

ANNUITY AND LIFE RE (HOLDINGS), LTD.

Code of Business Conduct and Ethics – 2005

This Code of Business Conduct and Ethics of Annuity and Life Re (Holdings), Ltd. and its subsidiaries (“Annuity Re”) provides an ethical and legal framework for business practices and conduct to which all Annuity Re employees, officers and directors (“you”) must adhere. Because this Code cannot address every issue that may arise, we expect that you will use your common sense, act prudently and with clarity of intention and seek to avoid even the appearance of improper behavior in your daily interactions with Annuity Re, your colleagues and Annuity Re’s customers, other business associates, and governmental and regulatory authorities.

Annuity Re will not tolerate or permit retaliation of any kind for good faith reports of ethical violations. Any waiver of the requirements and prohibitions contained in this Code only may be made in accordance with the procedures set forth herein.

1. Compliance with Laws, Rules and Regulations

Obeying the law, both in letter and in spirit, is the foundation on which Annuity Re’s ethical standards are built. You must respect and obey the laws, rules, and regulations of the localities, states and countries in which we operate, and if a legal requirement ever conflicts with a policy in this Code, you must comply with the legal requirement. Set forth below are some of the laws, rules and regulations generally applicable to Annuity Re with which you should become familiar.

Insider Trading Prohibitions of the U.S. Securities Laws

Employees, officers and directors who are aware of material non-public information are not permitted to use or share that information for stock trading purposes or for any other purpose except the conduct of our business. “Material nonpublic information” is a legal term also commonly referred to as “inside information.” Material information is any information that an investor might consider important in deciding whether to buy, sell or hold securities, such as whether the information could reasonably be expected to affect the price of a stock. Examples of certain types of material information are:

- financial results, forecasts and other similar information;
- possible mergers, acquisitions, divestitures or joint ventures; and
- information concerning important product developments, major litigation developments and major changes in business direction.

Information is considered nonpublic unless it has been adequately disclosed to the public. Examples of effective disclosure include public filings with the Securities and Exchange Commission and the issuance of Annuity Re press releases.

You must avoid trading Annuity Re securities while aware of inside information and must be careful not to make this information available to others who might profit from it. Material inside information should only be disclosed to those who need to know it and should not be discussed in public places. In addition, you must avoid even recommending that someone buy or sell securities of Annuity Re because of material inside information that you have, even if you do not reveal the specific information. This guidance also applies to trading in securities of other companies, including Annuity Re's customers and other business associates when you obtain material non-public information about such companies by virtue of your position at Annuity Re. In addition to the above insider trading prohibitions, you may never trade any options of Annuity Re securities (*e.g.*, taking short or long positions in Annuity Re's securities) under any circumstances.

If you have a question as to whether certain information is material or if it has been adequately disclosed to the public, you must contact the Chief Executive Officer and abstain from trading in Annuity Re's securities or disclosing that information until you have been informed that the information is not material or has been appropriately disclosed.

Employees, officers and directors are reminded that they are subject to Annuity Re's *Insider Trading Policy*, which provides more specific restrictions and guidance with respect to trading in securities of Annuity Re. Executive officers and directors are also reminded that they have further restrictions on their ability to trade in Annuity Re's securities, as further explained in the memorandum, *Compliance with the Securities Ownership Reporting and Short-Swing Profit Liability Provisions of Section 16 of the Securities Exchange Act of 1934*.

Disclosure Requirements of the U.S. Securities Laws

As a public company, it is of critical importance that the reports Annuity Re files with, or submits to, the Securities and Exchange Commission be accurate and complete. Annuity Re's senior financial officers and Chief Executive Officer are responsible for ensuring that information disclosed to the public is full, fair, accurate, timely and understandable. They are ultimately charged with establishing and managing Annuity Re's transaction and reporting systems and procedures to ensure that:

- business transactions are properly authorized and completely and accurately recorded on Annuity Re's books and records in accordance with U.S. Generally Accepted Accounting Principles (GAAP) and Annuity Re's established financial policy and system of internal controls;
- the retention or proper disposal of Annuity Re's records are in accordance with established financial policies and applicable legal and regulatory requirements; and
- periodic financial communications and reports are delivered in a timely manner that facilitates clarity of content and meaning so that readers and

users will quickly and accurately determine their significance and consequence.

To assist Annuity Re's senior financial officers and its Chief Executive Officer in complying with the guidelines above, no person should ever misrepresent facts or falsify records. Further, any use of business expense accounts must be documented and recorded promptly and accurately. If you are unsure whether a certain expense is legitimate, ask your supervisor.

Payments to Government Personnel

The U.S. Foreign Corrupt Practices Act prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates to obtain or retain business. Illegal payments to government officials of any country are strictly prohibited. In addition, the U.S. government has a number of laws and regulations regarding business gratuities that U.S. government personnel may accept. The promise, offer or delivery to an official or employee of the U.S. government of a gift, favor or other gratuity in violation of these rules would not only violate Annuity Re policy, but could also be a criminal offense. State and local governments, as well as foreign governments, may have similar rules.

Discrimination and Harassment

We respect cultural diversity and will not tolerate any illegal discrimination or harassment of any kind, including, without limitation, that involving race, color, religion, gender, age, national origin, disability or veteran or marital status.

Health and Safety

Annuity Re strives to provide a safe and healthy work environment. Each employee has responsibility for maintaining a safe and healthy workplace for all employees by following safety and health rules and practices. Violence and threatening behavior are not permitted. Employees should report to work in a condition to perform their duties, free from the influence of alcohol or illegal drugs.

2. Conflicts of Interest

A "conflict of interest" exists when a person's private interest interferes, or even appears to interfere, in any way with the interests of Annuity Re as a whole. A conflict situation can arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her work objectively and effectively. Conflicts of interest also arise when an employee, officer or director, or a member of his or her family, receives improper personal benefits as a result of his or her position in Annuity Re.

It is almost always a conflict of interest for an Annuity Re officer or employee to work simultaneously for a competitor, customer or other business associate. No officer or employee is allowed to work as a consultant for any of Annuity Re's competitors,

customers or other business associates without the prior approval of the Board of Directors. In addition, no employee, officer or director of Annuity Re may directly or indirectly have a financial interest of more than five percent (5%) in any current or prospective competitor, customer or other business associate of Annuity Re without the prior approval of the Board of Directors. In general, the best policy is to avoid any direct or indirect business connection with Annuity Re's competitors, customers or other business associates, except on our behalf.

Conflicts of interest are prohibited as a matter of Annuity Re policy, except when approved by the Board of Directors. Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with the Chief Executive Officer or the Chairperson of the Board of Directors. If you become aware of a conflict or potential conflict, you should bring it to the attention of the Chief Executive Officer or the Chairperson of the Board of Directors.

No director or executive officer may obtain any loan from, or have any of his or her obligations guaranteed by, Annuity Re.

3. Corporate Opportunities

Employees, officers and directors owe a duty to Annuity Re to advance its legitimate interests when the opportunity to do so arises. In that respect, you are prohibited from taking for yourself personally opportunities that are discovered through the use of corporate property, information or your position with Annuity Re, unless the Board of Directors knowingly elects not to avail itself of the opportunity and approves your participation in that opportunity. You may not use corporate property, information or your position for improper personal gain and may not compete with Annuity Re directly or indirectly without the consent of the Board of Directors.

4. Protection and Proper Use of Annuity Re's Assets

You should endeavor to protect Annuity Re's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on our profitability. Any suspected incident of fraud or theft should be immediately reported to the Chief Executive Officer or to the Chairperson of the Board of Directors for investigation. Annuity Re equipment, property and supplies should not be used for non-Annuity Re business, though incidental personal use may be permitted.

Your obligation to protect Annuity Re's assets includes protecting and maintaining its confidential and proprietary information. Confidential and proprietary information includes all non-public information that might be of use to competitors or harmful to us or our customers if disclosed. Proprietary information includes, but is not limited to, intellectual property such as business, marketing, legal, accounting and actuarial methods, policies, plans, procedures, strategies and techniques; information concerning earnings; research-and-development projects, plans and results; trade secrets and technical information; cedent and policyholders lists; pricing, credit and financial information;

payroll data and personnel information; and any other data or information that is not known generally by and/or readily accessible to the public. Unauthorized use or distribution of confidential and proprietary information would violate Annuity Re policy and could also be illegal and result in civil or even criminal penalties. You must maintain and protect the confidentiality of any confidential information Annuity Re and its customers and other business associates entrust to you, except when the Chief Executive Officer authorizes disclosure or when disclosure is required by law. The obligation to preserve any confidential information continues even after your employment ends.

5. Competition and Fair Dealing; Gifts

We seek to outperform our competition fairly and honestly. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent or inducing such disclosures by past or present employees of other companies is prohibited.

You should endeavor to respect the rights of, and deal fairly with, Annuity Re's competitors, customers, other business associates and their employees. No person should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other intentional unfair-dealing practice.

The purpose of business entertainment and gifts in a commercial setting is to create goodwill and sound working relationships, not to gain unfair advantage with customers. You and your family members should never offer, give, provide or accept any gift or other business courtesy unless it: (1) is not a cash gift; (2) is consistent with customary business practices; (3) is not excessive in value; (4) cannot be construed as a bribe or payoff; and (5) does not violate any laws or regulations. Please discuss with the Chief Executive Officer or the Chairperson of the Board of Directors any gifts or proposed gifts that you are not certain are appropriate.

6. Violations of this Code of Business Conduct and Ethics

Employees are encouraged to talk to the Chief Executive Officer or any member of the Board of Directors about observed illegal or unethical behavior, violations of this Code or whenever in doubt about the best course of action in a particular situation. Officers and directors must talk to any member of the Board of Directors about any such concerns of their own. Everyone is expected to cooperate in internal investigations of misconduct. Annuity Re will not retaliate against you for good faith reports of misconduct or violations of this Code.

The Board of Directors is ultimately responsible for enforcing this Code as to the Chief Executive Officer and directors; the Chief Executive Officer is ultimately responsible for enforcing this Code as to all other officers and employees. Violations of this Code may result in disciplinary measures, including counseling, oral or written reprimands, warnings,

probation or suspension without pay, demotions, reductions in salary, termination of employment and restitution.

Employees, officers and directors must read Annuity Re's *Reporting Procedures for Accounting and Auditing Matters*, which describes Annuity Re's procedures for the receipt, retention and treatment of complaints Annuity Re receives regarding accounting, internal accounting controls or auditing matters. Any person may submit a good faith concern regarding questionable accounting or auditing matters to the Audit Committee of the Board of Directors without fear of dismissal or retaliation of any kind.

7. Waivers of the Code of Business Conduct and Ethics; Approvals and Consents

Any waiver of this Code for executive officers and directors must be granted in writing by the Board of Directors or a designated subsection thereof and will be promptly disclosed as required by law or applicable listing requirements. Any waiver of this Code for other employees must be granted in writing by the Chief Executive Officer.

Any other approval or consent required under this Code must be obtained in writing, signed by the person granting such approval or consent.

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This Code will be made available on
Annuity Re's website and, upon request, in print.