

Harbinger Group Inc. Announces Front Street Re Reinsurance Treaty with Bankers Life Insurance Company

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NEW YORK--(BUSINESS WIRE)--Dec. 18, 2013-- Harbinger Group Inc. ("HGI", NYSE:HRG) today announced that Front Street Re (Cayman) Ltd., a wholly-owned subsidiary of HGI, has closed a reinsurance treaty with Bankers Life Insurance Company. Under the terms of the treaty, Bankers Life Insurance Company will cede approximately \$160 million of its annuity business to Front Street Re.

The agreement, which has been approved by the State of Florida Office of Insurance Regulation, is retroactive to November 30, 2013, and is Front Street Re's inaugural reinsurance transaction with a non-affiliated party. Front Street Re will manage the assets supporting reserves in accordance with the internal investment policy of Bankers Life Insurance Company and applicable law.

"This is a compelling treaty for Bankers Life Insurance and Front Street Re," said John Tweedie, Chief Executive Officer of Front Street Re. "In an uncertain economy, we help companies reduce or diversify their risk profiles, and enable them to continue to thrive and provide the highest quality products to their customers. Our role is to add value and security, and we look forward to serving our newest client, Bankers Life Insurance."

"This treaty is another important step for Front Street Re in its growth as a provider of customized reinsurance solutions to the life insurance and fixed annuity industry," said Phil Gass, Managing Director of HGI. "During the year after its inaugural reinsurance treaty, Front Street Re has become an increasingly important component of HGI's strong and growing financial services franchise. We see significant additional opportunities for Front Street Re to support the life insurance and fixed annuity industry for years to come."

Front Street Re received legal advice from Debevoise & Plimpton LLP.

About Front Street

Front Street focuses on life and fixed annuity reinsurance products, including reinsurance solutions that improve clients' leverage ratios and capital positions through the assumption of life and fixed annuity liabilities. The Front Street team also seeks to provide clients with exit strategies for discontinued life and fixed annuity lines of business, closed blocks of in-force life and fixed annuity business in run-off, and non-core life and fixed annuity lines of business.

Front Street currently holds licenses with the Cayman Islands Monetary Authority, and the Bermuda Monetary Authority. For more information regarding Front Street, please visit: www.frontstreetre.com.

About Harbinger Group Inc.

Harbinger Group Inc. ("HGI"; NYSE: HRG) is a diversified holding company. HGI's principal operations are conducted through companies that: offer life insurance and annuity products; branded consumer products (such as consumer batteries, residential locksets, residential builders' hardware, faucets, shaving and grooming products, personal care products, small household appliances, specialty pet supplies, lawn, garden and home pest control products, personal insect repellents); provide asset-backed loans; and own energy assets. HGI is principally focused on acquiring controlling and other equity stakes in businesses across a diversified range of industries and growing its existing businesses. In addition to HGI's intention to acquire controlling equity interests, HGI may also from time to time make investments in debt instruments and acquire minority equity interests in companies. HGI is headquartered in New York and traded on the New York Stock Exchange under the symbol HRG. For more information on HGI, visit: www.harbingergroupinc.com.

Forward Looking Statements

"Safe Harbor" Statement Under the Private Securities Litigation Reform Act of 1995: This document contains, and certain oral statements made by our representatives from time to time may contain, forward-looking statements, including those statements regarding our subsidiaries' ability to pay dividends. Such statements are subject to risks and uncertainties that could cause actual results, events and developments to differ materially from those set forth in or implied by such statements. These statements are based on the beliefs and assumptions of HGI's management and the management of HGI's subsidiaries (including target

businesses). Generally, forward-looking statements include information concerning possible or assumed future distributions from subsidiaries, other actions, events, results, strategies and expectations and are generally identifiable by use of the words “believes,” “expects,” “intends,” “anticipates,” “plans,” “seeks,” “estimates,” “projects,” “may,” “will” “could,” “might,” or “continues” or similar expressions. Factors that could cause actual results, events and developments to differ include, without limitation: the ability of HGI's subsidiaries (including, target businesses following their acquisition) to generate sufficient net income and cash flows to make upstream cash distributions, capital market conditions, HGI and its subsidiaries ability to identify any suitable future acquisition opportunities, efficiencies/cost avoidance, cost savings, income and margins, growth, economies of scale, combined operations, future economic performance, conditions to, and the timetable for, completing the integration of financial reporting of acquired or target businesses with HGI or HGI subsidiaries, completing future acquisitions and dispositions, litigation, potential and contingent liabilities, management's plans, changes in regulations, taxes and the those forward looking statements included under the caption “Risk Factors” in HGI's most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q filed during fiscal 2013. All forward-looking statements described herein are qualified by these cautionary statements and there can be no assurance that the actual results, events or developments referenced herein will occur or be realized. HGI does not undertake any obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operation results.

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