

Helping Businesses Stay in Business

An Interview with Mark E. Watson III, Chief Executive Officer, Argo Group



Mark E. Watson III

EDITORS' NOTE *Mark Watson invested in Argo Group's predecessor company, Argonaut Group, in 1998, joined its Board of Directors in 1999 and has served as President and CEO since 2000. Prior to joining Argonaut, Watson was one of two founding partners of Aquila Capital Partners, a Texas-based venture capital firm focused on technology and life sciences companies. Before this, he served as Executive Vice President and a member of the Board of Directors of Titan Holding Inc., a NYSE-listed property and casualty insurance group, from 1992 until its acquisition in 1997 by USF&G Corporation. From 1989 to 1991, he was an Associate Attorney with Kroll & Tract, a New York law firm focusing on international financial services clientele. In 1989, Watson was a Legislative Aide to Texas State Senator Donald Henderson, a role in which he helped draft legislation to create the first college savings bond program in the state, as well as the first mandatory alternative fuels bill, both of which were enacted into law. Watson graduated with a B.B.A. from Southern Methodist University and a J.D. from the University of Texas School of Law. He is also an alumnus of Harvard Business School.*

COMPANY BRIEF *Argo Group International Holdings, Ltd. (argolimited.com) 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 around the world.*

What are the keys to Argo's industry leadership and strong results?

Performance orientation is critical. We evaluate everything we do by asking two questions: First, does it deliver a measurable benefit to our clients? Second, does it produce a tangible result for our shareholders? If we can answer yes to both, we keep doing it. If not, we change it.

How do you define Argo's purpose beyond the bottom line?

We start with a clear mission, which is simply to help businesses stay in business. Most of our clients don't have the financial strength to risk doing business without insurance, and we give them that strength. That's what makes us valuable to them, and that's how we achieve our own longer-term purpose, which is to secure the future for our business partners, our employees and our company.

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How do you define the Argo culture?

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How critical is Argo's focus on underwriting to the growth of the business?

Expert underwriting is the foundation of our business. As a global specialty insurer, we thrive precisely because our underwriters have the kind of deep domain expertise that gives us the edge. You have to appreciate that we provide coverage in situations where there is limited historical data, where the conditions may be rare or novel, and where our experience and good judgment matter even more than pools of data from large-scale operations. It's the deep specialty knowledge of our underwriters that differentiates us, and that's where we'll continue to shine.

What are Argo Group's brands, and how are they each positioned in the market?

We think of our brand as the net impression we leave on our stakeholders. While we have several strong specialty brands in various markets, our individual businesses are guided by overarching Argo Group brand attributes.

How is technology impacting Argo's business?

More than a decade ago, we saw that insurance had to become a technology-propelled industry. We knew that any company that lagged would suffer. We invested heavily in four complementary streams of digitization: data analytics, process automation, product innovation and service delivery. As a result, we're reinventing ourselves, and our results are proving the merit of our commitment to technology.

Where is innovation taking place for Argo, and is the insurance industry as a whole doing an effective job of innovating?

We define innovation as any improvement that produces a clear benefit for our customers. As such, innovations can be process refinements that reduce the time it takes us to respond to our brokers and producers, new systems for aggregating and combining data sources so underwriters can select risk with greater accuracy and confidence, and

new products and platforms that make it easier for our clients worldwide to interact with us in ways that make their own lives easier.

How is technology changing your workforce?

Technology has become integral to virtually every development in business and society. While our industry has been slow to digitize, we know that new realities such as artificial intelligence, machine learning, Internet of Things, virtual reality, and autonomous transport will arrive at a vastly accelerated pace. We have to be there as they develop. As such, we've invested heavily in technology that supports our workforce and brought leading technology practitioners – such as data scientists and climate modelling experts – onto our team.

You often speak of your teams' focus on the needs of their customers. Is that a constant priority?

Absolutely. As a global specialty insurer and reinsurer, our customers may be policyholders, but they are just as likely to be brokers, managing agencies, and even other insurance companies. Our relentless customer focus requires and inspires us to train and select employees who understand that their customers' perception of our value is the most important element of our business. ●

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