

AMERICAN SAFETY INSURANCE HOLDINGS LTD  
Form SC 13D  
February 27, 2009

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 13D**

**(Rule 13d-101)**

**INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT  
TO RULES 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO RULE 13d-2(a)**

**(Amendment No.    )\***

**American Safety Insurance Holdings LTD**

(Name of Issuer)

Common Stock

Par value \$0.01 per share

(Title of Class of Securities)

G02995101

(CUSIP Number)

Argo Group International Holdings, Ltd.

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110 Pitts Bay Road

Pembroke HM 08, Bermuda

Attn: Jay S. Bullock 441-296-8560

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

May 30, 2008

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box " ".

**Note:** Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page. The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

(Continued on the following pages)

1 NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Argo Group International Holdings, Ltd.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC (See Item 3)

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Bermuda

7 SOLE VOTING POWER

NUMBER OF

0

SHARES

8 SHARED VOTING POWER

BENEFICIALLY

OWNED BY

1,721,974

EACH

9 SOLE DISPOSITIVE POWER

REPORTING

PERSON

0

10 SHARED DISPOSITIVE POWER

WITH

1,721,974 (See Item 5)

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

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1,721,974 (See Item 5)

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES ..

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

16%\* (See Item 5)

14 TYPE OF REPORTING PERSON

OO

\* The calculation of this percentage is based on 10,603,676 shares of common stock outstanding, as reported in the Issuer's Proxy Statement filed on May 29, 2008.

1 NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Argo RE, Ltd.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC (See Item 3)

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Bermuda

7 SOLE VOTING POWER

NUMBER OF

0

SHARES

8 SHARED VOTING POWER

BENEFICIALLY

OWNED BY

1,571,974

EACH

9 SOLE DISPOSITIVE POWER

REPORTING

PERSON

0

10 SHARED DISPOSITIVE POWER

WITH

1,571,974 (See Item 5)

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

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1,571,974 (See Item 5)

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

15%\* (See Item 5)

14 TYPE OF REPORTING PERSON

OO

\* The calculation of this percentage is based on 10,603,676 shares of common stock outstanding, as reported in the Issuer's Proxy Statement filed on May 29, 2008.

Item 1. Security and Issuer.

This statement on Schedule 13D relates to common stock, par value \$0.01 per share ( Common Stock ), of American Safety Insurance Holdings, LTD (the Issuer ). The Issuer has its principal offices at 31 Queens Street, 2nd Floor, Hamilton HM11, Bermuda.

Item 2. Identity and Background.

(a) - (c) This statement is being jointly filed by each of the following persons pursuant to Rule 13d-1(k) promulgated by the Securities and Exchange Commission (the Commission ) pursuant to Section 13 of the Securities Exchange Act of 1934, as amended (the Exchange Act ):

(i) Argo RE, Ltd., a Bermuda class 4 insurance company ( Argo RE ), purchased 1,571,974 shares of Common Stock of the Issuer; and

(ii) Argo Group International Holdings, Ltd., a Bermuda company limited ( AGII ), may be deemed to beneficially own 1,721,974 shares of Common Stock of the Issuer, comprised of the 1,571,974 shares held by Argo RE and 150,000 shares held by Argonaut Insurance Company, an Illinois corporation ( AIC ), both of which are wholly-owned subsidiaries of AGII.

Each of Argo RE and AGII are collectively referred to as the Reporting Persons. The Reporting Persons have entered into a Joint Filing Agreement, dated the date hereof, a copy of which is filed with this Schedule 13D as Exhibit 99.1 (which is hereby incorporated by reference) pursuant to which the Reporting Persons have agreed to file this statement jointly in accordance with the provisions of Rule 13d-1(k)(1) under the Exchange Act. The Reporting Persons expressly disclaim that they have agreed to act as a group other than as described in this statement.

Pursuant to Rule 13d-4 of the Exchange Act, the Reporting Persons expressly declare that the filing of this statement shall not be construed as an admission that any such person is, for the purposes of Section 13(d) and/or Section 13(g) of the Exchange Act or otherwise, the beneficial owner of any securities covered by this statement held by any other person.

The address of the principal business office of each of the Reporting Persons is 110 Pitts Bay Road, Pembroke HM 08, Bermuda, attention Jay S. Bullock 441-296-8560. The principal business of Argo RE is to underwrite property catastrophe reinsurance. The principal business of AGII is to underwrite property and casualty insurance and reinsurance products.

Certain information required by this Item 2(a) - (c) concerning the directors and executive officers of each of the Reporting Persons is set forth on Schedule A annexed hereto, which is incorporated herein by reference.

(d) - (e) Within the past five years, none of the Reporting Persons and, to the knowledge of the Reporting Persons, none of the persons set forth on Schedule A, has been convicted in any criminal proceeding (excluding traffic violations or similar misdemeanors) or has been a party to any civil proceeding and as a result thereof was or is subject to any judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to federal or state securities laws or finding any violations with respect to such laws.

(f) Each of the Reporting Persons is organized under the laws of Bermuda. Certain information required by this Item 2(f) concerning the directors and executive officers of each of the Reporting Persons is set forth on Schedule A annexed hereto, which is incorporated herein by reference.

Item 3. Source and Amount of Funds or Other Consideration.

As of May 30, 2008, Argo RE had invested approximately \$25,686,055.00 to purchase its 1,571,974 shares of Common Stock of the Issuer. Argo RE used cash on hand to fund such purchase.

As of May 30, 2008, AIC had invested approximately \$2,325,000.00 to purchase its shares of Common Stock of the Issuer. AIC used cash on hand to fund such purchase.

AGII has not directly invested any funds to purchase shares of Common Stock of the Issuer.

Item 4. Purpose of the Transaction.

Each of the Reporting Persons acquired the shares of Common Stock for investment purposes. Each of the Reporting Persons expects to continuously review such person's investment in the Issuer and, depending on various factors, including but not limited to, the price of the shares of Common Stock, the terms and conditions of the transaction, prevailing market conditions and such other considerations as such Reporting Person deems relevant, may at any time or from time to time, and subject to any required regulatory approvals, acquire additional shares of Common Stock, preferred stock or other securities convertible into or exercisable or exchangeable for Common Stock from time to time on the open market, in privately-negotiated transactions, directly from the Issuer, or upon the exercise or conversion of securities convertible into or exercisable or exchangeable for Common Stock.

Each Reporting Person also may, at any time, subject to compliance with applicable securities laws and regulatory requirements, dispose or distribute of some or all of its Common Stock or such other securities it owns or may subsequently acquire depending on various factors, including but not limited to, the price of Common Stock, the terms and conditions of the transaction and prevailing market conditions, as well as liquidity and diversification objectives. Each of the Reporting Persons may make gifts of shares to charities or others from time to time. In addition, each Reporting Person may, from time to time, enter into stock trading plans intended to satisfy the requirements of Rule 10b5-1 of the Exchange Act.



Consistent with their investment intent, each Reporting Person may from time to time discuss with the Issuer's management, directors and other shareholders (including the other Reporting Persons) the Issuer's performance, business, strategic direction, prospects and management, as well as various ways of maximizing stockholder value. Each Reporting Person intends to participate in and influence the affairs of the Issuer through the exercise of their respective voting rights with respect to their shares of the Issuer's Common Stock. Accordingly, the Reporting Persons may be deemed to constitute a group for purposes of Section 13(d)(3) of the Exchange Act. The filing of this Schedule 13D shall not be construed as an admission that any Reporting Person is, for the purposes of Section 13(d) or 13(g) of the Exchange Act, or for any other purpose, the member of a group or the beneficial owner of any securities other than the securities stated herein to be beneficially owned by such Reporting Person.

Except as indicated herein, the Reporting Persons do not have any plan or proposal that relates to or would result in:

- (a) The acquisition by any person of additional securities of the Issuer, or the disposition of securities of the Issuer;
- (b) An extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the Issuer or any of its subsidiaries;
- (c) A sale or transfer of a material amount of assets of the Issuer or any of its subsidiaries;
- (d) Any change in the present board of directors or management of the Issuer, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the board;
- (e) Any material change in the present capitalization or dividend policy of the Issuer;
- (f) Any other material change in the Issuer's business or corporate structure;
- (g) Changes in the Issuer's charter, bylaws or instruments corresponding thereto or other actions which may impede the acquisition of control of the Issuer by any person;
- (h) Causing a class of securities of the Issuer to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association;
- (i) A class of equity securities of the Issuer becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Act; or
- (j) Any action similar to any of those enumerated above.

Each Reporting Person may, at any time and from time to time, review or reconsider its position and/or change its purpose and/or formulate plans or proposals with respect thereto.

**Item 5. Interest in Securities of the Issuer.**

(a) The aggregate number and percentage of Common Stock of the Issuer deemed to be beneficially owned by Argo RE is 1,571,974 shares, which represents approximately 15% of the issued and outstanding Common Stock of the Issuer. The calculation of this percentage is based on 10,603,676 shares of Common Stock outstanding, as reported in the Issuer's Proxy Statement filed on May 29, 2008.

The aggregate number and percentage of Common Stock of the Issuer deemed to be beneficially owned by AGII is 1,721,974 shares, which represents approximately 16% of the issued and outstanding Common Stock of the Issuer. The calculation of this percentage is based on 10,603,676 shares of Common Stock outstanding, as reported in the Issuer's Proxy Statement filed on May 29, 2008.

None of the persons set forth on Schedule A has any interest in the Common Stock of the Issuer.

(b) Argo RE, by virtue of its position as the purchaser of the 1,571,974 shares of Common Stock and AGII, by virtue of the fact that Argo RE is a wholly-owned subsidiary of AGII, may be deemed to have the shared power to vote and dispose of the Common Stock owned by Argo RE reported herein. Additionally, AGII, by virtue of the fact that AIC is a wholly-owned subsidiary, may be deemed to have the shared power to vote and dispose of the 150,000 shares of Common Stock owned by AIC.

The filing of this Schedule 13D shall not be construed as an admission that any Reporting Person is, for the purposes of Section 13(d) or 13(g) of the Exchange Act, or for any other purpose, the beneficial owner of any securities other than the securities stated herein to be beneficially owned by such Reporting Person.

(c) Other than as described herein, no transactions in the Common Stock of the Issuer were effected during the past sixty days.

None of the persons set forth on Schedule A has effected any transactions in the Common Stock of the Issuer during the past sixty days.

(d) No person other than the Reporting Persons is known to have the right to receive, or the power to direct the receipt of dividends from, or proceeds from the sale of, the shares of Common Stock.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

There are no contracts, arrangements, understandings or relationships among the Reporting Persons, or between the Reporting Persons and any other person, with respect to the securities of the Issuer.

There are no contracts, arrangements, understandings or relationships among the persons set forth on Schedule A, or between the persons set forth on Schedule A, and any other person, with respect to the securities of the Issuer.

Item 7. Material to be Filed as Exhibits

EXHIBIT INDEX

| <b>Exhibit Number</b> | <b>Description</b>   |
|-----------------------|--|
| 99.1                  | Joint Filing Agreement by and between Argo Group International Holdings, Ltd. and Argo RE, Ltd. dated as of February 27, 2009. |

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: February 27, 2009

ARGO GROUP INTERNATIONAL HOLDINGS, LTD.

By: /s/ Jay S. Bullock  
Name: Jay S. Bullock  
Title: Executive Vice President and Chief Financial  
Officer

ARGO RE, LTD.

By: /s/ Kevin Copeland  
Name: Kevin Copeland  
Title: Treasurer and Vice President

**SCHEDULE 13D JOINT FILING AGREEMENT**

The undersigned hereby agree as follows:

Each of them is individually eligible to use the Schedule 13D to which this Exhibit is attached, and such Schedule 13D is filed on behalf of each of them; and

Each of them is responsible for the timely filing of such Schedule 13D and any amendments thereto, and for the completeness and accuracy of the information concerning such person contained therein; but none of them is responsible for the completeness or accuracy of the information concerning the other person making the filing, unless such person knows or has reason to believe that such information is inaccurate.

Date: February 27, 2009

ARGO GROUP INTERNATIONAL HOLDINGS, LTD.

By: /s/ Jay S. Bullock  
Name: Jay S. Bullock  
Title: Executive Vice President and Chief Financial  
Officer

ARGO RE, LTD.

By: /s/ Kevin Copeland  
Name: Kevin Copeland  
Title: Treasurer and Vice President

**SCHEDULE A**

**CERTAIN INFORMATION REGARDING THE PERSONS CONTROLLING THE REPORTING PERSONS**

**Argo Group International Holdings, Ltd.**

Directors

Mark E. Watson III

Gary Woods

F. Sedgwick Browne

H. Berry Cash

Bradley E. Cooper

Hector De Leon

Mural R. Josephson

Philip R. McLoughlin

Frank W. Maresh

John R. Power, Jr.

Fayez S. Sarofim

Officers

|                    |   |
|--------------------|---|
| Mark E. Watson III | President and Chief Executive Officer, Argo Group       |
| Barbara C. Bufkin  | Senior Vice President, Business Development, Argo Group |
| Dale Pilkington    | President, Argonaut Group, Inc.                         |
| Jay S. Bullock     | Executive Vice President and Chief Financial Officer    |

**Argo RE, Ltd.**

Directors

Barbara Bufkin

Andrew Carrier

Mark Watson III

Officers

Andrew Carrier      President

Barbara Bufkin      Senior Vice President