

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q/A
(Amendment No. 1)**

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2018

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: 001-38718

Federal Life Group, Inc.

(Exact name of registrant as specified in its charter)

Pennsylvania
(State or other jurisdiction of
incorporation or organization)

82-4944172
(I.R.S. Employer
Identification No.)

**3750 West Deerfield Road
Riverwoods, Illinois 60015**
(Address of principal executive offices, including zip code)

(847) 520-1900
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 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 No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Emerging growth company	<input checked="" type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

APPLICABLE TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

As of January 22, 2019, there were 3,530,250 shares of the registrant's common stock, \$.01 par value, outstanding.

EXPLANATORY NOTE

This Amendment No. 1 (this “Amendment”) to Federal Life Group Inc.’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2018 which was originally filed on December 26, 2018 (the “Original Filing”) is being filed for the purpose of furnishing Exhibit 101 to the Form 10-Q in accordance with Rule 405 of Regulation S-T and to correct two immaterial errors included in the consolidated financial statements.

Exhibit 101 to this Amendment No. 1 provides the consolidated financial statements and related notes from the Form 10-Q formatted in XBRL (eXtensible Business Reporting Language). This Amendment is being filed within the time period provided by Rule 405(a)(2) of Regulation S-T.

In addition, this Amendment corrects two immaterial errors contained in the Original Filing.

The first appeared in Item 1 of the Original Filing, in the Liabilities section of the Consolidated Balance Sheet. The line item entitled “Other Liabilities” as at September 30, 2018 should appear as \$999 thousand rather than \$2,049 thousand. The total Liabilities figure remains unchanged. Below is the corrected Consolidated Balance Sheet:

**FEDERAL LIFE GROUP, INC.
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands)**

	<u>Predecessor</u> <u>9/30/2018</u> <u>(unaudited)</u>	<u>Predecessor</u> <u>12/31/2017</u>
Assets		
Investments		
Securities available for sale, at fair value:		
Fixed maturities (amortized cost; 2018, \$184,995; 2017, \$183,432)	\$ 181,497	\$ 188,452
Equity securities	6,620	6,209
Policy loans	9,599	9,852
Derivative instruments, at fair value	517	395
Total investments	198,233	204,908
Cash and cash equivalents	3,466	4,085
Real estate, property and equipment, net	2,172	2,151
Accrued investment income	1,999	1,886
Accounts receivable	2,489	538
Reinsurance recoverables	3,571	3,727
Prepaid reinsurance premiums	1,387	1,358
Deferred policy acquisition costs, net	13,617	12,179
Deferred sales inducement costs, net	1,192	867
Deferred tax asset, net	495	458
Other assets	249	202
Separate account asset	24,434	24,779
Total Assets	<u>253,304</u>	<u>257,138</u>
Liabilities		
Policy liabilities and accruals		
Policyholder account balance	115,142	109,823
Future life policy benefits	72,227	71,927
Future accident and health policy benefits	343	386
Reserve for deposit type contracts	10,885	10,850
Other policyholder funds	3,099	1,970
Unearned revenue	1,366	1,387
Deferred reinsurance settlements	2,727	2,949
Taxes payable	6	7
Promissory note	1,050	
Other liabilities	999	1,703
Separate account liability	24,434	24,779
Total Liabilities	<u>232,278</u>	<u>225,781</u>
Equity		
Retained earnings	23,165	26,600
Accumulated other comprehensive income (loss)	(2,139)	4,757
Total Equity	<u>21,026</u>	<u>31,357</u>
Total Liabilities and Equity	<u>\$ 253,304</u>	<u>\$ 257,138</u>

See full notes to unaudited consolidated financial statements contained in the Original Filing, as defined herein.

The second appeared in Note 6 to the consolidated financial statements on page 18 in the table entitled “Predecessor—Recurring Fair Value Measurements at December 31, 2017...” In that table the column headed “Significant Other Observable Inputs (Level 2)” should total \$184,290 thousand rather than \$179,219 thousand. Below is the corrected table:

**Predecessor
Recurring Fair Value Measurements
at December 31, 2017 Using:**

<u>Description</u>	<u>Fair Values</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
	(Dollars in thousands)			
Fixed maturity securities:				
U.S. government	\$ 4,162	\$ 4,162	\$ —	\$ —
States, political subdivisions, other	27,614	—	27,614	
Corporate	109,395	—	109,395	
Residential mortgage-backed securities	43,086	—	43,086	
Commercial mortgage-backed securities	4,195	—	4,195	
Total fixed maturities	188,452	4,162	184,290	
Equities	6,209	4,027	—	2,182
Derivative instruments	395	395	—	—
Cash equivalents (1)	4,085	4,085		
Separate accounts (2)	24,779	24,779		
Total	<u>\$223,920</u>	<u>\$37,448</u>	<u>\$ 184,290</u>	<u>\$ 2,182</u>

No other changes have been made to the Original Filing. This Amendment does not reflect subsequent events occurring after the date of the Original Filing.

Item 6. Exhibits

Exhibit No	Description
3.1*	Amended and Restated Articles of Incorporation of Federal Life Group, Inc.
3.2*	Bylaws of Federal Life Group, Inc.
31.1**	Certification of Chief Executive Officer, pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended
31.2**	Certification of Chief Financial Officer, pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended
32.1***	Certification of Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2***	Certification of Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS**	XBRL Instance Document.
101.SCH**	XBRL Taxonomy Extension Schema Document.
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF**	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB**	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase Document.

* Incorporated by reference from the Company's Form S-1 filed with the SEC on October 11, 2018.

** Filed herewith.

*** Furnished herewith (such certification shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, except to the extent that the Company specifically incorporates it by reference).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FEDERAL LIFE GROUP, INC.

By: /s/ William S. Austin
William S. Austin
President and Chief Executive Officer

January 22, 2019

CERTIFICATION

I, William S. Austin, certify that:

1. I have reviewed this quarterly report on Form 10-Q/A of Federal Life Group, Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as define in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluations; and
 - d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal controls over financial reporting.
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the Audit committee of registrant’s Board of Directors:
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: January 22, 2019

/s/ William S. Austin

William S. Austin

Chief Executive Officer, Federal Life Group, Inc.

CERTIFICATION

I, Anders Raaum, certify that:

1. I have reviewed this quarterly report on Form 10-Q/A of Federal Life Group, Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluations; and
 - d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting.
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the Audit Committee of registrant’s Board of Directors:
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: January 22, 2019

/s/ Anders Raaum

Anders Raaum
Chief Financial Officer, Federal Life Group, Inc.

Federal Life Group, Inc.**Certification of Periodic Financial Report
Pursuant to 18 U.S.C. Section 1350
as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

The undersigned officer of Federal Life Group, Inc. ("FLG") certifies, to his knowledge and solely for the purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q/A of FLG for the period ended September 30, 2018 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the Form 10-Q/A fairly presents, in all material respects, the financial condition and results of operations of FLG.

Dated: January 22, 2019

By: /s/ William S. Austin

William S. Austin

Chief Executive Officer, Federal Life Group, Inc.

Federal Life Group, Inc.**Certification of Periodic Financial Report
Pursuant to 18 U.S.C. Section 1350
as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

The undersigned officer of Federal Life Group, Inc. ("FLG") certifies, to his knowledge and solely for the purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q/A of FLG for the period ended September 30, 2018 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the Form 10-Q/A fairly presents, in all material respects, the financial condition and results of operations of FLG.

Dated: January 22, 2019

By: /s/ Anders Raaum

Anders Raaum

Chief Financial Officer, Federal Life Group, Inc.