

Argo Group

Technology, talent, and tripartite relationships

by **Matt Harris**

Matt Harris, Group Head of International Operations, Argo Group International Holdings Ltd, shared with FULLCOVER his vision about the company, how technology is changing the insurance sector, the importance of highly skilled professionals and the benefits of tripartite relationships between client, broker and insurer.

Excitement – and even consternation – about change are never far from the minds (and boardrooms) of the insurance sector these days. There's some justification for this. Although the industry has existed in an almost constant state of change throughout my insurance career, and long before I joined the industry in the early 1990s, the nature of change is different today. It now centres on technology: automation, digitalisation, artificial intelligence, and other new enablers that demand a different type of change from that we are used to managing.

These new technologies and ways of doing business make this a time when insurers need to be clear about their core capabilities. The days when companies can succeed as multiline carriers that cover everything through multiple distribution channels in scores of geographies have ended. Even the

largest players now recognise that focus is key. And insurers and brokers that fail to react by making selective, wise investments in technologies that support their key strengths will struggle for survival.

Argo Group's international focus is managing our clients' commercial speciality risks. Those risks are changing with the new technological environment. Brokers and clients need to understand the emergent risks confronting businesses, and be willing to engage actively with insurers, in a tripartite way, to ensure the right solutions are put in place to deal those risks.

Argo is ultimately all about helping to ensure the companies we insure remain in business. We do that by providing them with security and certainty. To achieve that, we require a depth of partnership that allows us to understand the direction of each client's business and the industries in which they operate. That allows us to identify and pre-empt the risks which stand before them. Our core capabilities lie not in transactional relationships, but in the depth and substance we are able to garner from regular and meaningful dialogue.

We possess a great depth of underwriting knowledge and skill and have seen multiple scenarios play out in various industries. When tripartite relationships are strong, we are able to apply that experience to clients' benefit. Relationship management involving a regular meeting of minds between brokers, clients, and ourselves is essential.

Talent acquisition is key to ensuring our own success, and to supporting that of our clients in the changing insurance and risk environments. Across our industry's value chain, demand for highly skilled professionals is greater than ever. In all the jurisdictions in which we operate around the world we will continue to engage individuals with subject mastery. Doing so is one of the core priorities for Argo's international business, which has achieved significant scale in the past three years or so, and now accounts for about half of Argo Group's total gross written premium.





That achievement results largely from our investment in people who possess an outstanding understanding of their speciality.

Our primary focus is around providing insurance in classes including professional lines liability, accident and health, marine and energy, property, and, in some markets, surety. We will remain focused on building our leadership position internationally in these lines. Technology will be essential. Argo Group has achieved notable success by introducing proprietary digital solutions in many markets, for example with Protector in Latin America and Argo Pro in the U.S. These web platforms allow brokers to arrange insurance cover digitally, from their desktops. We look to introduce similar solutions internationally in the future. Behind the scenes we are deploying the latest technology to reduce frictional costs.

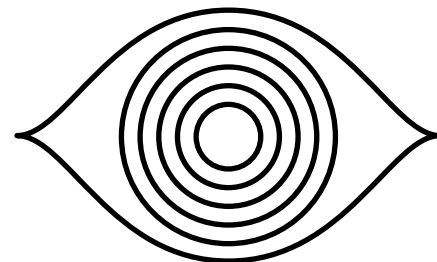
Of course, technology will never be a magic bullet. Before joining Argo Group I spent nearly ten years at AIG. It was there I learned the critical importance of collaboration, especially in an organisation operating in multiple international locations. Achieving ambitious targets and ideal outcomes demands the support of a large number of people. As Argo continues to grow and becomes a significant international player, we must all recognise how

important it is to work together, and so avoid a silo mentality. This applies as much to working with brokers and clients as it does to internal operations: the best results are reached by pursuing them together.

Equally important for an international business, and another lesson from my earlier career, is the importance of understanding cultural differences. I have lived and worked in eight different countries, which has taught me the stark reality that one size will never come close to fitting all. Cultural sensitivity – understanding the broader political and economic affairs, as well as the local nuances of doing business and engaging in interpersonal interaction – is critical to success in all markets. As we build Argo's international business, our teams of experts will approach every opportunity with the cultural savvy that clients expect. Argo will localise by adopting disciplines and priorities in every environment where we chose to operate. To succeed there, the right talent and technologies are essential.

Finally, the leadership we seek in our niches of the ever-changing insurance sector requires a willingness to get our heads above the parapet. Only by looking intently will we discover the true, locally led opportunities that will lead us to profitable growth, empower brokers with exciting new products, and bring new and valuable solutions to businesses and other enterprises around the world. •

Looking into the Future



The Future of Insurance – 2018 Insights: Risks, Uncertainty and a Looming Talent Gap

Argo surveyed brokers as well as small and medium enterprises (SMEs) in the U.K. and the U.S. to learn how they perceive the evolving insurance landscape, how they think the changes will affect them and how they plan to respond. A key takeaway? Significant gaps in knowledge have emerged because some areas of risk – particularly cyber and climate change – are evolving with great speed and complexity. A consequence is that these knowledge gaps could lead to inaction. While the insurance industry is positioned to provide leadership, it is facing a looming talent gap and struggling to attract a new generation of those who can analyze and underwrite emerging risks. The challenge for the insurance industry is clear, as is the opportunity for a new generation of talent to help SMEs navigate the uncertainty and evolving risks.

The full digital report can be viewed @ www.argolimited.com/reports/2018-midyear-report.

Argo Group

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

Key Facts

As a leading global specialty underwriter, Argo does business around the world and continues to set up new operations



12 countries

- United States
- United Kingdom (London)
- Italy (Milan and Rome)
- France (Paris)
- Brazil (Rio De Janeiro and Sao Paulo)
- Belgium (Brussels)
- Spain (Barcelona)
- Switzerland (Zurich)
- Bermuda
- UAE (Dubai)
- Malta
- Singapore

160

Countries where Argo writes **RISK**



Total Assets 2017
\$8.76 billion



Book Value per Share 2017
\$61.48



Approx. **1,300** employee



Named America's **50 Most Trustworthy Financial Companies** by Forbes Magazine in 2016 & 2017



Argo Seguros was named **Brazil Insurer of the Year** in the annual Reactions magazine Latin America Awards



GWP 2017
\$2.7 billion

Lines of Business

General Liability, Property, Inland Marine, Specialty, Surety, Title, Reinsurance, Professional Liability, Auto Liability, Marine, Workers' Compensation

Milestones

Argo Group began as Argonaut Insurance Exchange 70 years ago in California, specializing in underwriting workers' compensation.

