

## Get There Together Thoughts about the Corporation and the Community

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

**EDITORS' NOTE** In 1998, Mark Watson made an investment in Argo Group's predecessor company, Argonaut Group, and joined its board of directors in 1999. He has overseen the organization's development as a leading specialty underwriter since becoming its Chief Executive Officer in 2000. Earlier, Watson was a founding partner of Aquila Capital Partners, a venture capital firm. Before this, he was an executive vice president and member of the board of directors of Titan



Mark E. Watson III

Holdings Inc., a NYSE listed company, from 1992 until its sale in 1997. From 1989 to 1991, he was an associate attorney with Kroll & Tract. He graduated with a B.B.A. in finance from Southern Methodist University and a J.D. from The University of Texas School of Law.

**COMPANY BRIEF** Argo Group International Holdings, Ltd. ([argolimited.com](http://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.

**In leading the organization, what makes corporate responsibility so critical, and what is the role of your business in that area?**

Every company is different, but part of our core purpose is to secure the future, not just for policyholders, employees, and shareholders, but also the communities in which we operate. We have a civic duty. To the extent that we're able to give back through philanthropy and community service, it's critical that we do so. Everybody wants a chance to have a better life. With our resources and our team, we can help make that happen.

**Do you target areas where you can have the most impact or do you try to reach a broader need?**

The need is certainly broad, and to be effective we must focus on things we can do well. We have a responsibility to the next generation, so we spend a lot of time working with local charities where we can help children in need. We do that across the board in all cities in which we operate. It's not just about our company writing checks. Most of our employees get

involved too. They invest their time. I'm always gratified by that. More importantly, they get involved with the causes and charities that matter most to them in their own communities. We also have a corporate matching-contribution program as do many other companies, and in our case it's 150 percent matching. We often provide funding to organizations when employees give their time. This encourages our team to direct our corporate philanthropy, which rewards their own individual contributions in a

responsive way.

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considerable. First, we have a duty and we're determined to live up to that. Second, by being deeply involved with our communities we attract responsible, more socially aware employees who themselves want to live responsibly and who see that we care about more than just the bottom line. Lastly, most of our customers do business with us for this same reason. We're a corporation of people living and working in human society. We have to look at our duty and actions in a holistic way.

**Do you track impact with metrics?**

When we're giving money through our foundations or through the company directly, we use a rigorous vetting process to make sure the funds we give to charitable organizations are distributed in the manner we approved. We audit their performance over the course of the year. If they haven't done what they said they would, we pull the funding. If they've done it well, we figure out how to help them more in the future.

**Argo has a clear mission around purpose. How do you define that?**

Our purpose, as I said, is to secure the future. We help businesses stay in business, and to do that well we have to be around for the long haul. We also have one overriding objective: "Outstanding results realized together." We're looking for great performance, and we know in business that always comes from team effort. In our area of specialty insurance, our clients are members of the team with as much impact on our success as we could ever have on theirs. That's why our tagline is "Get there together." If we bring that back to philanthropy, we want to be successful, we want our policyholders and employees to be successful, but we also want to make sure that the people who are supporting us in the broader sense, the communities where we live and operate, are successful too.

**How challenging is it to insure smaller, new businesses and how much support do you need to give them?**

The risk for them from an insurance perspective isn't much different than for a business that has been around a while. The biggest risk they have is whether what they're trying to accomplish will succeed. What we can do to help them achieve success is to have them realize that if something bad happens to them in the infancy of their business, it is not going to keep them from moving on. I will take that trade every day. ●

**Is there acceptance today that giving back is a long-term investment?**

Philanthropy is always an intriguing issue for boards because every dollar spent donating to charitable causes is a dollar that doesn't go to the bottom line. But the advantages are