
Another asset manager enters the 'Bermuda Triangle' fixed annuity business

By Editorial Staff Thu, Oct 1, 2020

'Aspida's three-pronged strategy includes executing new reinsurance contracts, pursuing opportunistic acquisitions of insurance companies and issuing new annuity and life insurance products,' an Ares Asset Management release said.

Aspida Holdings Ltd., an indirect subsidiary of Ares Management Corp., has agreed to buy all outstanding common shares in F&G Reinsurance Ltd, a Bermuda-domiciled life and annuity reinsurer with approximately \$2 billion in invested assets as of June 30, 2020. Terms were not disclosed, but the consideration will be all cash.

The Company is being acquired from FGL Holdings, a subsidiary of Fidelity National Financial, Inc. Following closing, the reinsurer will operate as Aspida Re. The company expects to continue to operate as a reinsurance company under the Aspida brand ("Aspida Re").

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"Ares and the AIS platform are leveraging this experience to provide asset oversight and management as well as access to infrastructure and capital to drive Aspida's growth objectives. Aspida Re will provide customized solutions to help annuity and life carriers optimize their capital needs, improve financial results and manage the growth of their businesses," the release said.

Ares currently manages over \$16 billion for more than 100 insurance company clients.

In addition to asset management oversight, Ares and AIS also expect to provide Aspida Re with capital optimization and strategic M&A origination and advisory services.

Aspida Re will retain members of the Company's management team and enter into a strategic flow reinsurance agreement to support F&G on certain annuity products. The acquisition of the Company is expected to close during the fourth quarter of 2020, subject to regulatory approvals and other customary closing conditions.

Lazard acted as exclusive financial advisor and DLA Piper LLP served as legal counsel to Ares and Aspida.

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