

EXAMINATION REPORT OF
GREENFIELDS 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

GREENFIELDS LIFE INSURANCE COMPANY

WEST DES MOINES, IOWA

AS OF DECEMBER 31, 2021

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

INTRODUCTION

Greenfields Life Insurance Company, hereinafter referred to as the “Company”, was last examined by the Colorado Division of Insurance, 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 parent, Farm Bureau Life Insurance Company (FBLIC), and affiliates, 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 is a stock life insurance company incorporated in the state of Colorado on August 27, 2012. The Company received a certificate of authority from the Colorado Division of Insurance on January 10, 2013 and commenced business on February 1, 2013.

2018 - The Company domesticated and organized under the laws of the State of Iowa.

2021 - Farm Bureau Property & Casualty Insurance Company acquired approximately 39.5% of the common stock of FBL Financial Group, Inc. the ultimate 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 10,000 shares of common stock authorized with a par value of \$1,000 per share. There are 2,100 shares issued and outstanding. The Company reported common capital stock of \$2,100,000 as of December 31, 2021.

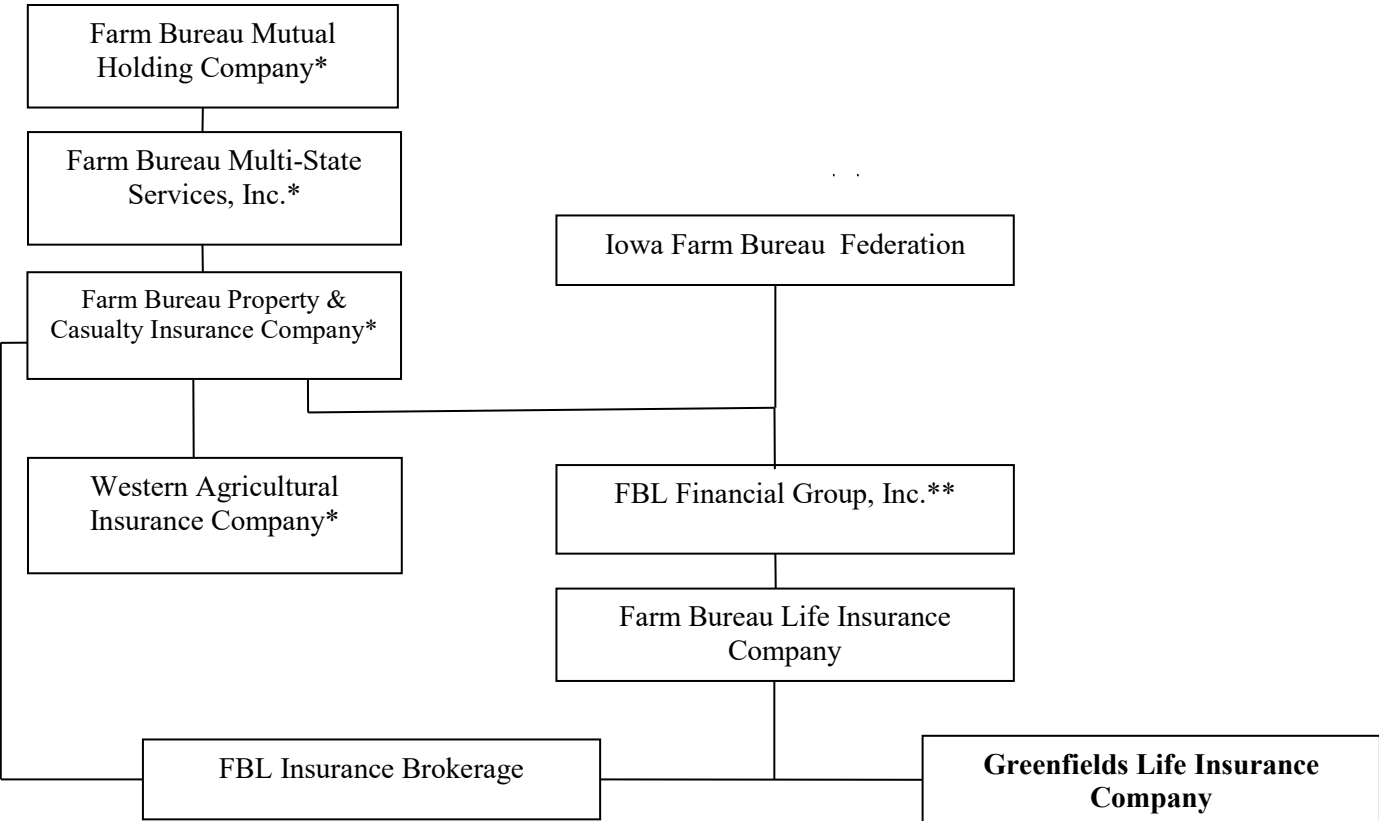
The Company did not pay any dividends during the examination period.

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 parent, FBLIC, are managed by FBL Financial Group, Inc., under a management services agreement.

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 Company’s Bylaws provide for annual and special meetings of its stockholders. The stockholders of the Company represented in person or by duly authorized representative shall constitute a quorum at all meetings of the stockholders. The Bylaws provide for the order of stockholder business including the purpose of electing directors and such other business as determined appropriate.

The Articles of Incorporation and Bylaws do not specify a time or place in which the stockholder meetings are required to be held, however an annual meeting of the stockholders was held in each of the years covered by this examination. The meetings of the stockholders were held in compliance with the Company’s Bylaws.

BOARD OF DIRECTORS

During the examination period, the Amended and Restated Bylaws of the Company provide that the Company shall be managed by a Board of Directors of 3 to 15 directors. Directors shall be elected to serve for a term of one year and until their successors are elected and qualified.

Directors shall all be a member of the Executive Committee of Farm Bureau Life Insurance Company. Should any director cease to be a member of the Executive Committee of Farm Bureau Life Insurance Company, such director will immediately cease to be a director of this Company.

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

<u>Name and Address</u>	<u>Principal Occupation</u>	<u>Term¹</u>
Richard W. Felts Liberty, KS	Grain & Livestock Producer	2022
Brent E. Johnson Manson, IA	Farmer/Agronomist	2022
Daniel D. Pitcher ² West Des Moines, IA	Chief Executive Officer Farm Bureau Life Insurance Company	2022
Martin J. Schwager ² Clive, IA	Senior Vice President, Secretary Farm Bureau Life Insurance Company	2022

¹Effective February 8, 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.

²Effective February 8, 2022, the Director no longer serves on the Board due to a change in the Company's Bylaws.

COMMITTEES

The Board of Directors shall appoint an Audit and Budget committee consisting of any number of members of the Board of Directors as it may designate, composed of members of the Board of Directors of the Company, Farm Bureau Life Insurance Company or FBL Financial Group, Inc. and consistent with the Articles of Incorporation, the By-Laws, and the laws of Iowa. The Audit-Budget committee shall select and engage on behalf of the Company, and fix the compensation of, a firm of certified public accountants whose duty it shall be to audit the books and accounts of the Company and its subsidiaries of the fiscal year in which they are appointed, and who shall report to such committee. The committee shall confer with the auditors and shall determine, and from time to time shall report to the Board of Directors upon, the scope of the auditing of the books and accounts of the Company and its subsidiaries. The committee shall also be responsible for determining that the business practices and conduct of employees and other representatives of the Company and its subsidiaries comply with the policies and procedures of the Company. None of the members of the audit committee shall be officers or employees of the Company. The committee shall review the annual budget of the Company, as recommended by management, and approve with such modifications as this committee deems appropriate. The committee may additionally meet at such times as it deems appropriate to review the company's operational performance and compliance with the annual budget.

The Investment Committee shall have the duty and the power to authorize and direct the mode, manner, and time of making and calling in investments, and the sale or transfer of investments and the reinvestment of the proceeds thereof, and to examine all funds and securities as often as they deem necessary or when required to do so by the Board of Directors. The Investments Committee shall have the duty and authority from time to time and whenever necessary to authorize the execution of all contracts, deed, conveyances, and any other instruments of the Company necessary for the assignment, transfer, and sale of investments of the Company requiring corporate signature.

An Amendment to the Amended and Restated Bylaws state that the Board of Directors shall appoint an Audit Committee and a Budget and a Finance Committee consisting of any number of its members to serve in such capacity as the Board 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 February 8, 2022.

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

Audit & Budget Committee

Scott E. VanderWal, Chair
Joe D. Heinrich
Bryan J. Searle

Investment Committee

Jeffrey A. Whitehead, Chair
Daniel D. Pitcher
Donald J. Seibel
Kelli A. Eddy
Jay W. Seiboldt

OFFICERS

The Bylaws state the officers of the Company shall be a chairman, vice president, secretary and treasurer, and the office of secretary and treasurer may be held by the same person. The term of office of the chairman, vice president, treasurer and secretary 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:

<u>Name</u>	<u>Title</u>
Brent E. Johnson	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

The Articles of Incorporation were amended May 16, 2018, to restate the Articles of Incorporation as the Company changed its state of domicile from Colorado to Iowa. The Company is domesticated and organized under the laws of the State of Iowa.

The Bylaws were amended on April 30, 2018, to restate the Bylaws as the Company changed its state of domicile from Colorado to Iowa. The Company is domesticated and organized under the laws of the State of Iowa.

The Bylaws were amended on November 4, 2019, to amend Article III Board of Directors section 9(a) "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:

An 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 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 were 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 February 8, 2022.

RELATED PARTY 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 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 FBLIC, 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.

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.

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

ASSUMED

The Company did not assume any business during the examination period.

CEDED

Effective December 31, 2018, the Company entered into a coinsurance agreement with its parent, FBLIC. The agreement provides that the Company cedes to FBLIC, 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.

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 \$7,812,576.

TERRITORY AND PLAN OF OPERATION

The Company markets individual life insurance policies and annuity contracts to individuals and businesses within the state of Colorado. The Company's life products include term, whole, indexed, and indexed universal. The Company's annuity products include fixed deferred and immediate annuities.

The Company's products are sold through the exclusive agent force of 360 Insurance Company ("360 Insurance"), an unaffiliated property-casualty insurance company domiciled in the state of Colorado. The 360 Insurance agents are multi-line agents who sell both property-casualty and life insurance products. The Company's primary customers are farmers and ranchers in Colorado.

As December 31, 2021, the Company was licensed to transact business in the State of Colorado and State of Iowa. The Company was not licensed in any other state or U.S. territory

GROWTH OF COMPANY

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

<u>Year</u>	<u>Admitted Assets</u>	<u>Separate Accounts Assets</u>	<u>Liabilities</u>	<u>Separate Accounts Liabilities</u>	<u>Capital & Surplus</u>
2017	\$13,831,557	\$ -	\$4,825,962	\$ -	\$9,005,595
2018	9,742,544	-	1,065,768	-	8,676,776
2019	9,223,734	-	410,143	-	8,813,591
2020	9,116,521	-	249,260	-	8,867,261
2021	9,951,984	-	975,299	-	8,976,685

<u>Year</u>	<u>Aggregate Life Reserves</u>	<u>Aggregate A&H Reserves</u>	<u>Deposit-type Contract Funds</u>	<u>Premium and Annuity Considerations</u>	<u>Life Insurance Inforce</u>
2017	\$4,327,158	\$ -	\$118,044	\$ (505,432)	\$207,647,000
2018	-	-	-	(3,862,587)	240,748,000
2019	-	-	-	-	296,179,000
2020	-	-	-	-	322,261,000
2021	-	-	-	-	374,767,000

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.

FINANCIAL STATEMENTS
AND COMMENTS THEREON

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

	<u>Ledger</u>	Not <u>Admitted</u>	<u>Admitted</u>
Bonds	\$ 7,812,576	\$ -	\$ 7,812,576
Cash and short-term investments	2,097,982	-	2,097,982
Investment income due and accrued	17,380	-	17,380
Net deferred tax asset	23,611	-	23,611
Health care and other amounts receivable	7,082	7,082	-
Aggregate write-ins for other-than-invested assets:			
Other assets	<u>163,631</u>	<u>163,197</u>	<u>435</u>
 Total assets	 <u>\$10,122,262</u>	 <u>\$170,279</u>	 <u>\$9,951,984</u>

LIABILITIES, SURPLUS AND OTHER FUNDS

Aggregate reserve for life contracts	\$ -
Aggregate reserve for accident and health contracts	-
Liability for deposit-type contracts	-
Contract liabilities not included elsewhere:	
Other amounts payable on reinsurance	679,841
Interest maintenance reserve	1,285
Commissions to agents due or accrued-life and annuity, accident and health contracts, and deposit-type contracts funds	88,616
General expenses due or accrued	70,560
Taxes, licenses, and fees due or accrued, excluding federal income taxes	15,645
Current federal and foreign income taxes	558
Amounts withheld or retained by reporting entity as agent or trustee	2,910
Remittances and items not allocated	65,696
Miscellaneous liabilities:	
Asset valuation reserve	14,861
Payable to parent, subsidiaries, and affiliates	5,814
Aggregate write-ins for liabilities	<u>29,513</u>
 Total liabilities	 <u>\$ 975,299</u>
 Common capital stock	 \$2,100,000
Gross pain-in and contributed surplus	8,700,000
Unassigned funds (surplus)	<u>(1,823,315)</u>
 Capital and surplus	 <u>\$8,976,685</u>
 Total liabilities and surplus	 <u>\$9,951,984</u>

SUMMARY OF OPERATIONS

Premiums and annuity considerations for life and accident and health contracts	\$ -
Net investment income	163,242
Amortization of Interest Maintenance Reserve	611
Commissions and expense allowances on reinsurance ceded	769,135
Miscellaneous income:	
Aggregate write-ins for miscellaneous income	<u>18</u>
Total	\$933,005
Death benefits	\$ -
Total	\$ -
Commissions on premiums, annuity considerations, and deposit-type contract funds	295,068
General insurance expenses and fraternal expenses	466,063
Insurance taxes, licenses, and fees, excluding federal income taxes	54,325
Aggregate write-ins for deductions	<u>114</u>
Total	<u>\$815,569</u>
Net gain from operations before dividends to policyholders, refunds to members and before federal income taxes	\$117,436
Dividends to policyholders and refunds to members	<u>-</u>
Net gain from operations after dividends to policyholders, refunds to members and before federal income taxes	\$117,436
Federal and foreign income taxes incurred	31,628
Net gain from operations after dividends to policyholders, refunds to members and Federal income taxes and before realized capital gains or (losses)	\$ 85,808
Net realized capital gains (losses)	<u>-</u>
Net income	<u>\$ 85,808</u>

CAPITAL AND SURPLUS ACCOUNT

Capital and surplus, December 31, 2020	<u>\$8,867,261</u>
<u>Gains and (Losses) in Surplus</u>	
Net income	\$ 85,808
Change in net deferred income tax	1,784
Change in nonadmitted assets	23,368
Change in asset valuation reserve	<u>(1,536)</u>
Change in capital and surplus for the year	<u>\$ 109,424</u>
Capital and surplus, December 31, 2021	<u>\$8,976,685</u>

CASH FLOW STATEMENT

Cash from Operations

Premiums collected net of reinsurance	\$ 858,041	
Net investment income	182,263	
Miscellaneous income	<u>784,572</u>	
Total		\$1,824,875
Benefit and loss related payments	\$ (213,547)	
Commissions, expenses paid and aggregate write-ins	902,002	
Dividends to policyholders	(1,278)	
Federal income taxes (paid) recovered	<u>26,068</u>	
Total		<u>\$ 713,245</u>
Net cash from operations		<u>\$1,111,630</u>

Cash from Investments

Proceeds from investments sold, matured or repaid:		
Bonds	<u>\$2,576,128</u>	
Total investment proceeds		\$2,576,128
Cost of investments acquired (long-term only):		
Bonds	<u>\$3,069,016</u>	
Total investments acquired		\$3,069,016
Net increase (decrease) in contract loans and premium notes		<u>\$ (1,516)</u>
Net cash from investments		<u>\$ (491,372)</u>

Cash from Financing and Miscellaneous Sources

Net deposits on deposit-type contracts and other insurance liabilities	\$ 763	
Other cash provided (applied)	<u>413,140</u>	
Net cash from financing and miscellaneous sources		<u>\$ 413,903</u>

RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS

Net change in cash, cash equivalents and short-term investments		\$1,034,161
Cash, cash equivalents and short-term investments:		
Beginning of year		<u>1,063,819</u>
End of period		<u>\$2,097,980</u>

CONCLUSION

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