



FBL Financial Group, Inc.

September 8, 2008

Florence E. Harmon
Acting Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

Re: Comment on Proposed Rule 151A
Release Number 33-8933 (File Number S7-14-08)

Dear Ms. Harmon:

I am submitting this letter on behalf of FBL Financial Group, Inc., and our two life insurance companies, EquiTrust Life Insurance Company ("EquiTrust Life") and Farm Bureau Life Insurance Company, in connection with File No. 27-14-08, regarding Proposed Rule 151A under the Securities Act of 1933 ("Proposed Rule"). EquiTrust Life is a member of the Coalition for Indexed Products ("Coalition"), and we incorporate by reference the comment letter submitted on the Coalition's behalf in opposition to the Proposed Rule.

Our companies strongly support the impetus behind Proposed Rule 151A: to adopt reasonable regulations designed to protect the interests of purchasers of indexed annuities. However, we disagree with the manner in which the SEC has attempted to accomplish this purpose for a number of reasons and oppose adoption of the Proposed Rule.

First, we believe state insurance regulators have been responsive to consumer complaints and other published concerns about indexed annuity sales. The Coalition's comment letter outlines many of the state initiatives regulating indexed annuities. While not all states have adopted all of these initiatives, EquiTrust Life, and most - if not all - of the other industry leaders, have adopted practices in all states in which they do business to address sales practices, suitability, product disclosure, etc., regardless of whether the state has adopted specific rules and regulations for indexed annuities.

We believe many complaints arose out of sales that predated adoption of the state laws. It was unfortunate that legislation of this type was necessary, but we believe that it has had the desired effect. EquiTrust Life is fairly new to the indexed annuity marketplace, and we have not

experienced complaints or other problems to the extent suggested in the release accompanying the Proposed Rule. It is our perception that the companies that were involved in the sale of indexed annuities prior to many of these state regulatory initiatives have had more consumer complaints than organizations such as ours which more recently began selling indexed products. We believe this is strong evidence that state regulation is having the intended effect.

Second, we believe it was improper for the SEC to propose regulations of indexed annuities without including state insurance regulators in discussions about the nature and extent of the problem, the efforts being taken to address problems, and whether the situation was improving. The state regulators have the most knowledge and experience with the regulation of indexed annuities and the issues involved in their sales. Discussions with these individuals would be crucial for the SEC to fully understand the problem.

Third, we believe the proposed rule will have a dramatic financial impact on the companies and individuals who sell these products. Our records show that just over half of the approximately 20,000 agents who sell indexed annuities for EquiTrust Life would have the appropriate license to sell indexed annuities under the new rules. Agents without the appropriate license will either incur expenses in obtaining the appropriate licenses or drop out of the marketplace. Further, increased regulation typically results in increased product costs and decreased benefits, particularly when there are two separate sets of regulations – state and federal – involved. Both of these results will impact consumers by making indexed products more difficult to obtain with fewer benefits. Finally, it is likely that fewer companies will offer indexed annuities under the Proposed Rule resulting in less competition. We do not see how these results will benefit anyone.

Lastly, we believe the proposed rule is so broadly written that it conceivably applies to any annuity that contains a provision that permits the interest rate to be adjusted. Under the Proposed Rule, an annuity would be a security under the following conditions:

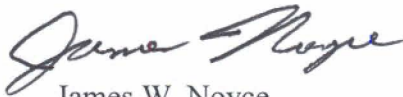
- (1) Amounts payable by the issuer under the contract are calculated, in whole or in part, by reference to the performance of a security, including a group or index of securities; and
- (2) Amounts payable by the issuer under the contract are more likely than not to exceed the amounts guaranteed under the contract.

Funds used to purchase any annuity are deposited in an insurer's general account and used to purchase securities. Depending on the investment performance of the securities contained in the insurer's general account, future interest rates may either increase or decrease. Under that circumstance, would the first condition in the Proposed Rule be met? The rates paid under this evolving process often are in excess of the amount guaranteed under the contract. Has the second condition of the Proposed Rule been met if the amount credited in more than half of the years during the life of the annuity is in excess of the guaranteed amount? We believe that it was not the intent of the SEC to cover all annuities, but it is not a stretch to interpret the rule to include

virtually all annuities. At a minimum, the Proposed Rule needs to be withdrawn, and resubmitted in language that reflects its presumed intent.

In conclusion, while we do not question the goal of the SEC to eliminate inappropriate sales of indexed annuities, we believe that the Proposed Rule is inconsistent with existing law (as articulated in the Coalition's comment letter), should have been drafted only after consultation with state insurance regulators, and then, only after a thorough analysis of the effectiveness of state regulation. On behalf of our companies, I respectfully request that the Commission decline to adopt Proposed Rule 151A and instead affirm that indexed annuities are insurance products, not securities and are not subject to regulation by the SEC.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "James W. Noyce". The signature is written in a cursive, flowing style.

James W. Noyce
Chief Executive Officer