

FBL FINANCIAL GROUP INC  
Form 10-Q  
November 03, 2011  
UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C. 20549

FORM 10-Q

(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, 2011

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: 1-11917  
(Exact name of registrant as specified in its charter)

Iowa 42-1411715  
(State of incorporation) (I.R.S. Employer Identification No.)

5400 University Avenue, West Des Moines, Iowa 50266-5997  
(Address of principal executive offices) (Zip Code)

(515) 225-5400  
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).  Yes  No

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

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

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

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

| Title of each class                     | Outstanding at November 1, 2011 |
|---|---------------------------------|
| Class A Common Stock, without par value | 30,087,397                      |
| Class B Common Stock, without par value | 1,192,990                       |

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FBL FINANCIAL GROUP, INC.  
FORM 10-Q FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2011  
TABLE OF CONTENTS

|            |   |           |
|------------|---|-----------|
| PART I.    | FINANCIAL INFORMATION   |           |
| Item 1.    | Financial Statements (Unaudited)  |           |
|            | Consolidated Balance Sheets   | <u>2</u>  |
|            | Consolidated Statements of Operations   | <u>4</u>  |
|            | Consolidated Statements of Changes in Stockholders' Equity                            | <u>5</u>  |
|            | Consolidated Statements of Cash Flows   | <u>6</u>  |
|            | Notes to Consolidated Financial Statements  | <u>8</u>  |
| Item 2.    | Management's Discussion and Analysis of Financial Condition and Results of Operations | <u>33</u> |
| Item 3.    | Quantitative and Qualitative Disclosures About Market Risk                            | <u>60</u> |
| Item 4.    | Controls and Procedures   | <u>60</u> |
| PART II.   | OTHER INFORMATION   | <u>61</u> |
| Item 6.    | Exhibits  | <u>61</u> |
| SIGNATURES |   | <u>62</u> |

## ITEM 1. FINANCIAL STATEMENTS

FBL FINANCIAL GROUP, INC.  
CONSOLIDATED BALANCE SHEETS (Unaudited)  
(Dollars in thousands)

|  | September 30,<br>2011 | December 31,<br>2010 |
|--|-----------------------|----------------------|
| Assets   |                       |                      |
| Investments:   |                       |                      |
| Fixed maturity securities - available for sale, at fair value (amortized cost: 2011 - \$11,501,763; 2010 - \$10,974,330) | \$12,218,511          | \$11,128,524         |
| Equity securities - available for sale, at fair value (cost: 2011 - \$79,808; 2010 - \$77,689)                           | 80,304                | 78,656               |
| Mortgage loans   | 1,234,917             | 1,254,437            |
| Derivative instruments   | 29,791                | 40,729               |
| Real estate  | 11,030                | 13,554               |
| Policy loans   | 171,481               | 170,341              |
| Other long-term investments  | 112                   | 132                  |
| Short-term investments   | 56,984                | 383,369              |
| Total investments  | 13,803,130            | 13,069,742           |
| Cash and cash equivalents  | 120,341               | 4,794                |
| Securities and indebtedness of related parties   | 74,776                | 57,832               |
| Accrued investment income  | 151,862               | 135,384              |
| Amounts receivable from affiliates   | 4,565                 | 2,025                |
| Reinsurance recoverable  | 100,488               | 122,326              |
| Deferred policy acquisition costs  | 613,264               | 812,025              |
| Deferred sales inducements   | 184,824               | 259,148              |
| Value of insurance in force acquired   | 25,127                | 27,706               |
| Current income taxes recoverable   | —                     | 17,914               |
| Other assets   | 77,415                | 72,154               |
| Assets held in separate accounts   | 638,904               | 753,050              |
| <br>   |                       |                      |
| Total assets   | \$15,794,696          | \$15,334,100         |

FBL FINANCIAL GROUP, INC.  
CONSOLIDATED BALANCE SHEETS (Continued)  
(Dollars in thousands)

|  | September 30,<br>2011 | December 31,<br>2010 |
|--|-----------------------|----------------------|
| Liabilities and stockholders' equity   |                       |                      |
| Liabilities:   |                       |                      |
| Future policy benefits:  |                       |                      |
| Interest sensitive and index products  | \$ 10,934,249         | \$ 10,645,927        |
| Traditional life insurance and accident and health products  | 1,388,501             | 1,362,410            |
| Other policy claims and benefits   | 44,761                | 51,393               |
| Supplementary contracts without life contingencies   | 499,940               | 506,167              |
| Advance premiums and other deposits  | 210,224               | 188,577              |
| Amounts payable to affiliates  | 884                   | 573                  |
| Short-term debt payable to affiliates  | —                     | 100,000              |
| Long-term debt payable to affiliates   | 99,932                | —                    |
| Long-term debt payable to non-affiliates   | 271,235               | 271,168              |
| Current income taxes   | 2,807                 | —                    |
| Deferred income taxes  | 206,812               | 131,174              |
| Other liabilities  | 93,886                | 177,247              |
| Liabilities related to separate accounts   | 638,904               | 753,050              |
| Total liabilities  | 14,392,135            | 14,187,686           |
| Stockholders' equity:  |                       |                      |
| FBL Financial Group, Inc. stockholders' equity:  |                       |                      |
| Preferred stock, without par value, at liquidation value - authorized 10,000,000 shares, issued and outstanding 5,000,000 Series B shares              | 3,000                 | 3,000                |
| Class A common stock, without par value - authorized 88,500,000 shares, issued and outstanding 30,044,744 shares in 2011 and 29,749,068 shares in 2010 | 127,904               | 118,165              |
| Class B common stock, without par value - authorized 1,500,000 shares, issued and outstanding 1,192,990 shares   | 7,522                 | 7,522                |
| Accumulated other comprehensive income   | 200,539               | 39,895               |
| Retained earnings  | 1,063,508             | 977,740              |
| Total FBL Financial Group, Inc. stockholders' equity   | 1,402,473             | 1,146,322            |
| Noncontrolling interest  | 88                    | 92                   |
| Total stockholders' equity   | 1,402,561             | 1,146,414            |
| Total liabilities and stockholders' equity   | \$ 15,794,696         | \$ 15,334,100        |

See accompanying notes.

3

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FBL FINANCIAL GROUP, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

(Dollars in thousands, except per share data)

Three months ended September  
30,

Nine months ended September  
30,