

Tim Morton

From: EquiTrust Life [sales.support@equitrust.com]
Sent: Friday, September 19, 2008 7:20 AM
To: Tim Morton
Subject: Current Market Conditions and EquiTrust Life Insurance Company



E-CONNECT

www.EquiTrust.com

Current Market Conditions and EquiTrust Life Insurance Company

A Message from Jim Noyce, Chief Executive Officer, FBL Financial Group, Inc.

To Our Valued Distribution Partners:

During the past two weeks there has been unprecedented turmoil in the financial markets. The federal government needed to step in and rescue Freddie Mac and Fannie Mae. After an unsuccessful attempt to find a buyer or a government bailout last weekend, Lehman Brothers filed for bankruptcy on Monday morning. The very next day, the federal government put together a rescue plan for AIG so it could liquidate its operating subsidiaries in an orderly manner. The stock market has dropped precipitously, with the Dow declining around 500 points on Monday of this week and another 449 points on Wednesday, with some recovery yesterday. The underlying problem for much of this, if not most, has been losses resulting from the housing market and record foreclosures.

Not surprisingly, some of you have asked and I'm sure all of you are wondering what this means to our companies, our policyholders and us, individually. I wish I could say that it has no impact. But that's not the case. There is no one operating in the financial arena that is not impacted in some way by what's been happening.

The current economic environment is challenging, but manageable. With FBL's solid business fundamentals, we are navigating through these challenging times. Our foundation is built upon:

High quality investment portfolio - The quality of our overall portfolio is high with over 96 percent of our fixed maturity securities being investment grade.

Well diversified investment portfolio - As of June 30, 2008, FBL Financial Group, Inc., the parent company of EquiTrust Life Insurance Company, had total invested assets of \$11.3 billion. These investments are well diversified by individual issue, industry and asset class. We manage our credit exposure on an enterprise-wide basis and have limits in place for each credit exposure.

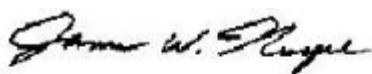
Minimal exposure to subprime securities - We have minimal exposure to subprime securities. At June 30, subprime securities accounted for 0.2 percent of our total investments.

With a large, well diversified bond portfolio, we have exposure to some of the bonds of the companies that have been capturing headlines. This exposure is manageable and we don't own stock in any of these companies. Specifically, our exposure to AIG and Lehman Brothers is minimal and together accounted for 0.3 percent of our total investments.

Financial and capital strength - The capital levels for EquiTrust Life Insurance Company are several times the amount required by the insurance regulators in the states where we do business. And we remain committed to maintaining the capital levels necessary for "A" ratings from A.M. Best and Standard & Poor's.

We have a successful track record of meeting needs and fulfilling promises throughout our nearly 70-year history. We will manage through these turbulent times and act prudently for the benefit of our policyholders, employees, agents and shareholders.

Sincerely,



James W. Noyce
Chief Executive Officer

For More Investment Info:

Expanded investment information is available in FBL Financial Group's June 30, 2008 Form 10-Q, which may be found at <http://www.fblfinancial.com/results.cfm>.

EquiTrust Life Insurance Company, West Des Moines, IA. **For Producer Use Only.**

Sent to:
tim@westlandinc.com
If you prefer not to receive
future e-mails of this type,
[Leave this List.](#)

Sent By:
EquiTrust Life Insurance Company
5400 University Ave
West Des Moines Iowa 50266
U.S.A.

powered by **Swiftpage** 

To view as a [web page](#).

[Forward to a Friend](#)