EXAMINATION REPORT OF

FARM BUREAU LIFE INSURANCE COMPANY

WEST DES MOINES, IOWA

AS OF DECEMBER 31, 2021

West Des Moines, Iowa
April 4, 2023

HONORABLE DOUG OMMEN
Commissioner of Insurance
State of Iowa
Des Moines, Iowa

Commissioner:

In accordance with your respective authorizations and pursuant to Iowa statutory provisions, an Association Examination has been made of the records, business affairs and financial condition of

FARM BUREAU LIFE INSURANCE COMPANY

WEST DES MOINES, IOWA

AS OF DECEMBER 31, 2021

at its Home Office, 5400 University Avenue, West Des Moines, Iowa.

INTRODUCTION

Farm Bureau Life Insurance Company, hereinafter referred to as the "Company", was last examined by the Iowa Insurance Division as of December 31, 2016. The examination reported herein was conducted as an examination of an insurance holding company group by the contracting firm, Risk & Regulatory Consulting, LLC, and examiners of the Iowa Insurance Division. The Company's subsidiary, Greenfields Life Insurance Company (GLIC), Farm Bureau Property & Casualty Insurance Company (FBPCIC), Western Agricultural Insurance Company (WAIC), were also examined as part of the holding company group, with a separate examination report prepared for each entity.

SCOPE OF EXAMINATION

This is the regular comprehensive financial examination of the Company covering the intervening period from January 1, 2017, to the close of business on December 31, 2021, including any material transactions and/or events occurring and noted subsequent to the examination period.

The examination was conducted in accordance with the National Association of Insurance Commissioners (NAIC) Financial Condition Examiners Handbook. The Handbook requires that we plan and perform the examination to evaluate the financial condition, identify current and prospective risks of the company and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer's surplus to be materially misstated both currently and prospectively.

All accounts and activities of the company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management's compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately following the Company's financial statements.

This examination report includes significant findings of fact and general information about the insurer and its financial condition.

HISTORY

The Company was incorporated under the laws of the State of Iowa on October 30, 1944 as a legal reserve stock life insurance corporation entitled Iowa Life Insurance Company. On August 1, 1958 the Articles of Incorporation were amended and the name of the Company was changed to Farm Bureau Life Insurance Company, the present corporate title.

1949 - The authorized common shares were divided into Class A and Class B blocks of 50,000 and 150,000 shares, respectively.

1958 - All common shares issued and outstanding were called for redemption and the Articles were amended to authorize 4,000 common shares, par value of $50.

1960 - The Articles amended to increase the dividend rate on the preferred shares from six to 7.5%.

1982 - The authorized capital of the Company was increased to $1,550,000, divided into 25,000 shares of common stock and 6,000 shares of 7.5%.cumulative first preferred stock, both bearing a par value of $50.

1988 - The Company acquired 100% of the assets and assumed 100% of the insurance in force and all related liabilities of the Utah Farm Bureau Life Insurance Company.

1992 - The Company acquired 100% ownership of Universal Assurors Life Insurance Company, a Nebraska life and health insurance corporation.

1993 - The Company acquired 19,900 shares (99.5%) of the common stock of Rural Mutual Insurance Company in exchange for 1,783.48 shares of newly issued common stock of the Company.

1994 - The authorized capital of the Company was increased to $50,000,000 divided into 1,000,000 shares consisting of 994,000 common stock shares par value of $50, and 6,000 7.5%.cumulative first preferred stock shares, par value of $50.

1994 – Substantially, all of the assets and liabilities of two other subsidiaries, FBL Insurance Company and Rural Security Life Insurance Company, were transferred to the Company pursuant to an assumption reinsurance agreement. The shells of these two companies were liquidated in 1995.

1996 - The common stock of FBL Financial Services, Inc., a subsidiary holding company, and its subsidiaries were transferred (as a return of capital contribution in the form of a dividend) to the Company’s new parent, FBL Financial Group, Inc. On July 19, 1996, an initial public offering was made of FBL Financial’s Class A common stock.

1997 - The Company purchased Continental Western Life Insurance Company from TMG Life Insurance Company. The corporate name was changed to EquiTrust Life Insurance Company (EquiTrust) as of December 31, 1997.

1999 - FBL Financial Group, Inc. merged two of its subsidiaries. The operations of Western Farm Bureau Life Insurance Company were merged into Farm Bureau Life Insurance Company.

2001 - The Company’s parent acquired the assets and liabilities of Kansas Farm Bureau Life Insurance Company and in turn, contributed them to the Company. The transaction was accounted for using the assumption reinsurance method. The Company received capital of $80.2 million and set up $36.1 million as an asset for goodwill.

2003 - The Company transferred the stock of EquiTrust to the parent, FBL Financial Group, Inc. through an extraordinary dividend of $124 million.

2005 - The Company's wholly owned, non-insurance subsidiary, FBL Real Estate Ventures, Ltd. was dissolved.

2013 - The Company capitalized Greenfields Insurance Company using $2,100,000 in cash and commenced business on February 1, 2013. Greenfields Insurance Company is a wholly owned subsidiary of the Company.

2021 - Farm Bureau Property & Casualty Insurance Company acquired approximately 39.5% of the common stock of FBL Financial Group, Inc. the parent of the Company. The transaction resulted in the privatization of FBL Financial Group, which is now owned solely by Farm Bureau Property & Casualty Company and the Iowa Farm Bureau Federation.

CAPITAL STOCK AND DIVIDENDS TO STOCKHOLDERS

The Company has 994,000 shares of Class A common stock authorized with a par value of $50 per share. There are 50,000 shares issued and outstanding. The Company reported common capital stock of $2,500,000 as of December 31, 2021.

The Company paid the following dividends to its parent, FBL Financial Group, during the examination period:

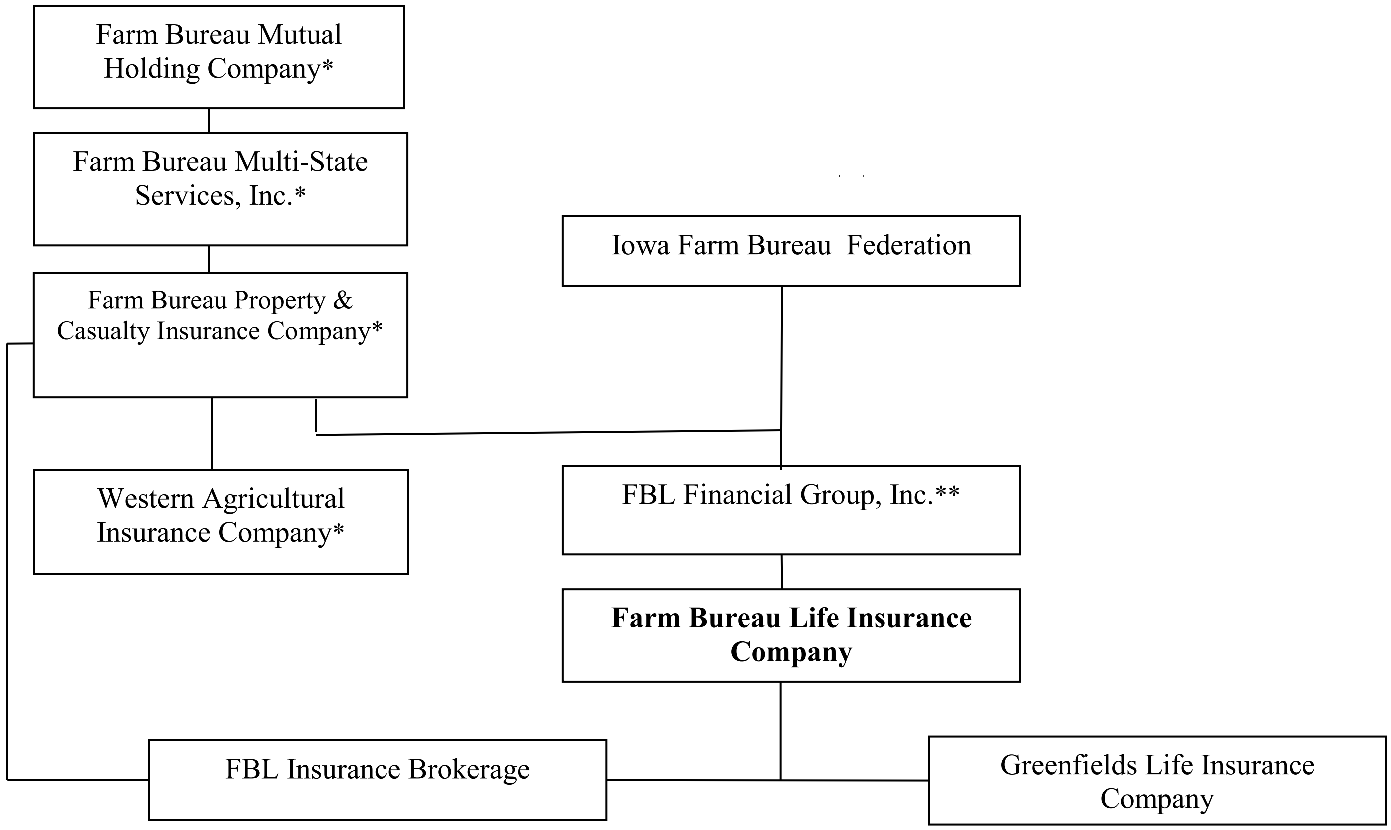
2017 - $67,500,000
2018 - $87,500,000
2019 - $87,500,000
2020 - $98,500,000
2021 - $70,000,000

HOLDING COMPANY ACT

The Company is a member of a Holding Company System as defined by Chapter 521A, Code of Iowa. The Company and its subsidiary, GLIC, are managed by FBL Financial Group, Inc., under a management services agreement. The Iowa Farm Bureau Federation owns seventy-two percent (72%) of the total voting interest stock of FBL Financial Group, Inc., and FBPCIC owns twenty-eight percent (28%) of the total voting interest stock of FBL Financial Group, Inc.

The appropriate forms, as mandated under the Iowa Code regarding insurance company holding systems, were filed for each year under review.

An organizational chart identifying the insurance companies within the Holding Company System is as follows:



*Managed by FBL Financial Group, Inc. through management services agreement
**The Iowa Farm Bureau Federation owns seventy-two percent (72%) of the total voting interest stock of FBL Financial Group, Inc., and FBPCIC owns twenty-eight percent (28%) of the total voting interest stock of FBL Financial Group, Inc.

MANAGEMENT AND CONTROL

SHAREHOLDERS

The Articles of Incorporation provide that the annual meeting of the shareholders shall be held at such time and place and upon such notice as the Board of Directors may fix and determine. Special meetings may be called for any purpose, by the President or Secretary upon the call of the Board of Directors. Each common stockholder is entitled to one vote per share at all meetings of the stockholders either in person or by a duly authorized representative of representatives.

BOARD OF DIRECTORS

During the examination period, the Amended and Substituted Bylaws of the Company provide that the Company shall be managed by a Board of Directors of 19 persons, divided into two classes, 18 of which shall be district directors and one of which shall be a director at large. District directors shall be elected to serve for terms of three years and until their successors are elected and qualified, and the director at large shall be elected to serve for two years and until their successor is elected and qualified. The Bylaws provide one district director shall be elected from each state, other than Iowa, in which the Company is licensed to do insurance business and such state's Farm Bureau Corporation has designated the Company as the primary provider of life, annuity, and other financial service products marketed by the Company. In addition, five other district directors and one at-large director shall be elected from Iowa.

Each director of the Company shall be a member of the Board of Directors of his or her state Farm Bureau Corporation. Whenever he or she ceases to be a director of the state Farm Bureau Corporation, he or she shall automatically cease to be director of the Company.

It was noted that there is an inconsistency in Article III Section 1. Management, regarding the number of directors listed on the Jurat Page of the Annual Statement and Article III of the Bylaws. The discrepancy is a timing issue. Directors cease to be eligible to be a board member when they don't run for re-election of their state Farm Bureau boards or are defeated in a contested election. When that occurs, their replacement may not be seated by year end. As a result, the year-end number varies from year-to-year, but normally is back to a full complement by the end of the first regularly scheduled meeting.

The members of the Board of Directors, as reflected on the December 31, 2021, Annual Statement, are as follows:

Name and Address	Principal Occupation	Term[1]
Richard W. Felts Liberty, KS	Grain & Livestock Producer	2024
Todd R. Fornstrom Pine Bluffs, WY	Farmer/Feed Production	2024
William R. Frazee Emerson, IA	Farmer	2024
Ron B. Gibson[2] Ogden, UT	Dairy Farmer	2022
Andrew A. Hill[2] Manly, IA	Farmer	2023
Brent E. Johnson Manson, IA	Farmer/Agronomist	2023
Kevin D. Krentz[2] Berlin, WI	Dairy Farmer	2023
Daryl J. Lies[2] Douglas, North Dakota	Farmer	2024
Mark A. McHargue Marquette, NE	Farmer	2023
Rodd A. Moesel[2] Oklahoma City, OK	Horticulturist	2023
Craig W. Ogden[2] Loving, NM	Farmer	2023

Name and Address	Principal Occupation	Term[1]
Richard J. Plowman[2] Douds, IA	Farmer	2023
Bryan L. Searle Shelley, ID	Farmer	2024
Stefanie A. Smallhouse[2] Benson, AZ	Farmer	2022
Scott E. VanderWal Volga, SD	Agricultural Production	2022
Joe D. Heinrich Maquoketa, Iowa	Farmer	2023

[1]Effective January 1, 2022, the Board of Directors and Board appointed committees are elected for a one-year term and serve until their replacements are elected and qualified.

[2]Effectivce January 1, 2022, the Director no longer serves on the Board due to a change in the Company's Bylaws.

COMMITTEES

During the examination period, the Amendment to the Amended and Substituted Bylaws of the Company provides that the Board of Directors shall appoint an executive committee consisting of the members of the executive committee of FBL Financial Group, Inc., so long as Farm Bureau Life Insurance Company shall remain a wholly owned subsidiary of FBL Financial Group, Inc. The chairman of the board of Farm Bureau Life Insurance Company shall serve as chairman of the Executive Committee; and the members thereof shall hold office for the term of one year or until their successors are appointed and qualified. The Executive Committee shall have such powers and possess such authority as the Board of Directors shall, from time to time, by bylaw or resolution vest in it.

The Bylaws call for the appointment of two other committees and the authority to appoint such other committees as necessary for efficient conduct of the business, and every committee so created by the board shall report its findings to the meeting of the Board of Directors next ensuing. The two specified committees are the Audit and Budget Committee and the Investment Committee.

The Second Amendment to the Amended and Restated Bylaws states that the Board of Directors shall appoint an Audit Committee and a Budget and a Finance Committee consisting of any number of its members as it may designate. In August 2021, the Company combined the Audit Committee and Budget and Finance Committee into one committee called, the Audit and Budget Committee. Subsequent to the examination period, the company's Bylaws were amended to reflect this change on January 1, 2022.

The committees and their membership as of December 31, 2021, are as follows:

Audit & Budget Committee	Investment Committee
Scott E. VanderWal, Chair	Jeffrey A. Whitehead, Chair
Joe D. Heinrich	Daniel D. Pitcher
Bryan J. Searle	Donald J. Seibel
	Kelli A. Eddy
	Jay W. Seiboldt

Executive Committee	Nominating & Corporate Governance Committee
Brent E. Johnson, Chair	Bryan J. Searle, Chair
Richard W. Felts	Ron B. Gibson
Martin J. Schwager	Daryl J. Lies
Daniel D. Pitcher	Kevin D. Krentz

OFFICERS

The Bylaws state the officers of the Company shall be a chairman, vice chairman, secretary and treasurer, and the office of Secretary and Treasurer may be held by the same person. The term of office shall be for one year, or until their successors are elected and qualified. The term of office of all other elected or appointed officers shall be at the will and pleasure of the Board of Directors.

The officers appointed and serving as of December 31, 2021, were as follows:

Name	Title
Brent E. Johnson	Chairman
Richard W. Felts	Vice Chairman
Daniel D. Pitcher	Chief Executive Officer
Martin J. Schwager	Senior Vice President, Secretary
Donald J. Seibel	Chief Financial Officer, Treasurer
Kelli A. Eddy	Chief Operating Officer - Life
Jay W. Seiboldt	Chief Operating Officer - Property & Casualty
Sanjeev K. Singh	Chief Information Officer
Jeffrey A. Whitehead	Chief Investment Officer
Brian C. Mamola	Deputy Chief Actuary, Appointed Actuary
Lori K. Geadelmann	General Counsel, Assistant Secretary
Daniel M. Koster	Vice President, Marketing and Agency Services
Ronald L. Mead Jr.	Vice President, Sales and Distribution

The total 2021 compensation of those officers listed in the Compensation Exhibit of the Annual Statement is shown in Exhibit A to be found immediately following the signature page of this report.

CONFLICT OF INTEREST STATEMENTS

The Company has an established procedure for annual disclosure to its Board of Directors of any material interest or affiliation of its officers or directors, which is in conflict with their official duties. The disclosures were found to be signed annually with any possible conflicts disclosed to the Company's Board of Directors.

CORPORATE RECORDS

There were no amendments to the Articles of Incorporation during the examination period.

The Bylaws were amended on November 19, 2019, to amend Article III Board of Directors section 11(b) "Audit and Budget Committee" requiring the Board of Directors to appoint an Audit Committee and a Budget and Finance Committee.

The recorded minutes of the meetings of the Shareholders, Directors, and Committees of the Board of Directors were read and noted. The minutes appeared to be complete and were found to be properly attested with except for the following:

The Second Amendment to the Amended and Restated Bylaws states that the Board of Directors shall appoint an Audit Committee and a Budget and Finance Committee consisting of any number of its members as it may designate. The Audit and Budget Committee was previously one committee until it was separated into two committees in November 2019.

The board committee structure required by the Second Amendment to the Amended and Restated Bylaws was not consistent with the examiner's review of the company's corporate meeting minutes. In August 2021, the Audit Committee and Budget and Finance Committee was combined back into one committee called the Audit and Budget Committee. Subsequent to the examination period, the company's Bylaws were amended to reflect this change on January 1, 2022.

The Examination Report prepared by the Iowa Insurance Division, as of December 31, 2016, was accepted as presented at the regular meeting of Board of Directors meeting held on May 16, 2018.

INTERCOMPANY AGREEMENTS

Management Service Agreement

The Company entered into a Management Service Agreement with FBL Financial Group, Inc. The agreement provides general business, administration, and management services to the Company. The fee is a fixed amount set annually. In addition, Farm Bureau Management Corporation, a wholly owned subsidiary of the Iowa Farm Bureau Federation, provides certain management services to the Company under a separate arrangement with FBL Financial Group, Inc., which automatically renews each year on July 1, unless canceled by either party. The management contracts indicate that FBL Financial Group, Inc. provides the following services: personnel management, risk management, data processing, regulation and licensing compliance, underwriting, claims processing, legal services, actuarial services, policyholder relations, marketing, investment, financial and accounting services. These contracts are subject to such terms, conditions, and performance measures, if any, as approved annually by the Company's Board of Directors.

Investment Advisory Services Agreement

The Company entered into an Investment Advisory Services Agreement with FBL Financial Services, Inc. a subsidiary of FBL Financial Group, Inc. The agreement provides for investment research and advice; management of the investment and reinvestment of securities, bonds and like instruments; and related accounting services. The compensation for services rendered is determined in accordance with a fee schedule based upon the assets held in the Company's portfolio. Effective January 1, 2022, FBL Financial Services, Inc. was dissolved, and investment expenses are allocated directly as provided under the management contract with FBL Financial Group, Inc.

Consolidated Tax Allocation Agreement

The Company and GLIC, entered into a Consolidated Tax Allocation Agreement with FBL Financial Group, Inc. The agreement provides the method of tax allocation between companies is subject to a written agreement approved by the Company's Board of Directors. Allocation is based upon separate return calculations with current credit provided for net losses utilized.

Expense Allocation Agreement

The Company entered into an Expense Allocation Agreement with FBL Financial Group, Inc., and its affiliates. The agreement provides that the Company owns or leases certain items of personal property which are made available for use by affiliates and the Company, and its affiliates are allocated a share of expenses based on cost and time studies that are updated annually.

Leasing Service Agreement

The Company entered into a Leasing Service Agreement with FBL Leasing Services, Inc., an indirect subsidiary of FBL Financial Group, Inc. The agreement provides leasing arrangements for equipment, including but not limited to furniture, computers, software, and communications equipment. The lessees pay FBL Leasing Services, Inc. monthly rent equal to the deprecation for software and equipment, plus a financing fee and sales tax when applicable.

Casualty Company Service Agreement

The Company entered into a Casualty Company Services Agreement with FBPCIC and WAIC. The agreement provides that the FBPCIC and WAIC be responsible for development and management of the Company's agency force for a fee based on production.

Service Agreement with FBL Insurance Brokerage

The Company entered into a Service Agreement with FBL Insurance Brokerage. The agreement provides that FBL Insurance Brokerage, LLC act as general agent for the sale of certain products with other carriers. Upon receipt of commission from other carriers, FBL Insurance Brokerage, LLC will pay the commissions to the Company, less a service fee.

Royalty Agreements

The Company is licensed with Farm Bureau organizations in states in its market territory to use "Farm Bureau" and "FB" designations. American Farm Bureau Federation is the owner of the Farm Bureau and FB designations and related trademarks and service marks including the "FB design" which has been registered as a service mark with the U.S. Patent and Trademark Office. Under the state membership agreements between the American Farm Bureau Federation and state Farm Bureau federations, use of such trade names and marks in each state is restricted to members of the state federation and their approved affiliates. The Company is licensed with Farm Bureau organizations to use the "Farm Bureau" and "FB" designations in the states of Iowa, Idaho, Minnesota, Montana, Nebraska, Kansas, North Dakota, Oklahoma, South Dakota, Utah, Arizona, New Mexico, Wisconsin, and Wyoming.

FIDELITY BOND AND OTHER INSURANCE

The Company and its affiliates are insured by umbrella liability insurance policies with aggregate limits of liability of $50 million; private company directors and officers and employment practices insurance policies with aggregate limits of $50 million; and fiduciary liability insurance policy with coverage limits of $10 million, which meets the NAIC's suggested minimum amount of coverage.

The other interests of the Company appear to be adequately protected through coverages afforded by policies in force with admitted insurers.

EMPLOYEE WELFARE

FBL Financial Group, Inc. sponsors or participates in multiple benefit plans, including a multiemployer defined plan, a defined contribution plan and postretirement benefit plans. All employees are direct employees of FBL Financial Group, Inc. and related plan expenses are allocated to the Company, affiliates, and unaffiliated organization. The Company has no direct legal obligation for benefits under these plans.

The multiemployer defined benefit plan (the Plan) covers substantially all employees of the group who had attained age 21 and were employed prior to January 1, 2013. Benefits are based on years of service and employees' compensation. Those participants who had not attained age 40 and ten years of service as of January 1, 2013, no longer accrue additional years or service in the plan. Net periodic pension cost of the plan is allocated between participants generally on a basis of time incurred by the respective employees for each company.

In addition to the Plan discussed above, FBL Financial Group, Inc. also sponsors a nonqualified plan, FBL Financial Group Supplemental Retirement Plan (the Supplemental Plan) that mirrors the Plan. Benefits are based on the portion of participant compensation that exceeds the qualified plan IRS compensation limits. The Supplemental Plan is unfunded. The expense of the Supplemental Plan, similar to the Plan, is based on the allocation of FBL employees' allocation of time to the Company.

The 401(k) defined contribution plan covers substantially all employees of the group and includes matching contributions. Costs are allocated among the affiliates on basis of time incurred by the respective employees for each company. New employees and current employees who had not attained age 40 and ten years of service as of January 1, 2013, and who are employed on December 31 are eligible to receive a discretionary company contribution.

The Company and its affiliates sponsor a plan that provides group term life insurance benefits to retirees who worked full-time for ten years and attained age 55 while in service. This benefit was no longer offered effective December 31, 2016, such that no new participants will enter the plan. The Company has also established deferred compensation plans for certain key current and former employees of the group and have certain other benefit plans which provide for retirement and other benefits.

The Company and its affiliates also offer Cafeteria Plan benefit structure to employees with core benefits, cafeteria optional benefits, and other benefits.

REINSURANCE

The Company maintains several reinsurance agreements, both assumed and ceded, with various reinsurers. The ceded reinsurance agreements provide the Company with increased capacity to write larger risks and to reduce overall risks, including exposure to large losses. The reinsurance permits the Company recovery of a portion of direct losses, maintaining its exposure to losses within capital resources.

ASSUMED

Affiliated

Effective December 31, 2018, the Company entered into a coinsurance agreement with its subsidiary, GLIC. The agreement provides that the Company assume from GLIC, on an indemnity basis 100% of its Reinsured Liabilities on a coinsurance basis. The reinsurance shall be maintained in force, without reduction, as long as the Company has any liabilities or obligations under the Contracts.

Individual Life

The primary purpose of the company's non-affiliated assumed reinsurance business is to move business to FBLIC's books that is administered by FBLIC but was sold by affiliated and formerly affiliated companies. The Company retains all of the EquiTrust business which is currently being administered on the Company's administration system. The business will be reinsured and administered by Farm Bureau Life. The specific agreements are as follows.

Effective December 30, 2011, the Company entered into a variable universal life business coinsurance and modified coinsurance agreement with EquiTrust. The agreement provides that EquiTrust will cede, and the Company will assume and reinsure on an indemnity basis 100% of EquiTrust's variable universal life (VUL) policies. Under the agreement all General Account Liabilities (as defined in the VUL Agreement) related to the VUL policies are reinsured on a coinsurance basis and all Separate Account Liabilities (as defined in the VUL Agreement) are reinsured on a modified coinsurance basis.

Effective December 30, 2011, the Company entered into a variable annuity business coinsurance and modified coinsurance agreement EquiTrust. The agreement provides that EquiTrust will cede, and the Company will assume and reinsure on an indemnity basis 100% of EquiTrust's variable annuity (VA) policies. Under the agreement all General Account Liabilities (as defined in the VA Agreement) related to the VA policies are reinsured on a coinsurance basis and all Separate Account Liabilities (as defined in the VA Agreement) are reinsured on a modified coinsurance basis.

Effective December 30, 2011, the Company entered into a fixed life and annuity business coinsurance agreement (FLA Agreement). The agreement provides that EquiTrust will cede, and the Company will assume the policies defined in the FLA Agreement. The Company will assume and reinsure these policies on a coinsurance basis.

CEDED

Individual Life

The primary purpose of the company's ceded reinsurance agreements are to provide the Company with increased capacity to write larger risks and to reduce the overall mortality risk profile of the Company. This, in turn, protects the company's surplus, and stabilizes earnings by limiting its exposure to large losses.

Effective October 1, 2020, the Company's ceded reinsurance structure was updated with new premium rates and cover all life business sold by the Company. All new business is self-administered and ceded on a yearly renewable term (YRT) basis in excess of $1 million per life. The Company's new business is split among four companies: RGA Reinsurance Company, General Re Life Corporation, Hannover Life Reassurance Company of America, and Optimum Re Insurance Company. Each reinsurer's share is split between the company's term business and permanent business. RGA and Hannover each get 30% of the term business, while Optimum and Gen Re each get the remaining 20%. RGA, Hannover, and Gen Re each get 30% of the permanent business, while Optimum Re gets the remaining 10%. All treaties are used for both automatic and facultative purposes. The auto binding limit is $5 million, and the jumbo limit is $35 million for all treaties. The Company replaced a similar structure that had been in place on newly sold business since January 1, 2016, that contained similar reinsurance partners.

Various other amounts of life insurance are ceded to reinsurers other than those mentioned above under a number of different treaties on both a YRT and coinsurance basis. These include different treaties that the company has had in place historically as well as those absorbed by the Company through mergers.

The company also utilizes an accidental death benefit agreement that covers accidental death benefits in excess of a pre-defined limit within a calendar year to protect itself in the event a significant disaster or tragedy arose within its geographic footprint. This is a two-year agreement that gets updated with a new limit every two years. The limit is generally set in a way that protection will only kick in if a major event were to occur and is not designed to provide protection for random claims fluctuation. SCOR has been the sole reinsurer of this coverage for the last 10+ years.

Group Life

The Company cedes group life insurance for employees of Farm Bureau and other Farm Bureau related groups to SCOR under a 100% quota share agreement up to a maximum of four times salary. This arrangement has been in place for over 15 years and was last updated in 2014.

Accident and Health

The Company cedes 100% of a closed block of disability income insurance to Assurity Life Insurance Company. This agreement has been in place since September 1, 2000. The Company entered into this agreement to exit the disability market at the time.

STATUTORY DEPOSIT

The book/adjusted carrying value of securities and assets, backing the Company's legal reserve, and vested to the Commissioner of the Iowa Insurance Division for the benefit of all policyholders, totaled $6,744,025,053.

The book/adjusted value of securities held in custodial accounts for the exclusive protection of New Mexico policyholders totaled $224,317.

TERRITORY AND PLAN OF OPERATION

The Company's principal lines of business are traditional life, universal life, variable life, variable and fixed premium deferred annuities. All of these products are sold to individuals. The Company also sells Deferred Fixed Annuities, Deferred Indexed Annuities, Life Contingent Payout, and Deferred Variable Annuities with Guarantee. Mutual funds and investment advisory services are some of the financial services offered by the Company through its affiliates. Individual products are targeted to middle-income, younger and middle-aged people in rural and suburban areas. The majority of the Company's annuity sales are in tax qualified IRAs, Keoghs and 403b plans.

The Company is licensed to do business in the following jurisdictions:

Arizona	Montana	Oregon
Colorado	Nebraska	South Dakota
Idaho	Nevada	Utah
Iowa	New Mexico	Washington
Kansas	North Dakota	Wisconsin
Minnesota	Oklahoma	Wyoming

The bulk of direct premium writings in 2021 came from four state: Iowa, Kansas, Oklahoma, and Nebraska constituting approximately 60% of total premiums written.

GROWTH OF COMPANY

The following information was obtained from the office copies of the annual statements.

Year	Admitted Assets	Separate Accounts Assets	Liabilities	Separate Accounts Liabilities	Capital & Surplus
2017	$9,068,654,175	$651,962,493	$8,452,680,706	$651,962,493	$615,973,469
2018	9,120,814,132	561,281,136	8,483,609,547	561,281,136	637,204,585
2019	9,340,682,522	645,881,414	8,698,273,338	645,881,414	642,409,184
2020	9,572,979,214	674,182,100	8,944,937,491	674,182,100	628,041,723
2021	9,888,530,598	734,531,713	9,217,775,179	734,531,713	670,755,419

Year	Aggregate Life Reserves	Aggregate A&H Reserves	Deposit-type Contract Funds	Premium and Annuity Considerations	Life Insurance Inforce
2017	$6,378,306,067	$221,065	$1,215,601,524	$632,776,889	$63,089,216,000
2018	6,556,559,882	186,562	1,185,895,801	641,792,784	64,745,216,000
2019	6,654,453,330	187,889	1,217,748,872	603,717,161	66,114,068,000
2020	6,764,514,057	183,082	1,312,636,986	550,596,365	67,751,363,000
2021	6,927,241,419	160,720	1,335,794,377	624,030,006	70,358,152,000

ACCOUNTS AND RECORDS

Trial balances were prepared for all years of the examination period. Amounts from the general ledger accounts were reconciled and found to be in agreement with balances reported on the filed annual statements for assets, liabilities, income or disbursements.

During the course of the examination, no material aggregate surplus difference was identified from the amount reflected in the financial statements, as presented in the annual statement on December 31, 2021.

SUBSEQUENT EVENT

No subsequent events were noted during the examination.

F I N A N C I A L   S T A T E M E N T S

A N D   C O M M E N T S   T H E R E O N

NOTE: The following financial statements are based on the statutory financial statements filed by the Company with the Iowa Insurance Division and present the financial condition of the Company for the period ending December 31, 2021.

STATEMENT OF ASSETS AND LIABILITIES

ASSETS

	Ledger	Not Admitted	Admitted
Bonds	$ 7,225,623,624	$ -	$ 7,225,623,624
Stocks:			
Preferred stocks	69,346,136	-	69,346,136
Common stocks	53,517,002	-	53,517,002
Mortgage loans on real estate:			
First liens	990,207,317	-	990,207,317
Real estate:			
Production of income	955,000	-	955,000
Cash and short-term investments	121,794,894	-	121,794,894
Contract loans	185,818,294	-	185,818,294
Derivatives	15,030,852	-	15,030,852
Other invested assets	240,165,494	68,313	240,097,181
Receivable for securities	208,338	-	208,338
Investment income due and accrued	69,347,488	-	69,347,488
Premiums and considerations:			
Uncollected premiums in course of collection	3,072,955	-	3,072,955
Deferred premiums booked and not yet due	96,187,430	-	96,187,430
Reinsurance:			
Amounts recoverable from reinsurers	3,963,463	-	3,963,463
Other amounts receivable	358,664	-	358,664
Current federal and foreign income tax recoverable	10,594,798	-	10,594,798
Net deferred tax asset	66,204,668	1,169,466	65,035,202
Guaranty funds receivable	352,043	-	352,043
Electronic data processing equipment and software	7,259,596	7,259,596	-
Furniture and equipment	669,041	669,041	-
Health care and other amounts receivable	228,695	228,695	-
Aggregate write-ins for other-than-invested assets:			
Other assets	30,575,876	28,273,483	2,302,393
Modco balance assumed	185,811	-	185,811
Due from others	57,399	57,399	-
Total assets excluding separate accounts	9,191,724,878	37,725,993	9,153,998,885
From separate accounts	734,531,713	-	734,531,713
Total assets	$ 9,926,256,591	$ 37,725,993	$ 9,888,530,598

LIABILITIES, SURPLUS AND OTHER FUNDS

Aggregate reserve for life contracts	$ 6,927,241,419
Aggregate reserve for accident and health contracts	160,720
Liability for deposit-type contracts	1,335,794,377
Contract claims:	
Life	41,626,042
Accident and health	28,899
Policyholders' dividends/refunds to members	17,140
Provision for policyholders' dividends, refunds to members and coupons payable in following calendar year -estimated:	
Policyholders' dividends and refunds to members	4,652,892
Policyholders' dividends and refunds to members not yet apportioned	1,749,333
Premiums and annuity considerations for life and accident and health contracts received in advance	3,806,769
Contract liabilities not included elsewhere:	
Interest maintenance reserve	13,458,607
Commissions to agents due or accrued-life and annuity and accident and health contracts	7,303,004
Commissions and expense allowances payable on reinsurance assumed	16,702
General expenses due or accrued	10,453,269
Transfers to Separate Accounts due to accrued allowances recognized in reserves, net of reinsured allowances	(266,928)
Taxes, licenses, and fees due or accrued, excluding federal income taxes	1,103,047
Unearned investment income	4,462,332
Amounts withheld or retained by reporting entity as agent or trustee	882,318
Remittances and items not allocated	4,972,000
Miscellaneous liabilities:	
Asset valuation reserve	84,680,320
Funds held under reinsurance treaties with unauthorized and certified reinsurers	2,296,083
Derivatives	20,495
Payable for securities	5,000,000
Aggregate write-ins for liabilities	33,784,626
From separate accounts statement	734,531,713
Total liabilities	$ 9,217,775,179
Common capital stock	2,500,000
Gross pain-in and contributed surplus	130,982,867
Unassigned funds (surplus)	537,272,552
Capital and surplus	$ 670,755,419
Total liabilities and surplus	$ 9,888,530,598

SUMMARY OF OPERATIONS

Premiums and annuity considerations for life and accident and health contracts	$ 624,030,007
Consideration for supplementary contracts with life contingences	3,738,143
Net investment income	398,473,375
Amortization of Interest Maintenance Reserve	3,214,012
Commissions and expense allowances on reinsurance ceded	3,442,372
Reserve adjustments on reinsurance ceded	(2,489,191)
Miscellaneous income:	
Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	28,000,226
Aggregate write-ins from miscellaneous income	2,355,387
Total	$ 1,060,764,331
Death benefits	$ 208,326,322
Matured endowments	773,735
Annuity benefits	105,253,890
Disability benefits and benefits under accident and health contracts	267,505
Surrender benefits and withdrawals for life contracts	291,233,958
Interest and adjustments on contract or deposit-type contract funds	29,081,513
Payments on supplementary contracts with life contingencies	16,676,427
Increase in aggregate reserves for life and accident and health contracts	162,705,000
Total	$ 814,318,350
Commissions on premiums, annuity considerations, and deposit-type contract funds	53,484,943
Commission and expense allowances on reinsurance assumed	2,010,705
General insurance expenses and fraternal expenses	99,710,217
Insurance taxes, licenses, and fees, excluding federal income taxes	8,566,267
Increase in loading on deferred and uncollected premiums	(575,340)
Net transfers to or (from) Separate Accounts net of reinsurance	(38,781,323)
Aggregate write-ins for deductions	(9,794,049)
Total	$ 928,939,770
Net gain from operations before dividends to policyholders, refunds to members and before federal income taxes	$ 131,824,561
Dividends to policyholders and refunds to members	6,118,583
Net gain from operations after dividends to policyholders, refunds to members and before federal income taxes	$ 125,705,978
Federal and foreign income taxes incurred	16,546,865
Net gain from operations after dividends to policyholders, refunds to members and Federal income taxes and before realized capital gains or (losses)	$ 109,159,113
Net realized capital gains (losses)	1,757,490
Net income	$ 110,916,603

CAPITAL AND SURPLUS ACCOUNT

Capital and surplus, December 31, 2020	$ 628,041,723
Net income	$ 110,916,603
Change in net unrealized capital gains (losses)	12,029494
Change in net deferred income tax	8,238,582
Change in nonadmitted assets	1,613,511
Change in asset valuation reserve	(20,084,494)
Dividends to stockholders	(70,000,000)
Net change in capital and surplus for the year	$ 42,713,696
Capital and surplus, December 31, 2021	$ 670,755,419

CASH FLOW STATEMENT

Cash from Operations

Premiums collected net of reinsurance	$ 628,513,590	
Net investment income	392,553,217	
Miscellaneous income	31,885,507	
Total		$ 1,052,952,314
Benefit and loss related payments	$ 677,696,722	
Net transfers to separate accounts	(38,605,847)	
Commissions, expenses paid and aggregate write-ins	154,972,251	
Dividends to policyholders	6,635,312	
Federal income taxes (paid) recovered	11,154,485	
Total		$ 811,852,923
Net cash from operations		$ 241,099,391

Cash from Investments

Proceeds from investments sold, matured or repaid:		
Bonds	$ 871,074,859	
Stocks	23,358,800	
Mortgage loans	165,136,685	
Other invested assets	31,579,385	
Total investment proceeds		$ 1,091,149,729
Cost of investments acquired (long-term only):		
Bonds	$ 1,010,762,204	
Stocks	9,914,100	
Mortgage loans	159,310,000	
Other invested assets	78,127,638	
Miscellaneous applications	1,301,716	
Total investments acquired		$ 1,259,415,658
Net increase (decrease) in contract loans and premium notes		$ (9,845,811)
Net cash from investments		$ (158,420,118)

Cash from Financing and Miscellaneous Sources

Net deposits on deposit-type contracts and other insurance liabilities	$ 52,238,418	
Dividends to stockholders	70,000,000	
Other cash provided (applied)	12,398,272	
Net cash from financing and miscellaneous sources		$ (5,363,310)

RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS

Net change in cash, cash equivalents and short-term investments	$ 77,315,963
Cash, cash equivalents and short-term investments:	
Beginning of year	44,478,932
End of period	$ 121,794,895

<u>CONCLUSION</u>

The cooperation and assistance extended by the officers and employees of the Company is hereby acknowledged.

In addition to the undersigned, Jan Moenck, CFE, Chris Rushford, CFE, CPA of Risk & Regulatory Consulting, LLC; Alex Matovu, Josh Pietan, and Mick Jepson; Examiners for the Iowa Insurance Division; and Life Actuarial Specialists of Insurance Strategies Consulting, participated in the examination and preparation of this report.

Respectfully submitted,

_/s/ Joshua J. Johnson___________________
Joshua J. Johnson, CFE
Examiner in Charge
Risk & Regulatory Consulting, LLC
On behalf of the Iowa Insurance Division

_/s/ Amanda Theisen___________________
Amanda Theisen, CFE
Supervisor and Assistant Chief Examiner
Iowa Insurance Division