
Chinese bid to acquire Fidelity & Guaranty Life delayed

By Editorial Staff Thu, Jun 2, 2016

Anbang withdrew its application to acquire the company with the New York State Department of Financial Services, Fidelity & Guaranty said in a filing on Tuesday with the Securities and Exchange Commission.

A large Chinese insurers bid to buy a U.S.-based issuer of indexed annuities has hit a snag, the *New York Times* reported this week.

The Chinese insurer, Anbang, has been purchasing hotels and financial firms in Europe, Asia and the U.S., and announced last year that it had agreed to buy Fidelity & Guaranteed Life, the Des Moines-based life insurer, for \$1.57 billion.

But this week Anbang withdrew its application to acquire the company with the New York State Department of Financial Services, Fidelity & Guaranty said in a filing on Tuesday with the Securities and Exchange Commission.

Fidelity said the withdrawal was not final and that it expected Anbang to refile in the “near future.” Neither F&G nor FTI Consulting in Hong Kong, which represents Anbang, said why Anbang withdrew its application.

The deal, announced in November, was cleared by the Committee on Foreign Investment in the United States, a government panel that checks acquisitions of American companies for potential national security concerns, Fidelity said in March.

Anbang must obtain regulatory approval for its takeover from states where Fidelity does business. It also has a pending application in Iowa, Fidelity said in its filing on Tuesday. Fidelity shares fell by more than 3.3% on Tuesday in New York, the biggest drop since August.

The Wall Street Journal reported that Anbang had failed to provide information requested by the Department of Financial Services about Anbang’s ownership structure and sources of funding for the takeover. In March, Anbang abruptly ended a \$14 billion bid to buy Starwood Hotels and Resorts.

Anbang, which owns insurance companies, a bank and a leasing company, says it has almost \$300 billion in assets. It is owned by 39 corporate shareholders, According to China’s State Administration of Industry and Commerce, it has 39 corporate shareholders, including two

state-owned companies that own 5% and 37 interconnected companies that own the rest.

Anbang's chairman, Wu Xiaohui, married a granddaughter of China's former leader, Deng Xiaoping. One Anbang director is the son of Chen Yi, a former long-serving foreign minister and top army general who died in 1972. Another former director is the son of Zhu Rongji, China's prime minister from 1998 to 2003.

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