

FBL FINANCIAL GROUP INC
Form 11-K
June 24, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-11917

A. Full title of the Plan and the address of the Plan, if different from that of the issuer named below:

Farm Bureau 401(k) Savings Plan

B. Name of the issuer of the securities held pursuant to the Plan and the address of its principal executive office:

FBL Financial Group, Inc.
5400 University Avenue
West Des Moines, Iowa 50266

Financial Statements and Supplemental Schedule
Farm Bureau 401(k) Savings Plan
Years Ended December 31, 2015 and 2014
With Report of Independent Registered Public
Accounting Firm

Farm Bureau 401(k) Savings Plan

Financial Statements and Supplemental Schedule

Years Ended December 31, 2015 and 2014

Table of Contents

Report of Independent Registered Public Accounting Firm 1

Audited Financial Statements

Statements of Net Assets Available for Benefits 2

Statements of Changes in Net Assets Available for Benefits 3

Notes to Financial Statements 4

Supplemental Schedule

Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) 11

Table of Contents

Report of Independent Registered Public Accounting Firm

The Board of Directors
FBL Financial Group, Inc.

We have audited the accompanying statements of net assets available for benefits of the Farm Bureau 401(k) Savings Plan (the Plan) as of December 31, 2015 and 2014, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Farm Bureau 401(k) Savings Plan at December 31, 2015 and 2014, and the changes in its net assets available for benefits for the years then ended, in conformity with U.S. generally accepted accounting principles.

The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2015, has been subjected to audit procedures performed in conjunction with the audit of Farm Bureau 401(k) Savings Plan's financial statements. The information in the supplemental schedule is the responsibility of the Plan's management. Our audit procedures included determining whether the information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental schedule. In forming our opinion on the information, we evaluated whether such information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ Ernst & Young LLP

Des Moines, Iowa
June 24, 2016

Table of Contents

Farm Bureau 401(k) Savings Plan

Statements of Net Assets Available for Benefits

	December 31,	
	2015	2014
Assets		
Investments at fair value:		
Mutual funds	\$ 112,361,268	\$ 116,470,307
Common collective trusts	49,516,515	41,907,681
Pooled separate accounts	13,174,469	13,471,031
Pooled investment trust	31,616,909	30,118,204
Total investments at fair value	206,669,161	201,967,223
Investments at contract value:		
Group annuities	31,625,458	34,130,887
Total investments	238,294,619	236,098,110
Receivables:		
Employer contributions	2,879,221	2,526,468
Participant contributions	33,025	6,607
Notes receivable from participants	4,209,690	3,949,047
Total receivables	7,121,936	6,482,122
Net assets available for benefits	\$ 245,416,555	\$ 242,580,232

See accompanying notes.

Table of Contents

Farm Bureau 401(k) Savings Plan

Statements of Changes in Net Assets Available for Benefits

	Year Ended December 31,	
	2015	2014
Additions:		
Interest and dividend income on investments	\$9,336,248	\$9,454,485
Net unrealized and realized gains (losses) on investments	(5,608,580)	10,411,325
	3,727,668	19,865,810
Interest income on notes receivable from participants	139,216	132,258
Contributions:		
Participants	11,156,845	10,507,470
Employer	8,539,180	7,961,695
Rollovers from other plans	1,934,181	1,571,552
Total additions	25,497,090	40,038,785
Deductions:		
Benefits paid to participants	22,389,188	17,608,440
Administrative expenses	271,579	232,956
Total deductions	22,660,767	17,841,396
Net additions	2,836,323	22,197,389
Net assets available for benefits at beginning of year	242,580,232	220,382,843
Net assets available for benefits at end of year	\$245,416,555	\$242,580,232

See accompanying notes.

Table of Contents

Farm Bureau 401(k) Savings Plan

Notes to Financial Statements

December 31, 2015

1. Description of the Plan

Farm Bureau 401(k) Savings Plan (the Plan) is a defined contribution plan which is designed to provide retirement benefits. The Plan covers substantially all employees of the Iowa Farm Bureau Federation and affiliated companies, including FBL Financial Group, Inc. (FBL) and Farm Bureau Property & Casualty Insurance Company, as well as several unaffiliated organizations; the Arizona Farm Bureau Federation, the New Mexico Farm and Livestock Bureau, the Minnesota Farm Bureau Federation, the South Dakota Farm Bureau Federation, the Utah Farm Bureau Federation, the Kansas Farm Bureau and its affiliated company, and the Nebraska Farm Bureau Federation and its affiliated company (collectively, the Companies).

Participants may contribute a portion of their compensation, pretax, to the Plan. Participants also have the option to make Roth elective contributions which are post tax contributions. The principal and earnings on a Roth 401(k) account will be distributed tax-free if a participant leaves their Roth balance in their 401(k) plan for at least 5 years and until they reach age 59½. The maximum amount contributed is determined by each participating company, currently set at 50% of eligible compensation for all of the Companies, and additional limits are imposed by the Internal Revenue Service (IRS). Certain participating companies match employee contributions up to 5% of eligible compensation. Certain participating companies make non-elective contributions from 5% to 15% of eligible compensation. A certain group of participants under two participating employers are matched on employee contributions up to 6% of eligible compensation and receive a discretionary company contribution of 2.75% up to 5.75% of eligible compensation depending on the participant's combination of age plus years of service. The discretionary contribution is paid in February of the subsequent plan year and subject to a three year vesting schedule. All employee contributions are immediately vested. Employer contributions vesting and eligibility requirements vary by Company.

Participants may borrow from their accounts a minimum of \$500 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The \$50,000 limit is reduced by the participant's highest outstanding loan balance during the preceding 12-month period. Loan terms, outside of home loans, cannot exceed a 5-year repayment period. Principal residence loan terms cannot exceed a 10-year repayment period. A participant may not have more than three loans outstanding at any point in time. A one-time set up fee of \$50 is charged for each loan requested. The loans bear a commercially reasonable rate of interest, which is the prime rate as determined by the Plan's trustee or affiliate. Principal and interest is paid ratably through payroll deductions. At employment termination, the loan would be fully due and payable within 90 days unless a distribution is taken within 90 days (in which case it is offset from the distribution). If the loan is not repaid, the loan will be treated as a distribution subject to taxation and the 10% federal excise tax penalty applying to those individuals under age 55. In the event of loan default, the plan participant is given 90 days to reinstate the payment schedule. This 90-day grace period shall not extend beyond the original maturity date of the loan. If the loan is not repaid, it will automatically be treated as a distribution to the participant after 90 days.

On termination of service, the participant may elect to receive either a lump-sum amount equal to the value of the account or equal installment payments over a period of time not to exceed the life expectancy of the

Table of Contents

participant. In the event the participant's vested balance at termination is \$5,000 or less, the balance will be distributed in a lump sum. The participant may elect to receive the distribution directly or to have the amount paid directly to an eligible retirement plan. If such an election is not made by the participant and the participant's balance is \$1,000 or less, then the amount will be distributed directly to the participant. If such an election is not made by the participant and the participant's balance is greater than \$1,000 but does not exceed \$5,000, then the amount will be distributed in a direct rollover to an individual retirement plan designated by the plan administrator. Balances in excess of \$5,000 will remain in the Plan until the participant provides a distribution election.

The Principal Trust Company is the Plan's trustee and provides record keeping services to the Plan.

Although they have not expressed intent to do so, the Companies have the right under the Plan to discontinue their contributions at any time and to terminate the Plan subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

The foregoing description of the Plan provides only general information. A more complete description of the Plan's provisions may be obtained from the plan administrator.

2. Significant Accounting Policies

Recent Accounting Pronouncements

In July 2015, the Financial Accounting Standards Board (FASB) issued guidance that simplifies certain aspects of employee benefit plan accounting while satisfying the needs of users of financial statements, including plan participants and the Department of Labor. The new guidance eliminates requirements to i) measure the fair value of fully benefit-responsive investment contracts and provide the related fair value disclosures, ii) disaggregate investments by nature, characteristics and risks, iii) disclose the net appreciation/depreciation in fair value of investments by general type and iv) disclose individual investments equal to or greater than 5% of net assets available for benefits. The Plan elected to early adopt the guidance as of December 31, 2015 as permitted and has applied the guidance retrospectively, as required. The adoption had no impact on total net assets available for benefits or the statement of changes in net assets available for benefits as of and for the years ended December 31, 2015 and 2014.

In May 2015, the FASB issued guidance which eliminates the requirement to present investments for which the practical expedient is used to measure fair value at net asset value (NAV) within the fair value hierarchy table. Instead, an entity would be required to include those investments as a reconciling item so that the total fair value amount of investments in the disclosure is consistent with the fair value investment balance on the statement of net assets available for benefits. The Plan elected to early adopt the guidance as of December 31, 2015 as permitted and has applied the guidance retrospectively, as required. The adoption had no impact on the statements of net assets available for benefits or the statement of changes in net assets available for benefits as of and for the years ended December 31, 2015 and 2014.

Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term

Table of Contents

and that such change could materially affect the amounts reported in the statements of net assets available for benefits.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates that affect the amounts reported in the financial statement and accompanying notes and supplemental schedules. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments held by the Plan are stated at fair value with the exception of group annuity contracts which are measured at contract value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Group annuity contracts consist of an Asset Builder Group Annuity (the "Asset Builder Annuity") and a Group Flexible Premium Deferred Annuity (the "Flexible Premium Annuity") offered by Farm Bureau Life Insurance Company, a wholly-owned subsidiary of FBL. The contract value of the group annuities represents contributions plus interest credited at a rate determined by the issuer, less participant withdrawals and administrative expenses. See Notes 3 and 4 for further discussion of Plan investments and fair value methodologies. Investment income is recorded when earned.

Notes Receivable From Participants

Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance plus any accrued but unpaid interest. Interest income on notes receivable from participants is recorded when it is earned.

Payment of Benefits

Benefits are recorded when paid.

3. Investments

Contributions are invested in unaffiliated mutual funds, common collective trusts, pooled separate accounts, the Asset Builder Annuity, and a pooled investment trust which invests primarily in the common stock of FBL. The mutual funds, common collective trusts and pooled separate accounts invest primarily in common stocks, fixed income, high-quality corporate bonds, debt securities of the U.S. government, and short-term money market instruments. Participants who elect to purchase units in the pooled investment trust do so at the market price of the units when the trade is executed. All investments are considered participant directed, as participants may select the investments in which to invest their contributions.

Group annuities are fully benefit-responsive investment contracts issued by Farm Bureau Life Insurance Company. Group annuities have no set maturity date and are backed by the full faith and credit of the insurance company. The minimum crediting rate is 3.0% for the Flexible Premium Annuity and 1.0% for the Asset Builder Annuity. Interest crediting rates are reviewed and determined by Farm Bureau Life Insurance Company. The Flexible Premium Annuity is closed to new contributions, including transfers.

Table of Contents

Pooled separate accounts allow 1 transfer per 30 day period. The transfer restriction applies to all participant directed transfers out of this investment, including non-scheduled rebalancing activity. Once the number of allowed transfers is met, the Plan is not allowed to transfer back in this investment option until the holding period elapses. Contributions into pooled separate accounts are not impacted.

4. Fair Value Measurements

GAAP defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. Fair value is based on an exit price, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP also establishes a hierarchal disclosure framework which prioritizes and ranks the level of market price observability used in measuring financial instruments at fair value. Market price observability is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are described below:

Level 1: Fair values are based on unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: Fair values are based on inputs, other than quoted prices from active markets, that are observable for the asset or liability, either directly or indirectly.

Level 3: Fair values are based on significant unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which the fair value measurement is classified is determined based on the lowest level input that is significant to the fair value measure in its entirety.

There were no transfers between Level 1, Level 2 or Level 3 during 2015 or 2014.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2015 and 2014.

Mutual funds: Valued at quoted prices in an active market which represent net asset value of shares held by the Plan.

Pooled investment trust: Valued based on the latest quoted market price of the investments (principally common stock of FBL Financial Group, Inc.) held within the fund.

Common collective trust: Valued at net asset value, which is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of units outstanding.

Pooled separate accounts: Valued at net asset value, which is based on the latest quoted market price of the investments held within the fund.

Table of Contents

The following sets forth by level, within the fair value hierarchy, the Plan's assets carried at fair value as of December 31, 2015 and December 31, 2014. Investments where net asset value is used to measure fair value are not presented by level within the fair value hierarchy.

	Assets at Fair Value as of December 31, 2015			
	Level 1	Level 2	Level 3	Total
Investments at fair value:				
Mutual funds	\$ 112,361,268	\$—	\$	-\$112,361,268
Pooled investment trust	—	31,616,909	—	31,616,909
Total investments in the fair value hierarchy	\$ 112,361,268	\$31,616,909	\$	-\$143,978,177

Investments measured at net asset value:				
Common collective trusts				49,516,515
Pooled separate accounts				13,174,469
Total investments measured at net asset value				62,690,984
Total investments at fair value				\$206,669,161

	Assets at Fair Value as of December 31, 2014			
	Level 1	Level 2	Level 3	Total
Investments at fair value:				
Mutual funds	\$ 116,470,307	\$—	\$	-\$116,470,307
Pooled investment trust	—	30,118,204	—	30,118,204
Total investments in the fair value hierarchy	\$ 116,470,307	\$30,118,204	\$	-\$146,588,511

Investments measured at net asset value:				
Common collective trusts				41,907,681
Pooled separate accounts				13,471,031
Total investments measured at net asset value				55,378,712
Total investments at fair value				\$201,967,223

5. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service (IRS) dated April 24, 2009, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code), and therefore, the related trust is exempt from taxation. Subsequent to this determination by the IRS, the Plan was amended and restated. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualified status. The plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan, as amended and restated, is qualified and the related trust is tax-exempt.

GAAP requires plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2015, there are no uncertain positions taken or expected to be taken. The Plan had recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in

Table of Contents

progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2012.

6. Administrative and Operating Expenses

The Plan's annual percentage rate for administrative expenses assessed on each participant's account balance was 0.15% during 2015 and 2014.

7. Related Parties

The Plan maintains the following investments that qualify as party-in-interest transactions:

- common collective trust funds managed by Principal Trust Company;
- pooled separate accounts managed by Principal Life Insurance Company;
- common stock of FBL Financial Group, Inc.; and
- group annuities issued by Farm Bureau Life Insurance Company.

These transactions qualify as party-in-interest transactions; however, they are exempt from the prohibited transactions rules under ERISA.

Table of Contents

Supplemental Schedule

10

Table of Contents

Farm Bureau 401(k) Savings Plan

Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)

E.I.N. 42-0331840 Plan #004

December 31, 2015

Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	Cost (1)	Current Value
	Mutual funds, at fair value:		
American Century Investments	American Century Small Cap Value Inst.		\$ 9,828,556
The American Funds	American Funds EuroPacific Growth R6		10,827,405
Federated Securities Corporation	Federated Bond Inst.		6,014,880
Federated Securities Corporation	Federated Equity Income Inst.		16,153,608
Federated Securities Corporation	Federated Global Allocation Inst.		5,713,454
Federated Securities Corporation	Federated Total Return Bond Inst.		7,520,958
Ivy Investment Management Company	Ivy Mid Cap Growth I		549,301
John Hancock	John Hancock Disciplined Value Mid Cap I		1,594,567
JP Morgan Funds	JP Morgan High Yield R6		1,530,163
Loomis Sayles	Loomis Sayles Small Cap Growth I		8,494,900
MainStay Funds	MainStay Large Cap Growth I		15,454,397
MFS Investment Management	MFS Value R5		9,572,962
T. Rowe Price Funds	T. Rowe Price Emerging Market Stock		2,605,384
Vanguard Group	Vanguard Institutional Index Inst.		10,564,135
Vanguard Group	Vanguard REIT Index Admiral		3,307,411
Wells Fargo Bank, N.A.	Wells Fargo Adv. 100% Treasury Money Market		2,629,187
			112,361,268
	Common collective trusts, at fair value:		
Principal Trust Company (2)	Principal Trust ^(SM) Income		908,563
Principal Trust Company (2)	Principal Trust ^(SM) Target 2010		810,518
Principal Trust Company (2)	Principal Trust ^(SM) Target 2015		1,682,424
Principal Trust Company (2)	Principal Trust ^(SM) Target 2020		9,024,201
Principal Trust Company (2)	Principal Trust ^(SM) Target 2025		7,333,803
Principal Trust Company (2)	Principal Trust ^(SM) Target 2030		8,773,920
Principal Trust Company (2)	Principal Trust ^(SM) Target 2035		4,588,613
Principal Trust Company (2)	Principal Trust ^(SM) Target 2040		6,260,640
Principal Trust Company (2)	Principal Trust ^(SM) Target 2045		4,217,467
Principal Trust Company (2)	Principal Trust ^(SM) Target 2050		4,659,053
Principal Trust Company (2)	Principal Trust ^(SM) Target 2055		926,912
Principal Trust Company (2)	Principal Trust ^(SM) Target 2060		330,401
			49,516,515
	Pooled separate accounts, at fair value:		
Principal Life Insurance Company (2)	PGI MidCap S&P 400 Index		11,881,056
	PGI SmallCap S&P 600 Index		1,293,413

Principal Life Insurance Company
(2)

13,174,469

11

Table of Contents

Farm Bureau 401(k) Savings Plan

Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)

E.I.N. 42-0331840 Plan #004

December 31, 2015

Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	Cost (1)	Current Value
FBL Financial Group, Inc. (2)	Pooled investment trust, at fair value: FBL Financial Group, Inc. Stock		\$31,616,909
	Group annuities, at contract value:		
Farm Bureau Life Insurance Company (2)	Asset Builder Group Annuity		10,479,233
Farm Bureau Life Insurance Company (2)	Group Flexible Premium Deferred Annuity		21,146,225
			31,625,458
Loans to participants	Varying maturity dates with an interest rate range of 3.25% to 3.50%		4,209,690
Total investments and loans to participants			\$242,504,309

(1) Cost information is only required for non-participant-directed investments.

(2) The issuer is considered a party-in-interest to the Plan.

Table of Contents

Exhibits:

Exhibit number Description

23.2 Consent of Independent Registered Public Accounting Firm, filed herewith

13

Table of Contents

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: June 24, 2016

FARM BUREAU 401(k) SAVINGS PLAN

By: Farm Bureau Retirement Plan Committee
(Administrator of the Plan)

By: /s/ DOUGLAS V. SHELTON
Douglas V. Shelton
Chairman