(1.2)	(0.6)
Balance at December 31	$ —	$ 4.6

Our U.S. subsidiaries are no longer subject to U.S. federal and state income tax examinations by tax authorities for years before 2020. Our U.K. subsidiary is no longer subject to U.K. income tax examinations by His Majesty’s Revenue and Customs for years before 2021.

As of December 31, 2023, our Texas Sales, Excise, and Use Tax returns for the periods April 1, 2020 through July 31, 2023 are under examination. At this time, the Company cannot reasonably estimate an assessment by the taxing authority. We do not expect the ultimate disposition of these audits to result in a material change in our financial position, results of operations, or liquidity.

17. Pension Benefits and Savings Plans

Argo Group US sponsors a qualified defined benefit plan and non-qualified unfunded supplemental defined benefit plans, all of which were curtailed effective February 2004. As of December 31, 2023 and 2022, the qualified pension plan was underfunded by $2.8 million and $3.2 million, respectively. The non-qualified pension plans were unfunded by $1.4 million and $1.5 million at December 31, 2023 and 2022, respectively. Underfunded and unfunded amounts are included in *Accrued underwriting expenses and other liabilities* in our Consolidated Balance Sheets. Based on the current funding status of the pension plan, effects of the curtailment and expected changes in pension plan asset values and pension obligations, we do not believe any significant funding of the pension plan will be required during the year ending December 31, 2024. Net periodic benefit costs were $0.1 million for the period November 16, 2023 through December 31, 2023 (Successor), and $0.8 million from January 1, 2023 through November 15, 2023 (Predecessor). Net periodic benefit costs were $0.1 million for both the years ended December 31, 2022 and 2021.

Substantially all of our employees are either eligible or mandated by applicable laws to participate in employee savings plans. Under these plans, a percentage of an employee's pay may be or is mandated based on applicable laws to be contributed to various savings alternatives. The plans also call for our contributions under several formulae. Charges to income related to our contributions were $0.8 million for the period November 16, 2023 through December 31, 2023 (Successor), and $5.3 million from January 1, 2023 through November 15, 2023 (Predecessor). Charges to income related to our contributions were $8.5 million and $9.3 million in 2022 and 2021, respectively.

18. Commitments and Contingencies

Legal Actions

Argo Group's subsidiaries are parties to legal actions incidental to their business. As of December 31, 2023, management believes that the resolution of these matters would not materially affect our financial condition or results of operations.

Federal Securities Class Action

The Police & Fire Retirement System City of Detroit v. Argo Group International Holdings, Inc., et al., No. 22-cv-8971 (S.D.N.Y.)
On October 20, 2022, a securities class action lawsuit was filed in the United States District Court for the Southern District of New York against the Company and certain of its current and former officers, alleging securities fraud violations under sections 10(b) and 20(a) of the Securities Exchange Act of 1934. Plaintiff alleges that from February 13, 2018 through August 9, 2022, the defendants made false and misleading statements concerning the Company's reserves and underwriting standards. On January 18, 2023, U.S. District Judge Lewis A. Kaplan granted the Police and Fire Retirement System City of Detroit and the Oklahoma Law Enforcement Retirement System's joint motion for appointment as lead plaintiff. On March 27, 2023, lead plaintiffs filed an amended class action complaint. On May 26, 2023, the defendants moved to dismiss the amended class action complaint. On July 13, 2023, lead plaintiffs filed an opposition to such motion, after which defendants filed a reply on August 14, 2023.

Transaction-Related Stockholder Litigation

Following the announcement of the proposed transaction with Brookfield Reinsurance Ltd. and Merger Sub, the following complaints were filed in the United Stated District Court for the Southern District of New York: Stein v. Argo Group Int'l Holdings. Ltd., et al., 1:23-cv -01947 (S.D.N.Y); O'Dell v. Argo Group Int'l Holdings, Ltd., et al., C.A. No. 1:23-cv-1999 (S.D.N.Y.); Jones v. Argo Group Int'l Holdings. Ltd., et al., 1:23-cv-02606 (S.D.N.Y); Ballard v. Argo Group Int'l Holdings, Ltd., et al., 1:23-cv-02635 (S.D.N.Y); Montgomery v. Argo Group Int'l Holdings, Ltd., et al., 1:23-cv-02749 (S.D.N.Y). The complaints each asserted violations of Section 14(a) and Section 20(a) of the Exchange Act and alleged that the proxy statement filed in connection with the proposed transaction between the Company, Brookfield Reinsurance Ltd. and Merger Sub omitted certain purportedly material information that rendered the proxy statement incomplete and misleading. The complaints sought, among other things, an order to enjoin the transaction unless additional disclosures were issued; and, if the transaction closes, damages. All of the complaints were voluntarily dismissed.

Bermuda Appraisal Petitions

In April 2023, appraisal petitions were filed in the Supreme Court of Bermuda (the "Court") relating to the acquisition of the Company by Brookfield Reinsurance Ltd. for $30.00 per share (the "Transaction Price") that closed on November 16, 2023.

The petitions were filed by certain stockholders pursuant to Section 106(6) of the Bermuda Companies Act 1981 and are captioned Corbin Erisa Opportunity Fund, Ltd. v. Argo Group International Holdings, Ltd., Corbin Opportunity Fund, L.P. v. Argo Group International Holdings, Ltd., Fourworld Event Opportunities, LP v. Argo Group International Holdings, Ltd., Fourworld Global Opportunities Fund, Ltd. v. Argo Group International Holdings, Ltd., Fourworld Special Opportunities Fund, LLC v. Argo Group International Holdings, Ltd., and FW Deep Value Opportunities Fund I, LLC v. Argo Group International Holdings, Ltd.

Section 106(6) permits a stockholder of a Bermuda corporation, such as the Company, to petition the Court for a determination of the fair value of the Company's shares if they are not satisfied with the Transaction Price.

On January 3, 2024, the Company filed a summons to stay the appraisal action pending judgment of the Judicial Committee of the Privy Council in the matter captioned "In re matter of Jardine Strategy Holdings Limited Case No: Civ/2022/14-31." The summons is still pending before the Court. In addition, trial in this action has not been set and the outcome remains uncertain. The Company intends to defend this matter vigorously.

Contractual Commitments

We have contractual commitments to invest up to $93.4 million related to our limited partnership investments at December 31, 2023. These commitments will be funded as required by the partnership agreements which can be called to be fulfilled at any time, not to exceed twelve years.

19. Segment Information

We are primarily engaged in underwriting property and casualty insurance and reinsurance. We have two ongoing reporting segments: U.S. Operations and International Operations. Additionally, we have a Run-off Lines segment for certain products that we no longer underwrite.

We consider many factors, including the nature of each segment’s insurance and reinsurance products, production sources, distribution strategies and the regulatory environment, in determining how to aggregate reporting segments. Transactions between segments are reported in the segment that initiated the transaction.

In evaluating the operating performance of our segments, we focus on core underwriting and investing results before the consideration of realized gains or losses from the sales of investments. Realized investment gains are reported as a component of the Corporate and Other segment, as decisions regarding the acquisition and disposal of securities reside with the corporate investment function and are not under the control of the individual business segments. Identifiable assets by segment are those assets used in the operation of each segment.

Revenue and income before income taxes for each segment were as follows:

(in millions)	Successor Period from November 16, 2023 through December 31, 2023	Predecessor Period from January 1, 2023 through November 15, 2023	Predecessor For the Years Ended December 31, 2022	Predecessor For the Years Ended December 31, 2021
Revenue:				
Net earned premiums				
U.S. Operations	$ 147.2	$ 1,101.6	$ 1,209.0	$ 1,283.7
International Operations	14.9	124.0	530.5	625.8
Run-off Lines	0.2	0.3	0.9	0.6
Total net earned premiums	162.3	1,225.9	1,740.4	1,910.1
Net investment income				
U.S. Operations	23.5	99.9	88.4	119.4
International Operations	4.4	18.7	39.1	50.6
Run-off Lines	0.7	2.7	2.3	3.6
Corporate and Other	—	—	—	14.0
Total net investment income	28.6	121.3	129.8	187.6
Net investment and other gains (losses)	(0.3)	(22.7)	(115.3)	32.6
Total revenue	$ 190.6	$ 1,324.5	$ 1,754.9	$ 2,130.3

(in millions)	Successor Period from November 16, 2023 through December 31, 2023	Predecessor Period from January 1, 2023 through November 15, 2023	Predecessor For the Years Ended December 31, 2022	Predecessor For the Years Ended December 31, 2021
Income (loss) before income taxes				
U.S. Operations	$ 17.3	$ (127.5)	$ (22.9)	$ 61.1
International Operations	0.9	6.7	63.8	64.1
Run-off Lines	(0.1)	(1.2)	(1.8)	(41.5)
Total segment income before income taxes	18.1	(122.0)	39.1	83.7
Corporate and Other	(1.9)	(22.5)	(32.0)	(22.5)
Net investment and other gains (losses)	(0.3)	(22.7)	(115.3)	32.6
Foreign currency exchange gains (losses)	(0.6)	(1.8)	5.0	(1.6)
Impairment of goodwill and intangible assets	—	—	(28.5)	(43.2)
Non-operating expense	(13.1)	(41.1)	(51.5)	(43.7)
Total income (loss) before income taxes	$ 2.2	$ (210.1)	$ (183.2)	$ 5.3

The table below presents net earned premiums by geographic location for the periods November 16, 2023 through December 31, 2023 (Successor), and January 1, 2023 through November 15, 2023 (Predecessor), and for the years ended December 31, 2022 and 2021. For this disclosure, we determine geographic location by the country of domicile of our subsidiaries that underwrite the business and not by the location of insureds or reinsureds from whom the business was generated.

(in millions)	Successor: Period from November 16, 2023 through December 31, 2023	Predecessor: Period from January 1, 2023 through November 15, 2023	Predecessor: For the Years Ended December 31, 2022	2021
United States	$ 147.4	$ 1,101.9	$ 1,209.9	$ 1,277.0
United Kingdom	—	48.3	480.2	475.3
Bermuda	14.9	75.7	38.0	54.8
Malta	—	—	3.9	35.4
All other jurisdictions	—	—	8.4	67.6
Total net earned premiums	$ 162.3	$ 1,225.9	$ 1,740.4	$ 1,910.1

The following table represents identifiable assets:

(in millions)	As of December 31, 2023	2022
U.S. Operations	$ 6,279.0	$ 5,815.0
International Operations [1]	1,888.9	3,791.6
Run-off Lines	221.4	284.4
Corporate and Other	113.8	143.4
Total	$ 8,503.1	$ 10,034.4

[1] $2,066.2 million of International assets were reclassified to assets held-for-sale in 2022. See Note 2, “Recent Acquisitions, Disposals & Other Transactions”.

Included in total assets at December 31, 2022 are $303.7 million in assets associated with trade capital providers that are classified as held-for-sale.

The following table represents goodwill and intangible assets, net of accumulated amortization, as of December 31, 2023 and 2022:

(in millions)	Goodwill As of December 31, 2023	Goodwill 2022	Intangible Assets, Net of Accumulated Amortization As of December 31, 2023	2022
U.S. Operations	$ —	$ 118.6	$ 293.8	$ —
International Operations [1]	—	—	30.4	—
Total	$ —	$ 118.6	$ 324.2	$ —

[1] $17.5 million of International goodwill was reclassified to assets held-for-sale in 2022. See Note 2, “Recent Acquisitions, Disposals & Other Transactions”.

The Merger resulted in a bargain purchase that eliminated goodwill as of November 16, 2023. As of November 16, 2023, we recorded $362.1 million in intangible assets, including value of business acquired, resulting from push-down accounting from the Merger with Brookfield Reinsurance Ltd. Refer to Note 2, “Recent Acquisitions, Disposals & Other Transactions” for additional information.

During the year ended December 31, 2022, we recorded a $28.5 million impairment charge for the sale of Argo Underwriting Agency Limited, consisting of $17.3 million of indefinite lived intangible assets and $11.2 million of goodwill, representing the difference between the carrying value and implied fair value as determined by the consideration to be received. Refer to Note 2, “Recent Acquisitions, Disposals & Other Transactions” for additional information.

20. Statutory Accounting Principles

Financial Information

The statutory capital and surplus for our principal operating subsidiaries was as follows:

Statutory capital and surplus [1] (in millions)	**December 31, 2023**	**December 31, 2022**
Bermuda	$ 1,150.6	$ 1,024.9
United Kingdom [2]	—	370.0
United States	1,410.4	1,111.1

[1] Such amounts include ownership interests in affiliate insurance and reinsurance subsidiaries.

[2] Sold on February 2, 2023. See Note 2, "Recent Acquisitions, Disposals & Other Transactions" for additional information related to this transaction.

The statutory net income (loss) for our principal operating subsidiaries was as follows:

Statutory net income (loss) [1] (in millions)	**For the Years Ended December 31, 2023**	**2022**	**2021**
Bermuda	$ 0.8	$ (29.1)	$ 14.2
United Kingdom	—	21.4	8.6
United States	39.5	(117.8)	103.5

[1] Such amounts include ownership interests in affiliate insurance and reinsurance subsidiaries.

Dividends

As an insurance holding company, we are largely dependent on dividends and other permitted payments from our insurance subsidiaries to pay cash dividends to our stockholders, for debt service and for our operating expenses. The ability of our insurance subsidiaries to pay dividends to us is subject to certain restrictions imposed by the jurisdictions of domicile that regulate our insurance subsidiaries and each jurisdiction has calculations for the amount of dividends that an insurance company can pay without the approval of the insurance regulator.

The payment of dividends to our stockholders is permitted so long as (i) we are not, or would not be after the payment, unable to pay our liabilities as they become due and (ii) the realizable value of our assets is in excess of our liabilities after taking such payment into account. In light of these restrictions, we have no material restrictions on dividend payments that may be made to our stockholders at December 31, 2023.

Argo Re is the direct subsidiary of Argo Group, and therefore, has direct dividend paying capabilities to the parent.

As of December 31, 2023, Argo Re's solvency and liquidity margins and statutory capital and surplus were in excess of the minimum levels required by the Insurance Act. As of December 31, 2023 and 2022, the minimum statutory capital and surplus required to be maintained by Argo Re was $106.6 million and $100.0 million, respectively.

Argo Re is generally prohibited from declaring or paying, in any financial year, dividends of more than 25% of its total statutory capital and surplus (as shown on its previous financial year's statutory balance sheet) unless it files (at least seven days before payment of such dividends) with the Bermuda Monetary Authority ("BMA") an affidavit signed by at least two directors (one of whom must be a Bermuda resident director if any of the insurer's directors are resident in Bermuda) and the principal representative stating that it will continue to meet its solvency margin and minimum liquidity ratio. Argo Re may not reduce its total statutory capital by 15% or more, as set out in its previous year's financial statements, unless it has received the prior approval of the BMA. Based on these regulatory restrictions, the maximum amount available for payment of dividends to Argo Group by Argo Re during 2023 without prior regulatory approval is $287.7 million.

In 2023, Argo Re did not pay any dividends to Argo Group. In 2022, and 2021 Argo Re paid cash dividends of $33.0 million, and $85.0 million respectively, to Argo Group. The proceeds of the dividends were used to repay intercompany balances related primarily to the funding of dividend and interest payments and other corporate expenses. In 2022, it also included the dividend of the proceeds from the sale of Argo Seguros.

Our U.S. insurance subsidiaries file financial statements prepared in accordance with statutory accounting principles prescribed or permitted by insurance regulatory authorities of the state in which they are domiciled. The differences between statutory-based financial statements and financial statements prepared in accordance with GAAP vary between jurisdictions. The principal differences are that for statutory-based financial statements, deferred policy acquisition costs are not recognized, a portion of the deferred federal income tax asset is non-admitted, bonds are generally carried at amortized cost, certain assets are non-admitted and charged directly to surplus, a collectability allowance related to reinsurance recoverables is charged directly to surplus and outstanding losses and unearned premium are presented net of reinsurance.

As an intermediate insurance holding company, Argo Group US, Inc. is largely dependent on dividends and other permitted payments from its insurance subsidiaries to service its debt, fund operating expenses and pay dividends to Argo Ireland. Various state insurance laws restrict the amount that may be transferred to Argo Group US from its subsidiaries in the form of dividends without prior approval of regulatory authorities. In addition, that portion of the insurance subsidiaries' net equity that results from the difference between statutory insurance principles and GAAP would not be available for dividends.

During 2023, Argo Group US, Inc. received a dividend of $21.3 million from Rockwood.

Argonaut Insurance Company is a direct subsidiary of Argo Group US, Inc. and is regulated by the Illinois Division of Insurance. During 2024, Argonaut Insurance Company may be permitted to pay dividends of up to $120.7 million without approval from the Illinois Division of Insurance. Rockwood, a direct subsidiary of Argo Group US, Inc., is regulated by the Pennsylvania Department of Insurance. Rockwood may be permitted to pay ordinary dividends of up to $25.0 million with approval from the Pennsylvania Department of Insurance during 2024. Each department of insurance may require prior approval for the payment of all dividends, based on business and regulatory conditions of the insurance companies.

21. Insurance Assessments

We participate in statutorily created insolvency guarantee and weather-related loss protection associations in all states where we are authorized to transact business. These associations were formed for the purpose of paying the claims of insolvent companies. We are assessed a pro-rata share of such claims based upon our premium writings, subject to a maximum annual assessment per line of insurance. Certain of these assessments can be recovered through premium tax offsets or policy surcharges. We do not believe that assessments on current insolvencies will have a material impact on our financial condition or results of operations. We have accrued assessments of $6.9 million and $5.2 million at December 31, 2023 and 2022, respectively.

22. Transactions with Related Parties

There were no material transactions with related parties for the periods November 16, 2023 through December 31, 2023 (Successor), and January 1, 2023 through November 15, 2023 (Predecessor), and for the years ended December 31, 2022 and 2021.

23. Subsequent Events

On February 20, 2024, Brookfield Reinsurance Ltd. made a $100.0 million capital contribution to the Company.

On February 21, 2024, the Company entered into Amendment No. 6 to the Credit Agreement with the financial institutions party thereto. Amendment No. 6, among other things, replaced the minimum Tangible Net Worth covenant in the Credit Agreement with a minimum Consolidated Net Worth covenant that no longer excludes the value of intangible assets. The Consolidated Net Worth covenant is tested at the end of each fiscal quarter (commencing with the fiscal quarter ended December 31, 2023) and has been set at an amount equal to the sum of (i) $872.0 millions plus (ii) 50% of positive net income for each fiscal quarter ending after December 31, 2023 plus (iii) 50% of net proceeds received from the issuance and sale of certain equity interests after December 31, 2023.

On February 22, 2024, the Company borrowed $100.0 million through the revolving credit facility, payable in 30 days, under the terms of the Credit Agreement.

ARGO GROUP INTERNATIONAL HOLDINGS, INC.
SCHEDULE II
CONDENSED FINANCIAL INFORMATION OF REGISTRANT
(in millions)

BALANCE SHEETS	As of December 31, 2023	As of December 31, 2022
Assets		
Short-term investments	$ —	$ 1.8
Investment in subsidiaries	1,363.3	1,281.7
Cash, restricted cash and cash equivalents	2.2	5.2
Operating lease right-of-use assets	—	4.6
Other assets	0.9	6.7
Total assets	$ 1,366.4	$ 1,300.0
Liabilities and Stockholders' Equity		
Junior subordinated debentures	$ 14.3	$ 28.4
Accrued underwriting expenses and other liabilities	2.2	10.0
Operating lease liabilities	—	4.6
Due to subsidiaries	21.3	14.0
Intercompany notes payable	31.1	10.1
Total liabilities	68.9	67.1
Stockholders' equity	1,297.5	1,232.9
Total liabilities and stockholders' equity	$ 1,366.4	$ 1,300.0

STATEMENTS OF INCOME (LOSS)	Successor	Predecessor		
	Period from November 16, 2023 through December 31, 2023	Period from January 1, 2023 through November 15, 2023	For the Years Ended December 31, 2022	2021
Revenue:				
Net investment expense	$ (0.1)	$ —	$ —	$ —
Total revenue	(0.1)	—	—	—
Expenses:				
Interest expense	0.4	2.3	1.6	1.2
Operating expenses	(1.3)	6.8	(0.6)	6.2
Non-operating expenses	2.7	21.3	26.2	0.2
Total expenses	1.8	30.4	27.2	7.6
Net loss before equity in earnings of subsidiaries [1]	(1.9)	(30.4)	(27.2)	(7.6)
Equity in undistributed earnings of subsidiaries	2.8	(180.0)	(148.0)	14.3
Net (loss) income	$ 0.9	$ (210.4)	$ (175.2)	$ 6.7
Dividends on preferred stock	—	10.5	10.5	10.5
Net (loss) income attributable to common stockholders	$ 0.9	$ (220.9)	$ (185.7)	$ (3.8)

[1] Argo Group is not subject to taxation.

See the Report of the Independent Registered Public Accounting Firm.

ARGO GROUP INTERNATIONAL HOLDINGS, INC.
SCHEDULE II
CONDENSED FINANCIAL INFORMATION OF REGISTRANT
(in millions)

STATEMENTS OF CASH FLOWS	Successor	Predecessor		
	Period from November 16, 2023 through December 31, 2023	Period from January 1, 2023 through November 15, 2023	For the Years Ended December 31, 2022	2021
Cash flows from operating activities:				
Net (loss) income	$ 0.9	$ (210.4)	$ (175.2)	$ 6.7
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Amortization and depreciation	—	—	1.5	1.5
Share-based payments expense	—	1.0	2.8	2.3
Loss on disposal of fixed assets	—	—	(3.5)	(3.0)
Undistributed earnings of subsidiaries	(2.8)	180.0	148.0	(14.3)
Change in:				
Prepaid assets	—	0.2	(1.8)	7.2
Accrued expenses	(8.0)	10.6	6.0	(4.1)
Due to subsidiaries	5.6	22.7	28.8	(12.1)
Other, net	(2.2)	5.1	4.7	(3.9)
Cash provided by (used in) operating activities	(6.5)	9.2	11.3	(19.7)
Cash flows from investing activities:				
Change in short-term investments	—	(3.8)	12.7	(13.9)
Settlements of foreign currency exchange forward contracts	—	2.0	(2.0)	0.5
Dividend received from subsidiaries	—	—	33.3	85.0
Cash provided by (used in) investing activities	—	(1.8)	44.0	71.6
Cash flows from financing activities:				
Activity under stock incentive plans	—	0.7	1.8	1.3
Payment of cash dividend to preferred stockholders	—	(10.5)	(10.5)	(10.5)
Payment of cash dividend to common stockholders	—	0.3	(43.4)	(43.7)
Cash used in financing activities	—	(9.5)	(52.1)	(52.9)
Change in cash	(6.5)	(2.1)	3.2	(1.0)
Cash, beginning of period	8.7	5.2	2.0	3.0
Cash, end of year	$ 2.2	$ 3.1	$ 5.2	$ 2.0

See the Report of the Independent Registered Public Accounting Firm.

ARGO GROUP INTERNATIONAL HOLDINGS, INC.
SCHEDULE III
SUPPLEMENTAL INSURANCE INFORMATION
AS OF DECEMBER 31, 2023, 2022 AND 2021
(in millions)

Segment	DAC (1)	Reserves for Losses and Loss Adjustment Expenses (2)	UPR (3)
Period Ended December 31, 2023			
U.S. Operations	7.4	4,224.1	763.2
International Operations	(0.2)	1,124.3	153.4
Run-off Lines	—	196.1	—
Total	$ 7.2	$ 5,544.5	$ 916.6
Year Ended December 31, 2022			
U.S. Operations	109.4	3,718.1	893.4
International Operations [4]	(2.4)	1,100.4	146.5
Run-off Lines	—	233.1	—
Total	$ 107.0	$ 5,051.6	$ 1,039.9
Year Ended December 31, 2021			
U.S. Operations	103.7	3,422.4	973.7
International Operations	64.3	1,911.4	493.1
Run-off Lines	—	261.2	—
Total	$ 168.0	$ 5,595.0	$ 1,466.8

(1) Deferred policy acquisition costs.

(2) Future policy benefits, losses, claims and loss expenses.

(3) Unearned premiums.

(4) $993.4 million of gross reserves were reclassified as liabilities held-for-sale at December 31, 2022. See Note 2, “Recent Acquisitions, Disposals & Other Transactions”.

ARGO GROUP INTERNATIONAL HOLDINGS, INC.
SCHEDULE III
SUPPLEMENTAL INSURANCE INFORMATION
FOR THE PERIOD NOVEMBER 16, 2023 THROUGH DECEMBER 31, 2023, JANUARY 1, 2023 THROUGH NOVEMBER 15, 2023, AND FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(in millions)

Segment	Premium Revenue (1)	Net Investment Income (2)	Loss & LAE (3)	Amortization (Deferral) DAC (4) (5)	Other Operating Expenses (6)	Net Premiums Written (7)
The Period from November 16, 2023 through December 31, 2023 (Successor)						
U.S. Operations	147.2	23.5	81.7	(7.5)	76.1	114.9
International Operations	14.9	4.4	12.0	0.3	6.0	9.2
Run-off Lines	0.2	0.7	0.5	—	0.4	0.2
Corporate and Other	—	—	—	—	1.9	—
Total	$ 162.3	$ 28.6	$ 94.2	$ (7.2)	$ 84.4	$ 124.3
The Period from January 1, 2023 through November 15, 2023 (Predecessor)						
U.S. Operations	1,101.6	99.9	935.1	19.9	349.7	1,002.7
International Operations	124.0	18.7	105.5	(10.9)	36.9	141.8
Run-off Lines	0.3	2.7	2.6	—	0.9	0.2
Corporate and Other	—	—	—	—	22.5	—
Total	$ 1,225.9	$ 121.3	$ 1,043.2	$ 9.0	$ 410.0	$ 1,144.7
Year Ended December 31, 2022						
U.S. Operations	1,209.0	88.4	870.1	(3.5)	436.3	1,196.2
International Operations	530.5	39.1	293.9	(7.0)	212.3	544.5
Run-off Lines	0.9	2.3	2.9	—	1.6	0.8
Corporate and Other	—	—	—	—	31.0	—
Total	$ 1,740.4	$ 129.8	$ 1,166.9	$ (10.5)	$ 681.2	$ 1,741.5
Year Ended December 31, 2021						
U.S. Operations	1,283.7	119.4	908.2	(5.8)	425.1	1,304.8
International Operations	625.8	50.6	362.1	(10.0)	256.3	671.7
Run-off Lines	0.6	3.6	44.3	—	1.0	0.8
Corporate and Other	—	14.0	—	—	35.7	—
Total	$ 1,910.1	$ 187.6	$ 1,314.6	$ (15.8)	$ 718.1	$ 1,977.3

(1) Premium revenue, net (premiums earned).

(2) Net investment income allocated based upon each segment's share of investable funds.

(3) Benefits, claims, losses and settlement expenses.

(4) Amortization (deferral) of deferred policy acquisition costs.

(5) The amortization (deferral) of DAC will not equal the change in the balance sheet. See Note 1, "Business and Significant Accounting Policies" for further discussion.

(6) Other insurance expenses allocated based on specific identification, where possible, and related activities.

(7) Premiums written, net.

See the Report of the Independent Registered Public Accounting Firm.

ARGO GROUP INTERNATIONAL HOLDINGS, INC.
SCHEDULE V
VALUATION AND QUALIFYING ACCOUNTS
(in millions)

	Balance at Beginning of Year	Charged to Cost and Expense	Capital Loss Carryforward	Net Operating Loss Carryforward	Charged to Other Accounts	Deductions	Balance at End of Year
Year Ended December 31, 2023							
Deducted from assets:							
Valuation allowance for deferred tax asset	$ 20.3	$ —	$ —	$ 0.4	$ —	$ —	$ 20.7
Year Ended December 31, 2022							
Deducted from assets:							
Valuation allowance for deferred tax asset	$ 27.9	$ —	$ 3.3	$ (10.9)	$ —	$ —	$ 20.3
Year Ended December 31, 2021							
Deducted from assets:							
Valuation allowance for deferred tax asset	$ 28.6	$ (0.7)	$ —	$ —	$ —	$ —	$ 27.9

See the Report of the Independent Registered Public Accounting Firm.

ARGO GROUP INTERNATIONAL HOLDINGS, INC.
SCHEDULE VI
SUPPLEMENTAL INFORMATION FOR PROPERTY-CASUALTY INSURANCE COMPANIES
(in millions)

	Successor	Predecessor		
	Period from November 16, 2023 through December 31, 2023	Period from January 1, 2023 through November 15, 2023	For the Years Ended December 31, 2022	2021
Deferred acquisition costs [1]	$ 7.2	$ 88.7	$ 107.0	$ 168.0
Reserves for losses and loss adjustment expenses [1]	$ 5,544.5	$ 5,526.4	$ 5,051.6	$ 5,595.0
Unamortized discount in reserves for losses [1]	$ 20.8	$ 20.4	$ 19.3	$ 18.8
Unearned premiums [1]	$ 916.6	$ 986.2	$ 1,039.9	$ 1,466.8
Premiums earned	$ 162.3	$ 1,225.9	$ 1,740.4	$ 1,910.1
Net investment income	$ 28.6	$ 121.3	$ 129.8	$ 187.6
Losses and loss adjustment expenses incurred:				
Current year	$ 94.2	$ 775.3	$ 1,102.2	$ 1,176.3
Prior years	—	267.9	64.7	138.3
Losses and loss adjustment expenses incurred	$ 94.2	$ 1,043.2	$ 1,166.9	$ 1,314.6
(Deferral) amortization of policy acquisition costs [2]	$ (7.2)	$ 9.0	$ (10.5)	$ (15.8)
Paid losses and loss adjustment expenses, net of reinsurance	$ 85.3	$ 527.9	$ 999.5	$ 869.2
Gross premiums written	$ 191.2	$ 1,948.4	$ 2,848.1	$ 3,181.2

[1] As of December 31, 2022, balances related to AUA were reclassified held-for-sale. See Note 2, "Recent Acquisitions, Disposals & Other Transactions."

[2] The amortization (deferral) of policy acquisition costs will not equal the change in the balance sheet. For further discussion, see Note 1, "Business and Significant Accounting Policies."

See the Report of the Independent Registered Public Accounting Firm.

Exhibit 4.4

Form of 6.500% Senior Note due 2042

THIS NOTE IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("DTC"), A NEW YORK CORPORATION, TO ARGO GROUP US, INC. OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN DEFINITIVE FORM, THIS SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO THE NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.

No. R-[ ]

CUSIP No. 040130 106
ISIN No. US0401301066

ARGO GROUP US, INC.

6.500% Senior Notes

Due September 15, 2042

Fully and unconditionally
guaranteed by

ARGO GROUP INTERNATIONAL HOLDINGS, INC.

Principal Amount: $143,750,000

Regular Record Date:	With respect to each Interest Payment Date, the close of business on the preceding 1st day of March, June, September and December, as the case may be
Original Issue Date:	September 25, 2012
Stated Maturity:	September 15, 2042
Interest Payment Dates:	The 15th day of March, June, September and December of each year, commencing on December 15, 2012 (or the most recent Interest Payment Date to which interest on the Notes has been paid or made available for payment)
Interest Rate:	6.500% per year
Authorized Denomination:	$25 or any integral multiples of $25 in addition thereto

ARGO GROUP US, INC., a Delaware corporation (the "Issuer," which term includes any successor corporation under the Indenture referred to on the reverse hereof), for value received, hereby promises to pay to Cede & Co., or registered assigns, the principal sum of ONE HUNDRED FORTY-THREE MILLION, SEVEN HUNDRED FIFTY THOUSAND DOLLARS ($143,750,000) on the Stated Maturity shown above, and to pay interest thereon from the Original Issue Date shown above, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, on each Interest Payment Date as specified above, commencing on December 15, 2012 (or the most recent Interest Payment Date to which interest on the Notes has been paid or made available for payment), and on the Stated Maturity at the rate per year shown above until the principal hereof is paid or made available for payment and on any overdue principal and on any overdue installment of interest to the extent permitted by law. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date (other than an Interest Payment Date that is the Stated Maturity or a redemption date) will, as provided in the Indenture, be paid to the Person in whose name this Note is registered at the close of business on the Regular Record Date as specified above next preceding such Interest Payment Date, provided that any interest payable at Stated Maturity or on a redemption date will be paid to the Person to whom principal is payable. Except as otherwise provided in the Indenture, any such interest that is not so punctually paid or duly provided for will forthwith cease to be payable to the Holders on such Regular Record Date and may be paid as provided in Section 2.2(d) of the Supplemental Indenture.

Payments of interest on this Note will include interest accrued to but excluding the respective Interest Payment Dates. Interest payments for this Note shall be computed and paid on the basis of a 360-day year comprised of twelve 30-day months.

In any case where any Interest Payment Date, the Stated Maturity or any date fixed for redemption of the Notes shall not be a Business Day, then (notwithstanding any other provision of the Indenture or this Note), payment of principal, premium, if any, or interest, if any, need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on such Interest Payment Date, the Stated Maturity or the date so fixed for redemption or repayment, as the case may be, and no interest shall accrue in respect of the delay.

Payment of principal, premium, if any, and interest on, and any Additional Amounts with respect to, this Note will be made at the Corporate Trust Office of the Trustee or such other office or agency of the Company as may be designated for such purpose, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that each installment of interest, premium, if any, and principal on, and any Additional Amounts with respect to, this Note may at the Company's option be paid in immediately available funds by wire transfer to an account maintained by the payee located in the United States.

The Notes will be unsecured obligations of the Issuer and will rank equally in right of payment with all other unsecured, senior indebtedness of the Issuer from time to time outstanding. The Notes will rank senior to any subordinated indebtedness of the Issuer.

ARGO GROUP INTERNATIONAL HOLDINGS, INC. (formerly known as Argo Group International Holdings, Ltd.) (the "Guarantor") has fully and unconditionally guaranteed (the "Guarantee") to the Holders and to the Trustee all payment obligations of the Issuer on this Note when due, in accordance with the provisions of the Indenture, as provided below. The Guarantee shall rank equally in right of payment with other unsecured, senior indebtedness of the Guarantor. The Guarantee will rank senior to any subordinated indebtedness of the Guarantor.

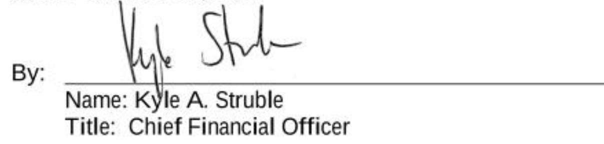
REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS NOTE SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

Unless the certificate of authentication hereon has been executed by the Trustee by manual signature, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this instrument to be duly executed.

Dated: December 11, 2023

ARGO GROUP US, INC.



By: ______________________________

Name: Kyle A. Struble
Title: Chief Financial Officer

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities referred to in the within-mentioned Indenture.

COMPUTERSHARE TRUST COMPANY, N.A. (as successor to Wells Fargo Bank, National Association) *as Trustee*

By: Corey J. Dahlstrand
Name: COREY J. DAHLSTRAND
Title: Authorized Signatory

Dated: DEC 11 2023

(Reverse Side of Note)

This Note is one of a duly authorized issue of Securities of the Issuer issued and issuable in one or more series under a Senior Indenture (the "Base Indenture"), dated as of September 25, 2012, among Argo Group US, Inc. (the "Issuer"), Argo Group International Holdings, Inc. (formerly known as Argo Group International Holdings, Ltd.), as guarantor (the "Guarantor"), and Computershare Trust Company, N.A. (as successor to Wells Fargo Bank, National Association), as trustee (herein called the "Trustee," which term includes any successor trustee under the Indenture with respect to the series of which this Note is a part), as supplemented by a First Supplemental Indenture thereto, dated as of September 25, 2012 (the "Supplemental Indenture" and, together with the Base Indenture, the "Indenture"), among the Issuer, the Guarantor and the Trustee, to which Indenture and all indentures incidental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Issuer, the Guarantor, the Trustee and the Holders of the Securities issued thereunder and of the terms upon which this Note is, and is to be, authenticated and delivered. This Note is one of the series designated on the face hereof as 6.500% Senior Notes due 2042 (the "Notes"), initially limited in aggregate principal amount to ONE HUNDRED FORTY-THREE MILLION, SEVEN HUNDRED FIFTY THOUSAND DOLLARS ($143,750,000). The Issuer may, from time to time, without notice to, or the consent of, the Holders of the Notes, issue and sell additional Securities of this series ("Additional Notes") ranking equally and ratably with the Notes in all respects (other than the issue date, and to the extent applicable, issue price, initial date of interest accrual and initial Interest Payment Date of such Additional Notes), provided that such Additional Notes are fungible with the previously issued Notes for U.S. federal income tax purposes. Any such Additional Notes shall be consolidated and form a single series with the Notes for all purposes under the Indenture, including voting. Capitalized terms used herein for which no definition is provided herein shall have the meanings set forth in the Indenture. To the extent the terms of this Note conflict with the terms of the Indenture, the terms of the Indenture shall govern.

This Note is exchangeable in whole or from time to time in part for Notes of this series in definitive registered form only as provided herein and in the Indenture. If (i) at any time the Depositary notifies the Issuer that it is unwilling or unable to continue as Depositary for this Note, and the Issuer does not appoint a successor Depositary within 90 days after the Issuer receives such notice or becomes aware of such condition, as the case may be, (ii) at any time, the Depositary ceases to be a clearing agency registered under the Securities Exchange Act of 1934 and any other applicable statute or regulation and the Issuer has not appointed a successor depositary within 90 days after the Issuer learns that the Depositary has ceased to be so registered or (iii) the Issuer in its sole discretion determines that this Note shall be exchangeable for Securities of this series in definitive registered form and executes and delivers to the Security Registrar a written order of the Issuer providing that this Note shall be so exchangeable, this Note shall be exchangeable for Notes of this series in definitive registered form, provided that the definitive Notes so issued in exchange for this Note shall be in denominations of $25 or any integral multiples of $25 in addition thereto, without coupons, and be of like aggregate principal amount and tenor as the portion of this Note to be exchanged. Except as provided above, owners of beneficial interests in this Note will not be entitled to have Notes registered in their names, will not receive or be entitled to physical delivery of Notes in definitive registered form and will not be considered the holders thereof for any purpose under the Indenture. Neither the Issuer, the Guarantor, the Trustee, any Paying Agent nor the Security Registrar shall have any responsibility or liability for any aspect of records relating to or payments made on account of beneficial ownership interests in this Note, or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

If an Event of Default with respect to the Notes shall occur and be continuing, the principal of the Notes may become or may be declared due and payable in the manner, with the effect and subject to the conditions provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Holders of the Notes under the Indenture at any time by the Issuer and the Trustee with the consent of the Holders of not less than a majority in aggregate principal amount of the Senior Notes at the time Outstanding. The Indenture also contains provisions permitting the holders of specified percentages in principal amount of the Notes at the time Outstanding, on behalf of the holders of all Notes, to waive compliance by the Issuer with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the registration of

transfer hereof or in exchange hereof or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

The Indenture contains provisions for defeasance at any time of (a) the entire indebtedness of the Issuer pursuant to this Note and (b) restrictive covenants and the related Events of Default, upon compliance by the Issuer with certain conditions set forth therein, which provisions apply to this Note.

The Notes shall not be redeemable prior to September 15, 2017. The Notes shall be redeemable, for cash, in whole or in part, on or after September 15, 2017, at the option of the Issuer, at any time and from time to time, until the Stated Maturity at a redemption price equal to 100% of the principal amount of the Notes to be redeemed, plus (i) accrued but unpaid interest on the principal amount of Notes being redeemed to, but not including, the redemption date and (ii) Additional Amounts, if any, (subject to the right of Holders on the applicable Regular Record Date to receive interest due on the applicable Interest Payment Date). In the case of any partial redemption, selection of the Notes for redemption will be made by the Trustee by such methods as the Trustee shall deem fair and appropriate. If any Note is to be redeemed in part only, the notice of redemption relating to such Note shall state the portion of the principal amount thereof to be redeemed. A new Note in principal amount equal to the unredeemed portion thereof will be issued in the name of the Holder thereof upon cancellation of this Note.

The Issuer may redeem the Notes, at its option, at any time, in whole but not in part, at a Redemption Price equal to 100% of the principal amount thereof, together with any accrued and unpaid interest and Additional Amounts, if any, to, but not including, the date fixed for redemption, at any time the Payor receives an Opinion of Counsel that there is a substantial probability that the Payor is or will be required as of the next Interest Payment Date to pay Additional Amounts as a result of, among other items set forth in the Supplemental Indenture, certain changes in the laws or interpretations of a Relevant Tax Jurisdiction, and such requirements cannot be avoided by the use of reasonable measures (consistent with practices and interpretations generally followed or in effect at the time such measures could be taken) then available.

The Notes are not entitled to the benefit of any mandatory redemption or sinking fund or to redemption or repurchase at the option of the Holders upon a change of control, a change in management, an asset sale or any other specified event.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Note at the time, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Note is registrable in the Security Register, upon surrender of this Note for registration of transfer at the office or agency of the Issuer for such purpose, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Issuer or the Security Registrar and duly executed by, the Holder hereof or his/her attorney duly authorized in writing, and thereupon one or more new Notes, of authorized denominations and of like tenor and for the same aggregate principal amount, will be issued to the designated transferee or transferees. No service charge shall be made for any such exchange or registration of transfer, but the Issuer will require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Note for registration of transfer, the Issuer, the Trustee, any Person authorized by the Issuer to pay the principal of or any premium or interest or Additional Amounts on, any Securities on behalf of the Issuer ("Paying Agent") and the Security Registrar of the Issuer or the Trustee may deem and treat the Person in whose name this Note is registered as the absolute owner hereof for all purposes, whether or not this Note be overdue and notwithstanding any notice of ownership or writing thereon made by anyone other than the Security Registrar, and neither the Issuer nor the Trustee nor any Paying Agent nor the Security Registrar shall be affected by notice to the contrary.

The Notes are issuable only in registered form without coupons in denominations of $25 or any integral multiples of $25 in addition thereto. As provided in the Indenture and subject to certain limitations therein set forth, Notes are exchangeable for a like aggregate principal amount of Notes of a different authorized denomination, as

requested by the Holder surrendering the same upon surrender of the Note or Notes to be exchanged at the office or agency of the Issuer.

No recourse shall be had for payment of the principal of or interest on this Note, or for any claim based hereon, or otherwise in respect hereof, or based on or in respect of the Indenture, against any incorporator, as such or against any past, present or future shareholder, officer or director, as such, of the Issuer or of any successor, either directly or through the Issuer or any successor, under any rule, law, statute or constitutional provision, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such liability being expressly waived and released, by the acceptance hereof and as part of the consideration for the issuance hereof.

Unless the certificate of authentication hereon has been executed by the Trustee by manual signature, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

This Note shall be deemed to be a contract under the laws of the State of New York, and for all purposes shall be construed in accordance with the laws of such state, except as may be required by mandatory provisions of law.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY NUMBER OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

(Please print or typewrite name and address,
including postal zip code, of assignee)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints

To transfer said Note on the books of the Trustee, with full power of substitution in the premises.

Dated: ______________________

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within Note in every particular, without alteration or enlargement or any change whatsoever.

____
Signature Guarantee

Exhibit 4.5

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

Argo Group International Holdings, Inc. ("Argo Group," "Company," "we," "us," and "our") has two classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"):

(a) the 6.500% Senior Notes due 2042 (the "Notes") issued by Argo Group US, Inc. ("Argo US"), a wholly owned subsidiary of the Company, and our guarantee of such Notes; and

(b) the depositary shares, each representing a 1/1,000th interest in a share of 7.00% Resettable Fixed Rate Preferred Stock, Series A, par value $1.00 per share (the "Series A Preferred Stock").

The following is a summary description of the material terms of such securities. It may not contain all the information that is important to you. For additional information, you should refer to the provisions of our Certificate of Incorporation (the "Certificate of Incorporation"), our Bylaws (the "Bylaws"), the Argo US Notes, Senior Indenture and First Supplemental Indenture applicable to the Notes, Certificate of Designations and Deposit Agreement applicable to the Series A Preferred Stock and depositary shares, each of which is an exhibit to the Annual Report on Form 10-K to which this description is an exhibit and are incorporated herein by reference.

We are incorporated as a Delaware corporation under the Delaware General Corporation Law, as amended (the "DGCL"). Please also refer to the applicable provisions of the DGCL for additional information.

The rights of our stockholders are governed by Delaware law, our Certificate of Incorporation and our Bylaws. Our authorized share capital stock is 2,000,000,000 shares of common stock, par value $1.00 per share, (which are not registered under Section 12 of the Exchange Act), and 30,000,000 shares of preferred stock, par value $1.00 per share. 6,000,000 shares of preferred stock are designated as Series A Preferred Stock.

DESCRIPTION OF THE SERIES A PREFERRED STOCK

Dividend Rights

Dividends on the sharers of Series A Preferred Stock are payable on a non-cumulative basis only when, as and if declared by our board of directors or a duly authorized committee thereof, quarterly in arrears on the 15th day of March, June, September, and December of each year, commencing on September 15, 2020, at a rate equal to 7.00% of the liquidation preference per annum (equivalent to $1,750 per share of Series A Preferred Stock and $1.75 per depositary share per annum) up to but excluding September 15, 2025. Beginning on September 15, 2025, any such dividends will be payable on a non-cumulative basis, only when, as and if declared by our board of directors or a duly authorized committee thereof, during each reset period, at a rate per annum equal to the Five-Year U.S. Treasury Rate (as defined in the Certificate of Designations) as of the

most recent reset dividend determination date plus 6.712% of the liquidation preference per annum.

Voting Rights

Holders of the Series A Preferred Stock are not entitled to any voting rights, except if and whenever dividends in respect of any Series A Preferred Stock have not been declared and paid for the equivalent of six or more Dividend Periods, whether or not consecutive (a "Nonpayment Event"), the holders of shares of Series A Preferred Stock, voting together as a single class with the holders of any and all voting preference shares then outstanding, shall be entitled to vote for the election of a total of two additional members of the board of directors.

Liquidation Rights

Upon any voluntary or involuntary liquidation, dissolution or winding-up of the Company, holders of the shares of Series A Preferred Stock are entitled to receive out of our assets available for distribution to stockholders, after satisfaction of liabilities to creditors and senior securities (including policyholder obligations of our subsidiaries), if any, but before any distribution of assets is made to holders of our common stock or any other junior shares, a liquidating distribution in the amount of $25,000 per share of Series A Preferred Stock (equivalent to $25 per depositary share) plus declared and unpaid dividends, if any, to the date fixed for distribution.

Other Rights

The shares of Series A Preferred Stock are not subject to any mandatory redemption, sinking fund, retirement fund or purchase fund or other similar provisions. Holders of shares of Series A Preferred Stock are not entitled to require redemption, repurchase or retirement of any shares of Series A Preferred Stock. No shares of Series A Preferred Stock shall have any conversion rights or preemption rights.

Redemption

The shares of Series A Preferred Stock are redeemable for cash at our option in whole or in part, from time to time, on or after the First Reset Date at a redemption price equal to $25,000 per share (equivalent to $25 per depositary share), and provide for dividends in an amount equal to any declared but unpaid dividends and the portion of the quarterly dividend per share attributable to the then-current dividend period that has not been declared and paid to. but excluding, the redemption date.

In addition:

- we will have the option to redeem all (but not less than all) of the shares of Series A Preferred Stock, at any time outside of a par call period, upon the sending of notice to the holders of common stock of a proposal for a merger or any proposal for any other matter that requires, as a result of any changes in applicable law after the date of the prospectus supplement, an affirmative vote for its validation or effectuation of the holders of the shares of Series A Preferred Stock at the time outstanding, whether voting as a separate series or together with any other series of Series A Preferred Stock

as a single class, at a redemption price of $26,000 per share of Series A Preferred Stock (equivalent to $26 per depositary share); provided that no such redemption may occur prior to the First Reset Date unless one of the redemption requirements is satisfied;

- we will have the option to redeem all (but not less than all) of the shares of Series A Preferred Stock, at a redemption price of $25,000 per share (equivalent to $25 per depositary share), if as a result of a change in tax law there is, in our reasonable determination, a substantial probability that we or any successor company would become obligated to pay any additional amounts on the next succeeding dividend payment date with respect to the shares of Series A Preferred Stock and the payment of those additional amounts cannot be avoided by the use of any reasonable measures available to us or any successor company; provided that no such redemption may occur prior to the First Reset Date unless one of the redemption requirements is satisfied;

- we will have the option to redeem all (but not less than all) of the shares of Series A Preferred Stock, at a redemption price of $25,000 per share (equivalent to $25 per depositary share), at any time within 90 days following the occurrence of the date on which we have reasonably determined that a "capital disqualification event" has occurred as a result of any amendment or proposed amendment to, or change or proposed change in, the laws or regulations of the jurisdiction of our "Applicable Supervisor" (as described in the preliminary prospectus supplement) that is enacted or becomes effective after the initial issuance of the shares of Series A Preferred Stock or any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws or regulations that is announced after the initial issuance of the shares of Series A Preferred Stock; provided that no such redemption may occur prior to the First Reset Date unless one of the redemption requirements is satisfied; and

- we will have the option to redeem all (but not less than all) of the shares of Series A Preferred Stock, at a redemption price of $25,500 per share (equivalent to $25.50 per depositary share) within 90 days of the occurrence of a "rating agency event"; provided that no such redemption may occur prior to the First Reset Date unless one of the redemption requirements is satisfied.

Any such redemption will require us to provide not less than 30 days' nor more than 60 days' prior written notice. Upon any such redemption, the redemption price will also include dividends in an amount equal to any declared but unpaid dividends and the portion of the quarterly dividend per share attributable to the then-current dividend period that has not been declared and paid to, but excluding, the redemption date.

If the shares of Series A Preferred Stock are redeemed, in whole or in part, a corresponding number of depositary shares will be redeemed with the proceeds received by the depositary from the redemption of the shares of Series A Preferred Stock held by the depositary. The redemption price per depositary share will be equal to 1/1000th of the redemption price per share of Series A Preferred Stock.

Ranking

The Series A Preferred Stock:

- will rank senior to our common shares;
- will rank junior to any senior shares and any existing and future indebtedness of the Company and any of its subsidiaries;
- will rank equally with any parity shares;
- will not represent any interest in any subsidiary of the Company; and
- will be contractually subordinated in right of payment to all obligations of our subsidiaries, including all existing and future policyholders' obligations of such subsidiaries.

DESCRIPTION OF THE DEPOSITARY SHARES

Listing

The depositary shares are listed on the NYSE under the symbol "ARGOPrA."

Dividends and Other Distributions

Any dividend or other distribution (including upon our voluntary or involuntary liquidation, dissolution or winding-up) paid in respect of a depositary share will be in an amount equal to 1/1,000th of the dividend declared or distribution payable, as the case may be, on the underlying share of Series A Preferred Stock. The depositary will distribute any cash dividends or other cash distributions received on the shares of Series A Preferred Stock to the record holders of depositary shares in proportion to the number of depositary shares held by each holder on the relevant record date. If we make a distribution on the shares of Series A Preferred Stock other than in cash, the depositary will distribute any property received by it to the record holders of depositary shares in proportion to the number of depositary shares held by each holder, unless it determines that the distribution cannot be made proportionally among those holders or that it is not feasible to make a distribution. In that event, the depositary may, with our approval, adopt a method of distribution that it deems practicable, including the sale of the property and distribution of the net proceeds from the sale to the holders of the depositary shares.

Record dates for the payment of dividends and other matters relating to the depositary shares will be the same as the corresponding record dates for the shares of Series A Preferred Stock.

Withdrawal of Series A Preferred Stock

Unless the related depositary shares have been previously called for redemption, a holder of depositary shares may surrender his or her depositary receipts at the corporate trust office of the depositary, pay any taxes, charges and fees provided for in the Deposit Agreement and comply

with any other requirements of the Deposit Agreement for the number of whole shares of Series A Preferred Stock and any money or other property represented by such holder's depositary receipts. A holder of depositary shares who exchanges such depositary receipts for shares of Series A Preferred Stock will be entitled to receive whole shares of Series A Preferred Stock on the basis set forth herein; partial shares of Series A Preferred Stock will not be issued.

However, holders of whole shares of Series A Preferred Stock will not be entitled to deposit those shares under the Deposit Agreement or to receive depositary shares for those shares after the withdrawal. If the depositary shares surrendered by the holder in connection with the withdrawal exceed the number of depositary shares that represent the number of whole shares of Series A Preferred Stock to be withdrawn, the depositary will deliver to the holder at the same time new depositary shares evidencing the excess number of depositary shares.

Redemption of Depositary Shares

If the shares of Series A Preferred Stock underlying the depositary shares are redeemed, in whole or in part, a corresponding number of depositary shares will be redeemed with the proceeds received by the depositary from the redemption of depositary shares representing an interest in our shares of Series A Preferred Stock held by the depositary. The redemption price per depositary share will be equal to 1/1000th of the applicable per share redemption price payable in respect of such share of Series A Preferred Stock.

Whenever we redeem shares of Series A Preferred Stock held by the depositary, the depositary will redeem, as of the same redemption date, the number of depositary shares representing an interest in the shares of Series A Preferred Stock so redeemed. If less than all of the outstanding depositary shares are to be redeemed, the depositary will select the depositary shares to be redeemed by lot or pro rata or in such other manner as may be determined by the depositary to be fair and equitable and provided that such methodology is consistent with any applicable stock exchange rules. The depositary will mail (or otherwise transmit by an authorized method) notice of redemption to holders of the depositary receipts not less than 30 days and not more than 60 days prior to the date fixed for redemption of the depositary shares representing an interest in our Series A Preferred Stock and the related depositary shares.

Voting Rights

Holders of the depositary shares representing an interest in the shares of Series A Preferred Stock will not have any voting rights, except for the limited voting rights described above.

Because each depositary share represents a 1/1000th interest in a share of Series A Preferred Stock, holders of depositary receipts will be entitled to 1/1000th of a vote per share of Series A Preferred Stock under those limited circumstances in which holders of the shares of Series A Preferred Stock are entitled to vote. Holders of the depositary shares must act through the depositary to exercise any voting rights in respect of the shares of Series A Preferred Stock. Although each depositary share is entitled to 1/1000th of a vote, the depositary can vote only whole Series A Preferred Stock. While the depositary will aggregate the fractional voting interests of individual holders of depository receipts to vote the maximum number of whole shares of Series

A Preferred Stock in accordance with the instructions it receives, any remaining votes of holders of depositary shares not representing a whole share of Series A Preference Share will not be voted.

When the depositary receives notice of any meeting at which the holders of the shares of Series A Preferred Stock are entitled to vote, the depositary will mail (or otherwise transmit by an authorized method) the information contained in the notice of meeting to the record holders of the depositary shares relating to the shares of Series A Preferred Stock. Each record holder of the depositary shares on the record date, which will be the same date as the record date for the shares of Series A Preferred Stock, may instruct the depositary to vote the number of the shares of Series A Preferred Stock votes represented by the holder's depositary shares. To the extent practicable, the depositary will vote the number of the shares of Series A Preferred Stock votes represented by depositary shares in accordance with the instructions it receives (which can be mailed to transmitted by an authorized (including electronic) method).

Preemptive and Conversion Rights

The holders of the depositary shares will not have any preemptive right to subscribe to any additional issue of shares of any class or series of the Company or to any securities of the Company convertible into such shares and will not have the right to convert depositary shares representing an interest in the shares of Series A Preferred Stock into, or exchange depositary shares representing an interest in the shares of Series A Preferred Stock for, any other securities or property of the Company.

DESCRIPTION OF THE NOTES AND THE GUARANTEE

In September 2012, the Company's subsidiary, Argo US, issued $143,750,000 aggregate principal amount of Argo US' 6.5% senior notes due 2042. The Company fully and unconditionally guaranteed all payments on the Notes (the "Guarantee").

Listing

The Notes (and the Guarantee with respect thereto) are listed on the NYSE under the symbol "ARGD."

General

The Notes are unsecured and unsubordinated obligations of Argo US and rank equally in right of payment with all of its other unsecured and unsubordinated indebtedness from time to time outstanding. The Notes will mature on September 15, 2042, unless previously redeemed in full by Argo US as provided below.

The Notes bear interest at the rate of 6.500% per annum from and including September 25, 2012 to maturity or early redemption. Interest on the Notes are be payable on the 15th day of March, June, September and December of each year, commencing on December 15, 2012, to the persons in whose names such Notes were registered at the close of business on the immediately preceding 1st day of March, June, September and December (whether or not a business day), respectively.

Interest payments in the respect of the Notes equal the amount of interest accrued from and including the immediately preceding interest payment date in respect of which interest has been paid or duly provided for (or from and including the date of issue, if no interest has been paid or duly provided for with respect to the Notes), to, but not including, the applicable interest payment date or stated maturity date or date of earlier redemption, as the case may be. Interest on the Notes is computed on the basis of a 360-day year comprised of twelve 30-day months.

If any interest payment date falls on a day that is not a business day, the interest payment will be postponed until the next succeeding business day, and no interest on such payment will accrue for the period from and after such interest payment date. Similarly, if the maturity date of the Notes falls on a day that is not a business day, the payment of interest and principal may be made on the next succeeding business day, and no interest on such payment will accrue for the period from and after the maturity date. As used in this prospectus supplement, "business day" means any day other than a day on which banking institutions in The City of New York or any place of payment are authorized or required by law, executive order or regulation to close.

The indenture governing the Notes (the "Indenture") does not limit the aggregate principal amount of the debt securities which Argo US may issue thereunder and will provide that Argo US may issue debt securities thereunder from time to time in one or more series. Argo US may, from time to time, without the consent of or notice to holders of the Notes, issue and sell additional debt securities ranking equally and ratably with the Notes in all respects and having the same terms as the Notes (other than the issue date, and to the extent applicable, issue price, initial date of interest accrual and initial interest payment date of such additional debt securities), so that such additional debt securities shall be consolidated and form a single series with the Notes for all purposes, including voting; provided, that such additional debt securities are fungible with the previously issued Notes for U.S. federal income tax purposes.

The Notes are not entitled to the benefit of any mandatory redemption or sinking fund or to redemption or repurchase at the option of the holders upon a change of control, a change in management, an asset sale or any other specified event.

The Notes are issued only in fully registered form without coupons in minimum denominations of $25 and integral multiples of $25 in excess thereof. The Notes may be presented for transfer (duly endorsed or accompanied by a written instrument of transfer, if so required by Argo US or the security registrar) or exchanged for other Notes (containing identical terms and provisions, in any authorized denominations, and of a like aggregate principal amount) at the office or agency maintained by Argo US for such purposes (initially the corporate trust office of the trustee). Such transfer or exchange will be made without service charge, but Argo US may require payment of a sum sufficient to cover any tax or other governmental charge and any other expenses then payable.

The Indenture does not contain any provisions that would limit Argo Groups', or any of its subsidiaries' ability to incur indebtedness or that would afford holders of the Notes protection in the event of a sudden and significant decline in Argo Groups', or any of its subsidiaries, credit quality or a takeover, recapitalization or highly leveraged or similar transaction involving Argo Group or any of its subsidiaries. Accordingly, Argo Group and/or Argo US could in the future

enter into transactions that could increase the amount of indebtedness outstanding at that time or otherwise affect their respective capital structure or credit rating.

Guarantee

Argo Group has fully and unconditionally guaranteed all payments on the Notes. The guarantee is the senior unsecured obligation of Argo Group and will rank equally in right of payment with all other existing and future unsecured and unsubordinated indebtedness of Argo Group from time to time outstanding. The guarantee is effectively subordinated to all existing and future secured obligations of Argo Group to the extent of the security thereof and structurally subordinated to all existing and future obligations of Argo Group's subsidiaries, including claims with respect to trade payables.

Optional Redemption

The Notes may be redeemed, for cash, in whole or in part, on or after September 15, 2017, at Argo US' option, at any time and from time to time, until maturity at a redemption price equal to 100% of the principal amount of the Notes to be redeemed, plus accrued but unpaid interest on the principal amount being redeemed to, but not including, the redemption date.

Notice of any redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each holder of Notes to be redeemed at such holder's registered address. If less than all the Notes are to be redeemed at our option, the trustee shall determine, in such manner as it deems appropriate and fair, the principal amount of such Notes held by each beneficial owner of such Notes to be redeemed. The trustee may select Notes and portions of Notes in amounts of $25 and integral multiples of $25 in excess thereof. Unless we default in payment of the redemption price, on and after the redemption date interest will cease to accrue on the Notes or portions thereof called for redemption on such redemption date.

Nothing in the Indenture prohibits Argo US from acquiring the Notes by means other than a redemption, whether pursuant to an issuer tender offer or otherwise, assuming such acquisition does not otherwise violate the terms of the Indenture.

Payment of Additional Amounts

If any taxes, assessments or other governmental charges are imposed by the jurisdiction, other than the United States, where Argo Group or Argo US, or any of their respective successors (a "Payor"), is organized or otherwise considered to be a resident for tax purposes, any jurisdiction, other than the United States, from or through which the Payor makes a payment on the Notes, or, in each case, any political organization or governmental authority thereof or therein having the power to tax (the "Relevant Tax Jurisdiction") in respect of any payments under the Notes, the Payor will pay to each holder of the Notes, to the extent it may lawfully do so, such additional amounts as may be necessary in order that the net amounts paid to such holder will be not less than the amount specified in such Notes to which such holder is entitled; provided, however, the Payor will not be required to make any payment of additional amounts for or on account of:

(A) any tax, assessment or other governmental charge which would not have been imposed but for (1) the existence of any present or former connection between a

noteholder (or between a fiduciary, settlor, beneficiary, member or stockholder of, or possessor of a power over, such holder, if such holder is an estate, trust, partnership, limited liability company or corporation) and the Relevant Tax Jurisdiction (other than by reason of the mere ownership of, or receipt of payment under, the Notes) including, without limitation, such holder (or such fiduciary, settlor, beneficiary, member, stockholder or possessor) being or having been a citizen or resident thereof or being or having been present or engaged in trade or business therein or having or having had a permanent establishment therein or (2) the presentation of a note (where presentation is required) for payment on a date more than 30 days after (x) the date on which such payment became due and payable or (y) the date on which payment thereof is duly provided for, whichever occurs later;

(B) any estate, inheritance, gift, sales, transfer, personal property or similar tax, assessment or other governmental charge;

(C) any tax, assessment or other governmental charge which is payable otherwise than by withholding from payment of (or in respect of) principal of, premium, if any, or any interest on, the Notes;

(D) any tax, assessment or other governmental charge that is imposed or withheld by reason of the failure by the holder or the beneficial owner of the Notes to comply with a request of the Payor addressed to the holder within 90 days of such request (a) to provide information, documents or other evidence concerning the nationality, residence or identity of the holder or beneficial holder or (b) to make any declaration or other similar claim or satisfy any information or reporting requirement, which is required or imposed by statute, treaty, regulation or administrative practice of the Relevant Tax Jurisdiction or any political subdivision thereof as a precondition to exemption from all or part of such tax, assessment or other governmental charge; or

(E) any combination of the above.

Additional amounts also will not be paid with respect to any payment of the principal of, or any premium or interest on, any Notes to any holder who is a fiduciary or partnership or limited liability company or other than the sole beneficial owner of such payment to the extent such payment would be required by the laws of the Relevant Tax Jurisdiction to be included in the income for tax purposes of a beneficiary or settlor with respect to such fiduciary or a member of such partnership or limited liability company or beneficial owner who would not have been entitled to such additional amounts had it been the holder of such Notes.

Redemption for Tax Purposes

Argo US may redeem the Notes at its option, at any time, for cash, in whole but not in part, at a redemption price equal to 100% of the principal amount, together with accrued and unpaid interest and additional amounts, if any, to, but not including, the date fixed for redemption, at any time the Payor receives an opinion of counsel that as a result of (1) any change in or amendment

to the laws or treaties (or any regulations or rulings promulgated under these laws or treaties) of a Relevant Tax Jurisdiction or any change in the application or official interpretation of such laws, regulations or rulings, (2) any action taken by a taxing authority of a Relevant Tax Jurisdiction which action is generally applied or is taken with respect to it, or (3) a decision rendered by a court of competent jurisdiction in a Relevant Tax Jurisdiction whether or not such decision was rendered with respect to the Payor, there is a substantial probability that the Payor is or will be required as of the next interest payment date to pay additional amounts with respect to the Notes as provided in "Payment of Additional Amounts" above and such requirements cannot be avoided by the use of reasonable measures (consistent with practices and interpretations generally followed or in effect at the time such measures could be taken) then available. If Argo US elects to redeem the Notes under this provision, it will give written notice of such election to the trustee and the holders of the Notes. Interest on the Notes will cease to accrue unless we default in the payment of the redemption price.

Consolidation, Merger and Sale of Assets

Neither Argo US nor Argo Group may consolidate with or merge into or amalgamate with any other company or entity or sell, assign, transfer, lease or otherwise convey all or substantially all its assets to another company or entity, unless:

- in the case Argo US or Argo Group consolidates or amalgamates with or merges into another person or sells, assigns, transfers, leases or otherwise conveys all or substantially all of its assets, the person formed by that consolidation or into which Argo US or Argo Holdings is merged or the person which acquires all or substantially all its assets expressly assumes our obligations on the debt securities under a supplemental indenture, and, with respect to the senior indenture, is a corporation, partnership, trust or limited liability company organized under the laws of the United States of America, any State or territory thereof or the District of Columbia, Bermuda, Cayman Islands, Barbados or any other country or state (including under the law of any political subdivision thereof) which is on the date of the indenture a member of the Organization for Economic Cooperation and Development;

- immediately after giving effect to the transaction no event of default, and no event which, after notice or lapse of time or both, would become an event of default, has occurred and is continuing; and

- Argo US or Argo Group (as applicable) or the successor have delivered to the trustee an officer's certificate and an opinion of counsel stating compliance with these provisions.

Certain Covenants

Limitation on Liens. Argo Group shall not, and shall not permit its restricted subsidiaries to, issue, assume, incur or enter into a guarantee of, any indebtedness for borrowed money secured by a mortgage, pledge, lien, encumbrance or other security interest, directly or indirectly, upon any voting shares of a restricted subsidiary which are now owned or hereafter acquired by Argo Group or its subsidiaries without effectively providing concurrently that the senior debt securities

(and if Argo US or Argo Group so elects, any other indebtedness of Argo US or Argo Group ranking on a parity with the senior debt securities) shall be secured equally and ratably with, or prior to, any such secured indebtedness so long as such indebtedness remains outstanding. This restriction shall not apply to permitted liens.

Restrictions on Certain Dispositions. As long as any of the Notes remain outstanding, and except in a transaction otherwise expressly permitted by the Indenture, (1) issue, sell, assign, transfer or otherwise dispose of *any* capital stock of, or securities convertible into, or warrants, rights or options to subscribe for or purchase shares of capital stock of, any restricted subsidiary (other than to Argo US, Argo Group or another restricted subsidiary); or (2) permit any restricted subsidiary to issue (other than to Argo US, Argo Group or another restricted subsidiary) any capital stock (other than director's qualifying shares) of, or securities convertible into, or warrants, rights or options to subscribe for or purchase any capital stock of, any restricted subsidiary; if, after giving effect to any transaction described in clauses (1) or (2) above and the issuance of the maximum number of shares or other equity interests issuable upon the conversion or exercise of all such convertible securities, warrants, rights or options, Argo Group would own, directly or indirectly, less than 80% of the capital stock of such restricted subsidiary; provided, however, that this covenant shall not prohibit (i) any issuance, sale, assignment, transfer or other disposition made for at least a fair market value consideration as determined by the board of directors of Argo Group pursuant to a resolution adopted in good faith; and (ii) any such issuance or disposition of securities if required by any law or any regulation or order of any applicable governmental or insurance regulatory authority. Notwithstanding the foregoing, Argo Group shall be permitted (A) to merge or consolidate any restricted subsidiary into or with another direct or indirect subsidiary of Argo Group, the capital stock of which Argo Group owns, directly or indirectly, at least 70%; and (B) subject to the provisions of the Indenture relating to consolidation, merger, and/or sale of all or substantially all of the assets of Argo Group or Argo US and described above in "-Consolidation, Merger and Sale of Assets", sell, assign, transfer or otherwise dispose of all of the capital stock of any restricted subsidiary at one time for at least a fair market value consideration as determined by the board of directors of Argo Group pursuant to a resolution adopted in good faith.

Terms Used in Restrictive Covenants

The following are the meanings of terms that are important in understanding the restrictive covenants described above:

- "capital stock" of any person or entity means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such person or entity, including any preferred stock and limited liability or partnership interests (whether general or limited), but excluding any debt securities convertible or exchangeable into such equity.

- "subsidiary" means any corporation, partnership or other entity of which at the time of determination Argo Group owns or controls directly or indirectly more than 50% of the shares of voting shares.

- "restricted subsidiary" means any future or present subsidiary of Argo Group the consolidated total assets of which constitute 20 percent or more of the consolidated total assets of Argo Group.

- "consolidated total assets" means, in respect of Argo Group, as of any date of determination, the amount of total assets shown on the consolidated balance sheet of Argo Group and its consolidated subsidiaries delivered to the trustee under the terms of the Indenture, which shall be the balance sheet contained in the most recent annual or quarterly report filed with the Securities and Exchange Commission and, in respect of any subsidiary of Argo Group, the total assets of such subsidiary and its consolidated subsidiaries as shown on the consolidated balance sheet of Argo Group described above.

- "permitted liens" means (i) pledges, mortgages, liens, encumbrances or other security interests existing on the date the senior debt securities are issued; (ii) pledges, mortgages, liens, encumbrances or other security interests on any property or any indebtedness of a person existing at the time the person becomes a subsidiary (whether by acquisition, merger or consolidation) which were not incurred in anticipation thereof; (iii) pledges, mortgages, liens, encumbrances or other security interests in favor of us or our subsidiaries; (iv) pledges, mortgages, liens, encumbrances or other security interests existing at the time of acquisition of the assets encumbered thereby which were not incurred in anticipation of such acquisition; (v) purchase money pledges, mortgages, liens, encumbrances or other security interests which secure indebtedness that does not exceed the cost of the purchased property; and (vi) pledges, mortgages, liens, encumbrances or other security interests on real property acquired after the date on which the Notes are first issued which secure indebtedness incurred to acquire such real property or improve such real property so long as (A) such indebtedness is incurred on the date of acquisition of such real property or within 180 days of the acquisition of such real property; (B) such pledges, mortgages, liens, encumbrances or other security interests secure indebtedness in an amount no greater than the purchase price or improvement price, as the case may be, of such real property so acquired; and (C) such pledges, mortgages, liens, encumbrances or other security interests do not extend to or cover any property of ours or any restricted subsidiary other than the real property so acquired.

- *"voting shares"* means shares of any class or classes having general voting power under ordinary circumstances to elect a majority of the board of directors, managers or trustees of the corporation in question, provided that, for the purposes hereof, shares which carry only the right to vote conditionally on the happening of an event shall not be considered voting shares whether or not such event shall have happened.

Events of Default

Any one of the following events will constitute an event of default under the Indenture:

- failure to pay any interest on any debt security of that series when due, continued for 30 days;

- failure to pay principal of or any premium on any debt security of that series when due;

- failure to deposit any sinking fund payment, when due, in respect of any debt security of that series;

- failure to perform, or breach of, any other covenant or warranty in the Indenture, other than a covenant included in the Indenture solely for the benefit of a series of debt securities other than that series, continued for 90 days after written notice as provided in the Indenture;

- certain events involving our bankruptcy, insolvency or reorganization; or

- any other event of default provided with respect to debt securities of that series.

If any event of default occurs and continues, either the trustee or the holders of at least 25 percent in aggregate principal amount of the outstanding debt securities of that series may declare the principal amount of all the debt securities of that series or, if the debt securities of that series are original issue discount securities, the portion of the principal amount as may be specified in the terms of those debt securities, to be due and payable immediately by a notice in writing to us, and to the trustee if given by holders. The principal amount (or specified amount) will then be immediately due and payable. If an event of default occurs involving our bankruptcy, insolvency or reorganization, the principal amount of all outstanding securities under the Indenture will be due and payable immediately without any action on the part of the trustee or the holders. After acceleration, but before a judgment or decree based on acceleration has been obtained, the holders of a majority in aggregate principal amount of outstanding debt securities of that series may, under certain circumstances, rescind and annul the acceleration.

Subject to the duty of the trustee during default to act with the required standard of care, the trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any of the holders, unless the holders offer the trustee reasonable indemnity. Generally, the holders of a majority in aggregate principal amount of the debt securities of any series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred on the trustee.

A holder of the Notes will not have any right to institute any proceeding with respect to the Indenture, or for the appointment of a receiver or trustee, or for any other remedy, unless:

- the holder has previously given to the trustee written notice of a continuing event of default;

- the holders of at least 25 percent in principal amount of the Notes of each affected series then outstanding (treated as separate classes) have made written request, and offered reasonable indemnity, to the trustee to institute such proceeding as trustee;

- the trustee shall not have received from the holders of a majority in aggregate principal amount of the Notes of each series affected (with all such series voting as a single class) a direction inconsistent with such request; and

- the trustee has not instituted proceedings within 60 days.

However, these limitations do not apply to a suit instituted by a holder for enforcement of payment of the principal of and premium, if any, or interest on their debt security on or after the respective due dates.

We are required to furnish to the trustee annually a statement as to our performance of certain obligations under the applicable Indenture and as to any default.

Governing Law

The Indenture and the Notes are governed by, and construed in accordance with, the laws of the State of New York applicable to agreements made or instruments entered into and, in each case, performed in that state.

Exhibit 4.6

TERMS, RIGHTS, RESTRICTIONS AND QUALIFICATIONS
OF
7.00% RESETTABLE FIXED RATE PREFERRED STOCK, SERIES A
OF
ARGO GROUP INTERNATIONAL HOLDINGS, INC.

Section 1. Designation. The distinctive serial designation of the Series A Preferred Stock is "7.00% Resettable Fixed Rate Preferred Stock, Series A." Each share of Series A Preferred Stock shall be identical in all respects to every other share of Series A Preferred Stock, except as to issue price, the date of issuance and the respective dates from which dividends thereon shall accrue, to the extent such dates may differ as permitted pursuant to Section 4(a) herein.

Section 2. Number and Shares of Stock. The authorized number of shares of Series A Preferred Stock shall initially be 6,000. The Corporation may from time to time elect to issue additional Series A Preferred Stock, and all the additional shares so issued shall be a part of, and form a single series with, the Series A Preferred Stock initially authorized hereby. Shares of Series A Preferred Stock that are redeemed, purchased or otherwise acquired by the Corporation shall have the status of authorized but unissued shares of the Corporation, without designation as to class or series.

Section 3. Definitions.

As used herein with respect to the Series A Preferred Stock:

(a) "***additional amounts***" has the meaning specified in Section 5(a).

(b) "***Applicable Supervisor***" means the BMA, or, should the BMA no longer have jurisdiction or responsibility to regulate the Corporation or the Insurance Group, as the context requires, a regulator which is otherwise subject to Applicable Supervisory Regulations.

(c) "***Applicable Supervisory Regulations***" means such insurance supervisory laws, rules and regulations relating to group supervision or the supervision of single insurance entities, as applicable, which are applicable to the Corporation or the Insurance Group, and which shall initially mean the Group Rules until such time when the BMA no longer has jurisdiction or responsibility to regulate the Corporation or the Insurance Group.

(d) "***Argo Re***" means Argo Re Ltd., a Bermuda exempted company limited by shares and licensed as a Class 4 insurer pursuant to the Bermuda Insurance Act 1978 and its related regulations, as amended.

(e) "***Bermuda Business Day***" means any day other than a day on which commercial banks in Bermuda are authorized or obligated by law, executive order or regulation to close.

(f) "***BMA***" means the Bermuda Monetary Authority.

(g) "***Business Day***" means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is not a day on which banking institutions in New York City generally are authorized or obligated by law or executive order to close.

(h) "***Calculation Agent***" means the calculation agent appointed by the Corporation prior to the First Reset Date, which may be a person or entity affiliated with the Corporation.

(i) "***Capital Adequacy Regulations***" means the solvency margin, capital adequacy regulations or any other regulatory capital rules applicable to the Corporation from time to time on an individual or group basis pursuant to Bermuda law and/or the laws of any other relevant jurisdiction and which set out the requirements to be satisfied by financial instruments to qualify as solvency margin or additional solvency margin or regulatory capital (or any equivalent terminology employed by the then-applicable capital adequacy regulations).

(j) "***Capital Disqualification Event***" means that the Series A Preferred Stock does not qualify, in whole or in part (including as a result of any transitional or grandfathering provisions or otherwise), for purposes of determining the solvency margin, capital adequacy ratios or any other comparable ratios, regulatory capital resource or level, of the Corporation or any subsidiary thereof, where capital is subdivided into tiers, as at least Tier 2 capital securities, under then-applicable Capital Adequacy Regulations imposed upon the Corporation by the Applicable Supervisor, which would include, without limitation, the Corporation's Enhanced Capital Requirement, except as a result of any applicable limitation on the amount of such capital.

(k) "***Certificate of Designations***" means this Certificate of Designations relating to the Series A Preferred Stock, as may be amended from time to time.

(l) "***Certificate of Incorporation***" means the certificate of incorporation of the Corporation, as it may be amended from time to time.

(m) "***Change in Tax Law***" has the meaning specified in Section 7(e).

(n) "***Code***" means the Internal Revenue Code of 1986, as amended.

(o) "***Common Stock***" means the Common Stock, par value US$1.00 per share, of the Corporation.

(p) "***Companies Act***" means the Companies Act 1981 of Bermuda, as amended.

(q) "***Corporation***" means Argo Group International Holdings, Inc., a Delaware corporation.

(r) "***DGCL***" means the Delaware General Corporation Law, as amended from time to time.

(s) "***Dividend Payment Date***" has the meaning specified in Section 4(a).

(t) "***Dividend Period***" has the meaning specified in Section 4(a).

(u) "***Dividend Rate***" means (i) from and including the Issue Date, to but excluding the First Reset Date, an amount equal to 7.00% of the Liquidation Preference per annum and (ii) from and including the First Reset Date, during each Reset Period, an amount equal to the Five-Year U.S. Treasury Rate as of the most recent Reset Dividend Determination Date plus 6.712% of the Liquidation Preference per annum.

(v) "***Dividend Record Date***" has the meaning specified in Section 4(a).

(w) "***DTC***" means The Depository Trust Company, together with its successors and assigns.

(x) "***Enhanced Capital Requirement***" means the enhanced capital and surplus requirement applicable to the Insurance Group and as defined in the Insurance Act or, should the Insurance Act or the Group Rules no longer apply to the Insurance Group, any and all other solvency capital requirements or any other requirement to maintain assets applicable to the Corporation or in respect of the Insurance Group, as applicable, pursuant to the Applicable Supervisory Regulations.

(y) "***First Reset Date***" means September 15, 2025.

(z) "***Five-Year U.S. Treasury Rate***" means, as of any Reset Dividend Determination Date, as applicable:

(i) an interest rate (expressed as a decimal) determined to be the per annum rate equal to the average of the yields to maturity for the five Business Days immediately prior to such Reset Dividend Determination Date for U.S. Treasury securities with a maturity of five years from the next Reset Date and trading in the public securities markets or

(ii) if there is no such published U.S. Treasury security with a maturity of five years from the next Reset Date and trading in the public securities markets, then the rate will be determined by interpolation

between the average of the yields to maturity for the five Business Days immediately prior to such Reset Dividend Determination Date for two series of U.S. Treasury securities trading in the public securities market, (A) one maturing as close as possible to, but earlier than, the Reset Date following the next succeeding Reset Dividend Determination Date, and (B) the other maturity as close as possible to, but later than, the Reset Date following the next succeeding Reset Dividend Determination Date, in each case as published in the most recent H.15 under the caption "Treasury constant maturities." The Five-Year U.S. Treasury Rate will be determined by the Calculation Agent on the applicable Reset Dividend Determination Date. If the Five-Year U.S. Treasury Rate cannot be determined pursuant to the methods described in clauses (i) or (ii) above, then the Five-Year U.S. Treasury Rate will be the same interest rate determined for the prior Reset Dividend Determination Date.

(aa) "***Group Rules***" means the Group Solvency Standards, together with the Group Supervision Rules.

(bb) "***Group Solvency Standards***" means the Bermuda Insurance (Prudential Standards) (Insurance Group Solvency Requirement) Rules 2011, as those rules and regulations may be amended or replaced from time to time.

(cc) "***Group Supervision Rules***" means the Bermuda Insurance (Group Supervision) Rules 2011, as those rules and regulations may be amended or replaced from time to time.

(dd) "***Insurance Act***" means the Bermuda Insurance Act 1978, as amended from time to time.

(ee) "***Insurance Group***" means all of the subsidiaries of the Corporation that are regulated insurance or reinsurance companies (or part of such regulatory group) pursuant to the Applicable Supervisory Regulations.

(ff) "***Issue Date***" means July 9, 2020, the initial date of issuance of the Series A Preferred Stock.

(gg) "***Junior Stock***" means any class or series of shares of the Corporation that ranks junior to the Series A Preferred Stock either as to the payment of dividends or as to the distribution of assets upon any liquidation, dissolution or winding-up of the Corporation. As of the Issue Date, the Corporation's Junior Stock outstanding consists solely of its Common Stock.

(hh) "***Liquidation Preference***" has the meaning specified in Section 6(b).

(ii) "***Nonpayment Event***" has the meaning specified in Section 9(b).

(jj) "***Parity Stock***" means any class or series of shares of the Corporation that ranks equally with the Series A Preferred Stock as to the payment of dividends and as to the distribution of assets on any liquidation, dissolution or winding-up of the Corporation. As of the Issue Date, there are no shares of Parity Stock of the Corporation outstanding.

(kk) "***Preferred Stock***" means any and all series of preferred stock of the Corporation, including the Series A Preferred Stock.

(ll) "***Preferred Stock Directors***" has the meaning specified in Section 9(b).

(mm) "***Rating Agency***" means a nationally recognized statistical rating organization, as defined in Section 3(a)(62) of the U.S. Securities Exchange Act of 1934, as amended, that publishes a rating for the Corporation.

(nn) "***Rating Agency Event***" has the meaning specified in Section 7(f).

(oo) "***Redemption Date***" means any date fixed for redemption in accordance with Section 7.

(pp) "***Redemption Requirements***" has the meaning specified in Section 7(c).

(qq) "***Relevant Date***" has the meaning specified in Section 5(b)(i).

(rr) "***Relevant Taxing Jurisdiction***" has the meaning specified in Section 7(e).

(ss) "***Reset Date***" means the First Reset Date and each date falling on the fifth anniversary of the preceding Reset Date, which in each case, will not be adjusted for Business Days.

(tt) "***Reset Dividend Determination Date***" means, in respect of any Reset Period, the day falling three Business Days prior to the beginning of such Reset Period.

(uu) "***Reset Period***" means the period from, and including, the First Reset Date to, but excluding, the next following Reset Date and thereafter each period from, and including, each Reset Date to, but excluding, the next following Reset Date.

(vv) "***Senior Stock***" means any class or series of shares of the Corporation that ranks senior to the Series A Preferred Stock either as to the payment of dividends or as to the distribution of assets upon any liquidation, dissolution or winding-up of the Corporation. As of the Issue Date, there are no shares of Senior Stock of the Corporation outstanding.

(ww) "***Series A Preferred Stock***" means the 7.00% Resettable Fixed Rate Preferred Stock, Series A, US$1.00 par value per share, US$25,000 liquidation preference per share.

(xx) "***set aside***" in the context of any payment, means, without any action other than the following, the recording by the Corporation in its accounting ledgers of any accounting or bookkeeping entry which indicates, pursuant to a declaration of a dividend or other distribution by the Board of Directors, the allocation of the funds to be so paid on any class or series of the Corporation's shares; *provided*, that if any funds for any class or series of Junior Stock or any class or series of Parity Stock are placed in a separate account of the Corporation or delivered to a disbursing, paying or other similar agent, then "set aside" with respect to the Series A Preferred Stock shall mean placing such funds in a separate account or delivering such funds to a disbursing, paying or other similar agent.

(yy) "***Successor Corporation***" means an entity formed by a consolidation, merger, amalgamation or other similar transaction involving the Corporation or the entity to which the Corporation conveys, transfers or leases substantially all its properties and assets.

(zz) "***Tax Event***" has the meaning specified in Section 7(e).

(aaa) "***Voting Preferred Stock***" means any other class or series of Preferred Stock ranking equally with the Series A Preferred Stock with respect to dividends and the distribution of assets upon liquidation, dissolution or winding up of the Corporation and upon which like voting rights have been conferred and are exercisable. As of the Issue Date, there are no other shares of Voting Preferred Stock of the Corporation outstanding.

Section 4. Dividends.

(a) Rate and Payment Of Dividends. The holders of shares of Series A Preferred Stock will be entitled to receive, only when, as and if declared by the Board of Directors or a duly authorized committee of the Board of Directors, out of lawfully available funds for the payment of dividends, non-cumulative cash dividends from, and including, the Issue Date, quarterly in arrears, on the 15th day of March, June, September and December of each year (each, a "***Dividend Payment Date***"), from and including on September 15, 2020; *provided* that, if any Dividend Payment Date falls on a day that is not a Business Day and also a Bermuda Business Day, such dividend shall instead be payable on (and no additional dividends shall accrue on the amount so payable from such date to) the first Business Day that is also a Bermuda Business Day following such Dividend Payment Date. In the event that the Corporation elects to issue additional shares of Series A Preferred Stock after the Issue Date of the Series A Preferred Stock in accordance with Section 2, dividends on such additional shares of Series A Preferred Stock shall commence on and include the Issue Date or from any other date as the Corporation shall specify at the time such additional shares of Series A Preferred Stock are issued.

To the extent declared, dividends shall be payable, with respect to each Dividend Period, in an amount per share of Series A Preferred Stock equal to the Dividend Rate. Dividends payable on the Series A Preferred Stock shall be computed on the basis of a 360-day year consisting of twelve 30-day months with respect to a full Dividend Period,

and on the basis of the actual number of days elapsed during such Dividend Period with respect to a Dividend Period other than a full Dividend Period.

Dividends, if so declared, that are payable on Series A Preferred Stock on any Dividend Payment Date shall be payable to holders of record of shares of Series A Preferred Stock as they appear on the books on the register of members of the Corporation at 5:00 p.m. (New York City time) on the applicable record date, which shall be the 15th calendar day before that Dividend Payment Date or such other record date fixed by the Board of Directors or a duly authorized committee of the Board of Directors that is not more than 30 nor less than 10 days prior to such Dividend Payment Date (each, a "***Dividend Record Date***"). Any such day that is a Dividend Record Date shall be a Dividend Record Date whether or not such day is a Business Day that is also a Bermuda Business Day.

Each dividend period (a "***Dividend Period***") shall commence on and include a Dividend Payment Date (other than the initial Dividend Period, which shall commence on and include the Issue Date, *provided* that, for any shares of Series A Preferred Stock issued after the Issue Date, the initial Dividend Period for such shares may commence on and include such other date as the Board of Directors or a duly authorized committee of the Board of Directors shall determine and publicly disclose at the time such additional shares are issued) and shall end on, but exclude the next Dividend Payment Date. Dividends payable in respect of a Dividend Period shall be payable in arrears (i.e., on the first Dividend Payment Date after such Dividend Period).

Dividends on the Series A Preferred Stock shall be non-cumulative.

Accordingly, if the Board of Directors or a duly authorized committee of the Board of Directors does not authorize and declare a dividend on the Series A Preferred Stock for any Dividend Period on or before the Dividend Payment Date for such Dividend Period, in full or otherwise, then such undeclared dividends shall not accumulate and shall not accrue and shall not be payable, and the Corporation shall have no obligation to pay such undeclared dividends for the applicable Dividend Period on the related Dividend Payment Date or at any future time or to pay interest with respect to such dividends, whether or not dividends are declared for any future Dividend Period on Series A Preferred Stock.

Holders of Series A Preferred Stock shall not be entitled to any dividends or other distributions, whether payable in cash, securities or other property, other than dividends (if any) declared and payable on the Series A Preferred Stock as specified in this Section 4 (subject to the other provisions of this Certificate of Designations).

(b) Priority of Dividends. So long as any Series A Preferred Stock remain outstanding, unless the full dividend for the last completed Dividend Period on all outstanding Series A Preferred Stock and all outstanding Parity Stock has been declared and paid (or declared and a sum sufficient for the payment thereof has been set aside), (i) no dividend shall be declared or paid on the Common Stock or any other Junior Stock or any Parity Stock (except in the case of the Parity Stock, on a pro rata basis with the Series A Preferred Stock as described below), other than a dividend payable solely in Common Stock or other Junior Stock or (solely in the case of Parity Stock) other Parity Stock, as applicable, and (ii) no Common Stock or other Junior Stock or Parity Stock shall be purchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly (other than (A) as a result of a reclassification of Junior Stock for or into other Junior Stock, or a reclassification of Parity Stock for or into other Parity Stock, or the exchange or conversion of one share of Junior Stock for or into another share of Junior Stock or the exchange or conversion of one share of Parity Stock for or into another share of Parity Stock, (B) through the use of the proceeds of a substantially contemporaneous sale of Junior Stock or (solely in the case of Parity Stock) other Parity Stock, as applicable, (C) as required by or necessary to fulfill the terms of any employment contract, benefit plan or similar arrangement with or for the benefit of one or more employees, directors or consultants) or (D) in the case of Parity Stock, in accordance with the last paragraph of Section 7(l).

When dividends are not paid (or declared and a sum sufficient for payment thereof set aside) in full on any Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within a Dividend Period) on the Series A Preferred Stock and any Parity Stock, all dividends declared by the Board of Directors or a duly authorized committee thereof on the Series A Preferred Stock and all such Parity Stock and payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) shall be declared by the Board of Directors or such

committee thereof pro rata in accordance with the respective aggregate liquidation preferences of the Series A Preferred Stock and any Parity Stock so that the respective amounts of such dividends shall bear the same ratio to each other as all declared but unpaid dividends per Series A Preferred Stock and all Parity Stock payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) bear to each other.

(c) Restrictions on Payments of Dividends. Pursuant to and subject to the DGCL, the Corporation may not lawfully declare or pay a dividend if the Corporation has reasonable grounds for believing that the Corporation is, or would after payment of the dividend be, unable to pay its liabilities as they become due, or that the realizable value of the Corporation's assets would, after payment of the dividend, be less than the aggregate value of the Corporation's liabilities. Additionally, dividends on the Series A Preferred Stock will not be declared, paid or set aside for payment if the Corporation is, or after giving effect to such act would be, in breach of the Insurance Act, the Companies Act, the Insurance (Eligible Capital) Rules 2012, the Group Solvency Standard, including the Enhanced Capital Requirement, or under such other Applicable Supervisory Regulations or other applicable laws, rules and regulations.

Section 5. Payment of Additional Amounts.

(a) The Corporation shall make all payments on the Series A Preferred Stock free and clear of and without withholding or deduction at source for, or on account of, any present or future taxes, fees, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any Relevant Taxing Jurisdiction, unless such taxes, fees, duties, assessments or governmental charges are required to be withheld or deducted by (i) the laws (or any regulations or rulings promulgated thereunder) of any Relevant Taxing Jurisdiction or (ii) an official position regarding the application, administration, interpretation or enforcement of any such laws, regulations or rulings (including, without limitation, a holding by a court of competent jurisdiction or by a taxing authority in any Relevant Taxing Jurisdiction). If a withholding or deduction at source is required, the Corporation shall, subject to certain limitations and exceptions described below, pay to the holders of the shares of Series A Preferred Stock such additional amounts (the "***additional amounts***") as dividends as may be necessary so that every net payment, after such withholding or deduction (including any such withholding or deduction from such additional amounts), shall be equal to the amounts the Corporation would otherwise have been required to pay had no such withholding or deduction been required.

(b) The Corporation shall not be required to pay any additional amounts for or on account of:

(i) any tax, fee, duty, assessment or governmental charge of whatever nature that would not have been imposed but for the fact that such holder was a resident, domiciliary or national of, or engaged in business or maintained a permanent establishment or was physically present in, the Relevant Taxing Jurisdiction or any political subdivision thereof or otherwise had some connection with the Relevant Taxing Jurisdiction other than by reason of the mere ownership of, or receipt of payment under, such Series A Preferred Stock or any Series A Preferred Stock presented for payment (where presentation is required for payment) more than 30 days after the Relevant Date (except to the extent that the holder would have been entitled to such amounts if it had presented such shares for payment on any day within such 30 day period). The "***Relevant Date***" means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the dividend disbursing agent on or prior to such due date, it means the first date on which the full amount of such moneys having been so received and being available for payment to holders and notice to that effect shall have been duly given to the holders of the Series A Preferred Stock;

(ii) any estate, inheritance, gift, sale, transfer, personal property or similar tax, assessment or other governmental charge or any tax, assessment or other governmental charge that is payable otherwise than by withholding or deduction from payment of the liquidation preference or of any dividends on the Series A Preferred Stock;

(iii) any tax, fee, duty, assessment or other governmental charge that is imposed or withheld by reason of the failure by the holder of such Series A Preferred Stock to comply with any reasonable request by the Corporation addressed to the holder within 90 days of such request (a) to provide information concerning the

nationality, residence or identity of the holder or (b) to make any declaration or other similar claim or satisfy any information or reporting requirement that is required or imposed by statute, treaty, regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from all or part of such tax, fee, duty, assessment or other governmental charge;

(iv) any tax, fee, duty, assessment or governmental charge required to be withheld or deducted under Sections 1471 through 1474 of the Code (or any Treasury regulations or other administrative guidance thereunder); or

(v) any combination of items (i), (ii), (iii) and (iv).

(c) In addition, the Corporation shall not pay additional amounts with respect to any payment on any such Series A Preferred Stock to any holder that is a fiduciary, partnership, limited liability company or other pass-through entity other than the sole beneficial owner of such Series A Preferred Stock if such payment would be required by the laws of the Relevant Taxing Jurisdiction to be included in the income for tax purposes of a beneficiary or partner or settlor with respect to such fiduciary or a member of such partnership, limited liability company or other pass-through entity or a beneficial owner to the extent such beneficiary, partner or settlor would not have been entitled to such additional amounts had it been the holder of the Series A Preferred Stock.

Section 6. Liquidation Rights.

(a) Voluntary or Involuntary Liquidation. In the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, holders of the Series A Preferred Stock shall be entitled to receive, out of the assets of the Corporation available for distribution to shareholders of the Corporation, after satisfaction of all liabilities and obligations to creditors and Senior Stock of the Corporation (including policyholder obligations of the Corporation's subsidiaries), if any, but before any distribution of such assets is made to the holders of Common Stock and any other Junior Stock, a liquidating distribution in the amount equal to US$25,000 per share of Series A Preferred Stock, plus declared and unpaid dividends, if any, to the date fixed for distribution.

(b) Partial Payment. After payment of the full amount of any distribution described in Section 6(a) above to which holders are entitled, holders of the Series A Preferred Stock will have no right or claim to any of the Corporation's remaining assets. If in any distribution described in Section 6(a) above, the assets of the Corporation are not sufficient to pay the Liquidation Preferences (as defined below) in full to all holders of Series A Preferred Stock and all holders of any Parity Stock, the amounts payable to the holders of Series A Preferred Stock and to the holders of all such other Parity Stock shall be paid pro rata in accordance with the respective aggregate Liquidation Preferences of the holders of Series A Preferred Stock and the holders of all such other Parity Stock, but only to the extent the Corporation has assets available after satisfaction of all liabilities to creditors and holder of Senior Stock. In any such distribution, the "***Liquidation Preference***" of any holder of Series A Preferred Stock or Parity Stock of the Corporation shall mean the amount otherwise payable to such holder in such distribution (assuming no limitation on the assets of the Corporation available for such distribution), including any declared but unpaid dividends (and any unpaid, accrued cumulative dividends, whether or not declared, in the case of any holder of shares on which dividends accrue on a cumulative basis).

(c) Residual Distributions. If the Liquidation Preference has been paid in full to all holders of Series A Preferred Stock and any holders of Parity Stock, the holders of Junior Stock of the Corporation shall be entitled to receive all remaining assets of the Corporation according to their respective rights and preferences.

(d) Contractual Subordination. The Series A Preferred Stock shall be subordinated in right of payment to all obligations of the Corporation's subsidiaries, including all existing and future policyholders' obligations of such subsidiaries.

(e) Merger, Consolidation and Sale of Assets Not Liquidation. For purposes of this Section 6, the consolidation, amalgamation, merger, arrangement, reincorporation, de-registration, reconstruction, reorganization or other similar transaction involving the Corporation or the sale or transfer of all or substantially all

of the shares or the property or business of the Corporation shall not be deemed to constitute a liquidation, dissolution or winding-up.

Section 7. Optional Redemption.

(a) The shares of Series A Preferred Stock are perpetual and have no fixed maturity date. The shares of Series A Preferred Stock may not be redeemed by the Corporation except as set forth in Section 7(b), (c), (d), (e) and (f) herein.

(b) Redemption After First Reset Date. The Corporation may redeem the Series A Preferred Stock, in whole or in part, upon notice given as provided in Section 7(h) herein, from time to time, on or after the First Reset Date, at a redemption price equal to $25,000 per share of Series A Preferred Stock, plus the sum of (i) the amount of declared and unpaid dividends, if any, without interest on such unpaid dividends, and (ii) the amount equal to the portion of the quarterly dividend attributable to the then-current Dividend Period that has not been declared and paid to, but excluding, the Redemption Date. In the event the applicable Redemption Date is not a Business Day, the redemption price will be paid on the next Business Day without any adjustment to the amount of the redemption price paid.

(c) Voting Event. The Corporation may redeem the Series A Preferred Stock in whole, but not in part, at any time upon notice given as provided in Section 7(h) herein, if at any time the Corporation notifies the holders of Common Stock of a proposal for an amalgamation or any proposal for any other matter that requires, as a result of any changes in Delaware law after the Issue Date, for its validation or effectuation an affirmative vote of the holders of the Series A Preferred Stock at the time outstanding, whether voting as a separate series or together with any other series of Preferred Stock as a single class, at a redemption price of $26,000 per share of Series A Preferred Stock, plus declared and unpaid dividends, if any, to, but excluding, the Redemption Date, without interest on such unpaid dividends; *provided* that no such redemption may occur prior to the First Reset Date unless either (1) the Corporation has sufficient funds in order to meet the Enhanced Capital Requirement and the Applicable Supervisor approves of the redemption or (2) the Corporation replaces the capital represented by the Series A Preferred Stock to be redeemed with capital having equal or better capital treatment as the Series A Preferred Stock under the Enhanced Capital Requirement (the conditions described in clauses (1) and (2), the "***Redemption Requirements***").

(d) Capital Disqualification Event. The Corporation may redeem, in whole, but not in part, all of the Series A Preferred Stock, upon notice given as provided in Section 7(h) herein, at a redemption price equal to US$25,000 per share of Series A Preferred Stock, plus all declared and unpaid dividends, if any, to, but excluding, the Redemption Date, without interest on such unpaid dividends, at any time within 90 days following the occurrence of the date on which the Corporation has reasonably determined that, as a result of (i) any amendment to, or change in, those laws or regulations of the jurisdiction of the Applicable Supervisor that is enacted or becomes effective after the Issue Date, (ii) any proposed amendment to, or change in, those laws or regulations that are announced or becomes effective after the Issue Date or (iii) any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws or regulations that are announced after the Issue Date, a Capital Disqualification Event has occurred; *provided* that no such redemption may occur prior to the First Reset Date unless one of the Redemption Requirements is satisfied.

(e) Change in Tax Law. The Corporation may redeem, in whole, but not in part, all of the Series A Preferred Stock, upon notice given as provided in Section 7(h) herein, at a redemption price equal to US$25,000 per share of Series A Preferred Stock, plus declared and unpaid dividends, if any, to, but excluding, the Redemption Date, without interest on such unpaid dividends, if as a result of a Change in Tax Law there is, in the Corporation's reasonable determination, a substantial probability that the Corporation or any Successor Corporation would become obligated to pay additional amounts on the next succeeding Dividend Payment Date with respect to the Series A Preferred Stock and the payment of those additional amounts could not be avoided by the use of any reasonable measures available to the Corporation or any Successor Corporation (a "***Tax Event***"); *provided* that no such redemption may occur prior to the First Reset Date unless one of the Redemption Requirements is satisfied. As used herein, "***Change in Tax Law***" means (i) a change in or amendment to laws, regulations or rulings of any Relevant Taxing Jurisdiction, (ii) a change in the official application or interpretation of those laws, regulations or rulings, (iii) any execution of or amendment to any treaty affecting taxation to which any Relevant Taxing Jurisdiction is party or (iv) a decision rendered by a court of competent jurisdiction in any Relevant Taxing Jurisdiction, whether or not

such decision was rendered with respect to the Corporation, in each case described in clauses (i) - (iv) above, occurring after July 7, 2020; *provided* that in the case of a Relevant Taxing Jurisdiction other than Bermuda in which a Successor Corporation is organized, such Change in Tax Law must occur after the date on which the Corporation consolidates, merges or amalgamates (or engages in a similar transaction) with the Successor Corporation, or conveys, transfers or leases substantially all of its properties and assets to the Successor Corporation, as applicable. As used herein, "***Relevant Taxing Jurisdiction***" means (A) Bermuda or any political subdivision or governmental authority of or in Bermuda with the power to tax, (B) any jurisdiction from or through which the Corporation or its dividend disbursing agent is making payments on the Series A Preferred Stock or any political subdivision or governmental authority of or in that jurisdiction with the power to tax or (C) any other jurisdiction in which the Corporation or any Successor Corporation is organized or generally subject to taxation or any political subdivision or governmental authority of or in that jurisdiction with the power to tax. Prior to any redemption upon a Tax Event, the Corporation shall file with its corporate records and deliver to the transfer agent for the Series A Preferred Stock a certificate signed by one of the Corporation's officers confirming that a Tax Event has occurred and is continuing (as reasonably determined by the Corporation). The Corporation shall include a copy of this certificate with any notice of such redemption.

(f) Rating Agency Event. The Corporation may redeem, in whole, but not in part, all of the Series A Preferred Stock, upon notice given as provided in Section 7(h) herein, at a redemption price equal to US$25,500 per share of Series A Preferred Stock, plus declared and unpaid dividends, if any, to, but excluding, the Redemption Date, without interest on such unpaid dividends, within 90 days after a Rating Agency amends, clarifies or changes the criteria it uses to assign equity credit to securities such as the Series A Preferred Stock, which amendment, clarification or change results in a Rating Agency Event; *provided* that no such redemption may occur prior to the First Reset Date one of the Redemption Requirements is satisfied. As used herein, a "***Rating Agency Event***" occurs if any Rating Agency that then publishes a rating for the Corporation amends, clarifies or changes the criteria it uses to assign equity credit to securities such as the Series A Preferred Stock, which amendment, clarification, or change results in:

(i) the shortening of the length of time the Series A Preferred Stock is assigned a particular level of equity credit by that Rating Agency as compared to the length of time it would have been assigned that level of equity credit by that Rating Agency or its predecessor on the initial issuance of the Series A Preferred Stock; or

(ii) the lowering of the equity credit (including up to a lesser amount) assigned to the Series A Preferred Stock by that Rating Agency as compared to the equity credit assigned by that Rating Agency or its predecessor on the initial issuance of the Series A Preferred Stock.

(g) No Sinking Fund. The Series A Preferred Stock shall not be subject to any mandatory redemption, sinking fund, retirement fund or purchase fund or other similar provisions. Holders of shares of Series A Preferred Stock shall have no right to require redemption, repurchase or retirement of any shares of Series A Preferred Stock.

(h) Procedures for Redemption. The redemption price for any shares of Series A Preferred Stock shall be payable on the Redemption Date to the holders of such shares against book-entry transfer or surrender of the certificate(s) evidencing such shares to the Corporation or its agent. Any declared but unpaid dividends payable on a Redemption Date that occurs subsequent to the Dividend Record Date for a Dividend Period shall not be paid to the holder entitled to receive the redemption price on the Redemption Date, but rather shall be paid to the holder of record of the redeemed shares on such Dividend Record Date relating to the Dividend Payment Date as provided in Section 4 herein. Prior to delivering any notice of redemption as provided below, the Corporation shall file with its corporate records a certificate signed by one of the Corporation's officers affirming the Corporation's compliance with the redemption provisions under the DGCL relating to the Series A Preferred Stock, and stating that there are reasonable grounds for believing that the Corporation is, and after the redemption will be, able to pay its liabilities as they become due and that the redemption will not cause the Corporation to breach any provision of applicable Delaware law or regulation. The Corporation shall mail a copy of this certificate with the notice of any redemption.

(i) Notice of Redemption. Notice of every redemption of shares of Series A Preferred Stock shall be given by first class mail, postage prepaid, addressed to the holders of record of the shares of Series A Preferred Stock to be redeemed at their respective last addresses appearing on the share register of the Corporation. Such mailing

shall be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this subsection shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of Series A Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series A Preferred Stock. Notwithstanding the foregoing, if the shares of Series A Preferred Stock or any depositary shares representing interests in the Series A Preferred Stock are issued in book-entry form through DTC or any other similar facility, notice of redemption may be given to the holders of Series A Preferred Stock at such time and in any manner permitted by such facility. Each such notice given to a holder shall state: (i) the Redemption Date; (ii) the number of shares of Series A Preferred Stock to be redeemed and, if less than all the shares of Series A Preferred Stock held by such holder are to be redeemed, the number of such shares of Series A Preferred Stock to be redeemed from such holder; (iii) the redemption price; and (iv) that the shares of Series A Preferred Stock should be delivered via book-entry transfer or the place or places where certificates, if any, for such shares of Series A Preferred Stock to be surrendered for payment of the redemption price.

(j) Partial Redemption. In case of any redemption of only part of the shares of Series A Preferred Stock at the time outstanding, the shares of Series A Preferred Stock to be redeemed shall be selected either pro rata or by lot. Subject to the provisions hereof, the Corporation shall have full power and authority to prescribe the terms and conditions upon which Series A Preferred Stock shall be redeemed from time to time.

(k) Effectiveness of Redemption. If notice of redemption of any Series A Preferred Stock has been duly given and if on or before the Redemption Date specified in the notice all funds necessary for such redemption have been set aside by the Corporation, separate and apart from its other funds, in trust for the pro rata benefit of the holders of the Series A Preferred Stock called for redemption, so as to be and continue to be available therefor, then, notwithstanding that shares of Series A Preferred Stock so called for redemption have not been surrendered for cancellation or transferred via book-entry, on and after the Redemption Date, no further dividends shall be declared on all shares of Series A Preferred Stock so called for redemption, all shares so called for redemption shall no longer be deemed outstanding and all rights with respect to such shares of Series A Preferred Stock shall forthwith on such Redemption Date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption, without interest.

(l) Restrictions on Redemption. Under applicable law, the Corporation may not lawfully redeem Preferred Stock (including the Series A Preferred Stock) at any time if the Corporation has reasonable grounds for believing that the Corporation is or would after the redemption be unable to pay its liabilities as they become due, the realizable value of the Corporation's assets would thereby be less than the Corporation's liabilities or that the Corporation is, or would after such payment would be, in breach of the Insurance Act, the Insurance (Eligible Capital) Rules 2012, the Group Solvency Standards, including Enhanced Capital Requirements, or under such other Applicable Supervisory Regulations. Preferred Stock (including the Series A Preferred Stock) may not be redeemed except out of the capital paid up thereon, out of funds of the Corporation that would otherwise be available for dividends or distributions or out of the proceeds of a new issue of shares made for the purpose of the redemption or purchase. The premium, if any, payable on redemption or purchase must be provided for out of funds of the Corporation that would otherwise be available for dividend or distribution or out of the Corporation's share premium account before the Series A Preferred Stock are redeemed or purchased. In addition, if the redemption price is to be paid out of funds otherwise available for dividends or distributions, no redemption may be made if the realizable value of the Corporation's assets would thereby be less than the aggregate of the Corporation's liabilities, issued share capital and share premium accounts.

Unless dividends on all issued shares of Series A Preferred Stock and all Parity Stock shall have been declared and paid (or declared and a sum sufficient for the payment thereof set apart for payment) for the latest completed Dividend Period, no shares of Series A Preferred Stock or any Parity Stock may be redeemed, purchased or otherwise acquired by the Corporation unless all issued shares of Series A Preferred Stock and any Parity Stock are redeemed; *provided* that the Corporation may acquire fewer than all of the issued shares of Series A Preferred Stock or Parity Stock pursuant to a purchase or exchange offer made to all holders of issued shares of Series A Preferred Stock and Parity Stock upon such terms as the Board of Directors in its sole discretion after consideration of the respective annual dividend rate and other relative rights and preferences of the respective classes or series, will determine (which determination will be final and conclusive) will result in fair and equitable treatment among the respective classes or series.

Section 8. Substitution or Variation.

(a) At any time following a Tax Event or at any time following a Capital Disqualification Event, the Corporation may, without the consent of any holders of the Series A Preferred Stock, vary the terms of the Series A Preferred Stock such that they remain securities, or exchange the Series A Preferred Stock with new securities, which (i) in the case of a Tax Event, would eliminate the substantial probability that the Corporation or any Successor Corporation would be required to pay any additional amounts with respect to the Series A Preferred Stock as a result of a Change in Tax Law or (ii) in the case of a Capital Disqualification Event, would cause the Series A Preferred Stock to become securities that qualify as at least Tier 2 capital, where capital is subdivided into tiers or its equivalent under then-applicable Capital Adequacy Regulations imposed upon us by the Applicable Supervisor, including the Enhanced Capital Requirement, for purposes of determining the solvency margin, capital adequacy ratios or any other comparable ratios, regulatory capital resource or level of the Corporation or any subsidiary thereof. In either case, the terms of the varied securities or new securities considered in the aggregate cannot be less favorable to holders than the terms of the Series A Preferred Stock prior to being varied or exchanged; *provided* that no such variation of terms or securities received in exchange shall change the specified denominations of, dividend payable on, the Redemption Dates (other than any extension of the period during which an optional redemption may not be exercised by the Corporation) or currency of, the Series A Preferred Stock, reduce the liquidation preference thereof, lower the ranking in right of payment with respect to the payment of dividends or the distribution of assets upon liquidation, dissolution or winding-up of the Series A Preferred Stock, or change the foregoing list of items that may not be so amended as part of such substitution or variation. Further, no such variation of terms or securities received in exchange shall impair the right of a holder of the securities to institute suit for the payment of any amounts due (as provided under this Certificate of Designations), but unpaid with respect to such holder's securities.

(b) Prior to any substitution or variation, the Corporation shall be required to (i) receive an opinion of independent legal advisers of recognized standing to the effect that holders and beneficial owners of the Series A Preferred Stock (including as holders and beneficial owners of the varied or exchanged securities) will not recognize income, gain or loss for United States. federal income tax purposes as a result of such substitution or variation and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case had such substitution or variation not occurred; and (ii) deliver a certificate signed by two executive officers of the Corporation to the transfer agent for the Series A Preferred Stock confirming that (x) a Capital Disqualification Event or a Tax Event has occurred and is continuing (as reasonably determined by the Corporation) and (y) the terms of the varied or new securities, considered in the aggregate, are not less favorable, including from a financial perspective, to holders and beneficial owners of the Series A Preferred Stock than the terms of the Series A Preferred Stock prior to being varied or exchanged (as reasonably determined by the Corporation).

(c) Any substitution or variation of the Series A Preferred Stock described above shall be made after notice is given to the holders of the Series A Preferred Stock not less than 30 days nor more than 60 days prior to the date fixed for substitution or variation, as applicable.

Section 9. **Voting Rights**.

(a) General. The holders of Series A Preferred Stock shall not have any voting rights except as set forth below or as otherwise from time to time as would be required by the Companies Act with respect to preference shares. On any item on which the holders of the Series A Preferred Stock are entitled to vote, such holders shall be entitled to one vote for each share of Series A Preferred Stock held.

(b) Right to Elect Two Directors Upon Nonpayment Events. If and whenever dividends in respect of any shares of Series A Preferred Stock shall have not been declared and paid for the equivalent of six or more Dividend Periods, whether or not consecutive (a "***Nonpayment Event***"), the holders of Series A Preferred Stock, voting together as a single class with the holders of any and all Voting Preferred Stock then outstanding, shall be entitled to vote for the election of a total of two additional members of the Board of Directors (the "***Preferred Stock Directors***"); *provided* that it shall be a qualification for election for any such Preferred Stock Director that the election of any such directors shall not cause the Corporation to violate the corporate governance requirements of the U.S. Securities and Exchange Commission or the New York Stock Exchange (or any other securities exchange or other trading facility on which securities of the Corporation may then be listed or quoted) that listed or quoted companies

must have a majority of independent directors. The Corporation shall use its best efforts to increase the number of directors constituting the Board of Directors to the extent necessary to effectuate such right, and, if necessary, to amend the Bylaws. Each Preferred Stock Director shall be added to an already existing class of directors.

In the event that the holders of the Series A Preferred Stock, and any such other holders of Voting Preferred Stock, shall be entitled to vote for the election of the Preferred Stock Directors following a Nonpayment Event, such directors shall be initially elected following such Nonpayment Event only at a special meeting, or at any annual meeting of shareholders, and thereafter at the annual meeting of shareholders. At any time when such special voting power has vested in the holders of any of the Series A Preferred Stock and any such other holders of Voting Preferred Stock as described above, the chief executive officer of the Corporation shall, upon the written request of the holders of record of at least 10% of the aggregate liquidation preference of the Series A Preferred Stock and Voting Preferred Stock (taken together as a single class) then outstanding addressed to the secretary of the Corporation, call a special meeting of the holders of the Series A Preferred Stock and Voting Preferred Stock for the purpose of electing directors. Such meeting shall be held at the earliest practicable date in such place as may be designated pursuant to the Bylaws (or if there be no designation, at the Corporation's principal office). If such meeting shall not be called by the Corporation's proper officers within 20 days after the Corporation's secretary has been personally served with such request, or within 60 days after mailing the same by registered or certified mail addressed to the Corporation's secretary at the Corporation's principal office, then the holders of record of at least 10% of the aggregate liquidation preference of the Series A Preferred Stock and Voting Preferred Stock (taken together as a single class) then outstanding may designate in writing one such holder to call such meeting at the Corporation's expense, and such meeting may be called by such holder so designated upon the notice required for annual meetings of shareholders and shall be held at the Corporation's principal office, unless the Corporation otherwise designates. Notwithstanding the foregoing, no such special meeting shall be called during the period within 60 days immediately preceding the date fixed for the next annual meeting of shareholders.

At any annual or special meeting at which the holders of the Series A Preferred Stock and any such other holders of Voting Preferred Stock shall be entitled to vote, voting together as a single class, for the election of the Preferred Stock Directors following a Nonpayment Event, the presence, in person or by proxy, of the holders of 50% of the aggregate liquidation preference of such Series A Preferred Stock and Voting Preferred Stock (taken together as a single class) shall be required to constitute a quorum of the Series A Preferred Stock and Voting Preferred Stock (taken together as a single class) for the election of any director by the holders of the Series A Preferred Stock and Voting Preferred Stock (taken together as a single class). At any such meeting or adjournment thereof, the absence of a quorum of the Series A Preferred Stock and Voting Preferred Stock shall not prevent the election of directors other than those to be elected by the Series A Preferred Stock and Voting Preferred Stock, voting together as a single class, and the absence of a quorum for the election of such other directors shall not prevent the election of the directors to be elected by the Series A Preferred Stock and Voting Preferred Stock, voting together as a single class.

The Preferred Stock Directors so elected by the holders of the Series A Preferred Stock and Voting Preferred Stock shall continue in office (i) until their successors, if any, are elected by such holders or (ii) unless required by applicable law to continue in office for a longer period, until termination of the right of the holders of the Series A Preferred Stock and Voting Preferred Stock to vote as a class for directors, if earlier. If and to the extent permitted by applicable law, immediately upon any termination of the right of the holders of the Series A Preferred Stock and Voting Preferred Stock to vote together as a single class for directors as provided herein, the terms of office of the directors then in office so elected by the holders of the Series A Preferred Stock and Voting Preferred Stock shall terminate.

When dividends have been paid in full on the Series A Preferred Stock for at least four consecutive Dividend Periods after a Nonpayment Event, then the holders of the Series A Preferred Stock shall be divested of the right to elect the Preferred Stock Directors (subject to revesting of such voting rights in the event of each subsequent Nonpayment Event pursuant to this Section 9) and the number of Dividend Periods in which dividends have not been declared and paid shall be reset to zero, and if and when the rights of holders of Voting Preferred Stock to elect the Preferred Stock Directors shall have ceased, the terms of office of all the Preferred Stock Directors shall forthwith terminate and the number of directors constituting the Board of Directors shall automatically be reduced accordingly. For purposes of determining whether dividends have been paid for four consecutive Dividend Periods following a Nonpayment Event, the Corporation may take account of any dividend it elects to pay for such a Dividend Period after the Dividend Payment Date for such Dividend Period has passed.

Any Preferred Stock Director may be removed at any time without cause by the holders of record of a majority of the aggregate voting power, as determined under the Bylaws, of Series A Preferred Stock and any other shares of Voting Preferred Stock then outstanding (voting together as a single class) when they have the voting rights described above. Until the right of the holders of Series A Preferred Stock and any Voting Preferred Stock to elect the Preferred Stock Directors shall cease, any vacancy in the office of a Preferred Stock Director (other than prior to the initial election of Preferred Stock Directors after a Nonpayment Event) may be filled by the written consent of the Preferred Stock Director remaining in office, or if none remain in office, by a vote of the holders of record of a majority of the aggregate liquidation preference of the outstanding Series A Preferred Stock and any other shares of Voting Preferred Stock (voting together as a single class) when they have the voting rights described above. Any such vote of holders of Series A Preferred Stock and Voting Preferred Stock to remove, or to fill a vacancy in the office of, a Preferred Stock Director may be taken only at a special meeting of such shareholders, called as provided above for an initial election of Preferred Stock Directors after a Nonpayment Event (unless such request is received less than 60 days before the date fixed for the next annual or special meeting of the shareholders of the Corporation, in which event such election shall be held at such next annual or special meeting of shareholders). The Preferred Stock Directors shall each be entitled to one vote per director on any matter. Each Preferred Stock Director elected at any special meeting of shareholders of the Corporation or by written consent of the other Preferred Stock Director shall hold office until the next annual meeting of the shareholders of the Corporation if such office shall not have previously terminated as above provided.

(c) Changes for Clarification. Without the consent of the holders of the Series A Preferred Stock, so long as such action does not materially and adversely affect the special rights, preferences, privileges and voting powers, of the Series A Preferred Stock taken as a whole, the Board of Directors of the Corporation may, by resolution, amend, alter, supplement or repeal any terms of the Series A Preferred Stock:

(i) to cure any ambiguity, or to cure, correct or supplement any provision contained in this Certificate of Designations that may be defective or inconsistent; or

(ii) to make any provision with respect to matters or questions arising with respect to the Series A Preferred Stock that is not inconsistent with the provisions of this Certificate of Designations;

provided that any such amendment, alteration, supplement or repeal of any terms of the Series A Preferred Stock effected in order to conform the terms thereof to the description of the terms of the Series A Preferred Stock set forth under "Description of Series A Preference Shares" in the Corporation's prospectus supplement dated July 7, 2020, shall be deemed not to materially and adversely affect the special rights, preferences, privileges and voting powers of the Series A Preferred Stock, taken as a whole.

(d) Changes After Provision for Redemption. No vote or consent of the holders of Series A Preferred Stock shall be required pursuant to Section 9(b), (c) or (f) if, at or prior to the time when the act with respect to which such vote would otherwise be required pursuant to such Section shall be effected, all outstanding Series A Preferred Stock shall have been redeemed, or shall have been called for redemption upon proper notice and sufficient funds shall have been set aside by the Corporation for such redemption, in each case pursuant to Section 7 herein.

(e) Procedures for Voting and Consents. The rules and procedures for calling and conducting any meeting of the holders of Series A Preferred Stock (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents and any other aspect or matter with regard to such a meeting or such consents shall be governed by any rules the Board of Directors or a duly authorized committee of the Board of Directors, in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Bylaws, applicable law and any national securities exchange or other trading facility on which the Series A Preferred Stock is listed or traded at the time. Whether the vote or consent of the holders of a plurality, majority or other portion of the Series A Preferred Stock and any Voting Preferred Stock has been cast or given on any matter on which the holders of Series A Preferred Stock are entitled to vote shall be determined by the Corporation by reference to the aggregate voting power, as determined by the Bylaws of the Corporation, of the shares voted or covered by the consent.

(f) Voting on Variations Of Rights and Senior Stock.

(i) Notwithstanding the Bylaws, the affirmative vote or consent of the holders of at least 66 2/3% of the aggregate liquidation preference of the Series A Preferred Stock and any other shares of Voting Preferred Stock then outstanding (voting together as a single class) shall be required for the authorization or issuance of any class or series of Senior Stock (or any security convertible into or exchangeable for Senior Stock) ranking senior to the Series A Preferred Stock as to dividend rights or rights upon the Corporation's liquidation.

(ii) The affirmative vote or consent of the holders of at least 66 2/3% of the aggregate liquidation preference of the Series A Preferred Stock and any other shares of Voting Preferred Stock then outstanding (voting together as a single class) shall be required for amendments to the Certificate of Incorporation or Bylaws that would materially adversely affect the rights of holders of the Series A Preferred Stock. The authorization of, the increase in the authorized amount of, or the issuance of any shares or class or series of Parity Stock or Junior Stock shall not require the consent of any holder of the Series A Preferred Stock, and shall not be deemed to materially adversely affect the rights of the holders of the Series A Preferred Stock.

(iii) If all shares of Preferred Stock are not equally affected by any such proposed amendment and if the Series A Preferred Stock would have diminished status compared to other Preferred Stock as a result, the approval of at least 66 2/3% of the Series A Preferred Stock shall be required.

Section 10. **Ranking.** The Series A Preferred Stock shall, with respect to the payment of dividends and distributions of assets upon liquidation, dissolution and winding-up, rank senior to Junior Stock, junior to any Senior Stock and pari passu with any Parity Stock of the Corporation, including those that the Corporation may issue from time to time in the future.

Section 11. **Record Holders.** To the fullest extent permitted by applicable law, the Corporation and the transfer agent for the Series A Preferred Stock, if any, may deem and treat the record holder of any share of the Series A Preferred Stock as the true and lawful owner thereof for all purposes, and neither the Corporation nor such transfer agent shall be affected by any notice to the contrary.

Section 12. **Notices.** All notices or communications in respect of Series A Preferred Stock shall be sufficiently given if given in writing and delivered in person or by first class mail, postage prepaid, or if given in such other manner as may be permitted in this Certificate of Designations, Bylaws or by applicable law. Notwithstanding the foregoing, if Series A Preferred Stock or depositary shares representing an interest in Series A Preferred Stock are issued in book-entry form through DTC, such notices may be given to the holders of the Series A Preferred Stock in any manner permitted by DTC.

Section 13. **No Conversion Rights**. The Series A Preferred Stock are not convertible into or exchangeable for any other securities or property of the Corporation, except under the circumstances set forth under Section 8(a).

Section 14. **No Preemptive Rights**. No Series A Preferred Stock shall have any rights of preemption whatsoever as to any securities of the Corporation, or any warrants, rights or options issued or granted with respect thereto, regardless of how such securities, or such warrants, rights or options, may be designated, issued or granted.

Section 15. **Other Rights.** The shares of Series A Preferred Stock shall not have any voting powers, preferences or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Certificate of Incorporation or as provided by applicable law.

Section 16. **Certificates**. The Corporation may, at its option, issue shares of Series A Preferred Stock without certificates. As long as DTC or its nominee is the registered owner of the Series A Preferred Stock, DTC or its nominee, as the case may be, will be considered the sole owner and holder of all Series A Preferred Stock. If DTC discontinues providing its services as securities depositary with respect to the Series A Preferred Stock, or if DTC ceases to be registered as a clearing agency under the Securities Exchange Act of 1934, in the event that a successor securities depositary is not obtained within 90 days, the Corporation will either print and deliver certificates for the Series A Preferred Stock or provide for the direct registration of the Series A Preferred Stock with the transfer agent. If the Corporation decides to discontinue the use of the system of book-entry-only transfers through DTC (or a

successor securities depositary), certificates for the Series A Preferred Stock will be printed and delivered to DTC or the Corporation will provide for the direct registration of the Series A Preferred Stock with the transfer agent. Except in the limited circumstances referred to above, owners of beneficial interests in the Series A Preferred Stock:

(a) will not be entitled to have such Series A Preferred Stock registered in their names;

(b) will not receive or be entitled to receive physical delivery of securities certificates in exchange for beneficial interests in the Series A Preferred Stock; and

(c) will not be considered to be owners or holders of the Series A Preferred Stock for any purpose under the instruments governing the rights and obligations of holders of the Series A Preferred Stock.

Exhibit 4.8

Certificate Number: 01
Number of shares of Series A Preferred Stock: 6,000

CUSIP / ISIN NO.:
040128407 / US0401284072

ARGO GROUP INTERNATIONAL HOLDINGS, INC.

7.00% Resettable Fixed Rate Preferred Stock, Series A
(par value $1.00 per share)
(liquidation preference $25,000 per share)

Argo Group International Holdings, Inc., a Delaware corporation (the "Company"), hereby certifies that Equiniti Trust Company, LLC (formerly known as American Stock Transfer & Trust Company, LLC), a New York limited liability company as Depositary (the "Depositary") under the Deposit Agreement, dated July 9, 2020, among the Company, the Depositary and the holders from time to time of Receipts (as defined therein) issued thereunder, is the registered owner of 6,000 fully paid and non-assessable shares of the Company's designated 7.00% Resettable Fixed Rate Preferred Stock, Series A, with a par value of $1.00 per share and a liquidation preference of $25,000 per share (the "Series A Preferred Stock"). The shares of Series A Preferred Stock are transferable on the books and records of the Registrar, in person or by a duly authorized attorney, upon surrender of this certificate duly endorsed and in proper form for transfer. The designations, rights, privileges, restrictions, preferences and other terms and provisions of the Series A Preferred Stock represented hereby are and shall in all respects be subject to the provisions of the Company's Certificate of Incorporation, Bylaws and Certificate of Designations of 7.00% Resettable Fixed Rate Preferred Stock, Series A dated November 30, 2023 (as the same may be amended from time to time, the "Certificate of Designations"). Capitalized terms used herein but not defined shall have the meaning given them in the Certificate of Designations. The Company will provide a copy of the Certificate of Designations to the Depositary without charge upon written request to the Company at its principal place of business.

Reference is hereby made to select provisions of the Series A Preferred Stock set forth on the reverse hereof, and to the Certificate of Designations, which select provisions and the Certificate of Designations shall for all purposes have the same effect as if set forth at this place.

Upon receipt of this certificate, the Depositary is bound by the Certificate of Designations and is entitled to the benefits thereunder.

Unless the Registrar has properly countersigned, the Series A Preferred Stock represented by this certificate shall not be entitled to any benefit under the Certificate of Designations or be valid or obligatory for any purpose.

[*Signature page follows*]

IN WITNESS WHEREOF, this certificate has been executed on behalf of the Company by its Chief Financial Officer this 30th day of November, 2023.

ARGO GROUP INTERNATIONAL HOLDINGS, INC.

By: ______________________________
Name:
Title:

IN WITNESS WHEREOF, this certificate has been executed on behalf of the Company by its Chief Executive Officer this 30th day of November, 2023.

ARGO GROUP INTERNATIONAL HOLDINGS, INC.

By: ______________________________
Name:
Title:

REGISTRAR'S COUNTERSIGNATURE

These are the shares of Series A Preferred Stock referred to in the within-mentioned Certificate of Designations.

Dated: November 30, 2023

EQUINITI TRUST COMPANY, LLC, as Registrar

By: ______________________
Name:
Title:

REVERSE OF CERTIFICATE

Dividends on each share of Series A Preferred Stock shall be payable at the rate provided in the Certificate of Designations when, as and if declared.

The shares of Series A Preferred Stock shall be redeemable at the option of the Company in the manner and in accordance with the terms set forth in the Certificate of Designations.

The Company shall furnish without charge to each holder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class or series of share capital issued by the Company and the qualifications, limitations or restrictions of such preferences and/or rights.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned assigns and transfers the shares of Series A Preferred Stock evidenced hereby to:

____

____

(Insert assignee's social security or taxpayer identification number, if any)

____

____

(Insert address and zip code of assignee)

and irrevocably appoints:

____

____

as agent to transfer the shares of Series A Preferred Stock evidenced hereby on the books of the Transfer Agent for the Series A Preferred Stock. The agent may substitute another to act for him or her.

Date:

Signature:

____

(Sign exactly as your name appears on the other side of this Certificate)

Signature Guarantee: ____

(Signature must be guaranteed by an "eligible guarantor institution" that is a bank, stockbroker, savings and loan association or credit union meeting the requirements of the Transfer Agent, which requirements include membership or participation in the Securities Transfer Agents Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Transfer Agent in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.)

Exhibit 21

Subsidiaries of Argo Group International Holdings, Inc.

Company Name	Country/State of Incorporation
PXRE Capital Statutory Trust II	Connecticut
PXRE Capital Statutory Trust VI	Delaware
Argo Re Ltd.	Bermuda
Argo Insurance Services Bermuda, Ltd.	Bermuda
Argo Irish Holdings I Ltd.	Bermuda
Argo Irish Holdings II	Bermuda
Argo Re Escritório de Representação no Brasil Ltda.	Brazil
PXRE Reinsurance (Barbados), Ltd.	Barbados
Argo International Holdings Limited	United Kingdom
Argo Financial Holding (Ireland) UC	Ireland
Ariel Re Property & Casualty	United Kingdom
ArgoGlobal Assicurazioni S.p.A.	Italy
Argo Group US, Inc.	Delaware
Argonaut Group Statutory Trust	Connecticut
Argonaut Group Statutory Trust III	Delaware
Argonaut Group Statutory Trust IV	Delaware
Argonaut Group Statutory Trust V	Delaware
Argonaut Group Statutory Trust VI	Connecticut
Argonaut Group Statutory Trust VII	Delaware
Argonaut Group Statutory Trust VIII	Delaware
Argonaut Group Statutory Trust IX	Delaware
Argonaut Group Statutory Trust X	Delaware
Argonaut Management Services, Inc.	Delaware
Trident Insurance Services, LLC	Texas
Alteris Insurance Services, Inc.	Massachusetts
Colony Insurance Company	Virginia
Colony Specialty Insurance Company	Ohio
Peleus Insurance Company	Virginia
Argonaut Insurance Company	Illinois
Argonaut-Midwest Insurance Company	Illinois
Argonaut Great Central Insurance Company	Illinois
Rockwood Casualty Insurance Company	Pennsylvania
Somerset Casualty Insurance Company	Pennsylvania
ARIS Title Insurance Corporation	New York

Exhibit 22

Guarantor and Subsidiary Issuer of Registered Guaranteed Securities

Securities	Guarantor
Argo Group US, Inc. (the "Subsidiary Issuer"), issued $143,750,000 aggregate principal amount of the Subsidiary Issuer's 6.5% Senior Notes due September 15, 2042 (the "Notes"). The Notes are unsecured and unsubordinated obligations of the Subsidiary Issuer and rank equally in right of payment with all of the Subsidiary Issuer's other unsecured and unsubordinated debt. The Notes are guaranteed on a full and unconditional senior unsecured basis by the Argo Group International Holdings, Inc. The Notes are listed on the New York Stock Exchange.	Argo Group International Holdings, Inc.

Exhibit 31.1

Rule 13a-14(a)/15d-14(a)
Certification of the Chief Executive Officer

I, Jessica Buss, Chief Executive Officer of Argo Group International Holdings, Inc., certify that:

1. I have reviewed this Annual Report on Form 10-K of Argo Group International Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Dated: March 18, 2024

/s/ Jessica Buss
Jessica Buss
Chief Executive Officer

Exhibit 31.2

Rule 13a-14(a)/15d-14(a)
Certification of the Chief Financial Officer

I, Christopher Donahue, Chief Financial Officer of Argo Group International Holdings, Inc., certify that:

1. I have reviewed this Annual Report on Form 10-K of Argo Group International Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: March 18, 2024

/s/ Christopher Donahue
Christopher Donahue
Chief Financial Officer

Exhibit 32.1

Certification of CEO Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report on Form 10-K of Argo Group International Holdings, Inc. (the "Company") for the year ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Jessica Buss, as Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of her knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

* * *

Certified this 18th day of March 2024

/s/ Jessica Buss
Jessica Buss
Chief Executive Officer

Exhibit 32.2

Certification of CFO Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report on Form 10-K of Argo Group International Holdings, Inc. (the “Company”) for the year ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Christopher Donahue, as Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002 that, to the best of his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

* * *

Certified this 18th day of March 2024

/s/ Christopher Donahue
Christopher Donahue
Chief Financial Officer

Exhibit 97.1

ARGO GROUP INTERNATIONAL HOLDINGS, LTD.

CLAWBACK POLICY

The Board of Directors (the "Board") of Argo Group International Holdings, Ltd. (the "Company") believes that it is appropriate for the Company to adopt this Clawback Policy (the "Policy") to be applied to the Covered Executives of the Company and adopts this Policy as of November 16, 2023, to be effective as of the Effective Date.

1. Definitions

For purposes of this Policy, terms defined in the preamble have their assigned meanings, and the following terms have the meanings set forth below:

a) "Committee" means the Compensation Committee of the Board or a committee of the Board responsible for the Company's executive compensation decisions and composed entirely of independent directors, as each may be in effect from time to time.

b) "Company Group" means the Company and each of its Subsidiaries, as applicable.

c) "Covered Compensation" means any Incentive-Based Compensation Received (including during the Lookback Period) by a Covered Executive who served as a Covered Executive at any time during the performance period for the Incentive-Based Compensation (i) on or after the Effective Date, (ii) after the person began service as a Covered Executive, and (iii) at a time when the Company had a class of securities listed on a national securities exchange or a national securities association.

d) "Effective Date" means October 2, 2023.

e) "Erroneously Awarded Compensation" means the amount of Covered Compensation Received by a Covered Executive that exceeds the amount of Covered Compensation that otherwise would have been Received by the Covered Executive had such amount been determined based on the restated amounts in the applicable Restatement, computed without regard to any taxes paid (*i.e.*, on a pre-tax basis). For Covered Compensation based on stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in a Restatement, the Board will determine the amount of such Covered Compensation that constitutes Erroneously Awarded Compensation, if any, based on a reasonable estimate of the effect of the Restatement on the stock price or total shareholder return upon which the Covered Compensation was Received, and the Board shall maintain documentation of such determination and provide such documentation to the NYSE.

f) "Exchange Act" means the U.S. Securities Exchange Act of 1934.

g) "Covered Executive" means each current and former "executive officer" of the Company, as defined under Rule 10D-1 adopted under the Exchange Act and Section

303A.14 of the NYSE's listing standards (and including any current or former "officer" of the Company as defined under Rule 16a-1(f) under Section 16 of the Exchange Act), which shall be deemed to include any individuals identified by the Company as executive officers pursuant to Item 401(b) of Regulation S-K under the Exchange Act.

h) "Financial Reporting Measure" means (i) any measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures derived wholly or in part from such measures and may consist of GAAP or non-GAAP financial measures (as defined under Regulation G of the Exchange Act and Item 10 of Regulation S-K under the Exchange Act), (ii) stock price or (iii) total shareholder return. Financial Reporting Measures may or may not be filed with the SEC and may be presented outside the Company's financial statements, such as in Managements' Discussion and Analysis of Financial Conditions and Result of Operations or in the performance graph required under Item 201(e) of Regulation S-K under the Exchange Act.

i) "Home Country" means the Company's jurisdiction of incorporation.

j) "Incentive-Based Compensation" means any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure.

k) "Lookback Period" means the three completed fiscal years (plus any transition period of less than nine months that is within or immediately following the three completed fiscal years and that results from a change in the Company's fiscal year) immediately preceding the date on which the Company is required to prepare a Restatement for a given reporting period, with such date being the earlier of: (i) the date the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Restatement, or (ii) the date a court, regulator or other legally authorized body directs the Company to prepare a Restatement. For the avoidance of doubt, recovery of any Erroneously Awarded Compensation under the Policy is not dependent on if or when the Restatement is actually filed.

l) "NYSE" means the New York Stock Exchange.

m) "Received" means the following: Incentive-Based Compensation is deemed "Received" in the Company's fiscal period during which the Financial Reporting Measure specified in or otherwise relating to the Incentive-Based Compensation award is attained, even if the grant, vesting or payment of the Incentive-Based Compensation occurs after the end of that period.

n) "Restatement" means a required accounting restatement of any Company financial statement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including (i) to correct an error in previously issued financial statements that is material to the previously issued financial statements (commonly referred to as a "Big R" restatement) or (ii) to correct an error

in previously issued financial statements that is not material to the previously issued financial statements but that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (commonly referred to as a "little r" restatement). Changes to the Company's financial statements that do not represent error corrections under the then-current relevant accounting standards will not constitute Restatements. For the avoidance of doubt, recovery of any Erroneously Awarded Compensation under the Policy is not dependent on fraud or misconduct by any person in connection with the Restatement.

o) "SEC" means the U.S. Securities and Exchange Commission.

p) "Subsidiary" means any domestic or foreign corporation, partnership, association, joint stock company, joint venture, trust or unincorporated organization "affiliated" with the Company, that is, directly or indirectly, through one or more intermediaries, "controlling", "controlled by" or "under common control with", the Company. The term "Control" for this purpose means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities, contract or otherwise.

2. Recoupment of Erroneously Awarded Compensation

In the event of a Restatement, any Erroneously Awarded Compensation Received by any Covered Executive during the Lookback Period (a) that is then-outstanding but has not yet been paid to the Covered Executive shall be automatically and immediately forfeited, and (b) that has been paid to the Covered Executive shall be subject to recoupment by the Company Group in accordance with Section 3 of this Policy. The Company must pursue (and shall not have the discretion to waive) the recoupment of such Erroneously Awarded Compensation in accordance with Section 3 of this Policy, except as provided below in this Section 2.

Notwithstanding the foregoing, the Board (or, the Committee, if applicable, or if the Board or the Committee is not responsible for the Company's executive compensation decisions and composed entirely of independent directors, a majority of the independent directors serving on the Board) may determine not to pursue the recovery of Erroneously Awarded Compensation from any Covered Executive if the Board determines that such forfeiture and/or recovery would be impracticable due to any of the following circumstances, and subject to the following procedural and disclosure requirements: (i) the direct expense paid to a third party (for example, reasonable legal expenses and consulting fees) to assist in enforcing the Policy would exceed the amount to be recovered; provided, that the Company Group must make a reasonable attempt to recover such Erroneously Awarded Compensation before concluding that recovery is impracticable, document such reasonable attempt to recover, and provide such documentation to the NYSE, (ii) pursuing such recovery would violate the Company's Home Country laws adopted prior to November 28, 2022, provided, that the Company obtains an opinion of Home Country counsel acceptable to the NYSE that recovery would result in such a violation and provides such opinion to the NYSE, or (iii) recovery would likely cause any otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company Group, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

3. Means of Recoupment

In the event that the Board determines that any Erroneously Awarded Compensation is subject to recovery under the Policy, the Company shall provide written notice to the Covered Executive in the manner it determines, and the Board shall determine, in its discretion, the timing and manner and other terms for promptly recouping the Erroneously Awarded Compensation, which may include, without limitation, (i) offsetting the amount of the Erroneously Awarded Compensation against any amount owed to the Covered Executive by the Company Group, (ii) requiring the forfeiture of any award granted by the Company Group to the Covered Executive, whether vested or unvested or paid or unpaid, or (iii) any and all other necessary actions to reasonably promptly recoup the Erroneously Awarded Compensation from the Covered Executive, in each case, to the fullest extent permitted under applicable law, including without limitation, Section 409A of the U.S. Internal Revenue Code and the regulations and guidance thereunder. If a Covered Executive fails to repay Erroneously Awarded Compensation that is owed to the Company Group under this Policy, the Company Group shall take all appropriate action to recover such Erroneously Awarded Compensation from such Covered Executive, and the Covered Executive shall be required to reimburse the Company for all expenses (including legal expenses) incurred by the Company Group in recovering such Erroneously Awarded Compensation.

4. No Indemnification

Notwithstanding the terms of any indemnification or insurance policy or any contractual arrangement with any Covered Executive that may be interpreted to the contrary, no Covered Executive shall (i) be indemnified, insured or reimbursed by the Company Group in respect of any loss of Erroneously Awarded Compensation by such Covered Executive in accordance with this Policy, (ii) receive any advancement of expenses for disputes related to any loss of Erroneously Awarded Compensation by such Covered Executive in accordance with this Policy, or (iii) be paid or reimbursed by the Company Group for any premiums paid by such Covered Executive for any third-party insurance policy covering potential recovery obligations under this Policy. For this purpose, the term "indemnification" includes any modification to current compensation arrangements or other means that would amount to *de facto* indemnification (for example, providing the Covered Executive with a new cash award which would be cancelled to effect the recovery of any Erroneously Awarded Compensation). In no event shall the Company Group be required to award any Covered Executive an additional payment if any Restatement would result in a higher incentive compensation payment.

5. Miscellaneous

This Policy generally will be administered and interpreted by the Board (or the Committee, if applicable, in which case, all references herein to "Board" shall be deemed to refer to the Committee. Any determination by the Board with respect to this Policy shall be final, conclusive and binding on all interested parties. Any discretionary determinations of the Board under this Policy, if any, need not be uniform with respect to all persons, and may be made selectively amongst persons, whether or not such persons are similarly situated.

This Policy is intended to satisfy the requirements of, and shall be interpreted in a manner consistent with, Rule 10D-1 under the Exchange Act, Section 303A.14 of the 303A.14 of the

NYSE's listing standards, Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as it may be amended from time to time, and any related rules or regulations promulgated by the SEC or the NYSE, including any additional or new requirements that become effective after the Effective Date which upon effectiveness shall be deemed to automatically amend this Policy to the extent necessary to comply with such additional or new requirements.

The provisions in this Policy are intended to be applied to the fullest extent of the law. To the extent that any provision of this Policy is found to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to applicable law. The invalidity or unenforceability of any provision of this Policy shall not affect the validity or enforceability of any other provision of this Policy. Recoupment of Erroneously Awarded Compensation under this Policy is not dependent upon the Company Group satisfying any conditions in this Policy, including any requirements to provide applicable documentation to the NYSE.

The rights of the Company Group under this Policy to seek forfeiture or reimbursement are in addition to, and not in lieu of, the Company's Compensation Clawback Policy (effective August 2, 2023) or any rights of recoupment, or remedies or rights other than recoupment, that may be available to the Company Group pursuant to the terms of any applicable law (including, but not limited to, Section 304 of the Sarbanes-Oxley Act of 2002), government regulation or stock exchange listing requirement or any other policy, code of conduct, employee handbook, employment agreement, equity award agreement, or other plan or agreement of the Company Group.

6. Amendment and Termination

To the extent permitted by, and in a manner consistent with applicable law, including SEC and NYSE rules, the Board may terminate, suspend or amend all or any portion of this Policy at any time in its discretion.

7. Successors

This Policy shall be binding and enforceable against all Covered Executives and their respective beneficiaries, heirs, executors, administrators or other legal representatives with respect to any Covered Compensation Received by such Covered Executives or entities.

* * * * *

ARGO GROUP INTERNATIONAL HOLDINGS, LTD.

CLAWBACK POLICY

ACKNOWLEDGMENT, CONSENT AND AGREEMENT

I acknowledge that I have received and reviewed a copy of the Argo Group International Holdings, Ltd. Clawback Policy (as may be amended from time to time, the "Policy") and I have been given an opportunity to ask questions about the Policy and review it with my counsel. I knowingly, voluntarily and irrevocably consent to and agree to be bound by and subject to the Policy's terms and conditions, including that I will return any Erroneously Awarded Compensation that is required to be repaid in accordance with the Policy. I further acknowledge, understand and agree that (i) the Incentive-Based Compensation that I receive, have received or may become entitled to receive from the Company Group is subject to the Policy, and the Policy may affect such Incentive-Based Compensation, (ii) the Policy will apply both during and after my employment with the Company, and (iii) I have no right to indemnification, insurance payments or other reimbursement by or from the Company Group for the loss of any Erroneously Awarded Compensation under the Policy. Capitalized terms used but not defined herein have the meanings set forth in the Policy.

Signed: ____

Print Name: ____

Date: ____

Exhibit 97.2

ARGO GROUP US, INC.

CLAWBACK POLICY

The Board of Directors (the "Board") of Argo Group US, Inc. (the "Company") believes that it is appropriate for the Company to adopt this Clawback Policy (the "Policy") to be applied to the Covered Executives of the Company and adopts this Policy as of February 6, 2024, to be effective as of the Effective Date.

1. Definitions

For purposes of this Policy, terms defined in the preamble have their assigned meanings, and the following terms have the meanings set forth below:

a) "Committee" means the Compensation Committee of the Board or a committee of the Board responsible for the Company's executive compensation decisions and composed entirely of independent directors, as each may be in effect from time to time.

b) "Company Group" means the Company and each of its Subsidiaries, as applicable.

c) "Covered Compensation" means any Incentive-Based Compensation Received (including during the Lookback Period) by a Covered Executive who served as a Covered Executive at any time during the performance period for the Incentive-Based Compensation (i) on or after the Effective Date, (ii) after the person began service as a Covered Executive, and (iii) at a time when the Company had a class of securities listed on a national securities exchange or a national securities association.

d) "Covered Executive" means each current and former "executive officer" of the Company, as defined under Rule 10D-1 adopted under the Exchange Act and Section 303A.14 of the NYSE's listing standards (and including any current or former "officer" of the Company as defined under Rule 16a-1(f) under Section 16 of the Exchange Act), which shall be deemed to include any individuals identified by the Company as executive officers pursuant to Item 401(b) of Regulation S-K under the Exchange Act.

e) "Effective Date" means October 2, 2023.

f) "Erroneously Awarded Compensation" means the amount of Covered Compensation Received by a Covered Executive that exceeds the amount of Covered Compensation that otherwise would have been Received by the Covered Executive had such amount been determined based on the restated amounts in the applicable Restatement, computed without regard to any taxes paid (*i.e.*, on a pre-tax basis). For Covered Compensation based on stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in a Restatement, the Board will determine the amount of such Covered Compensation that constitutes Erroneously Awarded Compensation, if any, based on a reasonable estimate of the effect of the Restatement on the stock price or total shareholder return upon which the Covered Compensation was Received, and

the Board shall maintain documentation of such determination and provide such documentation to the NYSE.

g) "Exchange Act" means the U.S. Securities Exchange Act of 1934.

h) "Financial Reporting Measure" means (i) any measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures derived wholly or in part from such measures and may consist of GAAP or non-GAAP financial measures (as defined under Regulation G of the Exchange Act and Item 10 of Regulation S-K under the Exchange Act), (ii) stock price or (iii) total shareholder return. Financial Reporting Measures may or may not be filed with the SEC and may be presented outside the Company's financial statements, such as in Managements' Discussion and Analysis of Financial Conditions and Result of Operations or in the performance graph required under Item 201(e) of Regulation S-K under the Exchange Act.

i) "Home Country" means the Company's jurisdiction of incorporation.

j) "Incentive-Based Compensation" means any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure.

k) "Lookback Period" means the three completed fiscal years (plus any transition period of less than nine months that is within or immediately following the three completed fiscal years and that results from a change in the Company's fiscal year) immediately preceding the date on which the Company is required to prepare a Restatement for a given reporting period, with such date being the earlier of: (i) the date the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Restatement, or (ii) the date a court, regulator or other legally authorized body directs the Company to prepare a Restatement. For the avoidance of doubt, recovery of any Erroneously Awarded Compensation under the Policy is not dependent on if or when the Restatement is actually filed.

l) "NYSE" means the New York Stock Exchange.

m) "Received" means the following: Incentive-Based Compensation is deemed "Received" in the Company's fiscal period during which the Financial Reporting Measure specified in or otherwise relating to the Incentive-Based Compensation award is attained, even if the grant, vesting or payment of the Incentive-Based Compensation occurs after the end of that period.

n) "Restatement" means a required accounting restatement of any Company financial statement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including (i) to correct an error in previously issued financial statements that is material to the previously issued financial statements (commonly referred to as a "Big R" restatement) or (ii) to correct an error in previously issued financial statements that is not material to the previously issued

financial statements but that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (commonly referred to as a "little r" restatement). Changes to the Company's financial statements that do not represent error corrections under the then-current relevant accounting standards will not constitute Restatements. For the avoidance of doubt, recovery of any Erroneously Awarded Compensation under the Policy is not dependent on fraud or misconduct by any person in connection with the Restatement.

o) "SEC" means the U.S. Securities and Exchange Commission.

p) "Subsidiary" means any domestic or foreign corporation, partnership, association, joint stock company, joint venture, trust or unincorporated organization "affiliated" with the Company, that is, directly or indirectly, through one or more intermediaries, "controlling", "controlled by" or "under common control with", the Company. The term "Control" for this purpose means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities, contract or otherwise.

2. Recoupment of Erroneously Awarded Compensation

In the event of a Restatement, any Erroneously Awarded Compensation Received by any Covered Executive during the Lookback Period (a) that is then-outstanding but has not yet been paid to the Covered Executive shall be automatically and immediately forfeited, and (b) that has been paid to the Covered Executive shall be subject to recoupment by the Company Group in accordance with Section 3 of this Policy. The Company must pursue (and shall not have the discretion to waive) the recoupment of such Erroneously Awarded Compensation in accordance with Section 3 of this Policy, except as provided below in this Section 2.

Notwithstanding the foregoing, the Board (or, the Committee, if applicable, or if the Board or the Committee is not responsible for the Company's executive compensation decisions and composed entirely of independent directors, a majority of the independent directors serving on the Board) may determine not to pursue the recovery of Erroneously Awarded Compensation from any Covered Executive if the Board determines that such forfeiture and/or recovery would be impracticable due to any of the following circumstances, and subject to the following procedural and disclosure requirements: (i) the direct expense paid to a third party (for example, reasonable legal expenses and consulting fees) to assist in enforcing the Policy would exceed the amount to be recovered; provided, that the Company Group must make a reasonable attempt to recover such Erroneously Awarded Compensation before concluding that recovery is impracticable, document such reasonable attempt to recover, and provide such documentation to the NYSE, (ii) pursuing such recovery would violate the Company's Home Country laws adopted prior to November 28, 2022, provided, that the Company obtains an opinion of Home Country counsel acceptable to the NYSE that recovery would result in such a violation and provides such opinion to the NYSE, or (iii) recovery would likely cause any otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company Group, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

3. Means of Recoupment

In the event that the Board determines that any Erroneously Awarded Compensation is subject to recovery under the Policy, the Company shall provide written notice to the Covered Executive in the manner it determines, and the Board shall determine, in its discretion, the timing and manner and other terms for promptly recouping the Erroneously Awarded Compensation, which may include, without limitation, (i) offsetting the amount of the Erroneously Awarded Compensation against any amount owed to the Covered Executive by the Company Group, (ii) requiring the forfeiture of any award granted by the Company Group to the Covered Executive, whether vested or unvested or paid or unpaid, or (iii) any and all other necessary actions to reasonably promptly recoup the Erroneously Awarded Compensation from the Covered Executive, in each case, to the fullest extent permitted under applicable law, including without limitation, Section 409A of the U.S. Internal Revenue Code and the regulations and guidance thereunder. If a Covered Executive fails to repay Erroneously Awarded Compensation that is owed to the Company Group under this Policy, the Company Group shall take all appropriate action to recover such Erroneously Awarded Compensation from such Covered Executive, and the Covered Executive shall be required to reimburse the Company for all expenses (including legal expenses) incurred by the Company Group in recovering such Erroneously Awarded Compensation.

4. No Indemnification

Notwithstanding the terms of any indemnification or insurance policy or any contractual arrangement with any Covered Executive that may be interpreted to the contrary, no Covered Executive shall (i) be indemnified, insured or reimbursed by the Company Group in respect of any loss of Erroneously Awarded Compensation by such Covered Executive in accordance with this Policy, (ii) receive any advancement of expenses for disputes related to any loss of Erroneously Awarded Compensation by such Covered Executive in accordance with this Policy, or (iii) be paid or reimbursed by the Company Group for any premiums paid by such Covered Executive for any third-party insurance policy covering potential recovery obligations under this Policy. For this purpose, the term "indemnification" includes any modification to current compensation arrangements or other means that would amount to *de facto* indemnification (for example, providing the Covered Executive with a new cash award which would be cancelled to effect the recovery of any Erroneously Awarded Compensation). In no event shall the Company Group be required to award any Covered Executive an additional payment if any Restatement would result in a higher incentive compensation payment.

5. Miscellaneous

This Policy generally will be administered and interpreted by the Board (or the Committee, if applicable, in which case, all references herein to "Board" shall be deemed to refer to the Committee. Any determination by the Board with respect to this Policy shall be final, conclusive and binding on all interested parties. Any discretionary determinations of the Board under this Policy, if any, need not be uniform with respect to all persons, and may be made selectively amongst persons, whether or not such persons are similarly situated.

This Policy is intended to satisfy the requirements of, and shall be interpreted in a manner consistent with, Rule 10D-1 under the Exchange Act, Section 303A.14 of the 303A.14 of the

NYSE's listing standards, Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as it may be amended from time to time, and any related rules or regulations promulgated by the SEC or the NYSE, including any additional or new requirements that become effective after the Effective Date which upon effectiveness shall be deemed to automatically amend this Policy to the extent necessary to comply with such additional or new requirements.

The provisions in this Policy are intended to be applied to the fullest extent of the law. To the extent that any provision of this Policy is found to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to applicable law. The invalidity or unenforceability of any provision of this Policy shall not affect the validity or enforceability of any other provision of this Policy. Recoupment of Erroneously Awarded Compensation under this Policy is not dependent upon the Company Group satisfying any conditions in this Policy, including any requirements to provide applicable documentation to the NYSE.

The rights of the Company Group under this Policy to seek forfeiture or reimbursement are in addition to, and not in lieu of, the Argo Group International Holdings, Inc. Compensation Clawback Policy (effective August 2, 2023), the Argo Group International Holdings, Inc. Clawback Policy (effective November 16, 2023) or any rights of recoupment, or remedies or rights other than recoupment, that may be available to the Company Group pursuant to the terms of any applicable law (including, but not limited to, Section 304 of the Sarbanes-Oxley Act of 2002), government regulation or stock exchange listing requirement or any other policy, code of conduct, employee handbook, employment agreement, equity award agreement, or other plan or agreement of the Company Group.

6. Amendment and Termination

To the extent permitted by, and in a manner consistent with applicable law, including SEC and NYSE rules, the Board may terminate, suspend or amend all or any portion of this Policy at any time in its discretion.

7. Successors

This Policy shall be binding and enforceable against all Covered Executives and their respective beneficiaries, heirs, executors, administrators or other legal representatives with respect to any Covered Compensation Received by such Covered Executives or entities.

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