

## Risk Factors Comparison 2024-02-29 to 2023-02-27 Form: 10-K

**Legend:** **New Text** ~~Removed Text~~ Unchanged Text **Moved Text Section**

In addition to the normal risks of business, we are subject to significant risks and uncertainties, including those listed below and others described elsewhere in this Annual Report. Any of the risks described herein could result in a significant or material adverse effect on our results of operations or financial condition. Risk Factors Relating to Market Conditions If economic and credit market conditions ~~continue to~~ deteriorate, it could have a material adverse impact on our investment portfolio and could also cause our stock price to fluctuate significantly. Our investment portfolio is exposed to economic and financial market risks, including changes in interest rates, credit markets and prices of marketable equity and fixed- income securities. Our investment policy in our title business is designed to maximize total return through investment income and capital appreciation consistent with moderate risk of principal, while providing adequate liquidity and complying with internal and regulatory guidelines. To achieve this objective, our marketable debt investments are primarily investment grade, liquid, fixed- income securities and money market instruments denominated in U. S. dollars. We make investments in certain equity securities and preferred stock in order to take advantage of perceived value and for strategic purposes. Economic and credit market conditions may adversely affect the ability of some issuers of investment securities to repay their obligations and affect the values of investment securities. If the carrying value of our investments exceeds the fair value, and the decline in fair value is deemed to be other- than- temporary, we will be required to write down the value of our investments, which could have a material negative impact on our results of operations and financial condition. Fixed maturities, equity securities and derivatives represent the majority of total cash and invested assets reported at fair value on our balance sheets. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Fair value estimates are made based on available market information and judgments about the financial instrument at a specific point in time. Expectations that our investments will continue to perform in accordance with their contractual terms are based on evidence gathered through our normal credit surveillance process and on assumptions a market participant would use in determining the current fair value. The value and performance of certain of our assets are dependent upon the performance of collateral underlying these investments. It is possible the collateral will not meet performance expectations leading to adverse changes in the cash flows on our holdings of these types of securities. In addition, many factors unrelated to our business could cause the market price of our common stock to rise and fall, including the operating and stock price performance of other comparable companies, investors' general perception of our industry, and changes in general economic and market conditions. If the market for stocks in our industry, or the stock market in general, experiences a loss of investor confidence, the trading price of our common stock could decline for reasons unrelated to our business, financial condition or results of operations. If any of the foregoing occurs, it could cause our stock price to fall and may expose us to lawsuits that, even if successfully defended, could be costly to defend and a distraction to management. Equity market volatility could negatively impact our business. The estimated cost of providing GMWB **riders** associated with our annuity products incorporates various assumptions about the overall performance of equity markets over certain time periods. Periods of significant and sustained downturns in equity markets or increased equity volatility could result in an increase in the valuation of the ~~future policy~~ **Market Risk benefit** **Benefit (" MRB")** or policyholder account **contractholder funds** balance liabilities associated with such products, resulting in a reduction in our revenues and net **income** earnings (loss). ~~The rate of amortization of our deferred acquisition costs (" DAC"), deferred sales inducements (" DSI") and value of business acquired (" VOBA") relating to FIA products could also increase if equity market performance is worse than assumed and have a materially adverse impact on our results of operations and financial condition.~~ Conditions in the economy generally could adversely affect our business, results of operations and financial condition. Our results of operations are materially affected by conditions in the U. S. economy. Adverse economic conditions may result in a decline in revenues and / or erosion of our profit margins. In addition, in the event of extreme prolonged market events and economic downturns, we could incur significant losses. Even in the absence of a market downturn we are exposed to substantial risk of loss due to market volatility. Factors such as consumer spending, business investment, government spending, **potential government shutdowns**, the volatility and strength of the capital markets, investor and consumer confidence, foreign currency exchange rates, **geopolitical uncertainties** and inflation levels all affect the business and economic environment and, ultimately, the amount and profitability of our business. In an economic downturn characterized by higher unemployment, lower family income, negative investor sentiment and lower consumer spending, the demand for our insurance products could be adversely affected. Under such conditions, our F & G segment may also experience an elevated incidence of policy lapses, policy loans, withdrawals and surrenders. In addition, our investments could be adversely affected as a result of deteriorating financial and business conditions affecting the issuers of the securities in our investment portfolio. Our investments are subject to market and credit risks. These risks could be heightened during periods of extreme volatility or disruption in financial and credit markets. A worsening business climate, ~~such as the current recession,~~ or changing trends could cause issuers of the fixed- income securities that we own to default on either principal or interest payments. Additionally, market price valuations may not accurately reflect the underlying expected cash flows of securities within our investment portfolio. If we fail to react appropriately to difficult market or economic conditions, our investment portfolio could incur material losses. Our invested assets and derivative financial instruments are subject to risks of credit defaults and changes in market values. Periods of extreme volatility or disruption in the financial and credit markets could increase these risks. Changes in interest rates and credit spreads could cause market price and cash flow variability in the fixed income instruments in our investment portfolio. Significant volatility and lack of liquidity in the credit markets could cause the market value of the fixed- income securities we

own to decline. Additionally, market price valuations may not accurately reflect the underlying expected cash flows of securities within our investment portfolio. Finally, market volatility could cause investment income fluctuations in ~~regards~~ **regard** to our alternative investments that may differ significantly from period to period. The value of our mortgage- backed securities and our commercial and residential mortgage loan investments depends in part on the financial condition of the borrowers and tenants for the properties underlying those investments, as well as general and specific economic trends affecting the overall default rate. We are also subject to the risk that cash flows resulting from the payments on pools of mortgages that serve as collateral underlying the mortgage- backed securities we own may differ from our expectations in timing or size. Any event reducing the estimated fair value of these securities, other than on a temporary basis, could have an adverse effect on our business, results of operations and financial condition. If adverse changes in the levels of real estate activity occur, our revenues may decline. Title insurance revenue is closely related to the level of real estate activity that includes sales, mortgage financing and mortgage refinancing. The levels of real estate activity are primarily affected by the average price of real estate sales, the availability of funds to finance purchases and mortgage interest rates. We have found that residential real estate activity generally decreases in the following situations: • when mortgage interest rates are high or increasing; • when the mortgage funding supply is limited; • when housing inventory is limited or home prices are high or increasing; and • when the United States economy is weak, including high unemployment levels. Declines in the level of real estate activity or the average price of real estate sales are likely to adversely affect our title insurance revenues. The Mortgage Bankers Association's ("MBA") Mortgage Finance Forecast as of February ~~21-20, 2023-2024~~, calculates an ~~approximately~~ **approximate** \$ ~~2.1~~ **2.6** trillion mortgage origination market for ~~2022-2023~~, which would be a decrease from ~~2021-2022~~ resulting primarily from decreases in both purchase and refinance activity. The MBA predicts overall mortgage originations in ~~2023-2024~~ will ~~also decrease~~ **increase** when compared to ~~2022~~ **2023** as a result of ~~decreases~~ **increases** in both purchase and refinance activity. Our revenues in future periods will continue to be subject to these and other factors that are beyond our control and, as a result, are likely to fluctuate. See discussion under **"Business Trends and Conditions"** within Management's Discussion and Analysis of Financial Condition and Results of Operations included in Item 7 of Part II of this Annual Report for further discussion of current market trends. Interest rate fluctuations could adversely affect our business, financial condition, liquidity, results of operations and cash flows. Interest rate risk is a significant market risk **for us**, as our F & G business involves issuing interest rate sensitive obligations backed primarily by investments in fixed income assets. **F & G also maintains a portion of the assets in its investment portfolio in floating rate instruments and has executed variable interest rate credit agreements and floating rate funding agreements, which are subject to an element of market risk from changes in interest rates. Prior to 2022, interest rates had been at or near historical low levels over the preceding** several years ~~prior to 2022, interest rates remained at or near historically low levels~~. A prolonged period of low rates exposes us to the risk of not achieving returns sufficient to meet our earnings targets and / or our contractual obligations. Furthermore, low or declining interest rates may reduce the rate of policyholder surrenders and withdrawals on our life insurance and annuity products, thus increasing the duration of the liabilities, creating asset and liability duration mismatches and increasing the risk of having to reinvest assets at yields below the amounts required to support our obligations. Lower interest rates may also result in decreased sales of certain insurance products, negatively impacting our profitability from new business. During periods of increasing interest rates ~~, such as those observed in 2022~~, we may offer higher crediting rates on interest- sensitive products, such as universal life insurance and fixed **rate** annuities, and we may increase crediting rates on in- force products to keep these products competitive. We may be required to accept lower spread income (the difference between the returns we earn on our investments and the amounts we credit to ~~contractholders~~ **contract holders**), thus reducing our profitability, as returns on our portfolio of invested assets may not increase as quickly as current interest rates. Rapidly rising interest rates may also expose us to the risk of financial disintermediation, which is an increase in policy surrenders, withdrawals and requests for policy loans as customers seek to achieve higher returns elsewhere, requiring us to liquidate assets in an unrealized loss position. If we experience unexpected withdrawal activity, we could exhaust our liquid assets and be forced to liquidate other less liquid assets such as limited partnership investments. We may have difficulty selling these investments in a timely manner and / or be forced to sell them for less than we otherwise would have been able to realize, which could have a material adverse effect on our business, financial condition ~~and or operating~~ **results of operations**. We have developed and maintain asset liability management ("ALM") programs and procedures **that are, we believe,** designed to mitigate interest rate risk by matching asset cash flows to expected liability cash flows. In addition, we assess surrender charges on withdrawals in excess of allowable penalty- free amounts that occur during the surrender charge period. There can be no assurance **that** actual withdrawals, contract benefits, and maturities will match our estimates. Despite our efforts to reduce the impact of rising interest rates, we may be required to sell assets to raise the cash necessary to respond to an increase in surrenders, withdrawals and loans, thereby realizing capital losses on the assets sold. ~~We may experience spread income compression~~ **Liabilities that are held on our balance sheet at fair value, including embedded derivatives on our FIA** and ~~a loss of anticipated earnings~~ **IUL business and MRBs on our FIA and fixed rate annuity business, if credited are sensitive to fluctuations in** interest rates, ~~are increased on renewing contracts in an effort to decrease~~ **Decreases in interest rates generally would have the impact of increasing the value of these liabilities, which will result in a reduction in or our net income** ~~manage withdrawal activity~~. **Liabilities** Our expectation for future spread income is ~~policyholder benefits are valued using locked- in discount rates, an and important component~~ **any changes in amortization interest rates since the inception of those contracts are reflected in OCI DAC, DSI, and VOBA under U. S. GAAP. Significant Decreases in interest rates would result in a** ~~reductions~~ **reduction** in our OCI spread income may cause us to accelerate DAC, DSI, and VOBA ~~amortization~~. In addition, certain statutory capital and reserve requirements are based on formulas or models that consider interest rates and a prolonged period of low interest rates may increase the statutory capital we are required to hold as well as the amount of assets we must maintain to support statutory reserves. **Economic conditions, including higher interest rates, could materially adversely affected our business, results of operations and financial condition. However, we cannot predict if it**

**will impact our business, results of operations or financial condition in the future for the forgoing reasons**. Risk Factors Relating to Our Business We have recorded goodwill as a result of prior acquisitions, and an economic downturn could cause these balances to become impaired, requiring write-downs that would reduce our operating income. Goodwill aggregated approximately \$ 4, ~~642-830~~ million, or ~~7-6~~ ~~+0~~ % of our total assets, as of December 31, ~~2022-2023~~. Current accounting rules require that goodwill be assessed for impairment at least annually or whenever changes in circumstances indicate that the carrying amount may not be recoverable from estimated future cash flows. Factors that may be considered a change in circumstance indicating the carrying value of our intangible assets, including goodwill, may not be recoverable include, but are not limited to, significant underperformance relative to historical or projected future operating results, a significant decline in our stock price and market capitalization, and negative industry or economic trends. For the years ended December 31, ~~2023, 2022~~ ~~;~~ ~~and 2021 and 2020~~, no goodwill impairment charge was recorded. However, if ~~the current economic conditions downturn continues or escalates into further deterioration~~ **deteriorate**, the carrying amount of our goodwill may no longer be recoverable, and we may be required to record an impairment charge, which would have a negative impact on our results of operations and financial condition. We will continue to monitor our market capitalization and the impact of the economy to determine if there is an impairment of goodwill in future periods. Our substantial indebtedness could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry and prevent us from meeting our obligations under our indebtedness. As of December 31, ~~2022-2023~~, our outstanding debt was \$ 3, ~~238-887~~ million. Our high degree of leverage could have important consequences, including the following: (i) a substantial portion of our cash flow from operations is dedicated to the payment of principal and interest on indebtedness, thereby reducing the funds available for operations, future business opportunities and capital expenditures; (ii) our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate purposes in the future may be limited; (iii) we may be unable to adjust rapidly to changing market conditions; (iv) the debt service requirements of our other indebtedness could make it more difficult for us to satisfy our financial obligations; and (v) we may be vulnerable in a downturn in general economic conditions or in our business and we may be unable to carry out activities that are important to our growth. Our ability to make scheduled payments of the principal of, or to pay interest on, or to refinance indebtedness depends on and is subject to our financial and operating performance, which in turn is affected by general and regional economic, financial, competitive, business and other factors beyond our control. If we are unable to generate sufficient cash flow to service our debt or to fund our other liquidity needs, we will need to restructure or refinance all or a portion of our debt, which could cause us to default on our obligations and impair our liquidity. Any refinancing of our indebtedness could be at higher interest rates and may require us to comply with more stringent covenants that could further restrict our business operations. We from time to time may increase the amount of our indebtedness, modify the terms of our financing arrangements, issue dividends, make capital expenditures and take other actions that may substantially increase our leverage. ~~The pattern of amortizing our DAC, DSI, and VOBA balances relies on assumptions and estimates made by management. Changes in these assumptions and estimates could impact our results of operations and financial condition. Amortization of our DAC, DSI and VOBA balances depends on the actual and expected profits generated by the respective lines of business that incurred the expenses. Expected profits are dependent on assumptions regarding a number of factors including investment returns, benefit payments, expenses, mortality, and policy lapse. Due to the uncertainty associated with establishing these assumptions, we cannot, with precision, determine the exact pattern of profit emergence. As a result, amortization of these balances will vary from period to period. Any difference in actual experience versus expected results could require us to, among other things, accelerate the amortization of DAC, DSI and VOBA that would reduce profitability for such lines of business in the current period. For additional information, see Item 7 of Part II of this Annual Report, under Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates.~~ We may face losses if our actual experience differs significantly from our ~~reserving~~ **reserve** assumptions. Our profitability depends significantly upon the extent to which our actual experience is consistent with the assumptions used in setting rates for our products and establishing liabilities for future life insurance, annuity, and PRT policy benefits and claims. However, due to the nature of the underlying risks and the high degree of uncertainty associated with the determination of the liabilities for unpaid policy benefits and claims, we cannot determine precisely the amounts we will ultimately pay to settle these liabilities. As a result, we may experience volatility in our profitability and our reserves from period to period. To the extent that actual experience is less favorable than our underlying assumptions, we could be required to increase our liabilities, which may reduce our profitability and impact our financial strength. We have been issuing ~~guaranteed minimum withdrawal benefit (“GMWB ”)~~ products since 2008. In our reserve calculations, we make assumptions for policyholder behavior as it relates to GMWB utilization. If emerging experience deviates from our assumptions on GMWB utilization, it could have a significant effect on our reserve levels and related results of operations. ~~Based on experience of GMWB utilization, which continues to emerge, we updated our GMWB utilization assumption during 2022, with a favorable impact on reserves.~~ We will continue to monitor the GMWB utilization assumption and update our best estimate as applicable. See Item 7 of Part II of this Annual Report, under Management’s Discussion and Analysis of Financial Condition and Results of Operations- Critical Accounting Policies and Estimates. Our management has historically sought to grow through acquisitions, both in our current lines of business as well as in lines of business outside of our traditional areas of focus or geographic areas. This expansion of our business subjects us to associated risks, such as risks and uncertainties associated with new companies, the diversion of management’s attention and lack of experience in operating unrelated businesses, and may affect our credit and ability to repay our debt. Our management has historically sought to grow through acquisitions, both in our current lines of business, as well as lines of business that are not directly tied to or synergistic with our current operations. Accordingly, we have in the past acquired, and may in the future acquire, businesses in industries or geographic areas with which management is less familiar than we are with our current businesses. These activities involve risks that could adversely affect our operating results, due to uncertainties involved with new companies, diversion of management’s

attention and lack of substantial experience in operating such businesses. There can be no guarantee that we will not enter into transactions or make acquisitions that will cause us to incur additional debt, increase our exposure to market and other risks and cause our credit or financial strength ratings to decline. We are a holding company and depend on distributions from our subsidiaries for cash. We are a holding company whose primary assets are the securities of our operating subsidiaries. Our ability to pay interest on our outstanding debt and our other obligations and to pay dividends is dependent on the ability of our subsidiaries to pay dividends or make other distributions or payments to us. If our operating subsidiaries are not able to pay dividends to us, we may not be able to meet our obligations or pay dividends on our common stock. Our title insurance subsidiaries must comply with state laws, which require them to maintain minimum amounts of working capital, surplus and reserves, and place restrictions on the amount of dividends that they can distribute to us. Compliance with these laws will limit the amounts our regulated subsidiaries can dividend to us. During 2023-2024, our title insurers may pay dividends or make distributions to us of approximately \$ 606-471 million; however, insurance regulators have the authority to prohibit the payment of ordinary dividends or other payments by our title insurers to us if they determine that such payment could be adverse to our policyholders. ~~Our F & G subsidiaries are also subject to state laws with respect to the payment of dividends. The Iowa insurance law and the New York insurance law regulate the amount of dividends that may be paid in any year by FGL Insurance and FGL NY Insurance, respectively. Compliance with these state regulations will limit the amounts that FGL Insurance and FGL NY Insurance may dividend to us. Any dividends in excess of a threshold amount are subject to advance state notice or approval.~~ The maximum dividend permitted by law is not necessarily indicative of an insurer' s actual ability to pay dividends, which may be constrained by business and regulatory considerations, such as the impact of dividends on surplus, which could affect an insurer' s ratings or competitive position, the amount of premiums that can be written and the ability to pay future dividends. Further, depending on business and regulatory conditions, we may in the future need to retain cash in our underwriters or even contribute cash to one or more of them in order to maintain their ratings or their statutory capital position. Such a requirement could be the result of investment losses, reserve charges, adverse operating conditions in the current economic environment or changes in interpretation of statutory accounting requirements by regulators. Our business could be interrupted or compromised if we experience difficulties arising from outsourcing relationships. If we do not maintain an effective outsourcing strategy or third- party providers do not perform as contracted, we may experience operational difficulties, increased costs and a loss of business that could have a material adverse effect on our results of operations. If there is a delay in our third- party providers' introduction of our new products or if our third- party providers are unable to service our customers appropriately, we may experience a loss of business that could have a material adverse effect on our results of operations. In addition, our reliance on third- party service providers that we do not control does not relieve us of our responsibilities and requirements. Any failure or negligence by such third- party service providers in carrying out their contractual duties may result in us becoming subjected to liability to parties who are harmed and ensuing litigation. Any litigation relating to such matters could be costly, expensive and time- consuming, and the outcome of any such litigation may be uncertain. Moreover, any adverse publicity arising from such litigation, even if the litigation is not successful, could adversely affect our reputation and sales of our products. See section titled" Outsourcing " in Item 1. Business for functions we outsource to third- party service providers. If we are unable to attract and retain national marketing organizations and independent agents, sales of our products may be reduced. Within our F & G segment, we must attract and retain our network of IMOs and independent agents to sell our products. Insurance companies compete vigorously for productive agents. We compete with other life insurance companies for marketers and agents primarily on the basis of our financial position, support services, compensation and product features. Such marketers and agents may promote products offered by other life insurance companies that offer a larger variety of products than we do. If we are unable to attract and retain a sufficient number of marketers and agents to sell our products, our ability to compete and our revenues would suffer. Failure of our enterprise- wide risk management processes could result in unexpected monetary losses, damage to our reputation, additional costs or impairment of our ability to conduct business effectively. As a large insurance entity and a publicly traded company, we have always had risk management functions, policies and procedures throughout our operations and management. These functions include but are not limited to departments dedicated to enterprise risk management and information technology risk management, information security, business continuity, lender strategy and ~~development-contracts~~, and vendor risk management. ~~These-~~Our policies and procedures have evolved over the years as we continually reassess our processes both internally and to comply with changes in the regulatory environment. Due to limitations inherent in any internal process, if our risk management processes prove unsuccessful at identifying and responding to risks, we could incur unexpected monetary losses, damage to our reputation, additional costs or impairment of our ability to conduct business effectively. If we experience changes in the rate or severity of title insurance claims, it may be necessary for us to record additional charges to our claim loss reserve. This may result in lower net earnings and the potential for earnings volatility. By their nature, claims are often complex, vary greatly in dollar amounts and are affected by economic and market conditions and the legal environment existing at the time of settlement of the claims. Estimating future title loss payments is difficult because of the complex nature of title claims, the long periods of time over which claims are paid, significantly varying dollar amounts of individual claims and other factors. From time to time, we experience large losses or an overall worsening of our loss payment experience in regard to the frequency or severity of claims that require us to record additional charges to our claims loss reserve. There are currently pending several large claims, which we believe can be defended successfully without material loss payments. However, if unanticipated material payments are required to settle these claims, it could result in or contribute to additional charges to our claim loss reserves. These loss events are unpredictable and adversely affect our earnings. At each quarter end, our recorded reserve for claim losses is initially the result of taking the prior recorded reserve for claim losses, adding the current provision to that balance and subtracting actual paid claims from that balance, resulting in an amount that management then compares to our actuary' s central estimate provided in the actuarial calculation. Due to the uncertainty and judgment used by both management and our actuary, our ultimate liability may be greater or less than our current reserves

and / or our actuary's calculation. If the recorded amount is within a reasonable range of the actuary's central estimate, but not at the central estimate, management assesses other factors in order to determine our best estimate. These factors, which are both qualitative and quantitative, can change from period to period and include items such as current trends in the real estate industry (which management can assess, but for which there is a time lag in the development of the data used by our actuary), any adjustments from the actuarial estimates needed for the effects of unusually large or small claims, improvements in our claims management processes, and other cost saving measures. Depending upon our assessment of these factors, we may or may not adjust the recorded reserve. If the recorded amount is not within a reasonable range of the actuary's central estimate, we would record a charge or credit and reassess the provision rate on a go forward basis. If the rating agencies downgrade our insurance companies, our results of operations and **financial condition** ~~competitive position in the title insurance industry~~ may suffer. Ratings have always been an important factor in establishing the competitive position of insurance companies. Our title insurance subsidiaries are rated by S & P, Moody's, and Demotech. Our F & G insurance subsidiaries are rated by A. M. Best, Fitch, Moody's, and S & P. Ratings reflect the opinion of a rating agency with regard to an insurance company's or insurance holding company's financial strength, operating performance and ability to meet its obligations to policyholders and are not evaluations directed to investors. Our ratings are subject to continued periodic review by rating agencies and the continued retention of those ratings cannot be assured. If our ratings are reduced from their current levels by those entities, our results of operations could be adversely affected. If our claim loss prevention procedures fail, we could incur significant claim losses. In the ordinary course of our title insurance business, we assume risks related to insuring clear title to residential and commercial properties. We have established procedures to mitigate the risk of loss from title claims, including extensive underwriting and risk assessment procedures. We also mitigate the risk of large claim losses by reinsuring risks with other insurers under excess of loss and case-by-case ("facultative") reinsurance agreements. Reinsurance agreements generally provide that the reinsurer is liable for loss and loss adjustment expense payments exceeding the amount retained by the ceding company. However, the ceding company remains primarily liable to the insured whether or not the reinsurer is able to meet its contractual obligations. If inherent limitations cause our claim loss risk mitigation procedures to fail, we could incur substantial losses having an adverse effect on our results of operations or financial condition. Our use of independent agents for a significant amount of our title insurance policies could adversely impact the frequency and severity of title claims. In our agency operations, an independent agent performs the search and examination function or the agent may purchase a search product from us. In either case, the agent is responsible for ensuring that the search and examination is completed. The agent thus retains the majority of the title premium collected, with the balance remitted to the title underwriter for bearing the risk of loss in the event that a claim is made under the title insurance policy. Our relationship with each agent is governed by an agency agreement defining how the agent issues a title insurance policy on our behalf. The agency agreement also sets forth the agent's liability to us for policy losses attributable to the agent's errors. For each agent with whom we enter into an agency agreement, financial and loss experience records are maintained. Periodic audits of our agents are also conducted and the number of agents with whom we transact business is strategically managed in an effort to reduce future expenses and manage risks. Despite efforts to monitor the independent agents with which we transact business, there is no guarantee that an agent will comply with their contractual obligations to us. Furthermore, we cannot be certain that, due to changes in the regulatory environment and litigation trends, we will not be held liable for errors and omissions by agents. Accordingly, our use of independent agents could adversely impact the frequency and severity of title claims.

**Risk Factors Related to the F & G Distribution**

The F & G Distribution could adversely affect our results of operations or financial condition. On December 1, 2022, we completed the F & G Distribution. The F & G Distribution is subject to inherent risks and uncertainties, including, but not limited to: diversion of management's attention and the potential impact of the F & G Distribution on relationships, including with employees, suppliers, customers and competitors; our ability to successfully realize the anticipated benefits of the F & G Distribution; the terms and conditions of agreements and arrangements between FNF and F & G following the distribution, such as the Corporate Services Agreement, dated as of November 30, 2022, between FNF and F & G (the "Corporate Services Agreement"), which provides for, among other things, the provision of certain services by FNF to F & G following the F & G Distribution; and the nature and amount of indebtedness incurred by F & G. In addition, our F & G segment contributes to a significant portion of our earnings and the F & G Distribution could adversely affect our earnings. Certain F & G directors may have actual or potential conflicts of interest because of their FNF equity ownership or their current or former FNF positions. A number of F & G's directors have been, and will continue to be, officers, directors or employees of FNF (or officers, directors or employees of affiliates of FNF) and, thus, have professional relationships with FNF's officers, directors or employees. In addition, certain of F & G's directors and executive officers own FNF common stock or other equity compensation awards. These relationships may create, or may create the appearance of, conflicts of interest when these directors and officers are faced with decisions that could have different implications for FNF and F & G. For example, potential conflicts of interest could arise in connection with the resolution of any dispute that may arise between FNF and F & G regarding the terms of the agreements governing F & G's relationship with FNF, including the Corporate Services Agreement. FNF or F & G may fail to perform under various transaction agreements that were executed as part of the F & G Distribution. In connection with the F & G Distribution, FNF and F & G entered into a separation and distribution agreement, the Corporate Services Agreement, and other transaction agreements. The transaction agreements determine the allocation of assets, rights and liabilities between the companies and include indemnifications related to liabilities and obligations. The Corporate Services Agreement provides for the performance of certain services by us for the benefit of F & G for a limited period of time after the F & G Distribution. The reverse services agreement provides for the performance of certain services by F & G for the benefit of FNF for a limited period of time after the F & G Distribution. We will rely on F & G to satisfy its obligations under the transaction agreements. If F & G is unable to satisfy its obligations under the transaction agreements, including its indemnification obligations, we could incur operational difficulties or losses.

**Risk Factors Relating to the Geographic Concentrations of our Business Segments**

Because we are dependent upon California and

Texas for approximately 12-13.0 % and 15-14.03 % and of our title insurance premiums, respectively, our Title segment may be adversely affected by regulatory conditions in California and / or Texas. California and Texas are the two largest sources of revenue for our Title segment. In 2022-2023, California- based premiums accounted for approximately 26-27.84 % of premiums earned by our direct operations and 0.6 % of our agency premium revenues, while Texas- based premiums accounted for 20-19.25 % of premiums earned by our direct operations and 11-9.08 % of our agency premium revenues. In the aggregate, California and Texas accounted for approximately 12-13.0 % and 15-14.03 %, respectively, of our total title insurance premiums for 2022-2023. A significant part of our revenues and profitability are therefore subject to our operations in California and Texas and to the prevailing regulatory conditions in these states. Adverse regulatory developments in California and Texas, which could include reductions in the maximum rates permitted to be charged, inadequate rate increases or more fundamental changes in the design or implementation of the California and Texas title insurance regulatory framework, could have a material adverse effect on our results of operations and financial condition. Concentration in certain states for the distribution of our life insurance and annuity products in our F & G segment may subject us to losses attributable to economic downturns or catastrophes in those states. Our top five states for the distribution of our life insurance and annuity products in our F & G segment are Florida, California, **Pennsylvania, Ohio and** Texas, ~~Pennsylvania and New Jersey~~. Any adverse economic developments or catastrophes in these states could have an adverse impact on our F & G segment. Risk Factors Relating to Government Regulation of the Insurance Industry Our subsidiaries must comply with extensive regulations. These regulations may increase our costs or impede or impose burdensome conditions on actions that we might seek to take to increase the revenues of those subsidiaries. Our insurance businesses are subject to extensive regulation by state insurance authorities in each state in which they operate. These agencies have broad administrative and supervisory power relating to the following, among other matters: • licensing requirements; • trade and marketing practices; • accounting and financing practices; • disclosure requirements on key terms of mortgage loans; • capital and surplus requirements; • the amount of dividends and other payments made by insurance subsidiaries; • investment practices; • rate schedules; • deposits of securities for the benefit of policyholders; • establishing reserves; and • regulation of reinsurance. Most states also regulate insurance holding companies like us with respect to acquisitions, changes of control and the terms of transactions with our affiliates. State regulations may impede or impose burdensome conditions on our ability to increase or maintain rate levels or on other actions that we may want to take to enhance our operating results. In addition, we may incur significant costs in the course of complying with regulatory requirements. Further, various state legislatures have in the past considered offering a public alternative to the title industry in their states, as a means to increase state government revenues. Although we think this situation is unlikely, if one or more such takeovers were to occur they could adversely affect our business. We cannot be assured that future legislative or regulatory changes will not adversely affect our business operations. See “Item 1. Business — Regulation” for further discussion of the current regulatory environment. Our ServiceLink subsidiary provides mortgage transaction services including title- related services and facilitation of production and management of mortgage loans. Certain of these businesses are subject to federal and state regulatory oversight. For example, ServiceLink’s LoanCare business services and subservices mortgage loans secured primarily by residential real estate throughout the United States. LoanCare is subject to extensive federal, state and local regulatory oversight, including federal and state regulatory examinations, information gathering requests, inquiries, and investigations by governmental and regulatory agencies, including the CFPB. In connection with formal and informal inquiries by those agencies, LoanCare receives numerous requests, subpoenas, and orders for documents, testimony and information in connection with various aspects of its or its clients’ regulated activities. LoanCare is also required to maintain a variety of licenses, both federal and state. License requirements are in a frequent state of renewal and reexamination as regulations change or are reinterpreted. In addition, federal and state statutes establish specific guidelines and procedures that debt collectors must follow when collecting consumer accounts. LoanCare’s failure to comply with any of these laws, should the states take an opposing interpretation, could have an adverse effect on LoanCare in the event and to the extent that they apply to some or all of its servicing activities. State regulation of the rates we charge for title insurance could adversely affect our results of operations. Our insurance subsidiaries are subject to extensive rate regulation by the applicable state agencies in the jurisdictions in which they operate. Title insurance rates are regulated differently in various states, with some states requiring the subsidiaries to file and receive approval of rates before such rates become effective and some states promulgating the rates that can be charged. In general, premium rates are determined on the basis of historical data for claim frequency and severity as well as related production costs and other expenses. In all states in which our title subsidiaries operate, our rates must not be excessive, inadequate or unfairly discriminatory. Premium rates are likely to prove insufficient when ultimate claims and expenses exceed historically projected levels. Premium rate inadequacy may not become evident quickly and may take time to correct, and could adversely affect our business operating results and financial conditions. Our F & G segment is highly regulated and subject to numerous legal restrictions and regulations. State insurance regulators, the NAIC and federal regulators continually reexamine existing laws and regulations and may impose changes in the future. New interpretations of existing laws and the passage of new legislation may harm our ability to sell new policies, increase our claims exposure on policies we issued previously and adversely affect our profitability and financial strength. We are also subject to the risk that compliance with any particular regulator’s interpretation of a legal or accounting issue may not result in compliance with another regulator’s interpretation of the same issue, particularly when compliance is judged in hindsight. Regulators and other authorities have the power to bring administrative or judicial proceedings against us, which could result in, among other things, suspension or revocation of our licenses, cease and desist orders, fines, civil penalties, criminal penalties or other disciplinary action, which could materially harm our results of operations and financial condition. We cannot predict what form any future changes in these or other areas of regulation affecting the insurance industry might take or what effect, if any, such proposals might have on us if enacted into law. In addition, because our activities are relatively concentrated in a small number of lines of business, any change in law or regulation affecting one of those lines of business could have a disproportionate impact on us as compared to other more

diversified insurance companies. See section titled “ Regulation ” in Item 1. Business for further discussion of the impact of regulations on our business. State Regulation Our business is subject to government regulation in each of the states in which we conduct business and is concerned primarily with the protection of policyholders and other customers rather than shareholders. Such regulation is vested in state agencies having broad administrative and discretionary authority, which may include, among other things, premium rates and increases thereto, underwriting practices, reserve requirements, marketing practices, advertising, privacy, policy forms, reinsurance reserve requirements, acquisitions, mergers and capital adequacy. At any given time, we and our insurance subsidiaries may be the subject of a number of ongoing financial or market conduct, audits or inquiries. From time to time, regulators raise issues during such examinations or audits that could have a material impact on our business. Under insurance guaranty fund laws in most states, insurance companies doing business therein can be assessed up to prescribed limits for policyholder losses incurred by insolvent companies. We cannot predict the amount or timing of any such future assessments and therefore the liability we have established for these potential assessments may not be adequate. In addition, regulators may change their interpretation or application of existing laws and regulations such as the case with broadening the scope of carriers that must contribute towards Long Term Care insolvencies. Although our business is subject to regulation in each state in which we conduct business, in many instances the state regulatory models emanate from the NAIC. Some of the NAIC pronouncements, particularly as they affect accounting issues, take effect automatically in the various states without affirmative action by the states. Statutes, regulations and interpretations may be applied with retroactive impact, particularly in areas such as accounting and reserve requirements. The NAIC continues to work to reform state regulation in various areas, including comprehensive reforms relating to ~~cyber security~~ **cybersecurity** regulations, best interest standards, RBC and life insurance reserves. Our insurance subsidiaries are subject to minimum capitalization requirements based on RBC formulas for life insurance companies that establish capital requirements relating to insurance, business, asset, interest rate and certain other risks. Changes to statutory reserve or risk- based capital requirements may increase the amount of reserves or capital our insurance companies are required to hold and may impact our ability to pay dividends. In addition, changes in statutory reserve or risk- based capital requirements may adversely impact our financial strength ratings. Changes currently under consideration include adding an operational risk component, factors for asset credit risk, and group wide capital calculations. “ Fiduciary ” Rule Proposals The DOL investment advice rule leaves in place PTE 84- 24, which is a longstanding class exemption providing prohibited transaction relief for insurance agents selling annuity products provided certain disclosures are made to the plan fiduciary, which is the policyholder in the case of an IRA, and certain other conditions are met. Among other things, these disclosures include the agent’ s relationship to the insurer and commissions received in connection with the annuity sale. F & G, along with FGL NY Insurance, designed and launched a compliance program in January 2022 requiring all agents selling IRA products to submit an acknowledgment with each IRA application indicating the agent has satisfied PTE 84- 24 requirements on a precautionary basis in case the agent acted or is found to have acted as a fiduciary. Meanwhile the DOL has publicly announced its intention to consider future rulemaking that would revoke or modify PTE 84- 24. **On November 2, 2023, following previous attempts to expand fiduciary regulation for advisers, the DOL the New Fiduciary Rule to significantly broaden the definition of “ fiduciary ” under ERISA. Among other requirements, if finalized in its proposed form, the New Fiduciary Rule provides that any person will be an investment advice fiduciary if they provide investment advice or make an investment recommendation to a retirement investor (i. e., a plan, plan fiduciary, plan participant or beneficiary, IRA, IRA owner or beneficiary, or IRA fiduciary) for a fee or other compensation, and the person provides the advice or makes the recommendation on a regular basis as part of their business and the recommendation is provided under circumstances indicating that the recommendation is based on the particular needs or individual investor circumstances of the retirement investor. Unlike the current ERISA standard, the New Fiduciary Rule would subject non- discretionary investment advice to retirement plans and accounts to the prudent- person “ best interest ” standard that has historically been reserved for investment advisors with discretionary authority or control over ERISA plan assets. If the New Fiduciary Rule is adopted in its present form, certain of the Company’ s agents would likely be considered fiduciaries for purposes of ERISA and the Internal Revenue Code — subjecting the Company, and the insurance industry on the whole, to greater regulatory risk.** Management believes these current and emerging developments relating to market conduct standards for the financial services industry may over time materially affect the way in which our agents do business, the role of IMOs, sale of IRA products including IRA- to- IRA and employer plan rollovers, how the company supervises its distribution force, compensation practices, and liability exposure and costs. In addition to implementing the compliance procedures described above, management is monitoring further developments closely and will be working with IMOs and distributors to adapt to these evolving regulatory requirements and risks. Bermuda and Cayman Islands Regulation Our business is subject to regulation in Bermuda and the Cayman Islands, including the BMA and the CIMA. These regulations may limit or curtail our activities, including activities that might be profitable, and changes to existing regulations may affect our ability to continue to offer our existing products and services, or new products and services we may wish to offer in the future. Our reinsurance subsidiary, F & G Life Re, is registered in Bermuda under the Bermuda Insurance Act and subject to the rules and regulations promulgated thereunder. The BMA has sought regulatory equivalency, which enables Bermuda’ s commercial insurers to transact business with the European Union on a “ level playing field. ” In connection with its initial efforts to achieve equivalency under the European Union’ s Directive (2009 / 138 / EC) (“ Solvency II ”), the BMA implemented and imposed additional requirements on the companies it regulates. The European Commission in 2016 granted Bermuda’ s commercial insurers full equivalence in all areas of Solvency II for an indefinite period of time. Our reinsurance subsidiary, F & G Cayman Re, is licensed in the Cayman Islands by the CIMA and is subject to supervision by CIMA and CIMA may at any time direct F & G Cayman Re, in relation to a policy, a line of business or the entire business, to cease or refrain from committing an act or pursuing a course of conduct and to perform such acts as in the opinion of CIMA are necessary to remedy or ameliorate the situation. The SECURE 2. 0 Act of 2022 may impact our business and the markets in which we compete. The

Secure 2.0 Act of 2022, Division T of the Consolidated Appropriations Act, 2023 (“ SECURE Act 2.0 ”), was signed into law on December 29, 2022, and went into effect as early as January 1, 2023, in certain respects. The SECURE Act 2.0 contains provisions that may impact our F & G insurance subsidiaries, and these changes could affect the desirability of IRAs, necessitate changes to our administrative system to implement the Secure Act 2.0, and affect, to some extent, the length of time that IRA assets remain in our annuity products. These provisions include, for example, raising the age for required minimum distributions from IRAs from 72 to 73 (age 74 after 2032); additional exceptions to the 10 % penalty tax for distributions before age 59- 1 / 2; reduction of the penalty for failures to take a required distribution amount; directions to the SEC for new registration forms for registered index linked annuities; and directions to the DOL to revisit fiduciary standards relating to choosing an annuity provider in pension risk transfer transactions. While we cannot predict whether, or to what extent, the SECURE Act 2.0 will ultimately impact us, whether positive or negative, it may have implications for our business operations and the markets in which we compete. Regulatory investigations of the insurance industry may lead to fines, settlements, new regulation or legal uncertainty, which could negatively affect our results of operations. From time to time we receive inquiries and requests for information from state insurance departments, attorneys general and other regulatory agencies about various matters relating to our business. Sometimes these take the form of civil investigative demands or subpoenas. We cooperate with all such inquiries and we have responded to or are currently responding to inquiries from multiple governmental agencies. Also, regulators and courts have been dealing with issues arising from foreclosures and related processes and documentation. Various governmental entities are studying the insurance product, market, pricing, and business practices, and potential regulatory and legislative changes, which may materially affect our business and operations. From time to time, we are assessed fines for violations of regulations or other matters or enter into settlements with such authorities, which may require us to pay fines or claims or take other actions. Risk Factors Relating to the Credit Risk of our Counterparties We are subject to the credit risk of our counterparties, including companies with whom we have reinsurance agreements or we have purchased call options. **We** ~~Our F & G insurance subsidiaries~~ **cede material amounts of insurance and transfer transfers** related assets and certain liabilities to other insurance companies through reinsurance. Accordingly, we bear credit risk with respect to our reinsurers. The failure, insolvency, inability or unwillingness of any reinsurer to pay under the terms of reinsurance agreements with us could materially adversely affect our business, financial condition, **liquidity** and results of operations. We regularly monitor the credit rating and performance of our reinsurance parties. **ASPIDA Life Re Ltd. (“ Aspida Re ”), Wilton Reassurance Company (“ Wilton Re ”), Somerset Reinsurance Ltd. (“ Somerset ”) and Everlake Life Insurance Company (“ Everlake ”)** ~~represents~~ **represent** our largest **third- party** reinsurance counterparty exposure. **We also utilize** ~~As of December 31, 2023, the net amount recoverable from Aspida Re, Wilton Re, Somerset and Everlake were \$ 6, 128 million, \$ 1, 092 million, \$ 716 million, and \$ 509 million, respectively.~~ **The risk of non- performance is mitigated with various forms of collateral or collateral arrangements, including secured trusts, funds withheld accounts reinsurance counterparty risk. Under funds withheld arrangements, each of our F & G insurance subsidiaries retains possession and irrevocable letters of credit legal title to assets backing ceded liabilities.** ~~We~~ **Our F & G insurance subsidiaries** are also exposed to credit loss in the event of non- performance by our counterparties on ~~call~~ options. We seek to reduce the risk associated with such agreements by purchasing such options from large, well- established financial institutions, and by holding collateral. There can be no assurance we will not suffer losses in the event of counterparty non- performance. **Several of our derivative counterparty International Swap and Derivative Association (“ ISDA ”) agreements contain additional termination event triggers based on a downgrade of FGL Insurance.** **These triggers would give these counterparties the option to terminate our options, which could lead to losses if occurring at an inopportune time. Please refer to “ Management’ s Discussion and Analysis of Financial Condition and Results of Operations ” for additional details on credit risk and counterparty risk.** If financial institutions at which we hold escrow funds fail, it could have a material adverse impact on our company. We hold customers' assets in escrow at various financial institutions, pending completion of real estate transactions. These assets are maintained in segregated bank accounts and have not been included in the accompanying Consolidated Balance Sheets. We have a contingent liability relating to proper disposition of these balances for our customers, which amounted to \$ ~~18-13. 9-5~~ billion at December 31, ~~2022-2023~~. Failure of one or more of these financial institutions may lead us to become liable for the funds owed to third parties and there is no guarantee that we would recover the funds deposited, whether through Federal Deposit Insurance Corporation coverage or otherwise. Risk Factors Related to a National or Global Crisis, Climate Change, Computer Cyber- terrorism and Other Catastrophic Events Our business could be materially and adversely affected by the occurrence of a catastrophe, including natural disasters or those caused by humans. Any catastrophic event, such as ~~a~~ **pandemic diseases**, terrorist attacks, floods, severe storms or hurricanes or ~~computer- cyber- terrorism attacks~~, could have a material and adverse effect on our business in several respects: • the outbreak of a pandemic disease, like COVID- 19, could have a material adverse effect on our liquidity, financial condition and the operating results of our insurance business due to its impact on the economy and financial markets; • the occurrence of any pandemic disease, natural disaster, terrorist attack or any other catastrophic event that results in our workforce being unable to be physically located at one of our facilities could result in lengthy interruptions in our service; or • we could experience long- term interruptions in our service and the services provided by our significant vendors due to the effects of catastrophic events, including but not limited to **cyber government mandates to self- attacks quarantine, work remotely and prolonged travel restrictions**. Some of our operational systems are not fully redundant, and our disaster recovery and business continuity planning cannot account for all eventualities. Additionally, unanticipated problems with our disaster recovery systems could further impede our ability to conduct business, particularly if those problems affect our computer- based data processing, transmission, storage and retrieval systems and destroy valuable data; • we manage our financial exposure for losses in our title insurance business and in our F & G segment with third- party reinsurance. Catastrophic events could adversely affect the cost and availability of that reinsurance; • the value of our investment portfolio may decrease if the securities in which we invest are negatively impacted by climate change, ~~pandemic~~ **pandemics diseases**, severe weather



conditions and other catastrophic events. Natural catastrophes, pandemics, ~~(including COVID-19)~~ and malicious and terrorist acts present risks that could adversely affect our results of operations. Claims arising from such events could have an adverse effect on our business, operations and financial condition, either directly or as a result of their effect on our reinsurers or other counterparties. Such events could also have an adverse effect on the rate and amount of lapses and surrenders of existing policies, as well as sales of new policies. While we believe we have taken steps to identify and mitigate these types of risks, such risks cannot be reliably predicted, nor fully protected against even if anticipated. In addition, such events could result in overall macroeconomic volatility or specifically a decrease or halt in economic activity in large geographic areas, adversely affecting the marketing or administration of our business within such geographic areas or the general economic climate, which in turn could have an adverse effect on our business, results of operations and financial condition. The possible macroeconomic effects of such events could also adversely affect our asset portfolio. General Risk Factors Failure of our information security systems or ~~processes~~ **unauthorized access to such systems** could result in a loss or disclosure of confidential information, damage to our reputation, monetary losses, additional costs and impairment of our ability to conduct business effectively. Our operations are highly dependent upon the effective operation of our computer systems. We use our computer systems to receive, process, store and transmit sensitive personal consumer data (such as names and addresses, social security numbers, driver's license numbers, ~~credit cards~~ and bank account information) and important business information of our customers. We also electronically manage substantial cash, investment assets and escrow account balances on behalf of ourselves and our customers, as well as financial information about our businesses generally. The integrity of our computer systems and the protection of the information that resides on such systems are important to our successful operation. If we fail to maintain an adequate security infrastructure, adapt to emerging security threats such as ransomware or follow our internal business processes with respect to security, the information or assets we hold could be compromised. Further, even if we, or third parties to which we outsource certain information technology services, maintain a reasonable, industry- standard information security infrastructure to mitigate these risks, the inherent risk that unauthorized access to information or assets remains. This risk is increased by transmittal of information over the internet and the increased threat and sophistication of cyber criminals. While, to date, we believe that we have not experienced a material breach of our computer systems, the occurrence or scope of such events is not always apparent. Examples of security threats that represent significant inherent risk with little to no warning ~~are include~~ **the MoveIT security incident affecting F & G, SolarWinds supply chain compromise from 2020 and the Apache Software Foundation Log4j vulnerability in which F & G activated its crisis management protocols product disclosed in December of 2021. With SolarWinds, we took all appropriate steps to evaluate any adequately manage the investigation, impact, and response to we do not believe we were impacted by this incident. In November 2023 Similar supply chain incidents or breaches could occur to us directly or indirectly through our vendors with little or no warning. With Log 4j, we took all appropriate steps to mitigate exposure to experienced a cybersecurity incident where an unauthorized third- party accessed certain of our systems, deployed a type of malware that is not self- propagating, and exfiltrated certain data . We know that certain applications in our environment did utilize promptly commenced an investigation, retained leading experts to assist the Company, notified law enforcement authorities, regulatory authorities and the other affected versions of Log4j stakeholders and followed our incident response plans . Although we believe we have identified and remediated the known Log4j vulnerabilities significant exposures related to these incidents, there remains potential for future losses associated with litigation no indication of compromise, the risk of additional vulnerabilities and damage potential attacks related to this issue may continue for several months given the complexity and widespread nature of the situation. We are also working closely with our reputation supply chain partners to ensure they are addressing these vulnerabilities.** If additional information regarding an event previously considered immaterial is discovered, or a new event were to occur, it could potentially have a material adverse effect on our operations or financial condition. In addition, some laws and certain of our contracts require notification of various parties, including regulators, consumers or customers, in the event that confidential or personal information has or may have been taken or accessed by unauthorized parties. Such notifications can potentially result, among other things, in adverse publicity, diversion of management and other resources, the attention of regulatory authorities, the imposition of fines, and disruptions in business operations, the effects of which may be material. Any inability to prevent security or privacy breaches, or the perception that such breaches may occur, could inhibit our ability to retain or attract new clients and / or result in financial losses, litigation, increased costs, negative publicity, or other adverse consequences to our business. **While we currently maintain cybersecurity insurance, such insurance may not be sufficient in type or amount to cover us against claims related to cybersecurity breaches or attacks, failures or other data security- related incidents, and we cannot be certain that cyber insurance will continue to be available to us on economically reasonable terms, or at all, or that an insurer will not deny coverage as to any future claim. The successful assertion of one or more claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductibles, could materially and adversely affect our financial condition, results of operations and cash flows.** Further, our financial institution clients have obligations to safeguard their information technology systems and the confidentiality of customer information. In certain of our businesses, we are bound contractually and / or by regulation to comply with the same requirements. If we fail to comply with these regulations and requirements, we could be exposed to **suits lawsuits** for breach of contract, governmental proceedings or the imposition of fines. In addition, future adoption of more restrictive privacy laws, rules or industry security requirements by federal or state regulatory bodies or by a specific industry in which we do business could have an adverse impact on us through increased costs or restrictions on business processes. **The new and emerging types of Artificial Intelligence and their uses are very early stage in the industry and may be subject to many uncertain future developments and regulations. Regulatory agencies are evaluating existing regulatory frameworks for insurance industry wide use of Artificial Intelligence. New artificial intelligence algorithms and predictive models may be used by insurance companies in selling insurance products to consumers. However, the use of**

**new artificial intelligence models may make insurance companies more susceptible to potential bias, discrimination, and data breaches. These concerns could lead to development of new, or modifications to, laws and regulations pertaining to the use of Artificial Intelligence by insurance companies, or the broader financial services sector, which may prove to be onerous for companies to implement in a timely manner. The use of artificial intelligence and machine learning technologies, including generative artificial intelligence, has increased rapidly with increasing complexity and changes in the nature of the technology. Our potential uses of generative artificial intelligence may be subject to various risks including flaws or limitations in the large language models or training datasets that may result in biased or inaccurate results, ethical considerations, and the ability to safely deploy and implement governance and controls for such systems. Laws and regulations related to artificial intelligence are evolving, and there is uncertainty as to potential adoption of new laws and regulations and the application of existing laws and regulations to use of artificial intelligence, which may restrict or impose burdensome and costly requirements on our ability to use artificial intelligence. In addition, there has been considerable patent and other intellectual property development activity in the artificial intelligence industry, which has resulted in litigation based on allegations of infringement or other violations of intellectual property rights. We may receive claims from third parties, including our competitors, alleging that our use of artificial intelligence technology infringes on or violates such third party's intellectual property rights. Adverse consequences of these risks related to artificial intelligence could undermine the decisions, predictions or analysis such technologies produce and subject us to competitive harm, legal liability, heightened regulatory scrutiny and brand or reputational harm. Our ability to adopt new technologies may be inhibited by the emergence of industry-wide standards, a changing legislative and regulatory environment, an inability to develop appropriate governance and controls, a lack of internal product and engineering expertise, resistance to change from consumers, or lack of appropriate change management processes or the complexity of our systems. In addition, our adoption of new technologies and our introduction of new products and services may expose us to new or enhanced risks, particularly in areas where we have less experience or our existing governance and control systems may be insufficient, which could require us to make substantial expenditures or subject us to legal liability, heightened regulatory scrutiny and brand or reputational harm.**

Damage to our reputation may adversely affect our revenues and profitability. Our reputation is a key asset, and our continued success is dependent upon our ability to earn and maintain the trust and confidence of our broad range of customers. We provide our products and services to a wide range of customers, and our ability to attract and retain customers is highly dependent upon the external perceptions of our level of service, trustworthiness, business practices, financial condition, and other subjective qualities. Damage to our reputation may arise from a variety of sources including, but not limited to, litigation or regulatory actions, compliance failures, employee misconduct, cybersecurity incidents, unfavorable press coverage, and unfavorable comments on social media. Any damage to our reputation could adversely affect our ability to attract and retain customers and employees, potentially leading to a reduction in our revenues and profitability. Failure to respond to rapid changes in technology could adversely affect our results of operations or financial condition. Rapidly evolving technologies and innovations in software and financial technology could drive changes in how real estate transactions are recorded and processed throughout the mortgage life cycle. There is no guarantee that we will be able to effectively adapt to and utilize changing technology. Existing or new competitors may be able to utilize or create technology more effectively than us, which could result in the loss of market share. We may not be able to protect our intellectual property and may be subject to infringement claims. We rely on a combination of contractual rights and copyright, trademark and trade secret laws to establish and protect our intellectual property. Although we use a broad range of measures to protect our intellectual property rights, third parties may infringe or misappropriate our intellectual property. We may have to litigate to enforce and protect our copyrights, trademarks, trade secrets and know-how or to determine their scope, validity or enforceability, which represents a diversion of resources that may be significant in amount and may not prove successful. The loss of intellectual property protection or the inability to secure or enforce the protection of our intellectual property assets could adversely impact our business and our ability to compete effectively. We may be subject to costly litigation in the event that another party alleges our operations or activities infringe upon that party's intellectual property rights. Third parties may have, or may eventually be issued, patents or other protections that could be infringed by our products, methods, processes or services or could otherwise limit our ability to offer certain product features. We may also be subject to claims by third parties for breach of copyright, trademark, trade secret or license usage rights. Any such claims and any resulting litigation could result in significant expense and liability for damages or we could be enjoined from providing certain products or services to our customers or utilizing and benefiting from certain methods, processes, copyrights, trademarks, trade secrets or licenses, or alternatively, we could be required to enter into costly licensing arrangements with third parties, all of which could have a material adverse effect on our business, results of operations and financial condition. We are the subject of various legal proceedings that could have a material adverse effect on our results of operations. We are involved from time to time in various legal proceedings, including in some cases class-action lawsuits and regulatory inquiries, investigations or other proceedings. If we are unsuccessful in our defense of litigation matters or regulatory proceedings, we may be forced to pay damages, fines or penalties and / or change our business practices, any of which could have a material adverse effect on our business and results of operations. See Note H Commitments and Contingencies to our Consolidated Financial Statements included in Item 8 of Part II of this Annual Report for further discussion of pending litigation and regulatory matters and our related accrual. We operate in a highly competitive industry, which could limit our ability to gain or maintain our position in the industry and could materially adversely affect our business, financial condition and results of operations. Our F & G insurance subsidiaries operate in a highly competitive industry and encounter significant competition in all of our product lines from other insurance companies, many of which have greater financial resources and higher financial strength ratings than us and that may have a greater market share, offer a broader range of products, services or features, assume a greater level of risk, have lower operating or financing costs, or have different profitability expectations than us. Competition could result in, among other things, lower sales or higher lapses of

existing products. Our annuity products compete with fixed indexed, fixed rate and variable annuities sold by other insurance companies and also with mutual fund products, traditional bank investments and other retirement funding alternatives offered by asset managers, banks and broker-dealers. The ability of banks and broker-dealers to increase their securities-related business or to affiliate with insurance companies may materially and adversely affect sales of all of our products by substantially increasing the number and financial strength of potential competitors. Our insurance products compete with those of other insurance companies, financial intermediaries and other institutions based on a number of factors, including premium rates, policy terms and conditions, service provided to distribution channels and policyholders, ratings by rating agencies, reputation and commission structures. Our ability to compete is dependent upon, among other things, our ability to develop competitive and profitable products, our ability to maintain low unit costs, and our maintenance of adequate financial strength ratings from rating agencies. Our ability to compete is also dependent upon, among other things, our ability to attract and retain distribution channels to market our products, the competition for which is vigorous. The loss of key personnel could negatively affect our financial results and impair our operating abilities. Our success substantially depends on our ability to attract and retain key members of our senior management team and officers. If we lose one or more of these key employees, our operating results and in turn the value of our common stock could be materially adversely affected. Although we have employment agreements with many of our officers, there can be no assurance that the entire term of the employment agreement will be served or that the employment agreement will be renewed upon expiration.