

TARGETED MARKET CONDUCT EXAMINATION REPORT

EquiTrust Life Insurance Company
NAIC # 62510
222 West Adams St., Suite 2150
Chicago, IL 60606

As of November 3, 2017

Iowa Insurance Division

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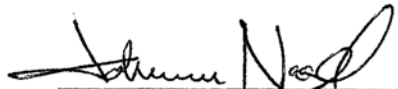
The Honorable Douglas Ommen
Insurance Commissioner
Iowa Insurance Division
601 Locust St., 4th Floor
Des Moines, IA 50309

Dear Commissioner Ommen:

In accordance with your respective authorization, and pursuant to Iowa Code chapter 507, a market conduct examination has been conducted on the business affairs of

EquiTrust Life Insurance Company
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hereafter referred to as "EquiTrust Life Insurance Company" or the "Company", the following report of such examination is respectfully submitted,



Johanna Nagel, MCM
Iowa Insurance Division

PURPOSE AND SCOPE OF REVIEW

A targeted market conduct examination of EquiTrust Life Insurance Company was conducted pursuant to Iowa statutory provisions.

The Iowa Insurance Division (“Division”) conducted targeted desk examinations on many companies to review the policies and procedures that comprise the Company’s annuity suitability supervision system and compare these policies and procedures against the model annuity suitability regulation requirements. The relevant time period was January 1, 2014 through September 30, 2015. The review was performed at the Division of electronic files provided by the Company and conducted according to the guidelines and procedures recommended in the NAIC Market Regulation Handbook.

Interrogatories were submitted to the Company as part of the MAWG Fixed Index Annuity Collaborative Action and written responses were provided.

EXECUTIVE SUMMARY

The Company appears to have adequate policies and procedures in place to review annuity suitability recommendations.

DESK EXAMINATION

The examination included a review of the contracts, policies, written procedures, and other documents of the Company. A confidential comprehensive evaluation was provided to the Company focusing on the following areas: (1) how the Company informs producers of their obligations through training and other materials; (2) controls to review the suitability determination and product recommendation; and (3) methods of recording suitability decisions.

As a result of the evaluation, it is evident that the Company has procedures in place to supervise suitability recommendations. The Company employs a system to initially verify information and input the information into a financial needs analysis worksheet. Applications may receive additional review depending upon information noted on the needs analysis form. Replacements receive additional review by the Company. Waiver letters are sent to request or confirm information from the consumer for applications in which certain information is triggered. The Company requires and verifies training of producers but does not test the quality of training. The Company requires producers to maintain records, but it is unclear if the Company tests or audits the record.

CONCLUSION

I would like to acknowledge the cooperation and courtesy extended by EquiTrust Life Insurance Company staff. In addition to the undersigned, Tracy Swalwell of the Iowa Insurance Division participated in this examination.

Respectfully submitted,



Johanna Nagel, MCM
Iowa Insurance Division
Examiner-in-Charge