

Fidelity & Guaranty Life
Form 10-Q
May 08, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the quarterly period ended March 31, 2014

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the transition period from _____ to _____

Commission file number: 001-36227

FIDELITY & GUARANTY LIFE
(Exact name of registrant as specified in its charter)

Delaware	46-3489149
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1001 Fleet Street, 6th Floor	21202
Baltimore, MD	(Zip Code)
(Address of principal executive offices)	
(410) 895-0100	
(Registrant's telephone number, including area code)	
(Former name, former address and former fiscal year, if changed since last report)	

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes or No .

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes or No .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer <input type="checkbox"/>	Accelerated Filer <input type="checkbox"/>
Non-accelerated Filer <input checked="" type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company <input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes or No .

There were 58,437,412 shares of the registrant's common stock outstanding as of May 5, 2014.

FIDELITY & GUARANTY LIFE AND SUBSIDIARIES
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PART I: FINANCIAL INFORMATION

Item 1. Financial Statements

FIDELITY & GUARANTY LIFE AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(In millions, except share data)

	March 31, 2014 (Unaudited)	September 30, 2013
ASSETS		
Investments:		
Fixed maturities securities, available-for-sale, at fair value	\$16,865.1	\$15,541.4
Equity securities, available-for-sale, at fair value	353.1	271.1
Derivative investments	273.0	221.8
Other invested assets	323.4	188.2
Total investments	17,814.6	16,222.5
Related party loans and investments	145.7	119.0
Cash and cash equivalents	701.5	1,204.3
Accrued investment income	178.7	159.3
Reinsurance recoverable	3,694.0	3,728.6
Intangibles, net	540.3	563.8
Deferred tax assets	173.2	226.4
Other assets	134.4	205.2
Total assets	\$23,382.4	\$22,429.1
LIABILITIES AND SHAREHOLDERS' EQUITY		
Contractholder funds	\$15,998.3	\$15,248.2
Future policy benefits	3,533.7	3,556.8
Funds withheld for reinsurance liabilities	1,362.3	1,407.7
Liability for policy and contract claims	60.5	51.5
Long-term debt	300.0	300.0
Other liabilities	604.9	700.0
Total liabilities	21,859.7	21,264.2
Shareholders' equity:		
Common stock (\$.01 par value, 500,000,000 shares authorized, 58,439,476 issued and outstanding at March 31, 2014; 47,000,000 shares issued and outstanding at September 30, 2013)	0.6	—
Additional paid-in capital	701.1	527.1
Retained earnings	545.5	524.9
Accumulated other comprehensive income	275.5	112.9
Total shareholders' equity	1,522.7	1,164.9
Total liabilities and shareholders' equity	\$23,382.4	\$22,429.1

See accompanying notes to condensed consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions, except share data)

	Three months ended		Six months ended	
	March 31,	March 31,	March 31,	March 31,
	2014	2013	2014	2013
	(Unaudited)		(Unaudited)	
Revenues:				
Premiums	\$14.6	\$14.1	\$28.3	\$27.9
Net investment income	184.3	167.9	367.7	338.2
Net investment (losses) gains	(1.7) 206.7	121.7	353.2
Insurance and investment product fees and other	17.1	14.6	32.7	28.5
Total revenues	214.3	403.3	550.4	747.8
Benefits and expenses:				
Benefits and other changes in policy reserves	178.9	240.9	395.8	324.5
Acquisition and operating expenses, net of deferrals	32.0	23.4	58.0	50.4
Amortization of intangibles	11.3			