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Fidelity & Guaranty Life
Form 10-Q
May 06, 2015

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, 2015

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.)
Two Ruan Center	
601 Locust Street, 14th Floor	50309
Des Moines, Iowa	
(Address of principal executive offices)	(Zip Code)
(800) 445-6758	
(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 58,737,505 shares of the registrant's common stock outstanding as of May 4, 2015.

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, 2015 (Unaudited)	September 30, 2014
ASSETS		
Investments:		
Fixed maturity securities, available-for-sale, at fair value (amortized cost: March 31, 2015 - \$17,161; September 30, 2014 - \$16,692)	\$ 18,055	\$ 17,435
Equity securities, available-for-sale, at fair value (amortized cost: March 31, 2015 - \$574; September 30, 2014 - \$679)	606	698
Derivative investments	268	296
Commercial mortgage loans	304	136
Other invested assets	232	237
Total investments	19,465	18,802
Related party loans	75	113
Cash and cash equivalents	849	576
Accrued investment income	180	182
Reinsurance recoverable	3,691	3,665
Intangibles, net	610	515
Deferred tax assets	104	137
Other assets	221	163
Total assets	\$ 25,195	\$ 24,153
LIABILITIES AND SHAREHOLDERS' EQUITY		
Contractholder funds	\$ 17,521	\$ 16,464
Future policy benefits	3,481	3,504
Funds withheld for reinsurance liabilities	1,329	1,331
Liability for policy and contract claims	60	58
Debt	300	300
Other liabilities	794	837
Total liabilities	23,485	22,494
Commitments and contingencies		
Shareholders' equity:		
Preferred stock (\$.01 par value, 50,000,000 shares authorized, no shares issued at March 31, 2015)	\$ —	\$ —
Common stock (\$.01 par value, 500,000,000 shares authorized, 58,739,810 issued and outstanding at March 31, 2015; 58,442,721 shares issued and outstanding at September 30, 2014)	1	1
Additional paid-in capital	710	702
Retained earnings	601	607
Accumulated other comprehensive income	408	349
	(10) —

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Treasury Stock, at cost (463,394 shares at March 31, 2015; no shares at September 30, 2014)

Total shareholders' equity	1,710	1,659
Total liabilities and shareholders' equity	\$25,195	\$24,153

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,
	2015	2014	2015	2014
	(Unaudited)		(Unaudited)	
Revenues:				
Premiums	\$15	\$15	\$26	\$28
Net investment income	208	184	416	368
Net investment (losses) gains	(58) (2) 1	122
Insurance and investment product fees and other	22	18	42	33
Total revenues	187	215	485	551
Benefits and expenses:				
Benefits and other changes in policy reserves	172			