

December 22, 2014

Dear Shareholder,

On December 15, 2014 the Argus Group announced net earnings of \$10.6 million for the six months ended September 30, 2014 compared to \$1.6 million in the prior year. Shareholders' Equity now stands at \$115.2 million, substantially in excess of the statutory capital required to conduct the Group's various insurance and investment related businesses.

We are proud to report these positive earnings and attribute the growth to the continued strong performance from our core business operations. Argus has positioned itself as a strategic partner that provides both immediate and long-term value to its clients, which has resulted in high client retention levels while operating in fiercely competitive markets. The leadership team continues to look for opportunities to improve product and client offerings in order to provide increasing benefits to shareholders and clients.

The Group has expanded the Preferred Provider Network, which is an overseas network of selected medical facilities focused on quality patient care at excellent value. These preferred provider relationships have led to some containment of overseas claims costs.

Next year will be an exciting time for Argus as we pilot a patient advocacy programme in partnership with Johns Hopkins Medicine International. A key challenge for Bermuda's healthcare system continues to be the rise in chronic diseases. Preventing and managing these diseases is critical to managing future healthcare costs. The objective of the programme is to assist with the management and coordination of care for our clients living with chronic illness with the goal of improving health outcomes both for our clients and the community as a whole. We look forward to continuing our leadership role in health management and wellness.

On December 12, 2014, the Board declared a dividend of seven cents per share payable on February 16, 2015 for shareholders of record on January 30, 2015. This represents a final dividend based upon the audited financial statements of the Group for the year ended March 31, 2014.

It is my hope that you enjoy the forthcoming holiday season and that all in Bermuda prosper in the year ahead. Thank you for your loyalty and please accept my best wishes for 2015.

Yours sincerely,



Alison S. Hill
Chief Executive Officer