



F&G Life Re Ltd.

Financial Condition Report

For the year ended December 31, 2018

1. COMPANY BACKGROUND INFORMATION

F&G Life Re Ltd., formerly F&G Re Ltd (the “Company”) was incorporated in Bermuda on August 24, 2017, and licensed as a Class C Insurer by the Bermuda Monetary Authority to write Long-Term reinsurance on October 19, 2017. The Company was formed to act as an affiliated reinsurer of Fidelity & Guaranty Life Insurance Company (“FGLIC”), an Iowa corporation. F&G Life Re entered into an indemnity reinsurance agreement (“the Reinsurance Agreement”) whereby it assumed certain of FGLIC’s “net retained” business on a modified coinsurance basis. The Reinsurance Agreement has since been terminated and the subject business recaptured by FGLIC, effective October 1, 2018. Currently, F&G Life Re does not reinsure any business affiliated or non-affiliated. It is the intention of Company management to leave F&G Life Re intact as a Class C insurer with \$1,000,000 in capitalization.

Pursuant to Section 6C(1) of the Insurance Act 1978 (the “Act”), Section 6A(1)(e) of the Act discussing Prudential Standards relating to Public Disclosures, and the Insurance (Public Disclosure) Rules 2015 (the “Rules”) shall apply to the Company, subject to the modification that the Company shall only file the Capital Management Section of the Financial Condition Report in satisfaction of the prudential requirements relating to public disclosure.

The Bermuda Monetary Authority approved modification shall be effective for the Company’s financial year ending December 31, 2018.

2. BUSINESS AND PERFORMANCE

a. Name of Insurer

F&G Life Re Ltd.

b. Supervisors

Insurance Supervisor

Bermuda Monetary Authority
BMA House
43 Victoria Street
Hamilton
Bermuda

c. Approved Auditor – Statutory & GAAP Reporting

KPMG Audit Limited
Crown House
4 Par-La-Ville Road
Hamilton
Bermuda

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d. Ownership Details

The Company is a wholly owned subsidiary of CF Bermuda Holdings Limited (“CF Bermuda”), a Bermuda exempted company and its ultimate controlling company is FGL Holdings Limited (“FGL”) a Cayman exempted company listed on the NYSE.

3. CAPITAL MANAGEMENT

a. Eligible capital

i. Capital Management Policy and Process for Capital Needs, How Capital Managed and Material Changes During the Reporting Period

The primary capital management objectives of the Company are to maintain a strong capital base to support the development of its business and to meet regulatory and rating agency capital requirements at all times. F&G Life Re obtained approval from the Bermuda Monetary Authority’s in December 2018 to recapture the MODCO business and repatriation of surplus capital above the US\$1,000,000 amount that it intends to hold in the Company as statutory capital.

ii. Eligible Capital Categorised by Tiers in Accordance With the Eligible Capital Rules

To enable the BMA to better assess the quality of the insurer’s capital resources, a Class C insurer is required to disclose the makeup of its capital in accordance with a “3-tiered capital system”. Highest quality capital is classified as Tier 1 Capital, lesser quality capital is classified as either Tier 2 or Tier 3 Capital. As of December 31, 2018, the eligible capital of \$2,082,000 is Tier 1 Capital.

iii. Eligible Capital Categorised by Tiers in Accordance to the Eligible Capital Rules Used to Meet ECR and MSM Requirements of the Insurance Act

As of December 31, 2017, there is eligible capital of \$2,082,000 to meet requirements.

iv. Confirmation of Eligible Capital That is Subject to Transitional Arrangements

Not applicable.

v. Identification of Any Factors Affecting Encumbrances on the Availability and Transferability of Capital to Meet the ECR

Not applicable.

vi. Identification of Ancillary Capital Instruments Approved by the Authority

Not applicable.

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vii. Identification of Differences in Shareholder's Equity as Stated in the Financial Statements Versus the Available Capital and Surplus

Not applicable.

b. Regulatory capital requirements

i. ECR and MSM Requirements at the End of the Reporting Period

Under the Bermuda Insurance Act, the Company is required to maintain SFS capital and surplus to meet the Minimum Margin of Solvency (MMS) which is equal to the greater of \$500,000 or 1.5% of SFS assets. The MMS is subject to a floor of 25% of the Enhanced Capital Ratio (ECR). The Company met the minimum requirements.

ii. Identification of Any Non-Compliance with the MSM and the ECR

Not applicable.

iii. A Description of the Amount and Circumstances Surrounding the Non-Compliance, the Remedial Measures and Their Effectiveness

Not applicable.

iv. Where the Non-Compliance is not Resolved, a Description of the Amount of the Non-Compliance

Not applicable.

c. Approved Internal Capital Model

i. Description of the Purpose and Scope of the Business and Risk Areas Where the Internal Model is Used

Not applicable - the Company has not applied to have its internal capital model approved to determine regulatory capital requirements.

ii. Where a Partial Internal Model is Used, Description of the Integration with the BSCR Model

Not applicable.

iii. Description of Methods Used in the Internal Model to Calculate the ECR

Not applicable.

iv. Description of Aggregation Methodologies and Diversification Effects

Not applicable.

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v. Description of the Main Differences in the Methods and Assumptions Used for the Risk Areas in the Internal Model Versus the BSCR Model

Not applicable.

vi. Description of the Nature & Suitability of the Data Used in the Internal Model

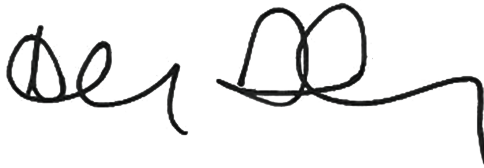
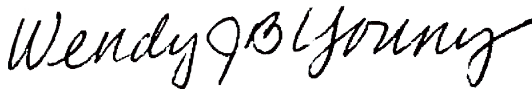
Not applicable.

vii. Any Other Material Information

Not applicable.

4. DECLARATION

To the best of our knowledge and belief, we the undersigned confirm that the Financial Condition Report fairly represents the financial condition of the Company in all material respects.



Wendy Young
Chief Executive Officer

Anthony Donaghy
Chief Financial and Compliance Officer