

Kansas City Life Insurance Company

Selected Financial Information

2015



KANSAS CITY LIFE

Includes our subsidiaries:

Sunset Life Insurance Company of America

Old American Insurance Company

Sunset Financial Services, Inc.

Post Office Box 219139

Kansas City, Missouri 64121-9139

Listing: OTCQX

Stock Symbol:KCLI

www.kclife.com



1115-4Q15

Kansas City Life Insurance Company
Consolidated Balance Sheets
(amounts in thousands, except share data)

	December 31	
	2015	2014
ASSETS		
Investments:		
Fixed maturity securities available for sale, at fair value	\$ 2,580,845	\$ 2,726,731
Equity securities available for sale, at fair value	25,325	24,881
Mortgage loans	589,960	541,180
Real estate	168,097	181,082
Policy loans	81,392	83,553
Short-term investments	22,474	39,107
Other investments	380	462
Total investments	3,468,473	3,596,996
Cash	7,851	11,011
Accrued investment income	33,023	33,078
Deferred acquisition costs	267,936	249,195
Reinsurance recoverables	198,834	194,425
Property and equipment	16,580	17,527
Other assets	56,252	63,134
Separate account assets	372,924	406,501
Total assets	\$ 4,421,873	\$ 4,571,867
LIABILITIES		
Future policy benefits	\$ 926,385	\$ 930,761
Policyholder account balances	2,056,126	2,072,041
Policy and contract claims	37,959	37,452
Other policyholder funds	174,353	165,062
Other liabilities	190,295	217,291
Separate account liabilities	372,924	406,501
Total liabilities	3,758,042	3,829,108
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	41,007
Retained earnings	856,196	838,508
Accumulated other comprehensive income (loss)	(15,210)	23,040
Treasury stock, at cost (2015 - 8,813,266 shares; 2014 - 7,671,475 shares)	(241,301)	(182,917)
Total stockholders' equity	663,831	742,759
Total liabilities and stockholders' equity	\$ 4,421,873	\$ 4,571,867



Kansas City Life Insurance Company
Consolidated Statements of Comprehensive Income

(amounts in thousands, except share data)

	Year Ended December 31	
	2015	2014
REVENUES		
Insurance revenues:		
Net premiums	\$ 160,175	\$ 165,548
Contract charges	112,030	118,649
Total insurance revenues	272,205	284,197
Investment revenues:		
Net investment income	157,150	164,968
Net realized investment gains, excluding other-than-temporary impairment losses	6,248	4,902
Net impairment losses recognized in earnings:		
Total other-than-temporary impairment losses	(2,189)	(2,176)
Portion of impairment losses recognized in other comprehensive income (loss)	(292)	643
Net other-than-temporary impairment losses recognized in earnings	(2,481)	(1,533)
Total investment revenues	160,917	168,337
Other revenues	7,729	12,485
Total revenues	440,851	465,019
 BENEFITS AND EXPENSES		
Policyholder benefits	198,721	202,946
Interest credited to policyholder account balances	74,326	76,463
Amortization of deferred acquisition costs	28,348	40,888
Operating expenses	97,260	101,738
Total benefits and expenses	398,655	422,035
Income before income tax expense	42,196	42,984
Income tax expense	12,970	12,994
NET INCOME	\$ 29,226	\$ 29,990
 COMPREHENSIVE INCOME (LOSS), NET OF TAXES		
Change in net unrealized gains on securities available for sale, net of DAC, VOBA, and DRL	\$ (43,803)	\$ 31,641
Change in future policy benefits	4,913	(6,928)
Change in policyholder account balances	276	(242)
Change in benefit plan obligations	364	(15,601)
Other comprehensive income (loss)	(38,250)	8,870
COMPREHENSIVE INCOME (LOSS)	\$ (9,024)	\$ 38,860
 Basic and diluted earnings per share:		
Net income	\$ 2.75	\$ 2.74

