

KANSAS CITY LIFE

KANSAS CITY LIFE INSURANCE COMPANY

A Missouri Corporation

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SIC Code: 6311

QUARTERLY REPORT

For the Period Ending September 30, 2026
(the "Reporting Period")

The number of shares outstanding of our Common Stock was 9,683,414 as of September 30, 2026 (the end of reporting period)

The number of shares outstanding of our Common Stock was 9,683,414 as of June 30, 2026 (the end of previous reporting period)

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Indicate by check mark whether a Change in Control of the company has occurred over this reporting period:

Yes: ☐ No: ☒

KANSAS CITY LIFE INSURANCE COMPANY
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Statement on Forward-Looking Information

This report reviews the consolidated financial condition and results of operations of Kansas City Life Insurance Company. Historical information is presented and discussed. Where appropriate, factors that may affect future financial performance are also identified and discussed. Certain statements made in this report include "forward-looking statements." Forward-looking statements include any statement that may predict, forecast, indicate or imply future results, performance, or achievements rather than historical facts and may contain words like "believe," "expect," "estimate," "project," "forecast," "anticipate," "plan," "will," "shall," and other words, phrases, or expressions with similar meaning.

Forward-looking statements are subject to known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially from those contemplated by the forward-looking statements. Factors that could cause future results to differ materially from expected results include, but are not limited to:

- Changes in economic conditions, including the performance of financial markets, inflation, interest rates, recessionary risks, and potential disruptions in the credit markets;
- Competition and changes in consumer behavior, which may affect our ability to sell our products and retain business;
- Competition in the recruitment and retention of general agents, agents, and employees;
- Customer and agent response to new products, distribution channels, and marketing initiatives;
- Fluctuations in experience regarding current mortality, morbidity, persistency, and interest rates relative to expected amounts used in pricing our products;
- Regulatory, accounting, or tax changes that may affect the cost of, or the demand for, our products or services;
- Unanticipated changes in industry trends;
- Potential changes in ratings assigned by nationally recognized rating organizations;
- The ability to integrate acquisitions and achieve anticipated operating efficiencies and the ability to preserve goodwill that results from acquisitions;
- The availability and effectiveness of reinsurance arrangements;
- The performance of third-party service providers and potential difficulties arising from outsourcing arrangements;
- Ineffectiveness of risk management policies and procedures in identifying, monitoring, and managing risks;
- Results of litigation we may be involved in;
- Our ability to manage operating expenses and our ability to integrate new technologies such as artificial intelligence into our systems and processes; and
- The extent of the impacts resulting from catastrophic events such as natural disasters, pandemics, terrorist attacks, cyber-attacks, international conflicts, and wars.

No assurances can be given that such statements will prove to be correct. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Any forward-looking statement made by us in this report is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statement that may be made from time to time, whether as a result of new information, future developments or otherwise, except as required by law.

Item 1. The Exact Name of the Issuer and Address and Telephone Number of Issuer's Principal Office

Issuer's Exact Name:	Kansas City Life Insurance Company
Issuer's Address:	3520 Broadway Kansas City, Missouri 64111
Issuer's Telephone:	(816) 753-7000
Issuer's Website:	*www.kclife.com*
Investor Relations:	A. Craig Mason Jr. Senior Vice President, General Counsel & Secretary Kansas City Life Insurance Company Post Office Box 219139 Kansas City, Missouri 64121-9139 Telephone: (816) 753-7000 E-mail: Craig.Mason@kclife.com

Check box if principal executive office and principal place of business are the same address: ☒

Item 2. Shares Outstanding

Common Stock

	September 30, 2026
Number of Shares Authorized	36,000,000
Number of Shares Outstanding	9,683,414
Freely Tradable Shares (Public Float)	2,573,865
Total Number of Shareholders of Record	116

We have more than 100 beneficial shareholders owning at least 100 shares.

Item 3. Interim Consolidated Financial Statements

The interim consolidated financial statements of Kansas City Life Insurance Company as of and for the period ending September 30, 2026 are attached hereto as Exhibit 3.1 and are hereby incorporated by reference into this Quarterly Report, including:

- Consolidated Balance Sheets - (September 30, 2026 - Unaudited; December 31, 2025 - Audited)
- Consolidated Statements of Comprehensive Income - (Unaudited)
- Consolidated Statements of Cash Flows - (Unaudited)
- Notes to Consolidated Financial Statements - (September 30, 2026 - Unaudited; December 31, 2025 - Audited)

The interim consolidated financial statements and the accompanying notes have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The interim consolidated financial statements reflect all adjustments that are, in the opinion of management, necessary for a fair presentation of the results. As permitted under GAAP, certain footnotes or other financial disclosures are condensed or omitted in the interim consolidated financial statements. These interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes included in our 2025 Annual Report, which is available on the OTC Markets Group website (*www.otcmarkets.com/stock/KCLI/filings*). The interim consolidated financial statements and the accompanying notes for the quarters and nine months ended September 30, 2026 and 2025 are unaudited. Operating results for the interim period are not necessarily indicative of the results that may be expected or achieved for the year ending December 31, 2026.

Item 4. Management's Discussion and Analysis of Financial Condition and Results of Operations

Amounts are stated in thousands, except share data, or as otherwise noted.

Management's Discussion and Analysis of Financial Condition and Results of Operations provides, in narrative form, the perspective of Kansas City Life Insurance Company management on its financial condition, results of operations, liquidity, and certain other factors that may affect its future results. The terms "the Company," "we," "us," and "our" are used to refer to Kansas City Life Insurance Company and its subsidiaries. Kansas City Life Insurance Company (Kansas City Life) is the parent company. Old American Insurance Company (Old American) and Grange Life Insurance Company (Grange Life) are wholly-owned insurance subsidiaries. We also have non-insurance subsidiaries that individually and collectively are not material.

The following is a discussion and analysis of the results of operations for the quarters and nine months ended September 30, 2026 and 2025 and our financial condition at September 30, 2026. This discussion should be read in conjunction with the consolidated financial statements and accompanying notes included in this document, as well as our 2025 Annual Report.

Overview

Our profitability depends on many factors, which include but are not limited to:

- The sale of traditional and interest sensitive life, annuity, and accident and health products;
- The rate of mortality, lapse, and surrender of future policy benefits and policyholder account balances;
- The rate of morbidity, disability, and incurrence of other policyholder benefits;
- Interest rates credited to policyholders;
- The availability of reinsurance opportunities and the effectiveness of ceded reinsurance programs;
- The amount of investment assets under management;
- The ability to maximize investment returns and manage risks such as interest rate, credit, equity, reinvestment, and inflation;
- Timely and cost-effective access to liquidity;
- Management of distribution costs and operating expenses;
- Management of the operations of our affiliates;
- Changes to regulations and accounting standards, including the ability to manage and effectively implement them;
- Management of closed blocks of business and blocks of business associated with reinsurance assumption transactions;
- The ability to successfully resolve litigation;
- The ability to integrate acquisitions to achieve anticipated operating efficiencies;
- The ability to effectively manage the information technology landscape, including the mitigation of cybersecurity risks and the growing use of artificial intelligence both internally and externally; and
- The ability to identify, adopt, and implement new technologies.

Policyholder behavior and consumer confidence impact the sales and persistency of our products. These include consumer spending decisions that can be influenced by inflation and the cost of living. In addition, the rates of mortality and morbidity can impact the needs of our policyholders and can impact premiums, death benefits, surrenders, and lapses.

General economic conditions, which are highly uncertain and difficult to predict, may affect future results. Financial market volatility can significantly impact our investments, revenues, and policyholder benefits. Volatility and uncertainty have presented significant challenges to the interest rate environment, financial markets as a whole, and specifically to companies invested in fixed maturity securities and other fixed income investments. These conditions may persist into the future, affecting our financial position and financial statements.

Consolidated Results of Operations

Summary of Results

We earned net income of $1.7 million in the third quarter of 2026 compared to $2.8 million in the third quarter of 2025. Net income per share was $0.18 in the third quarter of 2026 compared to $0.29 in the third quarter of 2025.

We earned net income of $19.1 million in the first nine months of 2026 compared to a net loss of $21.7 million in the first nine months of 2025. Net income per share was $1.97 in the first nine months of 2026 compared to net loss per share of $2.24 in the first nine months of 2025.

The following table presents condensed consolidated results of operations for the quarters and nine months ended September 30, 2026 and 2025.

	Quarter Ended September 30,			
	2026	2025 [1]	$ Change	% Change
Revenues:				
Insurance and other revenues	$ 78,289	$ 79,368	$ (1,079)	(1)%
Net investment income	42,594	41,748	846	2 %
Net investment gains	976	2,408	(1,432)	(59)%
Benefits and expenses:				
Policyholder benefits and interest credited to policyholder account balances	83,493	83,446	47	— %
Change in market risk benefits	(45)	(127)	82	65 %
Amortization of deferred acquisition costs	9,091	8,666	425	5 %
Operating expenses	27,189	27,952	(763)	(3)%
Income tax expense	393	754	(361)	(48)%
Net income	$ 1,738	$ 2,833	$ (1,095)	(39)%

[1] Certain prior period amounts have been recast. See Note 2 - New Accounting Pronouncements for more information.

	Nine Months Ended September 30,			
	2026	2025 [1]	$ Change	% Change
Revenues:				
Insurance and other revenues	$ 235,034	$ 238,091	$ (3,057)	(1)%
Net investment income	123,781	121,955	1,826	1 %
Net investment gains	6,736	3,878	2,858	74 %
Benefits and expenses:				
Policyholder benefits and interest credited to policyholder account balances	241,110	240,248	862	— %
Change in market risk benefits	(36)	101	(137)	(136)%
Amortization of deferred acquisition costs	27,115	26,480	635	2 %
Operating expenses	81,346	129,432	(48,086)	(37)%
Income tax benefit	(3,061)	(10,604)	7,543	71 %
Net income (loss)	$ 19,077	$ (21,733)	$ 40,810	188 %

[1] Certain prior period amounts have been recast. See Note 2 - New Accounting Pronouncements for more information.

Contributing to the net loss in the first nine months of 2025 was an increase in operating expenses associated with a legal settlement accrual. Operating expenses increased $35.5 million, net of tax, in the second quarter of 2025 from a legal settlement accrual related to class action lawsuits. Excluding this legal settlement accrual, net income would have been $13.8 million or $1.43 per share in the first nine months of 2025.

The following table presents supplemental information. Adjusted net income is considered a non-GAAP measure.

	Nine Months Ended September 30,			
	2026	Per Share	2025	Per Share
Net income (loss) as reported	$ 19,077	$ 1.97	$ (21,733)	$ (2.24)
Legal settlement accrual, net of tax	—	—	35,535	3.67
Adjusted net income	$ 19,077	$ 1.97	$ 13,802	$ 1.43

Insurance Revenues

Insurance revenues consist of premiums, net of reinsurance, from the sale of traditional individual and group life insurance products, immediate annuities, and accident and health products, as well as contract charges from interest sensitive and deposit-type products. Insurance revenues are impacted by the level of new sales, the type of products sold, the persistency of policies, general economic conditions, and competitive forces.

The following table presents gross premiums on new and renewal business, less reinsurance ceded. New premiums are also detailed by product.

	Quarter Ended September 30,			
	2026	2025 [1]	$ Change	% Change
New premiums:				
Traditional life insurance	$ 4,650	$ 4,788	$ (138)	(3)%
Immediate annuities	948	1,562	(614)	(39)%
Group life insurance	589	469	120	26 %
Group accident and health insurance	2,710	2,250	460	20 %
Total new premiums	8,897	9,069	(172)	(2)%
Renewal premiums	66,755	67,494	(739)	(1)%
Immediate annuities - internal rollovers	1,926	1,389	537	39 %
Total premiums	77,578	77,952	(374)	— %
Reinsurance ceded	(32,274)	(31,216)	(1,058)	(3)%
Net premiums	$ 45,304	$ 46,736	$ (1,432)	(3)%

[1] Certain prior period amounts have been recast. See Note 2 - New Accounting Pronouncements for more information.

	Nine Months Ended September 30,			
	2026	2025 [1]	$ Change	% Change
New premiums:				
Traditional life insurance	$ 14,145	$ 13,601	$ 544	4 %
Immediate annuities	2,186	3,185	(999)	(31)%
Group life insurance	1,744	1,549	195	13 %
Group accident and health insurance	7,837	7,239	598	8 %
Total new premiums	25,912	25,574	338	1 %
Renewal premiums	201,249	203,343	(2,094)	(1)%
Immediate annuities - internal rollovers	6,008	5,472	536	10 %
Total premiums	233,169	234,389	(1,220)	(1)%
Reinsurance ceded	(96,780)	(94,288)	(2,492)	(3)%
Net premiums	$ 136,389	$ 140,101	$ (3,712)	(3)%

[1] Certain prior period amounts have been recast. See Note 2 - New Accounting Pronouncements for more information.

Consolidated total premiums decreased $0.4 million or less than 1% in the third quarter of 2026 compared with the third quarter of 2025, as a $0.2 million or 2% decrease in new premiums and a $0.7 million or 1% decrease in renewal premiums were partially offset by a $0.5 million or 39% increase in internal rollovers from various individual annuity products. The decrease in new premiums reflected a $0.1 million or 3% decline in new traditional life premiums and a $0.6 million or 39% decline in new immediate annuity premiums. Immediate annuity receipts can have sizable fluctuations, as receipts from policyholders largely result from one-time premiums. Partially offsetting these declines were a $0.5 million or 20% increase in new group accident and health premiums, largely from the dental line of business, and a $0.1 million or 26% increase in new group life premiums. The decrease in renewal premiums reflected a $0.8 million or 2% decline in renewal traditional life premiums and a $0.1 million or 3% decline in renewal group life premiums. These declines were partially offset by a $0.2 million or 2% increase in renewal group accident and health premiums, primarily from the dental and vision lines of business.

Consolidated total premiums declined $1.2 million or 1% in the first nine months of 2026 compared with the first nine months of 2025, as a $0.3 million or 1% increase in new premiums and a $0.5 million or 10% increase in internal rollovers from various individual annuity products were partially offset by a $2.1 million or 1% decrease in renewal premiums. The increase in new premiums included a $0.5 million or 4% increase in new traditional life premiums, a $0.6 million or 8% increase in new group accident and health premiums, largely from the dental and vision lines of business, and a $0.2 million or 13% increase in new group life premiums. Partially offsetting these improvements was a $1.0 million or 31% decrease in new immediate annuity premiums. Immediate annuity receipts can have sizable fluctuations, as receipts from policyholders largely result from one-time premiums. The decrease in renewal premiums reflected a $2.3 million or 2% decline in renewal traditional life premiums and a $0.2 million or 2% decline in renewal group life premiums. These declines were partially offset by a $0.4 million or 1% increase in renewal group accident and health premiums, primarily from the dental and vision lines of business.

Reinsurance ceded premiums increased $1.1 million or 3% in the third quarter and $2.5 million or 3% in the first nine months of 2026 compared to the same periods in the prior year. These increases reflected higher reinsurance ceded premiums from increased sales on certain term business at the Individual Insurance segment and higher reinsurance ceded premiums for the Old American segment compared to the prior year.

Deposits related to interest sensitive life (universal life, indexed universal life, and variable universal life), fixed annuity contracts, and variable annuities are not recorded as revenue. Revenues from such contracts consist of amounts assessed on policyholder account balances for mortality, policy administration, and surrender charges, and are recognized as contract charges in the Consolidated Statements of Comprehensive Income. The following table provides detail by new and renewal deposits. New deposits are also detailed by product. While the disclosure of deposits is standard industry practice, it is considered a non-GAAP measure.

	Quarter Ended September 30,			
	2026	2025	$ Change	% Change
New deposits:				
Interest sensitive life	$ 2,832	$ 1,331	$ 1,501	113 %
Fixed annuities	11,432	15,836	(4,404)	(28)%
Variable annuities	1,744	328	1,416	432 %
Total new deposits	16,008	17,495	(1,487)	(8)%
Renewal deposits	29,289	31,135	(1,846)	(6)%
Total deposits	45,297	48,630	(3,333)	(7)%
Reinsurance ceded	(666)	(774)	108	14 %
Net deposits	$ 44,631	$ 47,856	$ (3,225)	(7)%

	Nine Months Ended September 30,			
	2026	2025	$ Change	% Change
New deposits:				
Interest sensitive life	$ 5,590	$ 5,094	$ 496	10 %
Fixed annuities	34,170	44,423	(10,253)	(23)%
Variable annuities	3,852	2,781	1,071	39 %
Total new deposits	43,612	52,298	(8,686)	(17)%
Renewal deposits	91,226	97,255	(6,029)	(6)%
Total deposits	134,838	149,553	(14,715)	(10)%
Reinsurance ceded	(2,461)	(3,020)	559	19 %
Net deposits	$ 132,377	$ 146,533	$ (14,156)	(10)%

General economic conditions and interest rates available in the marketplace influence new deposits on interest sensitive products. In addition, fluctuations in the equity markets influence the variable life and annuity products. Generally, volatile interest rate and increased inflationary environments present significant challenges to products such as these, and potential sizable fluctuations in new sales can result between periods. Further, general economic conditions have affected both new and renewal deposits.

Total new deposits declined $1.5 million or 8% in the third quarter of 2026 versus the third quarter of 2025. This decline

resulted from a $4.4 million or 28% decline in new fixed annuity deposits. This decline was partially offset by a $1.5 million or 113% increase in new interest sensitive life deposits and a $1.4 million or 432% increase in new variable annuity deposits. Total renewal deposits decreased $1.8 million or 6% in the third quarter of 2026 compared with the prior year, reflecting a $1.1 million or 4% decline in renewal interest sensitive life deposits, a $0.5 million or 25% decline in renewal fixed annuity deposits, and a $0.2 million or 18% decline in renewal variable annuity deposits.

Total new deposits decreased $8.7 million or 17% in the first nine months of 2026 compared with the prior year. This decrease resulted from a $10.3 million or 23% decline in new fixed annuity deposits. This decline was partially offset by a $0.5 million or 10% increase in new interest sensitive life deposits and a $1.1 million or 39% increase in new variable annuity deposits. Total renewal deposits decreased $6.0 million or 6% in the first nine months of 2026 compared with one year earlier, reflecting a $2.7 million or 3% decline in renewal interest sensitive life deposits, a $1.8 million or 25% decline in renewal fixed annuity deposits, and a $1.5 million or 33% decline in renewal variable annuity deposits.

Reinsurance ceded deposits decreased $0.1 million or 14% in the third quarter and $0.6 million or 19% in the first nine months of 2026 compared to the same periods in 2025. These decreases reflected the runoff of a block of fixed annuity business we ceded to a certified domestic reinsurer in 2022.

Contract charges result from charges and fees on interest-sensitive and deposit-type products. Contract charges consist of cost of insurance, expense loads, the amortization of unearned revenues, and surrender charges assessed on policyholder account balance withdrawals. We maintain both open blocks and closed blocks of business. The closed blocks of business reflect products and entities that have been purchased and for which we are not actively pursuing marketing efforts to generate new sales. We continue to service these policies to support customers and to meet long-term profit objectives as these blocks of business decline over time.

Total contract charges increased $0.3 million or 1% in the third quarter and $0.5 million or 1% in the first nine months of 2026 compared to the same periods in the prior year. Contract charges for open blocks increased $0.5 million or 3% in the third quarter of 2026 compared to the third quarter of 2025, largely resulting from increases in cost of insurance charges, surrender charges on policyholder account balances, and amortization of unearned revenues. Contract charges for open blocks increased $1.2 million or 2% in the first nine months of 2026 compared to one year earlier, reflecting increases in cost of insurance charges and amortization of unearned revenues. These were partially offset by a decrease in surrender charges on policyholder account balances. Contract charges for closed blocks decreased $0.2 million or 2% in the third quarter and $0.6 million or 2% in the first nine months of 2026 compared to the prior year, reflecting the runoff of the blocks of business. Total contract charges on closed blocks were 39% of total consolidated contract charges in the third quarter and first nine months of 2026, down slightly from 40% in the third quarter and first nine months of 2025.

Investment Revenues

The following table provides net investment income classified by income associated with invested assets and income associated with deposit-type reinsurance.

	Quarter Ended September 30,			
	2026	2025	$ Change	% Change
Gross investment income - invested assets	$ 42,818	$ 41,576	$ 1,242	3 %
Less investment expenses	(3,119)	(3,074)	(45)	(1)%
Net investment income - invested assets	39,699	38,502	1,197	3 %
Net investment income - deposit-type reinsurance	2,895	3,246	(351)	(11)%
Net investment income	$ 42,594	$ 41,748	$ 846	2 %

	Nine Months Ended September 30,			
	2026	2025	$ Change	% Change
Gross investment income - invested assets	$ 125,084	$ 121,238	$ 3,846	3 %
Less investment expenses	(10,111)	(9,194)	(917)	(10)%
Net investment income - invested assets	114,973	112,044	2,929	3 %
Net investment income - deposit-type reinsurance	8,808	9,911	(1,103)	(11)%
Net investment income	$ 123,781	$ 121,955	$ 1,826	1 %

Net investment income from invested assets increased $1.2 million or 3% in the third quarter and $2.9 million or 3% in the first nine months of 2026 compared to the same periods in 2025. These results reflected an increase in overall yields earned that were partially offset by lower average invested assets. Our earned book yield was 4.6% in the first nine months of 2026, up from 4.4% in the first nine months of 2025.

Fixed maturity securities provide a majority of our investment income. Gross investment income from these investments decreased $1.0 million or 3% in the third quarter of 2026 compared to the third quarter of 2025, reflecting lower average invested assets and lower overall yields earned. Gross investment income from these investments decreased $1.7 million or 2% in the first nine months of 2026 versus the prior year, as lower average invested assets were partially offset by higher overall yields earned.

Gross investment income from commercial mortgage loans increased $0.4 million or 6% in the third quarter and $0.7 million or 4% in the first nine months of 2026 compared with the prior year, as higher yields earned on new mortgage loans and an increase in prepayment fees were partially offset by a decrease in average mortgage loan balances.

Gross investment income from other investments increased $1.7 million or 129% in the third quarter and $4.5 million or 176% in the first nine months of 2026 versus one year earlier, reflecting an increase in income from alternative investments.

Net investment income resulting from the runoff of the block of deposit-type reinsurance business was $2.9 million in the third quarter and $8.8 million in the first nine months of 2026 compared to $3.2 million in the third quarter and $9.9 million in the first nine months of 2025.

Investment Gains (Losses)

Net investment gains totaled $1.0 million in the third quarter of 2026 compared to $2.4 million in the third quarter of 2025. The decrease in 2026 was primarily due to lower net gains on other investments, primarily derivatives, which resulted in a gain of $1.0 million in the third quarter of 2026 and a gain of $2.8 million in the third quarter of 2025. These results largely reflect fluctuations in the fair value year-over-year. Partially offsetting this, $0.5 million of impairment losses on investment securities were recorded in the third quarter of 2025 while no impairment losses on investment securities were recorded during the third quarter of 2026.

Net investment gains totaled $6.7 million in the first nine months of 2026 compared to $3.9 million in the first nine months of 2025. The largest factor in the increase in 2026 was $2.1 million in gains on the sale of real estate during the second quarter. Also contributing to the increase in 2026, $0.5 million of impairment losses on investment securities were recorded during 2025 while no impairment losses on investment securities were recorded during 2026.

Policyholder Benefits

Policyholder benefits, net of reinsurance, consist of death benefits, immediate annuity benefits, accident and health benefits, surrenders, other benefits, and the associated increase or decrease in reserves for future policy benefits and policyholder account balances. The largest component of policyholder benefits was death benefits for the periods presented. Death benefits reflect mortality results, after consideration of the impact of reinsurance.

Policyholder benefits were essentially flat in the third quarter of 2026 compared to the third quarter of 2025. Death benefits, net of reinsurance decreased $2.0 million or 5% versus the prior year. Other benefits, net of reinsurance, increased $0.7 million or 3% compared to one year earlier, reflecting higher group accident and health benefits, largely from the dental line of business. Benefit and contract reserves increased $1.1 million or 76% compared to the prior year, primarily from increased reserves on traditional life policies, resulting from lower benefits paid. Partially offsetting this, the change in the fair value of indexed universal life embedded derivatives reduced benefit and contract reserves.

Policyholder benefits decreased $0.4 million or less than 1% in the first nine months of 2026 compared to the first nine months of 2025, largely due to a $4.9 million or 4% decline in death benefits, net of reinsurance. Offsetting this, benefit and contract reserves increased $4.1 million or 103%, reflecting increased reserves on traditional life policies and annuities from lower benefits paid. Partially offsetting this, the change in the fair value of indexed universal life embedded derivatives reduced benefit and contract reserves.

Operating Expenses

Operating expenses consist of incurred commission expense from the sale of insurance products, net of the deferral of certain commissions and certain expenses directly associated with the successful acquisition of new business, expenses from our operations, the amortization of value of business acquired and intangibles, and other expenses.

Operating expenses decreased $0.8 million or 3% in the third quarter of 2026 compared with the third quarter of 2025, reflecting lower legal fees, lower commission expenses, net of capitalization, and lower outside labor costs. These were partially offset by an increase in software amortization costs.

Operating expenses decreased $48.1 million or 37% in the first nine months of 2026 compared with the same period in the prior year, primarily due to lower legal expenses and lower legal fees. Operating expenses increased $35.5 million, net of tax, in the second quarter of 2025 from a legal settlement accrual related to class action lawsuits. In addition, commission expenses, net of capitalization, and outside labor costs decreased versus the prior year. Partially offsetting these were higher employee compensation expenses and software amortization costs compared with the prior year.

Income Taxes

We recorded an income tax expense of $0.4 million in the third quarter of 2026 compared to an income tax expense of $0.8 million in the third quarter of 2025. This decrease was primarily due to lower pretax income in 2026.

We recorded an income tax benefit of $3.1 million for the nine months ended September 30, 2026, compared to an income tax benefit of $10.6 million for the nine months ended September 30, 2025. The tax benefit in 2026 included a tax benefit under Section 1341 of the Internal Revenue code (Section 1341) of $6.3 million related to the payment of a legal settlement in the first quarter of 2026, partially offset by an increase in pretax income. The tax benefit in 2025 included a tax benefit of $3.8 million under Section 1341 related to a court ordered judgment payment made in 2025, as well as lower pretax income in the prior year period.

Analysis of Invested Assets

This analysis of investments should be read in conjunction with Note 3 - Investments in the Notes to Consolidated Financial Statements.

The following table provides asset class detail of the investment portfolio.

	September 30, 2026	% of Total	December 31, 2025	% of Total
Fixed maturity securities	$ 2,179,244	71 %	$ 2,322,542	71 %
Equity securities	485	— %	514	— %
Mortgage loans	560,704	18 %	548,797	17 %
Real estate	90,446	3 %	94,331	3 %
Policy loans	91,282	3 %	87,742	3 %
Short-term investments	60,828	2 %	132,126	4 %
Other investments	86,321	3 %	63,921	2 %
Total	$ 3,069,310	100 %	$ 3,249,973	100 %

Fixed maturity securities were the largest component of total investments and represented 71% of total investments at both September 30, 2026 and December 31, 2025. The largest categories of fixed maturity securities at September 30, 2026 consisted of 73% in corporate obligations, 10% in municipal securities, and 12% in asset-backed securities and collateralized loan obligations. We had 29% of the fixed maturity securities in private placements as of September 30, 2026 and 30% as of December 31, 2025. The use of private placements offers an enhancement to our portfolio returns by providing access to higher yielding securities that have a more limited offering at often lower cost.

We use actual or equivalent Standard & Poor's ratings to determine the investment grading of fixed maturity securities. Our fixed maturity securities that were rated investment grade represented 99% of total securities at both September 30, 2026 and December 31, 2025.

The fair value of fixed maturity securities with unrealized losses was $1.9 billion at September 30, 2026 compared to $1.4 billion at December 31, 2025. At both September 30, 2026 and December 31, 2025, 99% of security investments with an unrealized loss were investment grade and accounted for approximately 99% of the total unrealized losses.

At September 30, 2026, we had $2.1 million in gross unrealized gains on fixed maturity securities that were offset by gross unrealized losses of $290.7 million. At December 31, 2025, we had $26.9 million in gross unrealized gains on fixed maturity securities that were offset by $174.0 million in gross unrealized losses. At September 30, 2026, 12% of the fixed maturity securities portfolio had unrealized gains, compared to 38% at December 31, 2025. Gross unrealized losses on fixed maturity securities for less than 12 months totaled $47.2 million and accounted for 42% of the fair value of securities in a gross unrealized loss position at September 30, 2026. Gross unrealized losses on fixed maturity securities for less than 12 months totaled $4.4 million and accounted for 10% of the fair value of securities in a gross unrealized loss position at December 31, 2025. Gross unrealized losses on fixed maturity security investments of 12 months or longer increased from $169.7 million at December 31, 2025 to $243.5 million at September 30, 2026.

Investments in mortgage loans totaled $560.7 million at September 30, 2026, up from $548.8 million at December 31, 2025. The commercial mortgage loan portfolio increased during the first nine months of 2026 due to new loan fundings outpacing regular amortization and loan payoffs. Although demand for longer-term fixed-rate products has softened in response to higher borrowing costs, a brief decline in interest rates generated a modest uptick in new loan activity. Payoff volumes also remained low, as market conditions were generally unfavorable for borrowers to refinance or sell properties. Our mortgage loans are secured by commercial real estate. These loans are stated at the outstanding principal balance, adjusted for amortization of premium and accrual of discount, less an allowance for credit losses. We believe this allowance is at a level adequate to absorb estimated credit losses and was $1.4 million at September 30, 2026 and $1.2 million December 31, 2025.

Investments in real estate, policy loans, short-term investments, and other investments comprised 11% of total investments at September 30, 2026 and 12% at December 31, 2025.

Liquidity and Capital Resources

Liquidity

Management believes that the Company has sufficient sources of liquidity and capital resources to satisfy operational requirements and to finance expansion plans and strategic initiatives as they may occur. Primary sources of cash flow are premiums, other insurance considerations and deposits, receipts for policyholder accounts, sales and maturities of investments, and investment income. We have access to additional liquidity through our ability to borrow on a collateralized basis from the Federal Home Loan Bank (FHLB). We also have credit facilities that are available for additional working capital needs or investment opportunities. The principal uses of cash are for the insurance operations, including the purchase of investments, payment of insurance benefits, operating expenses, policyholder dividends, withdrawals from policyholder accounts, and costs related to acquiring new business. There can be no assurance that we will continue to generate cash flows at or above current levels or that our ability to borrow under the current credit facilities will be maintained.

We perform cash flow testing and add various levels of stress testing to potential surrender and policy loan levels in order to assess current and near-term cash and liquidity needs. In the event of increased surrenders and other cash needs, we have several sources of cash flow available.

Net cash used from operating activities was $78.6 million for the nine months ended September 30, 2026 compared to $117.2 million for the nine months ended September 30, 2025. An increase in net income was offset by the payment of a legal settlement of $45.0 million in the first quarter of 2026. Net cash provided by investing activities was $55.1 million for the nine months ended September 30, 2026. The primary sources of cash provided by investing activities were from sales, maturities, calls, and principal paydowns of investments totaling $233.0 million in the nine months ended September 30, 2026, compared to $305.5 million in the nine months ended September 30, 2025. The 2026 proceeds decreased due to higher fixed maturity securities sold in 2025 in conjunction with legal matters paid in the first quarters of 2025 and 2026. Investment purchases, including new fixed maturity securities and mortgage loans, totaled $249.2 million. Net cash provided by financing activities for the nine months ended September 30, 2026 was $24.8 million. Cash provided by financing activities included a $34.9 million reduction in the deposit asset on reinsurance and $3.8 million of net transfers from separate accounts. These were partially offset by $1.5 million of withdrawals, net of deposits, on policyholder account balances, stockholder dividend payments of $5.2 million and a $7.2 million change in other deposits.

Capital Resources

We believe existing capital resources provide adequate support for our current level of business activities, as identified in the following table.

	September 30, 2026	December 31, 2025
Total assets, excluding separate accounts	$ 4,323,007	$ 4,531,713
Total stockholders' equity	625,125	665,575
Ratio of stockholders' equity to assets, excluding separate accounts	14%	15%

Stockholders’ equity decreased $40.5 million from year-end 2025, driven by higher net unrealized losses on available for sale securities. These were partially offset by an increase in net income and the change in discount rates on the liability for future policy benefits, net of reinsurance, during 2026. Stockholders’ equity per share, or book value, equaled $64.56 at September 30, 2026, a decrease from $68.73 at December 31, 2025.

Net unrealized losses on available for sale securities, which are included as part of Accumulated Other Comprehensive Income (Loss) and as a component of Stockholders’ Equity, net of related taxes, totaled $228.0 million at September 30, 2026, an $111.8 million increase from $116.2 million at December 31, 2025. The increase in unrealized losses reflected higher interest rates at September 30, 2026 compared to December 31, 2025.

The change in discount rates on the liability for future policy benefits, net of reinsurance, which is included as part of Accumulated Other Comprehensive Income (Loss) and as a component of Stockholders' Equity, net of related taxes, totaled $140.4 million at September 30, 2026, a $57.7 million increase from $82.7 million at December 31, 2025. This increase reflected higher interest rates at September 30, 2026 compared to December 31, 2025.

The Company has advance funding agreements with the FHLB. These funds are used in an investment spread arbitrage program. Interest earned from this program was $1.9 million during the quarter ended September 30, 2026 and $2.2 million during the quarter ended September 30, 2025. Interest earned from this program was $5.7 million during the first nine months of 2026 and $6.5 million during the first nine months of 2025. Interest is credited based on variable rates set by the FHLB.

Total obligations outstanding under these agreements, which mature between 2029 and 2031, were $140.0 million at both September 30, 2026 and December 31, 2025, and are reported as Policyholder Account Balances in the Consolidated Balance Sheets. Accrued interest totaled $1.1 million at both September 30, 2026 and December 31, 2025. Cash interest payments were $1.5 million during the quarter ended September 30, 2026 and $1.8 million during the quarter ended September 30, 2025. Cash interest payments were $4.6 million during the first nine months of 2026 and $4.9 million during the first nine months of 2025.

In the normal course of business, we have open purchase and sale commitments. At September 30, 2026, we had commitments to fund investments in private alternative investment funds of $109.7 million, affordable housing investments of $14.1 million, and mortgage loans of $7.2 million. Subsequent to September 30, 2026, we entered into commitments to fund additional loans of $1.8 million and real estate of $5.6 million.

Our statutory equity exceeds the minimum capital deemed necessary to support our insurance business, as determined by the risk-based capital calculations and guidelines established by the National Association of Insurance Commissioners (NAIC). We believe these statutory limitations impose no practical restrictions on future dividend payment plans.

In January 2026, the Board of Directors authorized the purchase of up to one million of our shares on the open market through January 2027. No shares were purchased under this authorization during the first nine months of 2026.

On October 26, 2026, the Board of Directors declared a quarterly dividend of $0.18 per share payable on November 11, 2026 to stockholders of record on November 5, 2026.

Item 5. Legal Proceedings

We are, and in the future may be, subject to legal and regulatory actions in the ordinary course of our insurance operations, including proceedings that may be brought on behalf of various alleged classes of complainants. In certain of these matters, the plaintiffs may seek large and/or indeterminate amounts, including punitive or exemplary damages. Substantial legal liability in these or future legal or regulatory actions could have a material financial effect or cause significant harm to our reputation, which in turn could materially harm our business prospects. Please see Note 21 – Contingent Liabilities of the financial statements in Exhibit 3.1.

Item 6. Defaults upon Senior Securities

None

Item 7. Other Information

None

Item 8. Exhibits

3.1 Interim Consolidated Financial Statements

Item 9. Issuer's Certifications

I, Walter E. Bixby, certify that:

1. I have reviewed this quarterly disclosure statement of Kansas City Life Insurance Company;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in the light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: October 30, 2026

/s/ Walter E. Bixby
Walter E. Bixby
President, Chief Executive Officer,
and Vice Chairman of the Board

I, David A. Laird, certify that:

1. I have reviewed this quarterly disclosure statement of Kansas City Life Insurance Company;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in the light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: October 30, 2026

/s/ David A. Laird
David A. Laird
Senior Vice President, Finance

Exhibit 3.1 Interim Consolidated Financial Statements

Amounts in thousands, except share data, security counts, or as otherwise noted.

Kansas City Life Insurance Company
Consolidated Balance Sheets

	September 30, 2026	December 31, 2025
	(Unaudited)	
ASSETS		
Investments:		
Fixed maturity securities available for sale, at fair value (amortized cost: 2026 - $2,467,851; 2025 - $2,469,644)	$ 2,179,244	$ 2,322,542
Equity securities, at fair value (cost: 2026 and 2025 - $519)	485	514
Mortgage loans (net of allowance for credit losses: 2026 - $1,364; 2025 - $1,239)	560,704	548,797
Real estate	90,446	94,331
Policy loans	91,282	87,742
Short-term investments	60,828	132,126
Other investments	86,321	63,921
Total investments	3,069,310	3,249,973
Cash	9,655	8,428
Accrued investment income	29,837	29,981
Market risk benefits asset, at fair value	3,109	3,346
Deferred acquisition costs	246,945	254,337
Reinsurance recoverables (net of allowance for credit losses: 2026 and 2025 - $1,367)	395,522	407,810
Deposit asset on reinsurance	303,405	329,485
Other assets	265,224	248,353
Separate account assets	414,002	416,995
Total assets	$ 4,737,009	$ 4,948,708
LIABILITIES		
Liability for future policy benefits	$ 1,257,084	$ 1,341,072
Policyholder account balances	2,067,045	2,104,373
Market risk benefits liability, at fair value	56	56
Policy and contract claims	54,931	57,048
Other policyholder funds	183,445	187,192
Other liabilities	135,321	176,397
Separate account liabilities	414,002	416,995
Total liabilities	4,111,884	4,283,133
STOCKHOLDERS' EQUITY		
Common stock, par value $1.25 per share		
Authorized 36,000,000 shares, issued 18,496,680 shares	23,121	23,121
Additional paid in capital	41,025	41,025
Retained earnings	917,099	903,251
Accumulated other comprehensive loss	(114,819)	(60,521)
Treasury stock, at cost (2026 and 2025 - 8,813,266 shares)	(241,301)	(241,301)
Total stockholders’ equity	625,125	665,575
Total liabilities and stockholders’ equity	$ 4,737,009	$ 4,948,708

See accompanying Notes to Consolidated Financial Statements - (Unaudited)

Kansas City Life Insurance Company
Consolidated Statements of Comprehensive Income - (Unaudited)

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2026	2025 [1]	2026	2025 [1]
	(Unaudited)		(Unaudited)	
REVENUES				
Insurance revenues:				
Net premiums	$ 45,304	$ 46,736	$ 136,389	$ 140,101
Contract charges	31,455	31,147	94,134	93,616
Total insurance revenues	76,759	77,883	230,523	233,717
Investment revenues:				
Net investment income	42,594	41,748	123,781	121,955
Net investment gains	976	2,408	6,736	3,878
Total investment revenues	43,570	44,156	130,517	125,833
Other revenues	1,530	1,485	4,511	4,374
Total revenues	121,859	123,524	365,551	363,924
BENEFITS AND EXPENSES				
Policyholder benefits [2]	63,538	63,595	181,517	181,949
Change in market risk benefits	(45)	(127)	(36)	101
Interest credited to policyholder account balances	19,955	19,851	59,593	58,299
Amortization of deferred acquisition costs	9,091	8,666	27,115	26,480
Operating expenses	27,189	27,952	81,346	129,432
Total benefits and expenses	119,728	119,937	349,535	396,261
Income (loss) before income tax expense (benefit)	2,131	3,587	16,016	(32,337)
Income tax expense (benefit)	393	754	(3,061)	(10,604)
NET INCOME (LOSS)	$ 1,738	$ 2,833	$ 19,077	$ (21,733)
COMPREHENSIVE INCOME (LOSS), NET OF TAXES				
Changes in:				
Net unrealized gains (losses) on securities available for sale	$ (93,378)	$ 27,465	$ (111,789)	$ 60,557
Changes in discount rates on the liability for future policy benefits, net of reinsurance	45,980	(14,264)	57,707	(28,355)
Changes in market risk benefits nonperformance risk	(105)	(68)	(216)	(108)
Other comprehensive income (loss)	(47,503)	13,133	(54,298)	32,094
COMPREHENSIVE INCOME (LOSS)	$ (45,765)	$ 15,966	$ (35,221)	$ 10,361
Basic and diluted earnings per share:				
Net income (loss)	$ 0.18	$ 0.29	$ 1.97	$ (2.24)

[1] Certain prior period amounts have been recast. See Note 2 - New Accounting Pronouncements for more information.

[2] Includes liability remeasurement losses (gains) of $(1.1) million in the third quarter of 2026, $0.9 million in the third quarter of 2025, $(2.0) million in the nine months ended September 30, 2026, and $(0.8) million in the nine months ended September 30, 2025.

See accompanying Notes to Consolidated Financial Statements - (Unaudited)

Kansas City Life Insurance Company
Consolidated Statements of Cash Flows - (Unaudited)

	Nine Months Ended September 30,	
	2026	2025 [1]
	(Unaudited)	
OPERATING ACTIVITIES		
Net income (loss)	$ 19,077	$ (21,733)
Adjustments to reconcile net income (loss) to net cash used from operating activities:		
Amortization of investment premium and discount	(290)	141
Depreciation and amortization	2,755	2,611
Acquisition costs capitalized	(19,723)	(18,508)
Amortization of deferred acquisition costs	27,115	26,480
Net investment gains	(6,736)	(3,878)
Changes in assets and liabilities:		
Reinsurance recoverables	(14,911)	(16,025)
Liability for future policy benefits	16,257	7,245
Policyholder account balances	(46,213)	(66,584)
Income taxes payable and deferred	(2,795)	(12,901)
Other, net	(53,178)	(14,032)
Net cash used	(78,642)	(117,184)
INVESTING ACTIVITIES		
Purchases or contributions:		
Fixed maturity securities	(163,119)	(213,389)
Mortgage loans	(48,255)	(23,550)
Real estate	(3,231)	(868)
Policy loans	(8,033)	(3,131)
Other investments	(24,813)	(13,125)
Property and equipment	(1,781)	(247)
Sales or maturities, calls, principal paydowns and distributions:		
Fixed maturity securities	172,333	254,130
Equity securities	—	305
Mortgage loans	36,224	40,117
Real estate	6,195	130
Policy loans	4,493	790
Other investments	13,556	9,831
Property and equipment	229	216
Net sales of short-term investments	71,298	86
Net cash provided	55,096	51,295

[1] Certain prior period amounts have been recast. See Note 2 - New Accounting Pronouncements for more information.

Kansas City Life Insurance Company
Consolidated Statements of Cash Flows - (Continued) (Unaudited)

	Nine Months Ended September 30,	
	2026	2025 [1]
	(Unaudited)	
FINANCING ACTIVITIES		
Policyholder account balances:		
Deposits	$ 134,838	$ 149,553
Change in funding agreements, net	—	20,000
Withdrawals	(136,371)	(133,610)
Change in deposit asset on reinsurance, net	34,911	38,672
Net transfers from separate accounts	3,789	745
Change in other deposits	(7,165)	(4,158)
Cash dividends to stockholders	(5,229)	(4,067)
Net cash provided	24,773	67,135
Increase in cash	1,227	1,246
Cash at beginning of year	8,428	8,101
Cash at end of period	$ 9,655	$ 9,347

[1] Certain prior period amounts have been recast. See Note 2 - New Accounting Pronouncements for more information.

Non-Cash Activity

There was no material non-cash activity during the nine months ended September 30, 2026.

The Company entered into a modified coinsurance/coinsurance reinsurance transaction during the second quarter of 2025. For additional information, please see Note 16 - Reinsurance.

In the second quarter of 2025, the Company accrued $45.0 million in Other Liabilities in the Consolidated Balance Sheets related to the settlement of class action lawsuits. For additional information, please refer to our 2025 Annual Report.

There was no material non-cash activity during the first or third quarters of 2025.

See accompanying Notes to Consolidated Financial Statements - (Unaudited)

1. Nature of Operations and Significant Accounting Policies

Basis of Presentation

The interim consolidated financial statements and the accompanying notes include the accounts of the consolidated entity (the Company) and its subsidiaries. Kansas City Life Insurance Company (Kansas City Life) is the parent company. Old American Insurance Company (Old American) and Grange Life Insurance Company (Grange Life) are wholly-owned insurance subsidiaries of Kansas City Life. The Company also has non-insurance subsidiaries that individually and collectively are not material. The terms "the Company," "we," "us," and "our" are used in these consolidated financial statements to refer to Kansas City Life and its subsidiaries.

We have three reportable business segments, which are defined based on the management of the organization in relation to the nature of the products and services offered. For additional information on our segments, please see Note 19 - Segment Information.

The interim consolidated financial statements were prepared on the basis of GAAP for interim financial reporting. Accordingly, they do not include all of the disclosures required by GAAP for complete financial statements. As such, these interim consolidated financial statements should be read in conjunction with our 2025 Annual Report, which is available on the OTC Markets Group website (*www.otcmarkets.com/stock/KCLI/filings*). The interim consolidated financial statements and the accompanying notes for the quarters and nine months ended September 30, 2026 and 2025 are unaudited. The consolidated financial statements and the accompanying notes for the year ended December 31, 2025 were audited. Management believes that the disclosures included herein are adequate to make the information presented not misleading and include all adjustments necessary to present fairly the financial position and the results of operations for all periods presented. The results of operations for any interim period are not necessarily indicative of operating results for a full year. Significant intercompany transactions have been eliminated in consolidation and certain immaterial reclassifications have been made to prior period results to conform with the current period's presentation.

The interim consolidated financial statements include estimates and assumptions relating to the reported amounts of certain assets and liabilities, the disclosure of contingent assets and liabilities at the date of the interim consolidated financial statements, and the reported amounts of certain revenue and expenses during the period. These estimates are inherently subject to change and actual results could differ from these estimates. Amounts are stated in thousands, except share data, security counts, or as otherwise noted.

Effective January 1, 2025, we adopted Accounting Standards Update (ASU) No. 2018-12 Targeted Improvements to the Accounting for Long-Duration Contracts, which revised the measurement models and disclosure requirements for long-duration contracts. This guidance was applied with a transition date of January 1, 2023. Accordingly, the results for 2025 have been recast throughout this report and are presented under this guidance. For additional information, please see Note 2 - New Accounting Pronouncements.

Business Changes

Effective October 1, 2026, Grange Life was merged into Kansas City Life. The merger did not have an impact on our consolidated financial statements.

There were no significant business changes during 2025.

Current Economic Environment

As of September 30, 2026, the U.S. economy remains in a cautious transition. Inflation continues to run well above the Federal Reserve’s 2% target: headline CPI rose 3.7% year-over-year in September (accelerating from 3.4% in August), while core CPI climbed to 2.6%. Concurrently, the geopolitical landscape, specifically the conflict involving Iran, sustains upside risk for energy prices, which accounted for more than half of September's monthly headline inflation increase, and threatens supply chain stability.

The Federal Reserve raised the federal funds target range by 25 basis points to 3.75% – 4.00% at its September meeting, reflecting the committee's consensus that disinflation has stalled. Despite a 4.2% headline unemployment rate, the labor market is softening, evidenced by year-over-year declines in labor force participation and decelerating wage growth. Specifically, average hourly earnings dropped to 3.0% year-over-year in September, down from 3.8% last year. Nevertheless, these moderating wage gains continue to support baseline consumer demand.

Sustained capital expenditure in digital infrastructure and semiconductor production, driven in part by the AI expansion, continues to provide a critical tailwind to industrial activity and early productivity gains. Conversely, rising Treasury yields, persistent term premiums, and geopolitical friction remain significant market headwinds.

The sustained high-rate environment continues to suppress interest-rate-sensitive sectors such as real estate. While selective opportunities exist, commercial real estate remains particularly vulnerable, facing elevated office vacancy rates and acute refinancing risks. While higher reinvestment yields benefit new capital deployment, existing fixed-income portfolios face ongoing valuation pressure. Prolonged tight monetary conditions, combined with escalating geopolitical tensions, compound downside growth risks and increase the probability of asset impairments and credit defaults.

Significant Accounting Policies
Please refer to our 2025 Annual Report for a full discussion of our significant accounting policies. No significant updates or changes to these policies occurred during the quarter or nine months ended September 30, 2026.

2. New Accounting Pronouncements

Accounting Pronouncement Adopted During 2025
Effective January 1, 2025, we adopted ASU No. 2018-12 Targeted Improvements to the Accounting for Long-Duration Contracts, which revised the measurement models and disclosure requirements for long-duration contracts. Please refer to our 2025 Annual Report for a full discussion of our adoption of this guidance. The results for 2025 have been recast throughout this report and are presented under this guidance.

Accounting Pronouncements Issued, Not Yet Adopted
In November 2024, the Financial Accounting Standards Board (FASB) issued ASU No. 2024-03 Disaggregation of Income Statement Expenses. This update requires disclosure of specified information about certain costs and expenses. Disclosures are required that provide disaggregated information about prescribed categories underlying relevant income statement expense captions. A qualitative description is required for amounts remaining in relevant expense captions that are not separately disaggregated quantitatively. In addition, disclosure of the total amount of selling expenses and an entity's definition of selling expenses are required. This guidance is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. We are currently evaluating this guidance. However, it will not impact our earnings or financial position as the pronouncement only impacts disclosures.

All other new accounting standards and updates of existing standards issued through the date of this filing were considered by management and did not relate to accounting policies and procedures pertinent to us at this time or were not expected to have a material impact to the consolidated financial statements.

3. Investments

Fixed Maturity Securities

Securities by Asset Class
The following table provides amortized cost and fair value of fixed maturity securities by asset class at September 30, 2026.

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury securities and obligations of U.S. Government	$ 79,764	$ 5	$ 7,708	$ 72,061
Federal agency issued residential mortgage-backed securities	40,940	15	5,670	35,285
Subtotal	120,704	20	13,378	107,346
Corporate obligations	1,825,817	1,761	237,886	1,589,692
Municipal securities	253,276	93	31,218	222,151
Asset-backed securities and collateralized loan obligations	265,054	177	7,733	257,498
Redeemable preferred stocks	3,000	—	443	2,557
Total	$ 2,467,851	$ 2,051	$ 290,658	$ 2,179,244

The following table provides amortized cost and fair value of fixed maturity securities by asset class at December 31, 2025.

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury securities and obligations of U.S. Government	$ 82,703	$ 250	$ 4,328	$ 78,625
Federal agency issued residential mortgage-backed securities	43,315	114	3,698	39,731
Subtotal	126,018	364	8,026	118,356
Corporate obligations	1,806,518	23,272	143,462	1,686,328
Municipal securities	259,756	2,235	16,642	245,349
Asset-backed securities and collateralized loan obligations	274,352	1,049	5,573	269,828
Redeemable preferred stocks	3,000	—	319	2,681
Total	$ 2,469,644	$ 26,920	$ 174,022	$ 2,322,542

The following table provides information on fixed maturity securities available for sale by actual or equivalent Standard & Poor's rating with the percent of total fair value identified.

	September 30, 2026			December 31, 2025		
	Amortized Cost	Fair Value	% of Total	Amortized Cost	Fair Value	% of Total
AAA	$ 215,097	$ 199,812	9 %	$ 222,630	$ 216,260	9 %
AA	524,140	460,389	21 %	515,856	480,733	21 %
A	854,485	733,873	34 %	850,132	782,755	34 %
BBB	856,860	769,344	35 %	863,800	826,186	35 %
Total investment grade	2,450,582	2,163,418	99 %	2,452,418	2,305,934	99 %
BB	11,542	10,890	1 %	12,883	12,458	1 %
B and below	5,727	4,936	— %	4,343	4,150	— %
Total below investment grade	17,269	15,826	1 %	17,226	16,608	1 %
Total	$ 2,467,851	$ 2,179,244	100 %	$ 2,469,644	$ 2,322,542	100 %

Contractual Maturities

The following table provides the distribution of maturities for fixed maturity securities available for sale. Expected maturities may differ from these contractual maturities since issuers or borrowers may have the right to call or prepay obligations.

	September 30, 2026		December 31, 2025	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	$ 67,610	$ 67,161	$ 76,210	$ 75,455
Due after one year through five years	381,801	359,738	379,918	373,336
Due after five years through ten years	602,589	557,153	606,895	592,129
Due after ten years	1,319,790	1,112,024	1,306,028	1,188,920
Securities with variable principal payments	93,061	80,611	97,593	90,021
Redeemable preferred stocks	3,000	2,557	3,000	2,681
Total	$ 2,467,851	$ 2,179,244	$ 2,469,644	$ 2,322,542

Evaluation of Potential Credit Impairment

The Company assesses current expected credit losses quarterly. For fixed maturity securities in an unrealized loss position, management evaluates whether the decline in estimated fair value has resulted from credit losses or other factors. Inherent in management's evaluation of the security are assumptions and estimates about the operations of the issuer and its future earnings potential.

We consider relevant facts and circumstances in performing the credit loss evaluation of a security, including but not limited to:

- The extent to which the fair value is less than amortized cost;
- The credit rating of the security by a rating agency, including any changes to the rating;
- Adverse conditions specifically related to the security, the industry, or geographic area, including changes in the financial condition of the issuer of the security and, in the case of an asset-backed debt security, changes in the financial condition of the underlying loan obligors;
- The payment structure of the security and the likelihood of the issuer being able to make payments in the future; and
- Failure of the issuer of the security to make scheduled interest and principal payments.

If this evaluation indicates that a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, a credit loss is deemed to exist and an allowance for credit losses is recorded through a charge to realized investment gains or losses in the Consolidated Statements of Comprehensive Income, limited by the amount that the fair value

is less than the amortized cost basis. Any unrealized losses that are related to factors other than credit losses are recognized in Accumulated Other Comprehensive Income (Loss) and the change in Other Comprehensive Income (Loss).

Subsequent increases or decreases in the expected cash flow from the specific security may result in corresponding decreases or increases in the allowance which are recognized in realized investment gains or losses. However, the previously recorded allowance is not reduced to an amount below zero.

When the Company has the intent to sell the security, or it is more likely than not that the Company will be required to sell the security before recovery of its amortized cost, any allowance is reversed and the security is written down to the estimated fair value through a charge to realized investment gains or losses. The Company did not record an allowance for credit losses for fixed maturity securities or record any additions or reductions to an allowance at September 30, 2026 or December 31, 2025.

The following table provides information regarding fixed maturity securities available for sale with unrealized losses by asset class and by length of time that individual securities have been in a continuous unrealized loss position at September 30, 2026.

	Less Than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. Treasury securities and obligations of U.S. Government	$ 18,084	$ 482	$ 53,448	$ 7,226	$ 71,532	$ 7,708
Federal agency issued residential mortgage-backed securities	6,329	177	27,792	5,493	34,121	5,670
Subtotal	24,413	659	81,240	12,719	105,653	13,378
Corporate obligations	634,469	39,014	827,236	198,872	1,461,705	237,886
Municipal securities	86,900	5,345	132,482	25,873	219,382	31,218
Asset-backed securities and collateralized loan obligations	63,985	2,173	70,020	5,560	134,005	7,733
Redeemable preferred stocks	—	—	2,557	443	2,557	443
Total	$ 809,767	$ 47,191	$1,113,535	$ 243,467	$1,923,302	$ 290,658
Number of fixed maturity securities with unrealized losses	619		836		1,455	

The following table provides information regarding fixed maturity securities available for sale with unrealized losses by asset class and by length of time that individual securities have been in a continuous unrealized loss position at December 31, 2025.

	Less Than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. Treasury securities and obligations of U.S. Government	$ 63	$ —	$ 60,220	$ 4,328	$ 60,283	$ 4,328
Federal agency issued residential mortgage-backed securities	1,367	4	32,742	3,694	34,109	3,698
Subtotal	1,430	4	92,962	8,022	94,392	8,026
Corporate obligations	113,571	4,062	954,572	139,400	1,068,143	143,462
Municipal securities	16,830	190	161,544	16,452	178,374	16,642
Asset-backed securities and collateralized loan obligations	10,746	112	84,881	5,461	95,627	5,573
Redeemable preferred stocks	—	—	2,681	319	2,681	319
Total	$ 142,577	$ 4,368	$1,296,640	$ 169,654	$1,439,217	$ 174,022
Number of fixed maturity securities with unrealized losses	104		898		1,002	

We do not consider the unrealized losses related to these securities to be credit-related. The unrealized losses at both September 30, 2026 and December 31, 2025 were related to changes in interest rates and market spreads subsequent to

purchase. A substantial portion of investment securities that have unrealized losses are either corporate debt issued with investment grade credit ratings or other investment securities.

The following table summarizes investments in fixed maturity securities available for sale with unrealized losses at September 30, 2026.

	Amortized Cost	Fair Value	Gross Unrealized Losses
Unrealized losses of 10% or less	$ 1,064,545	$ 1,014,348	$ 50,197
Unrealized losses of 20% or less and greater than 10%	634,834	544,983	89,851
Subtotal	1,699,379	1,559,331	140,048
Unrealized losses greater than 20%:			
Investment grade	512,413	362,419	149,994
Below investment grade	2,168	1,552	616
Total	$ 2,213,960	$ 1,923,302	$ 290,658

The following table summarizes investments in fixed maturity securities available for sale with unrealized losses at December 31, 2025.

	Amortized Cost	Fair Value	Gross Unrealized Losses
Unrealized losses of 10% or less	$ 880,704	$ 845,892	$ 34,812
Unrealized losses of 20% or less and greater than 10%	451,322	388,497	62,825
Subtotal	1,332,026	1,234,389	97,637
Unrealized losses greater than 20%:			
Investment grade	281,213	204,828	76,385
Below investment grade	—	—	—
Total	$ 1,613,239	$ 1,439,217	$ 174,022

The following table provides information on fixed maturity securities available for sale with unrealized losses by actual or equivalent Standard & Poor's rating at September 30, 2026.

	Fair Value	% of Total	Gross Unrealized Losses	% of Total
AAA	$ 125,927	7 %	$ 15,539	5 %
AA	390,746	20 %	63,909	22 %
A	697,771	36 %	120,958	42 %
BBB	697,866	36 %	88,784	31 %
Total investment grade	1,912,310	99 %	289,190	100 %
BB	7,283	1 %	677	— %
B and below	3,709	— %	791	— %
Total below investment grade	10,992	1 %	1,468	— %
Total	$ 1,923,302	100 %	$ 290,658	100 %

The following table provides information on fixed maturity securities available for sale with unrealized losses by actual or equivalent Standard & Poor's rating at December 31, 2025.

	Fair Value	% of Total	Gross Unrealized Losses	% of Total
AAA	$ 101,001	7 %	$ 8,058	5 %
AA	316,407	22 %	38,873	22 %
A	528,412	37 %	75,881	44 %
BBB	482,552	33 %	50,524	29 %
Total investment grade	1,428,372	99 %	173,336	100 %
BB	8,024	1 %	494	— %
B and below	2,821	— %	192	— %
Total below investment grade	10,845	1 %	686	— %
Total	$ 1,439,217	100 %	$ 174,022	100 %

We monitor structured securities through a combination of an analysis of vintage, credit ratings, and other factors. Structured securities include asset-backed, residential mortgage-backed securities, collateralized loan obligations, and other collateralized obligations.

The following tables identify structured securities by credit ratings for all vintages owned.

	September 30, 2026		
	Amortized Cost	Fair Value	Net Unrealized Losses
Structured securities:			
Investment grade	$ 264,469	$ 257,003	$ 7,466
Below investment grade	585	495	90
Total	$ 265,054	$ 257,498	$ 7,556

	December 31, 2025		
	Amortized Cost	Fair Value	Net Unrealized Losses
Structured securities:			
Investment grade	$ 273,610	$ 269,146	$ 4,464
Below investment grade	742	682	60
Total	$ 274,352	$ 269,828	$ 4,524

Investment Revenues

The following tables provide investment revenues by major category.

	Quarter Ended September 30,			
	2026	2025	$ Change	% Change
Gross investment income from invested assets:				
Fixed maturity securities	$ 28,090	$ 29,099	$ (1,009)	(3)%
Equity securities	12	12	—	— %
Mortgage loans	6,884	6,509	375	6 %
Real estate	2,904	2,567	337	13 %
Policy loans	1,455	1,375	80	6 %
Short-term investments	456	695	(239)	(34)%
Other	3,017	1,319	1,698	129 %
Total	42,818	41,576	1,242	3 %
Less investment expenses	(3,119)	(3,074)	(45)	(1)%
Net investment income - invested assets	39,699	38,502	1,197	3 %
Net investment income - deposit-type reinsurance [1]	2,895	3,246	(351)	(11)%
Net investment income	$ 42,594	$ 41,748	$ 846	2 %

[1] Investment income from the runoff of the block of deposit-type reinsurance business. See Note 16 - Reinsurance.

	Nine Months Ended September 30,			
	2026	2025	$ Change	% Change
Gross investment income from invested assets:				
Fixed maturity securities	$ 83,813	$ 85,467	$ (1,654)	(2)%
Equity securities	30	33	(3)	(9)%
Mortgage loans	20,369	19,660	709	4 %
Real estate	7,841	7,555	286	4 %
Policy loans	4,244	4,097	147	4 %
Short-term investments	1,711	1,859	(148)	(8)%
Other	7,076	2,567	4,509	176 %
Total	125,084	121,238	3,846	3 %
Less investment expenses	(10,111)	(9,194)	(917)	(10)%
Net investment income - invested assets	114,973	112,044	2,929	3 %
Net investment income - deposit-type reinsurance [1]	8,808	9,911	(1,103)	(11)%
Net investment income	$ 123,781	$ 121,955	1,826	1 %

[1] Investment income from the runoff of the block of deposit-type reinsurance business. See Note 16 - Reinsurance.

Investment Gains (Losses)

The following table provides detail concerning investment gains and losses.

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Gross gains resulting from:				
Sales of investment securities	$ —	$ 70	$ —	$ 366
Investment securities called and other	—	—	193	149
Sales of real estate and joint ventures	—	42	2,068	42
Total gross gains	—	112	2,261	557
Gross losses resulting from:				
Sales of investment securities	—	(30)	(10)	(435)
Investment securities called and other	(12)	—	(42)	—
Sales and write downs of real estate	—	—	—	(202)
Impairment losses on investment securities	—	(496)	—	(496)
Total gross losses	(12)	(526)	(52)	(1,133)
Change in allowance for credit losses:				
Mortgage loans	(12)	—	(125)	(41)
Total change in allowance for credit losses	(12)	—	(125)	(41)
Net realized/unrealized gains (losses) on:				
Equity securities	(26)	31	(29)	23
Other investments	1,026	2,791	4,681	4,472
Total net realized/unrealized gains (losses)	1,000	2,822	4,652	4,495
Net investment gains	$ 976	$ 2,408	$ 6,736	$ 3,878

Proceeds from Sales of Investment Securities

The following table provides proceeds from the sale of fixed maturity and equity securities, excluding maturities and calls.

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Proceeds	$ 2,998	$ 11,843	$ 12,605	$ 88,162

The proceeds in 2025 primarily resulted from fixed maturity securities sold in conjunction with a legal judgment paid in the first quarter and portfolio repositioning during the second and third quarters.

Mortgage Loans

Investments in mortgage loans totaled $560.7 million at September 30, 2026, compared to $548.8 million at December 31, 2025. Our mortgage loans are secured by commercial real estate and are stated at cost, less an allowance for credit losses. We did not have any premium amortization or discount accretion at September 30, 2026 or December 31, 2025. We believe the allowance for credit losses is at a level adequate to absorb estimated credit losses. This allowance was $1.4 million at September 30, 2026 and $1.2 million at December 31, 2025. Our evaluation and assessment of the adequacy of the allowance is based on known and inherent risks in the portfolio, historical and industry data, current economic conditions, and other relevant factors.

Commercial mortgage loans represented 18% of our total investments at September 30, 2026 and 17% at December 31, 2025. In addition to the subject collateral underlying the mortgage, we may require some amount of recourse from borrowers as another potential source of repayment should the loan default. Any recourse requirement deemed necessary is determined as part of the underwriting requirements of each loan. The average loan-to-value ratio for the overall portfolio was 46% at September 30, 2026 and 45% at December 31, 2025. This ratio is based upon the current balance of loans relative to the most current appraisal of value. Additionally, we may receive fees when borrowers prepay their mortgage loans. For additional information on mortgage loans, please see Note 5 - Financing Receivables.

We may refinance commercial mortgage loans prior to contractual maturity as a means of retaining loans that meet our underwriting and pricing parameters. We did not refinance any loans during the quarters or nine months ended September 30, 2026 or 2025. At September 30, 2026 and December 31, 2025, we did not have any loan defaults and no material contract modifications, deferrals, or forbearance agreements had been executed. For additional information, please see Note 5 - Financing Receivables.

In the normal course of business, we commit to fund commercial mortgage loans generally up to 120 days in advance. These commitments typically have fixed expiration dates. A small percentage of commitments expire due to the borrower's failure to deliver the requirements of the commitment by the expiration date. In these cases, the commitment fee is retained. For additional information, please see Note 20 - Commitments, Regulatory Matters, Guarantees, and Indemnifications.

4. Fair Value Measurements

Under GAAP, fair value represents the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date. We maximize the use of observable inputs and minimize the use of unobservable inputs when developing fair value measurements.

We follow the fair value hierarchy under existing GAAP requirements. No changes were made to our categories as disclosed in our 2025 Annual Report. Please refer to our 2025 Annual Report for a full discussion of the fair value hierarchy and our policies regarding fair value measurements.

The following tables present the fair value hierarchy for those assets and liabilities reported at fair value on a recurring basis.

	September 30, 2026			
	Level 1	Level 2	Level 3	Total
Assets:				
U.S. Treasury securities and obligations of U.S. Government	$ 9,455	$ 62,606	$ —	$ 72,061
Federal agency issued residential mortgage-backed securities	—	35,285	—	35,285
Subtotal	9,455	97,891	—	107,346
Corporate obligations	—	1,589,692	—	1,589,692
Municipal securities	—	222,151	—	222,151
Asset-backed securities and collateralized loan obligations	—	257,498	—	257,498
Redeemable preferred stocks	—	2,557	—	2,557
Fixed maturity securities	9,455	2,169,789	—	2,179,244
Equity securities	65	420	—	485
Short-term investments	60,828	—	—	60,828
Other investments	—	12,023	439	12,462
Market risk benefits asset	—	—	3,109	3,109
Separate account assets	—	414,002	—	414,002
Total	$ 70,348	$ 2,596,234	$ 3,548	$ 2,670,130
Percent of total	3 %	97 %	— %	100 %
Liabilities:				
Policyholder account balances:				
Indexed universal life	$ —	$ —	$ 10,331	$ 10,331
Market risk benefits liability	—	—	56	56
Separate account liabilities	—	414,002	—	414,002
Total	$ —	$ 414,002	$ 10,387	$ 424,389

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Assets:				
U.S. Treasury securities and obligations of U.S. Government	$ 9,974	$ 68,651	$ —	$ 78,625
Federal agency issued residential mortgage-backed securities	—	39,731	—	39,731
Subtotal	9,974	108,382	—	118,356
Corporate obligations	—	1,686,328	—	1,686,328
Municipal securities	—	245,349	—	245,349
Asset-backed securities and collateralized loan obligations	—	269,828	—	269,828
Redeemable preferred stocks	—	2,681	—	2,681
Fixed maturity securities	9,974	2,312,568	—	2,322,542
Equity securities	65	449	—	514
Short-term investments	132,126	—	—	132,126
Other investments	—	11,030	280	11,310
Market risk benefits asset	—	—	3,346	3,346
Separate account assets	—	416,995	—	416,995
Total	$ 142,165	$ 2,741,042	$ 3,626	$ 2,886,833
Percent of total	5 %	95 %	— %	100 %
Liabilities:				
Policyholder account balances:				
Indexed universal life	$ —	$ —	$ 9,990	$ 9,990
Market risk benefits liability	—	—	56	56
Separate account liabilities	—	416,995	—	416,995
Total	$ —	$ 416,995	$ 10,046	$ 427,041

The changes in Level 3 assets and liabilities measured at fair value on a recurring basis are summarized below.

	Quarter Ended September 30, 2026		
	Assets	Liabilities	
	Fixed Maturity Securities, Equity Securities, and Other Investments	Indexed Universal Life	Net Market Risk Benefit Liability/ (Asset)
Beginning balance	$ 358	$ 10,541	$ (3,141)
Included in earnings	81	(210)	(45)
Included in other comprehensive income (loss)	—	—	133
Purchases, issuances, sales and other dispositions:			
Purchases	—	—	—
Issuances	—	—	—
Sales	—	—	—
Other dispositions	—	—	—
Transfers out of Level 3	—	—	—
Ending balance	$ 439	$ 10,331	$ (3,053)

	Quarter Ended September 30, 2025 [1]		
	Assets	Liabilities	
	Fixed Maturity Securities, Equity Securities, and Other Investments	Indexed Universal Life	Net Market Risk Benefit Liability/ (Asset)
Beginning balance	$ 10,291	$ 8,630	$ (3,391)
Included in earnings	—	1,493	(127)
Included in other comprehensive income (loss)	—	—	86
Purchases, issuances, sales and other dispositions:			
Purchases	—	—	—
Issuances	—	—	—
Sales	—	—	—
Other dispositions	—	—	—
Transfers out of Level 3	—	—	—
Ending balance	$ 10,291	$ 10,123	$ (3,432)

[1] Certain prior period amounts have been recast. See Note 2 - New Accounting Pronouncements for more information.

	Nine Months Ended September 30, 2026		
	Assets	Liabilities	
	Fixed Maturity Securities, Equity Securities, and Other Investments	Indexed Universal Life	Net Market Risk Benefit Liability/ (Asset)
Beginning balance	$ 280	$ 9,990	$ (3,290)
Included in earnings	159	341	(36)
Included in other comprehensive income (loss)	—	—	273
Purchases, issuances, sales and other dispositions:			
Purchases	—	—	—
Issuances	—	—	—
Sales	—	—	—
Other dispositions	—	—	—
Transfers out of Level 3	—	—	—
Ending balance	$ 439	$ 10,331	$ (3,053)

	Nine Months Ended September 30, 2025 [1]		
	Assets	Liabilities	
	Fixed Maturity Securities, Equity Securities, and Other Investments	Indexed Universal Life	Net Market Risk Benefit Liability/ (Asset)
Beginning balance	$ 10,607	$ 8,114	$ (3,669)
Included in earnings	(12)	2,009	101
Included in other comprehensive income (loss)	—	—	136
Purchases, issuances, sales and other dispositions:			
Purchases	—	—	—
Issuances	—	—	—
Sales	—	—	—
Other dispositions	(304)	—	—
Transfers out of Level 3	—	—	—
Ending balance	$ 10,291	$ 10,123	$ (3,432)

[1] Certain prior period amounts have been recast. See Note 2 - New Accounting Pronouncements for more information.

We did not have any transfers between any levels during the quarters or nine months ended September 30, 2026 or 2025.

We use the Black Scholes valuation method, including parameters for market volatility, risk-free rate, and index level, for the indexed universal life liabilities categorized as Level 3. We also use a 100% persistency assumption. Persistency of the business is an unobservable input.

The following tables present a summary of fair value estimates for financial instruments not recorded at fair value on a recurring basis but required to be disclosed at fair value. Assets and liabilities that are not financial instruments are not included in this disclosure. The total of the fair value calculations presented below may not be indicative of the value that can be obtained.

	September 30, 2026				
	Fair Value				Carrying Value
	Level 1	Level 2	Level 3	Total	
Assets:					
Investments:					
Mortgage loans	$ —	$ —	$ 521,497	$ 521,497	$ 560,704
Policy loans	—	—	91,282	91,282	91,282
Other investments	—	8,557	—	8,557	8,557
Liabilities:					
Individual and group annuities	—	—	943,522	943,522	980,039
Supplementary contracts and annuities without life contingencies	—	—	41,939	41,939	47,324
Policyholder account balances:					
Funding agreements	—	141,060	—	141,060	141,060

	December 31, 2025				
	Fair Value				Carrying Value
	Level 1	Level 2	Level 3	Total	
Assets:					
Investments:					
Mortgage loans	$ —	$ —	$ 529,250	$ 529,250	$ 548,797
Policy loans	—	—	87,742	87,742	87,742
Other investments	—	8,548	—	8,548	8,548
Liabilities:					
Individual and group annuities	—	—	976,058	976,058	1,010,454
Supplementary contracts and annuities without life contingencies	—	—	45,291	45,291	47,770
Policyholder account balances:					
Funding agreements	—	141,132	—	141,132	141,132

5. Financing Receivables

We have financing receivables with specific maturity dates that are recognized as assets in the Consolidated Balance Sheets.

The following table identifies financing receivables by classification amount.

	September 30, 2026	December 31, 2025
Agent receivables, net (allowance for credit losses: 2026 - $382; 2025 - $270)	$ 1,182	$ 1,720
Investment-related financing receivables:		
Mortgage loans, net (allowance for credit losses: 2026 - $1,364; 2025 - $1,239)	560,704	548,797
Total financing receivables	$ 561,886	$ 550,517

Agent Receivables
We have certain agent receivables that are classified as financing receivables. These receivables from agents are specifically assessed for collectibility and are reduced by an allowance. Agent receivables are included in Other Assets in the Consolidated Balance Sheets.

The following table details the gross receivables, allowance, and net receivables for the two types of agent receivables.

	September 30, 2026			December 31, 2025		
	Gross Receivables	Allowance for Credit Losses	Net Receivables	Gross Receivables	Allowance for Credit Losses	Net Receivables
Agent specific loans	$ 389	$ 265	$ 124	$ 302	$ 128	$ 174
Other agent receivables	1,175	117	1,058	1,688	142	1,546
Total	$ 1,564	$ 382	$ 1,182	$ 1,990	$ 270	$ 1,720

The following table provides a rollforward of the allowance for credit losses for agent receivables.

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Beginning balance	$ 276	$ 301	$ 270	$ 274
Additions for credit losses not previously recorded	106	—	112	—
Additions (reductions) for credit losses recorded in a previous period	—	(41)	—	(14)
End of period	$ 382	$ 260	$ 382	$ 260

Mortgage Loans
We classify our mortgage loan portfolio as long-term financing receivables.

The following table details the mortgage loan portfolio as collectively or individually evaluated for impairment.

	September 30, 2026	December 31, 2025
Mortgage loans collectively evaluated for impairment	$ 562,068	$ 550,036
Mortgage loans individually evaluated for impairment	—	—
Allowance for credit losses	(1,364)	(1,239)
Carrying value	$ 560,704	$ 548,797

There were no mortgage loans that were past due or on nonaccrual status at September 30, 2026 or at December 31, 2025.

We had no mortgage loan modifications during the quarters or nine months ended September 30, 2026 or 2025.

The following table provides a rollforward of the allowance for credit losses for mortgage loans.

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Beginning of balance	$ 1,352	$ 1,457	$ 1,239	$ 1,416
Additions for credit losses not previously recorded	69	17	134	86
Additions (reductions) for credit losses recorded in a previous period	(57)	(17)	(9)	(45)
End of period	$ 1,364	$ 1,457	$ 1,364	$ 1,457

Please refer to our 2025 Annual Report for additional information regarding our mortgage loans.

6. Variable Interest Entities (VIEs)

We invest in certain affordable housing and real estate joint ventures that are classified as VIEs. These VIEs are included in Real Estate in the Consolidated Balance Sheets. We also invest in certain alternative investment funds that are classified as VIEs. These VIEs are included in Other Investments and Fixed Maturity Securities in the Consolidated Balance Sheets. Please refer to our 2025 Annual Report for a full discussion of our VIEs.

We amortize the initial cost of affordable housing VIE investments in proportion to the tax credits and other tax benefits received and recognize the net investment performance in the Consolidated Statements of Comprehensive Income as a component of Income Tax Expense. The tax credits reduce tax expense while the amortization increases tax expense.

The following table provides information regarding our affordable housing VIE investments that generate tax credits and related amortization.

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Federal income tax credits realized	$ 117	—	$ 117	—
Amortization	422	23	462	70

Investments in the affordable housing and real estate joint ventures are interests that absorb portions of the VIE's expected losses. These investments also receive portions of expected residual returns of the VIE's net assets exclusive of variable interests. We make an assessment of whether we are the primary beneficiary of a VIE at the time of the initial investment and on an ongoing basis thereafter.

The following table presents the carrying amount and maximum exposure to loss relating to VIEs for which we hold a variable interest, but are not the primary beneficiary, and which had not been consolidated at September 30, 2026 and December 31, 2025. The table includes investments in three real estate joint ventures, three affordable housing real estate joint ventures, and 16 alternative investment funds at September 30, 2026. The table includes investments in three real estate joint ventures, two affordable housing real estate joint ventures, and twelve alternative investment funds at December 31, 2025.

	September 30, 2026		December 31, 2025	
	Carrying Amount	Maximum Exposure to Loss	Carrying Amount	Maximum Exposure to Loss
Real estate joint ventures	$ 3,364	$ 18,987	$ 5,372	$ 19,441
Affordable housing real estate joint ventures	2,657	2,696	792	1,269
Alternative investment funds	79,221	188,922	54,472	154,297
Total	$ 85,242	$ 210,605	$ 60,636	$ 175,007

The maximum exposure to loss relating to the real estate joint ventures, affordable housing real estate joint ventures, and alternative investment funds is equal to the carrying amounts plus any unfunded equity commitments, exposure to potential

recapture of tax credits, guarantees of debt, or other obligations of the VIE with recourse. Unfunded equity and loan commitments typically require financial or operating performance by other parties and have not yet become due or payable, but which may become due in the future.

At September 30, 2026 and December 31, 2025, we had no equity commitments outstanding to the real estate joint venture VIEs and we had no contingent commitments to fund additional equity contributions for operating support to real estate joint venture VIEs. We had unfunded commitments for additional alternative investment funds of $109.7 million at September 30, 2026 and $99.8 million at December 31, 2025. We also had an unfunded commitment for affordable housing investments of $14.1 million at September 30, 2026.

A recapture event would cause us to reverse some or all of the benefit previously recognized by us or third parties to whom the tax credit interests were transferred. A recapture event can occur at any time during a 15-year required compliance period. The principal causes of recapture include financial default and non-compliance with affordable housing program requirements by the properties controlled by the VIE. Guarantees from the managing member or managing partner in the VIE, insurance contracts, or changes in the residual value accruing to our interests in the VIE may mitigate the potential exposure due to recapture. We did not have any recapture events during the quarters or nine months ended September 30, 2026 or 2025. The maximum exposure to loss on affordable housing joint ventures included $0.1 million of losses which could be realized if the tax credits received by the VIEs were recaptured at September 30, 2026. The maximum exposure to loss on affordable housing joint ventures included $0.5 million of losses which could be realized if the tax credits received by the VIEs were recaptured at December 31, 2025.

7. Deferred Acquisition Costs, Value of Business Acquired, Intangible Asset, and Deferred Revenue Liability

Deferred Acquisition Costs

The following tables provide the disaggregated balances of and changes in deferred acquisition costs (DAC).

	Nine Months Ended September 30, 2026					
	Traditional Life	Universal Life	Variable Universal Life	Deferred Annuities	Variable Annuities	Total
Balance, beginning of year	$ 146,093	$ 70,387	$ 22,174	$ 11,217	$ 4,466	$ 254,337
Capitalization	14,524	3,854	404	930	11	19,723
Amortization	(16,984)	(6,330)	(1,780)	(1,290)	(731)	(27,115)
Balance, end of period	$ 143,633	$ 67,911	$ 20,798	$ 10,857	$ 3,746	$ 246,945

	Nine Months Ended September 30, 2025					
	Traditional Life	Universal Life	Variable Universal Life	Deferred Annuities	Variable Annuities	Total
Balance, beginning of year	$ 150,673	$ 72,631	$ 24,320	$ 11,383	$ 5,521	$ 264,528
Capitalization	13,145	3,763	279	1,334	(13)	18,508
Amortization	(16,978)	(5,353)	(1,887)	(1,433)	(829)	(26,480)
Balance, end of period	$ 146,840	$ 71,041	$ 22,712	$ 11,284	$ 4,679	$ 256,556

Value of Business Acquired and Intangible Asset

The following tables provide the disaggregated balances of and changes in value of business acquired (VOBA) and intangible asset.

	Nine Months Ended September 30, 2026					
	VOBA			Intangible Asset		
	Traditional Life	Universal Life	Total	Traditional Life	Universal Life	Total
Balance, beginning of year	$ 2,960	$ 1,540	$ 4,500	$ 3,059	$ 10,242	$ 13,301
Amortization	(550)	(418)	(968)	(276)	(714)	(990)
Balance, end of period	$ 2,410	$ 1,122	$ 3,532	$ 2,783	$ 9,528	$ 12,311

	Nine Months Ended September 30, 2025					
	VOBA			Intangible Asset		
	Traditional Life	Universal Life	Total	Traditional Life	Universal Life	Total
Balance, beginning of year	$ 3,781	$ 2,161	$ 5,942	$ 3,455	$ 11,206	$ 14,661
Amortization	(632)	(470)	(1,102)	(301)	(737)	(1,038)
Balance, end of period	$ 3,149	$ 1,691	$ 4,840	$ 3,154	$ 10,469	$ 13,623

Deferred Revenue Liability

Deferred revenue liabilities (DRL) represent the unearned revenue received from contracts as compensation for services to be provided by the Company in future periods. Such loads and charges are reported as unearned revenue in the period received and are subsequently recognized as income as contract charges over the expected life, using the same approach used to amortize DAC. However, unlike DAC, the amortization of the DRL results in the recognition of revenue rather than expense. Deferred revenue liabilities are included in Other Policyholder Funds in the Consolidated Balance Sheets.

The following tables provide the disaggregated balances of and changes in deferred revenue liability.

	Nine Months Ended September 30, 2026		
	Universal Life	Variable Universal Life	Total
Balance, beginning of year	$ 72,978	$ 1,633	$ 74,611
Unearned revenue	7,561	116	7,677
Amortization	(5,505)	(115)	(5,620)
Balance, end of period	$ 75,034	$ 1,634	$ 76,668

	Nine Months Ended September 30, 2025		
	Universal Life	Variable Universal Life	Total
Balance, beginning of year	$ 68,919	$ 1,638	$ 70,557
Unearned revenue	7,882	102	7,984
Amortization	(4,638)	(102)	(4,740)
Balance, end of period	$ 72,163	$ 1,638	$ 73,801

8. Separate Accounts

Separate account assets and liabilities arise from the sale of variable universal life insurance and variable annuity products. The separate account represents funds segregated for the benefit of certain policyholders who bear the investment risk. The assets are legally segregated and are not subject to claims which may arise from any other business of the Company. The separate account assets and liabilities, which are equal, are recorded at fair value based upon the net asset value (NAV) of the underlying investment holdings as derived from closing prices on a national exchange or as provided by the issuer. Policyholder account deposits and withdrawals, investment income, and realized investment gains and losses are excluded from the amounts reported in the Consolidated Statements of Comprehensive Income. Revenues from separate accounts consist principally of contract charges, which include maintenance charges, administrative fees, and mortality and expense charges.

We have two blocks of variable universal life policies and variable annuity contracts from which fees are received. The fees are based upon both specific transactions and the fund value of the blocks of policies. We have a direct block of ongoing business identified in the Consolidated Balance Sheets as Separate Account Assets, totaling $414.0 million at September 30, 2026 and $417.0 million at December 31, 2025, and corresponding Separate Account Liabilities of equal amounts. The fixed-rate funds for these policies of $49.8 million at September 30, 2026 and $51.7 million at December 31, 2025 are included in our general account as policyholder account balances. The liability for future policy benefits for the direct block approximated $0.1 million at both September 30, 2026 and December 31, 2025.

In addition, we have an assumed closed block of variable universal life and variable annuity business that totaled $410.0 million at September 30, 2026 and $397.3 million at December 31, 2025. As required under modified coinsurance transaction accounting, the assumed separate account fund balances are not recorded as separate accounts on our consolidated financial statements. Rather, the assumed fixed-rate funds for these policies of $32.2 million at September 30, 2026 and $32.7 million at December 31, 2025 are included in our general account as policyholder account balances. The liability for future policy benefits for the assumed block approximated $0.4 million at September 30, 2026 and $0.5 million at December 31, 2025.

The following tables provide the disaggregated balances of and changes in separate account liabilities.

	Nine Months Ended September 30, 2026		
	Variable Universal Life	Variable Annuities	Total
Balance, beginning of year	$ 157,850	$ 259,145	$ 416,995
Premiums and deposits	5,396	5,358	10,754
Policy charges	(5,024)	(3,372)	(8,396)
Surrenders and withdrawals	(7,824)	(28,248)	(36,072)
Benefit payments	(391)	(2,869)	(3,260)
Investment performance	15,354	21,566	36,920
Net transfers from (to) general account	(1,884)	(1,055)	(2,939)
Balance, end of period	$ 163,477	$ 250,525	$ 414,002
Cash surrender value [1]	$ 160,345	$ 247,525	$ 407,870

[1] Cash surrender value represents the amount of the contract holder's account balances distributable at the balance sheet date, less certain surrender charges.

	Nine Months Ended September 30, 2025		
	Variable Universal Life	Variable Annuities	Total
Balance, beginning of year	$ 147,397	$ 266,029	$ 413,426
Premiums and deposits	5,638	4,315	9,953
Policy charges	(4,982)	(3,451)	(8,433)
Surrenders and withdrawals	(5,271)	(25,267)	(30,538)
Benefit payments	(2,287)	(2,911)	(5,198)
Investment performance	18,494	29,772	48,266
Net transfers from (to) general account	723	(688)	35
Balance, end of period	$ 159,712	$ 267,799	$ 427,511
Cash surrender value [1]	$ 156,332	$ 264,342	$ 420,674

[1] Cash surrender value represents the amount of the contract holder's account balances distributable at the balance sheet date, less certain surrender charges.

9. Policyholder Liabilities

Liability for Future Policy Benefits (LFPB)

Future policy benefits are amounts payable under insurance policies, including traditional life insurance, immediate annuities with life contingencies, supplementary contracts with life contingencies, group life insurance, and accident and health insurance. These liabilities originate from new premiums and conversions from other products and are generally payable over an extended period of time.

The following tables provide the disaggregated balances of and changes in the liability for future policy benefits.

	Nine Months Ended September 30, 2026		
	Traditional Life	Payout Annuities (Life Contingent)	Total
Present value of expected net premiums:			
Balance, beginning of year	$ 1,348,378		$ 1,348,378
Beginning balance at original discount rate	1,545,329		1,545,329
Effect of changes in cash flow assumptions	(701)		(701)
Effect of actual variances from expected experience	(35,718)		(35,718)
Adjusted beginning of year balance	1,508,910		1,508,910
Issuances	62,781		62,781
Interest accrual	44,360		44,360
Net premiums collected [1]	(103,019)		(103,019)
Ending balance at original discount rate	1,513,032		1,513,032
Effect of changes in discount rate assumptions	(294,936)		(294,936)
Balance, end of period	$ 1,218,096		$ 1,218,096
Present value of expected future policy benefits:			
Balance, beginning of year	$ 2,314,180	$ 224,449	$ 2,538,629
Beginning balance at original discount rate	2,628,937	236,872	2,865,809
Effect of changes in cash flow assumptions	(752)	—	(752)
Effect of actual variances from expected experience	(40,589)	(1,825)	(42,414)
Adjusted beginning of year balance	2,587,596	235,047	2,822,643
Issuances	62,714	8,120	70,834
Interest accrual	78,180	6,749	84,929
Benefit payments	(113,658)	(20,377)	(134,035)
Ending balance at original discount rate	2,614,832	229,539	2,844,371
Effect of changes in discount rate assumptions	(499,138)	(26,267)	(525,405)
Balance, end of period	$ 2,115,694	$ 203,272	$ 2,318,966
Net present value of expected net premiums and future policy benefits	897,598	203,272	1,100,870
Other adjustments	40	—	40
Net liability for future policy benefits	897,638	203,272	1,100,910
Less: reinsurance recoverable	(298,535)	—	(298,535)
Net liability for future policy benefits, after reinsurance recoverable	$ 599,103	$ 203,272	$ 802,375
Expected future benefit payments	4,393,652	318,821	
Expected future gross premiums	3,469,056	N/A	
Revenue recognized	158,932	N/A	
Interest recognized	33,823	6,749	
Weighted average duration	11.16	7.01	
Weighted average interest accretion rate	4.30 %	3.93 %	
Weighted average current discount rate	6.32 %	6.06 %	

[1] Net premiums collected represent the portion of gross premiums collected from policyholders that is used to fund expected benefit payments.

	Nine Months Ended September 30, 2025		
	Traditional Life	Payout Annuities (Life Contingent)	Total
Present value of expected net premiums:			
Balance, beginning of year	$ 1,350,357		$ 1,350,357
Beginning balance at original discount rate	1,584,434		1,584,434
Effect of changes in cash flow assumptions	—		—
Effect of actual variances from expected experience	(28,625)		(28,625)
Adjusted beginning of year balance	1,555,809		1,555,809
Issuances	56,174		56,174
Interest accrual	45,456		45,456
Net premiums collected [1]	(99,687)		(99,687)
Ending balance at original discount rate	1,557,752		1,557,752
Effect of changes in discount rate assumptions	(182,098)		(182,098)
Balance, end of period	$ 1,375,654		$ 1,375,654
Present value of expected future policy benefits:			
Balance, beginning of year	$ 2,265,414	$ 227,536	$ 2,492,950
Beginning balance at original discount rate	2,644,140	247,141	2,891,281
Effect of changes in cash flow assumptions	—	—	—
Effect of actual variances from expected experience	(29,889)	(2,664)	(32,553)
Adjusted beginning of year balance	2,614,251	244,477	2,858,728
Issuances	57,450	7,880	65,330
Interest accrual	78,724	7,140	85,864
Benefit payments	(121,357)	(21,342)	(142,699)
Ending balance at original discount rate	2,629,068	238,155	2,867,223
Effect of changes in discount rate assumptions	(285,713)	(10,856)	(296,569)
Balance, end of period	$ 2,343,355	$ 227,299	$ 2,570,654
Net present value of expected net premiums and future policy benefits	967,701	227,299	1,195,000
Other adjustments	98	—	98
Net liability for future policy benefits	967,799	227,299	1,195,098
Less: reinsurance recoverable	(309,924)	—	(309,924)
Net liability for future policy benefits, after reinsurance recoverable	$ 657,875	$ 227,299	$ 885,174
Expected future benefit payments	4,419,020	330,157	
Expected future gross premiums	3,523,957	N/A	
Revenue recognized	154,491	N/A	
Interest recognized	33,269	7,140	
Weighted average duration	11.51	7.12	
Weighted average interest accretion rate	4.42 %	4.03 %	
Weighted average current discount rate	5.14 %	4.80 %	

[1] Net premiums collected represent the portion of gross premiums collected from policyholders that is used to fund expected benefit payments.

The following table provides a reconciliation of the disaggregated net liability for future policy benefits to the amount in the Consolidated Balance Sheets.

	September 30, 2026	December 31, 2025
Traditional Life	$ 897,638	$ 965,890
Payout Annuities (Life Contingent)	203,272	224,450
Reclass of Deferred Compensation Payout Annuities (included in Other Liabilities)	(10,359)	(10,810)
Accident and Health	26,215	24,204
Deferred Profit Liability	22,468	21,548
Universal Life Secondary Guarantees	73,140	69,378
Other	44,710	46,412
Total	$ 1,257,084	$ 1,341,072

The following tables provide the actual experience and expected experience for mortality and lapses.

	Nine Months Ended September 30, 2026		
	Actual Experience	Expected Experience	Actual to Expected
Mortality: Traditional Life	$ 101,148	$ 121,106	84 %
Surrenders: Traditional Life	10,999	10,864	101 %
Benefit payments: Payout Annuities (Life Contingent)	20,239	19,536	104 %

	Nine Months Ended September 30, 2025		
	Actual Experience	Expected Experience	Actual to Expected
Mortality: Traditional Life	$ 110,070	$ 119,622	92 %
Surrenders: Traditional Life	10,547	10,654	99 %
Benefit payments: Payout Annuities (Life Contingent)	21,326	20,110	106 %

Payout annuity benefit payments consist primarily of ordinary periodic benefit payments made to contract holders. In addition, actual experience amounts may include commuted lump sum payments elected by beneficiaries. These may have the effect of increasing the actual to expected benefit ratio as benefit elections of potentially reduced commuted amounts are not included in the model.

In the event that the present value of future benefits and expenses exceed the present value of gross premiums for a cohort, the net premium ratio is capped at 100% by increasing the corresponding liability and recognizing an immediate impact through Policyholder Benefits in the Consolidated Statements of Comprehensive Income. The LFPB is never recorded at an amount less than zero for a cohort. For the periods presented, there were certain traditional life cohorts for which net premiums exceeded gross premiums, resulting in a decrease in pretax income of $0.4 million in the first nine months of 2026 and a decrease in pretax income of $0.3 million in the first nine months of 2025.

Policyholder Account Balances

Policyholder account balances are deposit-type contracts, including universal life insurance and fixed annuity contracts, and investment-type contracts.

The following tables provide the gross disaggregated balances of and changes in policyholder account balances. Products may contain both separate account and general account fund options. Accordingly, net amount at risk and cash surrender value reported in the tables relate to the total account balance for each respective product grouping.

	Nine Months Ended September 30, 2026				
	Universal Life	Variable Universal Life	Deferred Annuities	Variable Annuities	Total
Balance, beginning of year	$ 1,005,822	$ 30,336	$ 815,174	$ 54,148	$ 1,905,480
Premiums received	75,170	(14)	34,697	693	110,546
Policy charges	(74,813)	(674)	(2,080)	(7)	(77,574)
Surrenders and withdrawals	(31,893)	(1,123)	(66,404)	(6,775)	(106,195)
Benefit payments	(16,082)	(122)	(11,488)	(1,174)	(28,866)
Net transfers from (to) separate accounts	—	2,783	—	1,056	3,839
Interest credited	35,804	1,573	19,907	1,246	58,530
Other	2,500	84	—	(14)	2,570
Balance, end of period	$ 996,508	$ 32,843	$ 789,806	$ 49,173	$ 1,868,330
Weighted-average crediting rate	3.87 %	3.68 %	3.38 %	2.90 %	3.61 %
Net amount at risk	$ 7,381,866	$ 1,976,231	N/A	N/A	$ 9,358,097
Cash surrender value	$ 962,540	$ 446,888	$ 756,525	$ 450,566	$ 2,616,519

	Nine Months Ended September 30, 2025				
	Universal Life	Variable Universal Life	Deferred Annuities	Variable Annuities	Total
Balance, beginning of year	$ 1,022,419	$ 31,253	$ 856,758	$ 59,426	$ 1,969,856
Premiums received	76,530	52	46,702	1,976	125,260
Policy charges	(74,989)	(711)	(2,098)	(8)	(77,806)
Surrenders and withdrawals	(35,760)	(1,465)	(81,931)	(6,989)	(126,145)
Benefit payments	(13,945)	(192)	(15,066)	(1,247)	(30,450)
Net transfers from (to) separate accounts	—	48	—	685	733
Interest credited	34,269	1,494	20,105	1,380	57,248
Other	2,436	(11)	116	(22)	2,519
Balance, end of period	$ 1,010,960	$ 30,468	$ 824,586	$ 55,201	$ 1,921,215
Weighted-average crediting rate	3.88 %	3.65 %	3.31 %	2.92 %	3.58 %
Net amount at risk	$ 7,603,007	$ 2,053,295	N/A	N/A	$ 9,656,302
Cash surrender value	$ 973,457	$ 420,684	$ 792,406	$ 473,485	$ 2,660,032

The following table provides a reconciliation of the disaggregated policyholder account balances to the amount in the Consolidated Balance Sheets.

	September 30, 2026	December 31, 2025
Universal Life	$ 996,508	$ 1,005,822
Variable Universal Life	32,843	30,336
Deferred Annuities	789,806	815,174
Variable Annuities	49,173	54,148
Funding Agreements	141,060	141,132
Other [1]	57,655	57,761
Total	2,067,045	2,104,373

[1] Other includes the value of embedded derivatives on interest sensitive universal life contracts and reserves on contracts not involving life contingencies.

The following tables provide the balance of account values by range of guaranteed minimum crediting rates and the related range of difference, in basis points, between rates being credited to policyholders and the respective guaranteed minimums.

	September 30, 2026				
	At Guaranteed Minimum	1 Basis Point - 50 Basis Points Above	51 Basis Points - 150 Basis Points Above	Greater Than 150 Basis Points Above	Total
Universal Life:					
0% to 3%	$ 325,369	$ 47,404	$ 58,288	$ 15,902	$ 446,963
Greater than 3% to 4%	244,887	97	—	—	244,984
Greater than 4%	304,561	—	—	—	304,561
Total	$ 874,817	$ 47,501	$ 58,288	$ 15,902	$ 996,508
Variable Universal Life:					
0% to 3%	$ 295	$ 10,845	$ 30	$ —	$ 11,170
Greater than 3% to 4%	21,673	—	—	—	21,673
Greater than 4%	—	—	—	—	—
Total	$ 21,968	$ 10,845	$ 30	$ —	$ 32,843
Deferred Annuities:					
0% to 3%	$ 251,888	$ 39,178	$ 180,983	$ 57,965	$ 530,014
Greater than 3% to 4%	233,033	—	—	—	233,033
Greater than 4%	26,725	34	—	—	26,759
Total	$ 511,646	$ 39,212	$ 180,983	$ 57,965	$ 789,806
Variable Annuities:					
0% to 3%	$ 48,162	$ 232	$ 401	$ 378	$ 49,173
Greater than 3% to 4%	—	—	—	—	—
Greater than 4%	—	—	—	—	—
Total	$ 48,162	$ 232	$ 401	$ 378	$ 49,173

	December 31, 2025				
	At Guaranteed Minimum	1 Basis Point - 50 Basis Points Above	51 Basis Points - 150 Basis Points Above	Greater Than 150 Basis Points Above	Total
Universal life:					
0% to 3%	$ 294,998	$ 67,708	$ 61,922	$ 14,149	$ 438,777
Greater than 3% to 4%	237,833	15,620	—	—	253,453
Greater than 4%	313,592	—	—	—	313,592
Total	$ 846,423	$ 83,328	$ 61,922	$ 14,149	$ 1,005,822
Variable Universal Life:					
0% to 3%	$ 316	$ 10,666	$ 24	$ —	$ 11,006
Greater than 3% to 4%	19,330	—	—	—	19,330
Greater than 4%	—	—	—	—	—
Total	$ 19,646	$ 10,666	$ 24	$ —	$ 30,336
Deferred Annuities:					
0% to 3%	$ 253,897	$ 42,416	$ 201,952	$ 37,808	$ 536,073
Greater than 3% to 4%	251,016	—	—	—	251,016
Greater than 4%	28,055	30	—	—	28,085
Total	$ 532,968	$ 42,446	$ 201,952	$ 37,808	$ 815,174
Variable Annuities:					
0% to 3%	$ 53,516	$ 283	$ 137	$ 212	$ 54,148
Greater than 3% to 4%	—	—	—	—	—
Greater than 4%	—	—	—	—	—
Total	$ 53,516	$ 283	$ 137	$ 212	$ 54,148

10. Market Risk Benefits

A market risk benefit (MRB) is a contract or contract feature in a long-duration contract issued by an insurance entity that both protects the contract holder from other-than-nominal capital market risk and exposes the insurance entity to other-than-nominal capital market risk. Market risk benefits include our guaranteed minimum withdrawal benefits (GMWB) rider and guaranteed minimum death benefit (GMDB) rider associated with variable annuity contracts.

The following table provides the balances of and changes in market risk benefits.

	Nine Months Ended September 30,	
	2026	2025
Net market risk benefit liability/(asset), beginning of year	$ (3,290)	$ (3,669)
Net market risk benefit liability/(asset), beginning of year, before effect of changes in instrument-specific credit risk	(2,749)	(2,907)
Effect of changes in interest rates	(458)	102
Effect of changes in equity markets	(462)	(566)
Effect of changes in equity index volatility	5	18
Net current period activity and other	879	547
Balance, end of period, before effect of changes in the instrument-specific credit risk	(2,785)	(2,806)
Effect of changes in the instrument-specific credit risk	(268)	(626)
Net market risk benefit liability/(asset), end of period	$ (3,053)	$ (3,432)
Net amount at risk	$ 803	$ 211
Weighted average attained age of contract holders	70	68

The following table provides a reconciliation of market risk benefits by amounts in an asset position and in a liability position to the market risk benefits amount in the Consolidated Balance Sheets.

	September 30, 2026	December 31, 2025
Asset	$ 3,109	$ 3,346
Liability	56	56
Net market risk benefit liability/(asset)	(3,053)	(3,290)

The MRB fair value is sensitive to changes in observable and unobservable inputs. Observable inputs include risk-free rates, index returns, volatilities, and correlations. Increases in risk-free rates and equity returns reduce the liability, while increases in volatilities increase the liability. Unobservable inputs include mortality, lapse, benefit utilization, and nonperformance risk adjustments. Increases in mortality, lapses, and credit spreads used for nonperformance risk reduce the fair value, while increases in benefit utilization increase the fair value.

Please refer to our 2025 Annual Report for quantitative information about the significant unobservable inputs used in the fair value measurements of MRBs. No significant updates or changes to these policies occurred during the quarter or nine months ended September 30, 2026.

11. Unpaid Claims Liability and Short-Duration Contracts

The liability for unpaid claims is included with Policy and Contract Claims and Liability for Future Policy Benefits in the Consolidated Balance Sheets. Claim adjustment expenditures are expensed as incurred and were not material in any period presented.

The following tables present activity in the accident and health portion of the unpaid claims liability for the consolidated entity and the Group Insurance segment. The activity for the Individual Insurance and the Old American segments was not material for any period presented. Classified as policy and contract claims, but excluded from these tables due to immateriality, are amounts recorded for group life, individual life, and deferred annuities.

	Consolidated			
	Quarter Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Gross liability at beginning of the period	$ 30,683	$ 32,127	$ 30,529	$ 33,751
Less reinsurance recoverable	(22,028)	(22,567)	(21,755)	(24,198)
Net liability at beginning of the period	8,655	9,560	8,774	9,553
Incurred benefits related to:				
Current year	9,542	8,343	27,623	25,084
Prior years [1]	(26)	(237)	(968)	(1,017)
Total incurred benefits	9,516	8,106	26,655	24,067
Paid benefits related to:				
Current year	8,554	8,181	22,749	20,282
Prior years	398	558	3,461	4,411
Total paid benefits	8,952	8,739	26,210	24,693
Net liability at end of the period	9,219	8,927	9,219	8,927
Reinsurance recoverable	23,268	21,772	23,268	21,772
Gross liability at end of the period	$ 32,487	$ 30,699	$ 32,487	$ 30,699

[1] The incurred benefits related to prior years' unpaid accident and health claims reflect the change in these liabilities.

	Group Insurance Segment			
	Quarter Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Gross liability at beginning of the period	$ 29,606	$ 30,623	$ 29,210	$ 31,661
Less reinsurance recoverable	(21,041)	(21,195)	(20,530)	(22,255)
Net liability at beginning of the period	8,565	9,428	8,680	9,406
Incurred benefits related to:				
Current year	9,562	8,368	27,659	25,090
Prior years [1]	(43)	(236)	(1,016)	(992)
Total incurred benefits	9,519	8,132	26,643	24,098
Paid benefits related to:				
Current year	8,580	8,213	22,805	20,315
Prior years	365	526	3,379	4,368
Total paid benefits	8,945	8,739	26,184	24,683
Net liability at end of the period	9,139	8,821	9,139	8,821
Reinsurance recoverable	22,375	20,485	22,375	20,485
Gross liability at end of the period	$ 31,514	$ 29,306	$ 31,514	$ 29,306

[1] The incurred benefits related to prior years' unpaid accident and health claims reflect the change in these liabilities.

The following table presents the reconciliation of amounts in the above tables to Policy and Contract Claims and claim reserves that are included in Liability for Future Policy Benefits as presented in the Consolidated Balance Sheets.

	September 30,	
	2026	2025
Individual Insurance Segment:		
Individual accident and health	$ 260	$ 293
Individual life	31,617	31,376
Deferred annuity	4,167	3,709
Subtotal	36,044	35,378
Group Insurance Segment:		
Group accident and health	31,514	29,306
Group life	3,306	2,685
Subtotal	34,820	31,991
Old American Segment:		
Individual accident and health	713	1,100
Individual life	8,423	9,231
Subtotal	9,136	10,331
Total	$ 80,000	$ 77,700

For short-duration contracts, incurred-but-not-reported liabilities for the group long-term disability product that were included in the liability for unpaid claims and claim adjustment expenses, net of reinsurance, totaled $0.6 million at September 30, 2026 and $0.7 million at December 31, 2025.

12. Debt

Notes Payable
We had no notes payable outstanding at September 30, 2026 or December 31, 2025.

We had unsecured revolving lines of credit with two major commercial banks that totaled $80.0 million at both September 30, 2026 and December 31, 2025, with no balances outstanding. The lines of credit are at variable interest rates based upon short-term indices maturing in June of 2027. We anticipate renewing these lines of credit as they come due. One line of credit includes a $20.0 million portion that can be unconditionally canceled by the lending institution at its discretion at any time.

The Company has access to secured borrowings through repurchase agreements with two major financial counterparties. The Company had no transactions that occurred under these agreements during the first nine months of 2026 and had no outstanding borrowings as of September 30, 2026. The Company had no transactions that occurred under these agreements during the year ended December 31, 2025 and had no outstanding borrowings as of December 31, 2025. Any borrowings drawn under these agreements require a variable interest rate based upon short-term indices and approval from the counterparty at the time of the transaction. No securities are currently pledged under these agreements.

As a member of the Federal Home Loan Bank of Des Moines (FHLB), we have the ability to borrow on a collateralized basis from the FHLB. Through this membership, we have a specific borrowing capacity based upon the amount of collateral we establish. At September 30, 2026, collateral comprised of securities and mortgages in the amount of $353.1 million, with a fair value of $312.3 million, were pledged to the FHLB, providing a borrowing capacity of $253.0 million. At December 31, 2025, collateral comprised of securities and mortgages in the amount of $363.8 million, with a fair value of $343.9 million, were pledged to the FHLB, providing a borrowing capacity of $280.1 million. The interest rates are variable and are set by the FHLB at the time of the advance. The Company's capital investment in the FHLB totaled $8.6 million at September 30, 2026 and $8.5 million at December 31, 2025 and is included in Other Investments in the Consolidated Balance Sheets. Dividends received on this capital investment totaled $0.2 million for the third quarters of 2026 and 2025. Dividends received on this capital investment totaled $0.6 million for the nine months ended September 30, 2026 and $0.5 million for the nine months ended September 30, 2025.

Funding Agreements
The Company has advance funding agreements with the FHLB. Under the agreements, the Company pledges collateral in the form of fixed maturity securities and commercial mortgage loans and receives cash, which is then reinvested, primarily into other fixed maturity securities that have a variable interest rate. Securities pledged as collateral may not be sold or re-pledged by the Company. The investments pledged and outstanding advance agreements are included in the overall borrowing capacity established with the FHLB. The maximum participation level with this program was $140.0 million at both September 30, 2026 and December 31, 2025. These agreements mature between 2029 and 2031 and are reported as Policyholder Account Balances in the Consolidated Balance Sheets. Interest is credited based on variable rates set by the FHLB.

The following table provides information regarding our funding agreements with the FHLB.

	September 30, 2026	December 31, 2025
Total obligations outstanding	$ 140,000	$ 140,000
Accrued interest	1,060	1,132

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Interest credited	$ 1,536	$ 1,858	$ 4,509	$ 5,110
Cash interest payments	1,497	1,754	4,581	4,873
Interest income on the variable rate fixed maturity securities	1,869	2,182	5,672	6,450

13. Income Taxes

Our U.S. Federal effective income tax rate was an expense of 18% in the third quarter of 2026 and an expense of 21% in the third quarter of 2025. The lower effective tax rate in the quarter was due in part to the R&D tax credit and affordable housing tax benefit. Our U.S. Federal effective income tax rate was a benefit of 19% in the first nine months of 2026 and a benefit of 33% in the first nine months of 2025.

We recorded an income tax expense of $0.4 million in the third quarter of 2026 compared to an income tax expense of $0.8 million in the third quarter of 2025. This decrease was primarily due to lower pretax income in 2026.

We recorded an income tax benefit of $3.1 million for the nine months ended September 30, 2026, compared to an income tax benefit of $10.6 million for the nine months ended September 30, 2025. The tax benefit in 2026 included a tax benefit under Section 1341 of the Internal Revenue code (Section 1341) of $6.3 million related to the payment of a legal settlement in the first quarter of 2026, partially offset by an increase in pretax income. The tax benefit in 2025 included a tax benefit of $3.8 million under Section 1341 related to a court ordered judgment payment made in 2025, as well as lower pretax income in the prior year period.

The following table provides information about U.S. Federal taxes paid.

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Cash paid (refunded) for income taxes	$ —	$ 2,000	$ (266)	$ 4,016

We had no material uncertain tax positions at September 30, 2026 or December 31, 2025.

At September 30, 2026, we had an $11.8 million current tax asset and a $42.2 million net deferred tax asset, compared to an $8.5 million current tax asset and a $27.7 million net deferred tax asset at December 31, 2025.

14. Retirement Plans

The following table provides the components of net periodic benefit credit.

	Pension Benefits		OPEB	
	Quarter Ended September 30,		Quarter Ended September 30,	
	2026	2025	2026	2025
Service cost	$ —	$ —	$ 9	$ 9
Interest cost	1,015	1,065	135	129
Expected return on plan assets	(2,377)	(2,247)	—	—
Amortization of:				
Unrecognized actuarial net loss (gain)	409	548	(376)	(451)
Unrecognized prior service credit	(16)	(16)	—	—
Net periodic benefit credit	$ (969)	$ (650)	$ (232)	$ (313)

	Pension Benefits		OPEB	
	Nine Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Service cost	$ —	$ —	$ 27	$ 27
Interest cost	3,045	3,195	405	387
Expected return on plan assets	(7,131)	(6,741)	—	—
Amortization of:				
Unrecognized actuarial net loss (gain)	1,227	1,644	(1,128)	(1,353)
Unrecognized prior service credit	(48)	(48)	—	—
Net periodic benefit credit	$ (2,907)	$ (1,950)	$ (696)	$ (939)

15. Share-Based Payment

The Kansas City Life Insurance Company Omnibus Incentive Plan (long-term incentive plan) includes a long-term incentive benefit for senior management. The long-term incentive plan includes a cash award to participants that may be paid, in part, based on the increase in the share price of our common stock through units (phantom shares) assigned by the Compensation Committee of the Board of Directors. Please refer to our 2025 Annual Report for additional information regarding this plan.

The Company made a cash payment of $1.0 million under the long-term incentive plan during the first nine months of 2026 for the three-year interval ended December 31, 2025. The Company did not make a cash payment under the long-term incentive plan during the first nine months of 2025 for the three-year interval ended December 31, 2024.

At each reporting period, an estimate of the share-based compensation expense is accrued, utilizing the share price at the period end. The cost of share-based compensation accrued as an operating expense in the third quarter of 2026 was $0.5 million, net of tax. The cost of shared-based compensation accrued as an operating expense in the first nine months of 2026 was $0.6 million, net of tax. The cost of shared-based compensation accrued as an operating expense in the third quarter of 2025 was $0.7 million, net of tax. The cost of shared-based compensation accrued as an operating expense in the first nine months of 2025 was $0.1 million, net of tax.

16. Reinsurance

We enter into traditional indemnity and financial reinsurance agreements with other insurance companies to support sales of selected new products, the profitability of in force business, and manage our statutory capital. We cede reinsurance in force on all of the following bases: automatic and facultative; yearly renewable term (YRT) and coinsurance; and excess and quota share basis.

Effective October 1, 2023, coinsurance on term life insurance policies held through Scottish Re was recaptured, resulting in the release of ceded reserves of $1.5 million. The mortality risk on this business was subsequently reinsured on a yearly renewable term (YRT) basis to one of our existing domestic reinsurance partners. The receivable for ceded reserves and premium related to the previously coinsured policies was $1.8 million at both September 30, 2026 and December 31, 2025. This receivable is recorded in Other Assets in the Consolidated Balance Sheets. The allowance for credit losses on this receivable was $0.7 million at both September 30, 2026 and at December 31, 2025.

In 2022, we ceded a block of fixed annuity business to a certified domestic reinsurer. The agreement requires Kansas City Life to administer this business on an ongoing basis, and we will receive an expense allowance associated with these efforts. At inception, Kansas City Life recorded a deferred revenue liability that is included in Other Liabilities in the Consolidated Balance Sheets. This liability is being amortized over future periods consistent with the Deposit Asset on Reinsurance. The Deposit Asset on Reinsurance is also accreted to the estimated ultimate cash flows using the interest method and the adjustment is reported as Net Investment Income in the Consolidated Statements of Comprehensive Income. Investment income recognized and interest credited on the block totaled $2.9 million in the third quarter and $8.8 million in the first nine months of 2026. Investment income recognized and interest credited on the block totaled $3.2 million in the third quarter of 2025. Investment income recognized was $9.9 million and interest credited on the block totaled $9.8 million in the first nine months of 2025. The Deposit Asset on Reinsurance balance was $303.4 million at September 30, 2026 and $329.5 million at December 31, 2025.

Old American reinsured 90% of a block of Old American whole life business, issued on or before December 31, 2024, to a certified reinsurer effective June 30, 2025 through a modified coinsurance/coinsurance agreement. We recognized the reinsurance agreement using the deposit method of accounting. In addition, under the right of offset, we offset the deposit liability with the deposit asset in the Consolidated Balance Sheets. On a statutory basis, the agreement qualifies for reinsurance accounting and the deferred gain recognized in statutory surplus was $25.7 million, net of tax, as of September 30, 2026 and $29.2 million, net of tax, as of December 31, 2025.

We monitor the financial condition of our reinsurance partners to assess the risk of default. We have a significant concentration of credit risk with RGA Reinsurance Company (RGA). We believe that all of our reinsurance recoverables from RGA are collectible as of September 30, 2026. In the event of a failure of RGA to perform its obligations under its reinsurance treaties, there could be a material impact on our financial position and results of operations.

We had a reinsurance agreement with Scottish Re, with a reinsurance recoverable for ceded claims of $3.4 million and an allowance for credit losses of $1.4 million at both September 30, 2026 and December 31, 2025. On March 6, 2019, Scottish Re was ordered into receivership for the purposes of rehabilitation by the Court of Chancery of the State of Delaware. The Receiver filed a Motion for Entry of a Liquidation and Injunction Order on July 18, 2023. We will continue to monitor the Liquidation and Injunction Order and expected recovery of the reinsurance recoverable.

17. Comprehensive Income (Loss)

Comprehensive Income (Loss) is comprised of Net Income (Loss) and Other Comprehensive Income (Loss). Other Comprehensive Income (Loss) includes the unrealized investment gains or losses on securities available for sale (net of reclassifications for realized investment gains or losses). In addition, Other Comprehensive Income (Loss) includes changes in discount rates on the liability for future policy benefits, net of reinsurance, changes in market risk benefits nonperformance risk, and the change in the liability for benefit plan obligations. Other Comprehensive Income (Loss) reflects these items net of tax.

The following tables provide information about Comprehensive Income (Loss).

	Quarter Ended September 30, 2026		
	Pre-Tax Amount	Tax Expense (Benefit)	Net-of-Tax Amount
Change in unrealized investment gains/losses	$ (118,212)	$ (24,824)	$ (93,388)
Reclassification of unrealized investment gains/losses	12	2	10
Changes in discount rates on the liability for future policy benefits, net of reinsurance	58,204	12,224	45,980
Changes in market risk benefits nonperformance risk	(133)	(28)	(105)
Other comprehensive loss	$ (60,129)	$ (12,626)	$ (47,503)
Net income			1,738
Comprehensive loss			$ (45,765)

	Quarter Ended September 30, 2025 [1]		
	Pre-Tax Amount	Tax Expense (Benefit)	Net-of-Tax Amount
Change in unrealized investment gains/losses	$ 34,309	$ 7,205	$ 27,104
Reclassification of unrealized investment gains/losses	456	95	361
Changes in discount rates on the liability for future policy benefits, net of reinsurance	(18,056)	(3,792)	(14,264)
Changes in market risk benefits nonperformance risk	(86)	(18)	(68)
Other comprehensive income	$ 16,623	$ 3,490	$ 13,133
Net income			2,833
Comprehensive income			$ 15,966

[1] Certain prior period amounts have been recast. See Note 2 - New Accounting Pronouncements for more information.

	Nine Months Ended September 30, 2026		
	Pre-Tax Amount	Tax Expense (Benefit)	Net-of-Tax Amount
Change in unrealized investment gains/losses	$ (141,364)	$ (29,686)	$ (111,678)
Reclassification of unrealized investment gains/losses	(141)	(30)	(111)
Changes in discount rates on the liability for future policy benefits, net of reinsurance	73,047	15,340	57,707
Changes in market risk benefits nonperformance risk	(273)	(57)	(216)
Other comprehensive loss	$ (68,731)	$ (14,433)	$ (54,298)
Net income			19,077
Comprehensive loss			$ (35,221)

	Nine Months Ended September 30, 2025 [1]		
	Pre-Tax Amount	Tax Expense (Benefit)	Net-of-Tax Amount
Change in unrealized investment gains/losses	$ 76,238	$ 16,010	$ 60,228
Reclassification of unrealized investment gains/losses	416	87	329
Changes in discount rates on the liability for future policy benefits, net of reinsurance	(35,893)	(7,538)	(28,355)
Changes in market risk benefits nonperformance risk	(136)	(28)	(108)
Other comprehensive income	$ 40,625	$ 8,531	$ 32,094
Net loss			(21,733)
Comprehensive income			$ 10,361

[1] Certain prior period amounts have been recast. See Note 2 - New Accounting Pronouncements for more information.

The following table provides accumulated balances related to each component of Accumulated Other Comprehensive Income (Loss) at September 30, 2026, net of tax.

	Unrealized Gain (Loss) on Securities	Liability for Future Policy Benefits [1]	Market Risk Benefits	Benefit Plan Obligations	Total
Beginning of year	$ (116,212)	$ 82,688	$ 427	$ (27,424)	$ (60,521)
Other comprehensive income (loss) before reclassification	(111,678)	57,707	(216)	—	(54,187)
Amounts reclassified from accumulated other comprehensive income (loss)	(111)	—	—	—	(111)
Net current-period other comprehensive income (loss)	(111,789)	57,707	(216)	—	(54,298)
End of period	$ (228,001)	$ 140,395	$ 211	$ (27,424)	$ (114,819)

The following table provides accumulated balances related to each component of Accumulated Other Comprehensive Income (Loss) at December 31, 2025, net of tax.

	Unrealized Gain (Loss) on Securities	Liability for Future Policy Benefits [1]	Market Risk Benefits	Benefit Plan Obligations	Total
Beginning of year	$ (172,902)	$ 102,163	$ 603	$ (33,446)	$ (103,582)
Other comprehensive income (loss) before reclassification	55,049	(19,475)	(176)	6,022	41,420
Amounts reclassified from accumulated other comprehensive income (loss)	1,641	—	—	—	1,641
Net current-period other comprehensive income (loss)	56,690	(19,475)	(176)	6,022	43,061
End of period	$ (116,212)	$ 82,688	$ 427	$ (27,424)	$ (60,521)

[1] Includes accumulated balances related to ceded reserves that are recorded in Reinsurance Recoverables in the Consolidated Balance Sheets.

The following table presents the pre-tax and the related income tax benefit (expense) components of the amounts reclassified from Accumulated Other Comprehensive Income (Loss) to the Consolidated Statements of Comprehensive Income.

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net investment gains (losses) [1]	$ (12)	$ (456)	$ 141	$ (416)
Income tax benefit (expense) [2]	2	95	(30)	87
Net of taxes	$ (10)	$ (361)	$ 111	$ (329)

[1] (Increases) decreases included in Net Investment Gains (Losses) in the Consolidated Statements of Comprehensive Income.

[2] (Increases) decreases included in Income Tax Expense (Benefit) in the Consolidated Statements of Comprehensive Income.

18. Earnings Per Share

Due to our capital structure and the absence of other potentially dilutive securities, there is no difference between basic and diluted earnings per common share for any of the periods reported. The average number of shares outstanding for each of the third quarters and nine months ended September 30, 2026 and 2025 was 9,683,414. The number of shares outstanding at both September 30, 2026 and December 31, 2025 was 9,683,414.

19. Segment Information

We have three reportable business segments, which are defined based on the nature of the products and services offered: Individual Insurance, Group Insurance, and Old American. The Individual Insurance segment consists of individual insurance products for Kansas City Life, Grange Life, and associated assumed reinsurance transactions. The Group Insurance segment consists of sales of group life, dental, vision, disability, accident, and critical illness products. The Old American segment consists of individual insurance products designed largely as final expense products.

The Company's chief operating decision maker (CODM) is the chief executive officer. The CODM assesses performance for all segments and decides how to allocate resources based on net income (loss) that is also reported on the income statement as consolidated net income (loss). The measure of segment assets is reported on the balance sheet as total consolidated assets. The CODM uses net income (loss), amongst other metrics, to assist in the evaluation of the performance of all segments, to determine plans and actions, and to direct the use of assets and capital.

Inter-segment revenues are not material. We operate solely in the United States of America and no individual customer accounts for 10% or more of our revenue.

The following tables provide information about segment revenue, measures of segment profit or loss, significant segment expenses, and a measure of segment assets.

	Quarter Ended September 30, 2026			
	Individual Insurance	Group Insurance	Old American	Consolidated
Insurance revenues	$ 39,928	$ 18,182	$ 18,649	$ 76,759
Intersegment revenues	128	—	—	128
Net investment income	38,518	127	3,949	42,594
Net investment gains (losses)	995	—	(19)	976
Other revenues	1,514	16	—	1,530
Total segment revenues	81,083	18,325	22,579	121,987
Elimination of intersegment revenues				(128)
Total revenues				121,859
Policyholder benefits	37,556	11,882	14,100	63,538
Change in market risk benefits	(45)	—	—	(45)
Interest credited to policyholder account balances	19,955	—	—	19,955
Amortization of deferred acquisition costs	4,916	—	4,175	9,091
Operating expenses:				
Salaries and benefits	10,900	1,191	2,356	14,447
Other segment items [1]	6,540	5,490	840	12,870
Operating expenses	17,440	6,681	3,196	27,317
Total segment benefits and expenses	79,822	18,563	21,471	119,856
Elimination of intersegment expense				(128)
Total benefits and expenses				119,728
Income (loss) before income tax expense (benefit)	1,261	(238)	1,108	2,131
Income tax expense (benefit)	209	(51)	235	393
Net income (loss)	$ 1,052	$ (187)	$ 873	$ 1,738
Assets	$ 4,279,888	$ 11,118	$ 446,003	$ 4,737,009

[1] Other segment items includes agency-related expenses, legal fees, depreciation, amortization, commission expenses net of capitalization, marketing expenses, professional services, and overhead expenses.

	Quarter Ended September 30, 2025 [1]			
	Individual Insurance	Group Insurance	Old American	Consolidated
Insurance revenues	$ 40,998	$ 17,364	$ 19,521	$ 77,883
Intersegment revenues	121	—	—	121
Net investment income	37,947	120	3,681	41,748
Net investment gains	2,387	—	21	2,408
Other revenues	1,464	21	—	1,485
Total segment revenues	82,917	17,505	23,223	123,645
Elimination of intersegment revenues				(121)
Total revenues				123,524
Policyholder benefits	38,850	10,006	14,739	63,595
Change in market risk benefits	(127)	—	—	(127)
Interest credited to policyholder account balances	19,851	—	—	19,851
Amortization of deferred acquisition costs	4,569	—	4,097	8,666
Operating expenses:				
Salaries and benefits	11,182	1,174	2,132	14,488
Other segment items [2]	7,116	5,406	1,063	13,585
Operating expenses	18,298	6,580	3,195	28,073
Total segment benefits and expenses	81,441	16,586	22,031	120,058
Elimination of intersegment expense				(121)
Total benefits and expenses				119,937
Income before income tax expense	1,476	919	1,192	3,587
Income tax expense	308	194	252	754
Net income	$ 1,168	$ 725	$ 940	$ 2,833
Assets	$ 4,493,075	$ 10,563	$ 466,441	$ 4,970,079

[1] Certain prior period amounts have been recast. See Note 2 - New Accounting Pronouncements for more information.

[2] Other segment items includes agency-related expenses, legal fees, depreciation, amortization, commission expenses net of capitalization, marketing expenses, professional services, and overhead expenses.

	Nine Months Ended September 30, 2026			
	Individual Insurance	Group Insurance	Old American	Consolidated
Insurance revenues	$ 120,362	$ 53,831	$ 56,330	$ 230,523
Intersegment revenues	382	—	—	382
Net investment income	111,816	381	11,584	123,781
Net investment gains (losses)	6,764	—	(28)	6,736
Other revenues	4,459	52	—	4,511
Total segment revenues	243,783	54,264	67,886	365,933
Elimination of intersegment revenues				(382)
Total revenues				365,551
Policyholder benefits	106,914	32,563	42,040	181,517
Change in market risk benefits	(36)	—	—	(36)
Interest credited to policyholder account balances	59,593	—	—	59,593
Amortization of deferred acquisition costs	14,737	—	12,378	27,115
Operating expenses:				
Salaries and benefits	30,598	3,790	6,763	41,151
Other segment items [1]	21,120	16,179	3,278	40,577
Operating expenses	51,718	19,969	10,041	81,728
Total segment benefits and expenses	232,926	52,532	64,459	349,917
Elimination of intersegment expense				(382)
Total benefits and expenses				349,535
Income before income tax expense (benefit)	10,857	1,732	3,427	16,016
Income tax expense (benefit)	(4,149)	363	725	(3,061)
Net income	$ 15,006	$ 1,369	$ 2,702	$ 19,077
Assets	$ 4,279,888	$ 11,118	$ 446,003	$ 4,737,009

[1] Other segment items includes agency-related expenses, legal fees, depreciation, amortization, commission expenses net of capitalization, marketing expenses, professional services, and overhead expenses.

	Nine Months Ended September 30, 2025 [1]			
	Individual Insurance	Group Insurance	Old American	Consolidated
Insurance revenues	$ 122,192	$ 52,672	$ 58,853	$ 233,717
Intersegment revenues	361	—	—	361
Net investment income	110,814	359	10,782	121,955
Net investment gains	3,833	—	45	3,878
Other revenues	4,306	68	—	4,374
Total segment revenues	241,506	53,099	69,680	364,285
Elimination of intersegment revenues				(361)
Total revenues				363,924
Policyholder benefits	106,530	30,297	45,122	181,949
Change in market risk benefits	101	—	—	101
Interest credited to policyholder account balances	58,299	—	—	58,299
Amortization of deferred acquisition costs	13,782	—	12,698	26,480
Operating expenses:				
Salaries and benefits	29,773	3,723	6,424	39,920
Legal settlement accrual	45,000	—	—	45,000
Other segment items [2]	25,794	16,177	2,902	44,873
Operating expenses	100,567	19,900	9,326	129,793
Total segment benefits and expenses	279,279	50,197	67,146	396,622
Elimination of intersegment expense				(361)
Total benefits and expenses				396,261
Income (loss) before income tax expense (benefit)	(37,773)	2,902	2,534	(32,337)
Income tax expense (benefit)	(11,747)	610	533	(10,604)
Net income (loss)	$ (26,026)	$ 2,292	$ 2,001	$ (21,733)
Assets	$ 4,493,075	$ 10,563	$ 466,441	$ 4,970,079

[1] Certain prior period amounts have been recast. See Note 2 - New Accounting Pronouncements for more information.

[2] Other segment items includes agency-related expenses, legal fees, depreciation, amortization, commission expenses net of capitalization, marketing expenses, professional services, and overhead expenses.

20. Commitments, Regulatory Matters, Guarantees, and Indemnifications

Commitments

In the normal course of business, we have open purchase and sale commitments.

We had unfunded commitments for additional private alternative investment funds of $109.7 million at September 30, 2026 and $99.8 million at December 31, 2025. We also had an unfunded commitment for affordable housing investments of $14.1 million at September 30, 2026.

We had purchase commitments to fund mortgage loans of $7.2 million at September 30, 2026 and $17.2 million at December 31, 2025. Subsequent to September 30, 2026, we entered into commitments to fund additional mortgage loans of $1.8 million and real estate of $5.6 million.

Regulatory Matters

We are subject to regular reviews and inspections by state and federal regulatory authorities. State insurance examiners - or independent audit firms engaged by such examiners - may, from time to time, conduct examinations or investigations into industry practices and customer complaints. A regulatory violation discovered during a review, inspection, or investigation could result in a wide range of remedies that could include the imposition of sanctions against us or our employees, which could have a material adverse effect on our financial statements. In 2025, the Missouri Department of Insurance completed an examination based upon our statutory financial statements for the year ended December 31, 2023 for Kansas City Life and Old American. The Ohio Department of Insurance completed an examination based upon our statutory financial statements for the year ended December 31, 2023 for Grange Life Insurance Company. No examination findings or financial adjustments were required as a result of those examinations.

Guarantees and Indemnifications

We are subject to various indemnification obligations issued in conjunction with certain transactions, primarily assumption reinsurance agreements, stock purchase agreements, mortgage servicing agreements, tax credit assignment agreements, construction and lease guarantees, and funding and borrowing agreements whose terms range in duration and often are not explicitly defined. Generally, a maximum obligation is not explicitly stated. Therefore, the overall maximum amount of the obligation under the indemnifications cannot be reasonably estimated. We are unable to estimate with certainty the ultimate legal and financial liability with respect to these indemnifications. We believe that the likelihood is remote that material payments would be required under such indemnifications and, therefore, such indemnifications would not result in a material adverse effect on our financial position or financial statements.

21. Contingent Liabilities

On March 6, 2019, the Delaware Department of Insurance requested Scottish Re (US) be placed in rehabilitation. Kansas City Life had ceded some of its business to Scottish Re (US), a subsidiary of Scottish Re Group. On July 18, 2023, the Court entered a Liquidation and Injunction Order (the "Order") detailing the termination of Scottish Re (US)'s existing reinsurance contracts and providing for a liquidation of its assets. We have established an allowance for credit losses related to the reinsurance receivables related to our agreements with Scottish Re (US). We will continue to closely monitor developments related to the distribution of assets by the receiver as we evaluate the allowance for credit losses related to these reinsurance receivables in future financial periods. For additional information, please see Note 16 - Reinsurance.

We are also involved in various pending or threatened legal proceedings arising from the conduct of business both in the ordinary course and otherwise. In some of the matters, very large and/or indeterminate amounts, including punitive and treble damages, are sought.

Due to the unpredictable nature of litigation, the probable outcome of a litigation matter and the amount or range of potential loss can be difficult to ascertain. We accrue liabilities for litigation and other loss contingencies when available information indicates both that a loss is probable and the amount of the loss can be reasonably estimated. If a range of loss is estimated, and some amount within that range appears to be a better estimate than any other amount within that range, then that amount is accrued. If no amount within the range can be identified as a better estimate than any other amount, we accrue the minimum amount in the range.

For such matters where a loss is believed to be reasonably possible, but not probable, or the loss cannot be reasonably estimated, no accrual has been made. It is possible that such matters could require us to pay damages or make other expenditures or establish accruals in amounts that could not be reasonably estimated as of September 30, 2026. While the potential future liabilities could be material in the particular quarterly or annual periods in which they are recorded, based on information currently known by management, we do not believe any such liabilities are likely to have a material adverse effect on our business and our consolidated financial position, results of operations and cash flows.

22. Subsequent Events

We evaluated events that occurred subsequent to September 30, 2026 through October 30, 2026, the date the consolidated financial statements were issued, and have identified the following subsequent events.

Effective October 1, 2026, Grange Life was merged into Kansas City Life. The merger did not have an impact on our consolidated financial statements.

On October 26, 2026, the Kansas City Life Board of Directors declared a quarterly dividend of $0.18 per share, payable on November 11, 2026 to stockholders of record on November 5, 2026.

There have been no other subsequent events that occurred during such period that require disclosure in, or adjustment to, the consolidated financial statements as of and for the quarter or nine months ended September 30, 2026.