

# Kansas City Life Insurance Company

## Selected Financial Information

### 2017



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](http://www.kclife.com)



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

	December 31	
	2017	2016
<b>ASSETS</b>		
Investments:		
Fixed maturity securities available for sale, at fair value	\$ 2,535,064	\$ 2,530,907
Equity securities available for sale, at fair value	20,770	23,996
Mortgage loans	649,542	630,889
Real estate	193,219	195,621
Policy loans	78,175	79,893
Short-term investments	32,195	27,526
Other investments	2,424	1,388
Total investments	3,511,389	3,490,220
Cash	9,504	9,630
Accrued investment income	31,119	31,586
Deferred acquisition costs	277,182	271,089
Reinsurance recoverables	185,647	187,941
Property and equipment	10,493	15,853
Other assets	85,524	69,838
Separate account assets	419,812	373,256
Total assets	\$ 4,530,670	\$ 4,449,413
<b>LIABILITIES</b>		
Future policy benefits	\$ 953,239	\$ 943,643
Policyholder account balances	2,051,311	2,051,728
Policy and contract claims	36,503	34,553
Other policyholder funds	172,850	178,806
Other liabilities	159,800	181,844
Separate account liabilities	419,812	373,256
Total liabilities	3,793,515	3,763,830
<b>STOCKHOLDERS' EQUITY</b>		
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	908,022	868,054
Accumulated other comprehensive income (loss)	6,288	(5,316)
Treasury stock, at cost (2017 and 2016 - 8,813,266 shares)	(241,301)	(241,301)
Total stockholders' equity	737,155	685,583
Total liabilities and stockholders' equity	\$ 4,530,670	\$ 4,449,413



**Kansas City Life Insurance Company**  
**Consolidated Statements of Comprehensive Income**  
(amounts in thousands, except share data)

	Year Ended December 31	
	2017	2016
<b>REVENUES</b>		
Insurance revenues:		
Net premiums	\$ 179,936	\$ 171,819
Contract charges	114,017	111,134
Total insurance revenues	293,953	282,953
Investment revenues:		
Net investment income	145,825	150,608
Net realized investment gains, excluding other-than-temporary impairment losses	4,518	5,509
Net impairment losses recognized in earnings:		
Total other-than-temporary impairment losses	—	(563)
Portion of impairment losses recognized in other comprehensive income	(7)	(57)
Net other-than-temporary impairment losses recognized in earnings	(7)	(620)
Total investment revenues	150,336	155,497
Other revenues	6,413	6,572
Total revenues	450,702	445,022
<b>BENEFITS AND EXPENSES</b>		
Policyholder benefits	210,799	211,866
Interest credited to policyholder account balances	72,921	72,814
Amortization of deferred acquisition costs	34,721	27,833
Operating expenses	102,892	101,465
Total benefits and expenses	421,333	413,978
Income before income tax expense (benefit)	29,369	31,044
Income tax expense (benefit)	(22,172)	8,728
<b>NET INCOME</b>	<b>\$ 51,541</b>	<b>\$ 22,316</b>
<b>COMPREHENSIVE INCOME, NET OF TAXES</b>		
Change in net unrealized gains (losses) on securities available for sale <sup>1</sup>	\$ 2,042	\$ (288)
Change in future policy benefits	1,942	(1,960)
Change in policyholder account balances	66	(10)
Change in benefit plan obligations	6,439	12,152
Other comprehensive income	10,489	9,894
<b>COMPREHENSIVE INCOME</b>	<b>\$ 62,030</b>	<b>\$ 32,210</b>
Basic and diluted earnings per share:		
Net income	\$ 5.32	\$ 2.30

<sup>1</sup> Net of related adjustments to policyholder account balances, future policy benefits, deferred acquisition costs, value of business acquired, and deferred revenue liability.

