Kansas City Life Insurance Company Selected Financial Information 2018



Includes our subsidiaries:

Sunset Life Insurance Company of America Old American Insurance Company Sunset Financial Services, Inc. Grange Life Insurance Company

Post Office Box 219139 Kansas City, Missouri 64121-9139 Listing: OTCQX Stock Symbol: KCLI www.kclife.com



Kansas City Life Insurance Company Consolidated Balance Sheets

(amounts in thousands, except share data)

ASSETS 2018 2017 Investments: S. 2,704,079 \$ 2,535,064 Equity securities, at fair value 14,424 20,770 Mortgage loans 163,559 469,542 Real estate 186,064 78,175 Policy loans 88,066 78,175 Short-term investments 3,871,12 32,195 Other investments 3,597,189 3,131,89 Total investments 3,697,189 3,513,89 Cash 31,689 3,513,89 Accrued investment income 31,535 31,119 Defered acquisition costs 291,168 277,182 Reinsurance recoverables 366,196 277,182 Other assets 179,975 96,017 Sparate account assets 373,341 419,812 Total assets 3,279,188 2,83,000 Policyholder account balances 2,261,800 2,951,311 Policy policy bnefits 47,274 36,500 Other policybnolder funds 174,984 172,800 Other policybnolder fu		December 31	
Priced maturity securities available for sale, at fair value		2018	2017
Fixed maturity securities available for sale, at fair value \$2,704,077 \$2,535,064 Equity securities, at fair value 14,424 20,770 Mortgage loans 639,555 649,542 Real estate 186,994 193,219 Policy loans 88,066 78,175 Short-term investments 58,712 32,195 Other investments 5,555 2,424 Total investments 31,689 9,504 Cash 31,689 9,504 Accrued investment income 31,535 31,119 Deferred acquisition costs 291,168 277,182 Reinsurance recoverables 36,619 185,647 Other assets 179,975 96,017 Separate account assets 179,975 96,017 Total assets 1,279,034 \$953,239 Policy policy benefits 1,279,034 \$953,239 Policy policy benefits 1,279,034 36,030 Policy and contract claims 47,27 36,503 Other policy bleef funds 1,42,94 159,800 <th>ASSETS</th> <th></th> <th></th>	ASSETS		
Equity securities, at fair value 14,424 20,70 de 1,00	Investments:		
Mortgage loans 639,559 649,542 Real estate 186,944 193,219 Policy loans 88,066 78,175 Short-term investments 5,351 2,242 Other investments 5,355 2,242 Total investments 31,639 9,504 Accrued investment income 31,535 31,119 Deferred acquisition costs 291,168 277,82 Reinsurance recoverables 366,196 187,842 Other assets 379,975 96,017 Other assets 373,734 419,812 Total assets 3,279,034 953,239 Puture policy benefits \$1,279,034 953,239 Policy and contract claims \$1,279,034 953,239 Other policy benefits \$1,279,034 172,880 Other policy funds \$1,279,034 172,880 Other policy funds \$1,289,000 3,93,131 Other policy funds \$1,289,000 3,93,131 Total liabilities \$2,261,860 3,73,731 Total liabilities	Fixed maturity securities available for sale, at fair value	\$ 2,704,079	\$ 2,535,064
Real estate 186,94 193,219 Policy loans 88,066 78,175 Short-term investments 58,712 32,095 Other investments 3,697,189 35,11,389 Total investments 3,697,189 35,11,389 Cash 31,639 9,504 Accrued investment income 31,535 31,119 Deferred acquisition costs 291,168 277,182 Reinsurance recoverables 366,196 185,647 Other assets 373,734 419,812 Total assets 373,734 419,812 Total assets 2,261,860 2051,311 Policy benefits 12,279,034 953,239 Policy and contract claims 2,261,860 2051,311 Policy and contract claims 47,274 36,503 Other policy benefits 174,284 175,805 Other liabilities 34,274 36,503 Other policy holder funds 174,284 175,806 Other liabilities 333,734 419,812 Total liabilities	Equity securities, at fair value	14,424	20,770
Policy loans 88,066 78,175 Short-term investments 58,712 32,195 Other investments 5,355 2,424 Total investments 3,697,189 3,511,389 Cash 31,689 9,504 Accrued investment income 31,535 31,119 Deferred acquisition costs 291,168 277,182 Reinsurance recoverables 366,196 185,647 Other assets 179,975 96,017 Separate account assets 373,734 419,812 Total assets 373,734 419,812 Policy benefits \$1,279,034 \$953,239 Policy policy flority funds 174,984 172,850 Other policy holder funds 174,984 172,850 Other liabilities 373,734 419,812 Separate account liabilities 373,734 419,812	Mortgage loans	639,559	649,542
Short-term investments 58,712 32,195 Other investments 5,355 2,424 Total investments 3,697,189 3,511,389 Cash 31,689 9,504 Accrued investment income 31,535 31,119 Deferred acquisition costs 291,168 277,182 Reinsurance recoverables 369,09 48,667 Other assets 169,975 96,017 Other assets 373,734 419,812 Exparate account assets 373,734 49,812 Total assets 1,279,034 953,239 Policy policy benefits 1,279,034 953,239 Policy and contract claims 4,727 36,503 Other policy bolder funds 174,984 172,850 Other policy bolder funds 174,984 172,850 Other policy bolder funds 373,734 419,812 Other policy bolder funds 373,734 419,812 Total liabilities 373,734 419,812 Total liabilities 2,25,124 373,734 419,812	Real estate	186,994	193,219
Other investments 5,355 2,424 Total investments 3,697,189 3,511,389 Cash 31,689 9,504 Accrued investment income 31,535 31,119 Deferred acquisition costs 291,168 277,182 Reinsurance recoverables 366,196 185,647 Other assets 373,734 419,812 Separate account assets 373,734 419,812 Total assets 1,279,034 5,530,670 Ethure policy benefits 1,279,034 953,239 Policy and contract claims 47,274 36,503 Other policyholder funds 174,984 172,850 Other policyholder funds 174,984 172,850 Other policyholder funds 373,734 419,812 Total liabilities 373,734 419,812 Total liabilities 373,734 419,812 Total liabilities 373,734 419,812 Total liabilities 23,121 23,121 Total liabilities 23,121 23,121 <t< td=""><td>Policy loans</td><td>88,066</td><td>78,175</td></t<>	Policy loans	88,066	78,175
Total investments 3,697,189 3,513,389 Cash 31,689 9,504 Accrued investment income 31,535 31,119 Deferred acquisition costs 291,168 277,182 Reinsurance recoverables 366,196 185,647 Other assets 179,975 96,017 Separate account assets 373,734 419,812 Total assets \$ 4,971,486 \$ 4,530,670 LIABILITIES Future policy benefits \$ 1,279,034 \$ 953,239 Policy and contract claims 47,274 36,503 Other policy bolder funds 174,984 172,850 Other policy holder funds 174,984 172,850 Other liabilities 373,734 419,812 Separate account liabilities 373,734 419,812 Total liabilities 373,734 419,812 Total liabilities 373,734 419,812 Total liabilities 373,734 419,812 Additional paid in capital 41,025 41,025 Additional paid in capital	Short-term investments	58,712	32,195
Cash 31,689 9,504 Accrued investment income 31,535 31,119 Deferred acquisition costs 291,168 277,182 Reinsurance recoverables 366,196 185,647 Other assets 179,975 96,017 Separate account assets 373,734 419,812 Total assets \$4,971,486 \$4530,670 LIABILITIES Future policy benefits \$1,279,034 \$953,239 Policyholder account balances 2,261,860 2,051,311 Policy and contract claims 47,274 36,503 Other policyholder funds 174,984 172,880 Other liabilities 373,734 419,812 Separate account liabilities 373,734 419,812 Total liabilities 33,121 23,121 Additional paid in capital	Other investments	5,355	2,424
Accrued investment income 31,335 31,119 Deferred acquisition costs 291,168 277,182 Reinsurance recoverables 366,196 185,647 Other assets 179,975 96,017 Separate account assets 373,734 419,812 Total assets \$4,971,486 \$4,530,670 LIABILITIES Future policy benefits \$1,279,034 \$953,239 Policy and contract claims 47,274 36,503 Other policy benefits 174,984 172,850 Other policy holder funds 174,984 172,850 Other liabilities 142,894 159,800 Separate account liabilities 373,734 419,812 Total liabilities 373,734 419,812 Total liabilities 373,734 419,812 Tomon stock, par value \$1.25 per share 23,121 23,121 Additional paid in capital 41,025 41,025 Additional paid in capital 41,025 41,025 Retained earnings 914,411 908,022	Total investments	3,697,189	3,511,389
Deferred acquisition costs 291,168 277,182 Reinsurance recoverables 366,196 185,647 Other assets 179,975 96,017 Separate account assets 373,734 419,812 Total assets \$4,971,486 \$4,530,670 ENUTY ENUT	Cash	31,689	9,504
Reinsurance recoverables 366,196 185,647 Other assets 179,975 96,017 Separate account assets 373,734 419,812 Total assets \$4,971,486 \$4,530,670 LIABILITIES Future policy benefits \$1,279,034 \$953,239 Policy and contract claims 47,274 36,503 Other policyholder funds 174,984 172,850 Other liabilities 373,734 419,812 Separate account liabilities 373,734 419,812 Total liabilities 373,734 419,812 STOCKHOLDERS' EQUITY Common stock, par value \$1.25 per share 23,121 23,121 Authorized 36,000,000 shares, issued 18,496,680 shares 23,121 23,121 Additional paid in capital 41,025 41,025 Retained earnings 914,411 908,022 Accumulated other comprehensive income (loss) (45,550) 6,288 Treasury stock, at cost (2018 and 2017 - 8,813,266 shares) (241,301) (241,301) Total stockholders' equity 691,706 <td>Accrued investment income</td> <td>31,535</td> <td>31,119</td>	Accrued investment income	31,535	31,119
Other assets 179,975 96,017 Separate account assets 373,734 419,812 Total assets \$ 4,971,486 \$ 4,530,670 LIABILITIES Future policy benefits \$ 1,279,034 \$ 953,239 Policy benefits \$ 2,261,860 2,051,311 Policy and contract claims 47,274 36,503 Other policyholder funds 174,984 172,850 Other liabilities 142,894 159,800 Separate account liabilities 373,734 419,812 Total liabilities 373,734 419,812 STOCKHOLDERS' EQUITY 2 2 Common stock, par value \$1,25 per share 23,121 23,121 Authorized 36,000,000 shares, issued 18,496,680 shares 23,121 23,121 Additional paid in capital 41,025 41,025 Retained earnings 914,411 908,022 Accumulated other comprehensive income (loss) (45,550) 6,288 Treasury stock, at cost (2018 and 2017 - 8,813,266 shares) (241,301) (241,301) Total stockholders' equity<	Deferred acquisition costs	291,168	277,182
Separate account assets 373,734 419,812 Total assets 4,971,486 4,530,670 LIABILITIES Future policy benefits \$1,279,034 953,239 Policy holder account balances 2,261,860 2,051,311 Policy and contract claims 47,274 36,503 Other policyholder funds 174,984 172,850 Other liabilities 142,894 159,800 Separate account liabilities 373,734 419,812 Total liabilities 373,734 419,812 STOCKHOLDERS' EQUITY 2 4,279,780 3,793,515 STOCKHOLDERS' EQUITY 2 23,121 23,121 Authorized 36,000,000 shares, issued 18,496,680 shares 23,121 23,121 Auditional paid in capital 41,025 41,025 Retained earnings 914,411 908,022 Accumulated other comprehensive income (loss) (45,550) 6,288 Treasury stock, at cost (2018 and 2017 - 8,813,266 shares) 2(241,301) 2(241,301) 737,155	Reinsurance recoverables	366,196	185,647
Total assets \$ 4,971,486 \$ 4,530,670 LIABILITIES Future policy benefits \$ 1,279,034 \$ 953,239 Policy holder account balances 2,261,860 2,051,311 Policy and contract claims 47,274 36,503 Other policyholder funds 174,984 172,850 Other liabilities 142,894 159,800 Separate account liabilities 373,734 419,812 Total liabilities 373,734 419,812 Common stock, par value \$1.25 per share 23,121 23,121 Authorized 36,000,000 shares, issued 18,496,680 shares 23,121 23,121 Additional paid in capital 41,025 41,025 Retained earnings 914,411 908,022 Accumulated other comprehensive income (loss) (45,550) 6,288 Treasury stock, at cost (2018 and 2017 - 8,813,266 shares) (241,301) (241,301) Total stockholders' equity 691,706 737,155	Other assets	179,975	96,017
LIABILITIES Future policy benefits \$ 1,279,034 \$ 953,239 Policyholder account balances 2,261,860 2,051,311 Policy and contract claims 47,274 36,503 Other policyholder funds 174,984 172,850 Other liabilities 142,894 159,800 Separate account liabilities 373,734 419,812 Total liabilities 4,279,780 3,793,515 STOCKHOLDERS' EQUITY Common stock, par value \$1.25 per share 23,121 23,121 Additional paid in capital 41,025 41,025 Retained earnings 914,411 908,022 Accumulated other comprehensive income (loss) (45,550) 6,288 Treasury stock, at cost (2018 and 2017 - 8,813,266 shares) (241,301) (241,301) Total stockholders' equity 691,706 737,155	Separate account assets	373,734	419,812
Future policy benefits \$ 1,279,034 \$ 953,239 Policyholder account balances 2,261,860 2,051,311 Policy and contract claims 47,274 36,503 Other policyholder funds 174,984 172,850 Other liabilities 142,894 159,800 Separate account liabilities 373,734 419,812 Total liabilities 4,279,780 3,793,515 STOCKHOLDERS' EQUITY Common stock, par value \$1.25 per share 23,121 23,121 Additional paid in capital 41,025 41,025 Additional paid in capital 41,025 41,025 Retained earnings 914,411 908,022 Accumulated other comprehensive income (loss) (45,550) 6,288 Treasury stock, at cost (2018 and 2017 - 8,813,266 shares) (241,301) (241,301) Total stockholders' equity 691,706 737,155	Total assets	\$ 4,971,486	\$ 4,530,670
Policyholder account balances 2,261,860 2,051,311 Policy and contract claims 47,274 36,503 Other policyholder funds 174,984 172,850 Other liabilities 142,894 159,800 Separate account liabilities 373,734 419,812 Total liabilities 4,279,780 3,793,515 STOCKHOLDERS' EQUITY Common stock, par value \$1.25 per share 23,121 23,121 Additional paid in capital 41,025 41,025 Additional paid in capital 41,025 41,025 Retained earnings 914,411 908,022 Accumulated other comprehensive income (loss) (45,550) 6,288 Treasury stock, at cost (2018 and 2017 - 8,813,266 shares) (241,301) (241,301) Total stockholders' equity 691,706 737,155	LIABILITIES		
Policyholder account balances 2,261,860 2,051,311 Policy and contract claims 47,274 36,503 Other policyholder funds 174,984 172,850 Other liabilities 142,894 159,800 Separate account liabilities 373,734 419,812 Total liabilities 4,279,780 3,793,515 STOCKHOLDERS' EQUITY Common stock, par value \$1.25 per share 23,121 23,121 Additional paid in capital 41,025 41,025 Additional paid in capital 41,025 41,025 Retained earnings 914,411 908,022 Accumulated other comprehensive income (loss) (45,550) 6,288 Treasury stock, at cost (2018 and 2017 - 8,813,266 shares) (241,301) (241,301) Total stockholders' equity 691,706 737,155	Future policy benefits	\$ 1,279,034	\$ 953,239
Policy and contract claims 47,274 36,503 Other policyholder funds 174,984 172,850 Other liabilities 142,894 159,800 Separate account liabilities 373,734 419,812 Total liabilities 4,279,780 3,793,515 STOCKHOLDERS' EQUITY Common stock, par value \$1.25 per share 23,121 23,121 Authorized 36,000,000 shares, issued 18,496,680 shares 23,121 23,121 Additional paid in capital 41,025 41,025 Retained earnings 914,411 908,022 Accumulated other comprehensive income (loss) (45,550) 6,288 Treasury stock, at cost (2018 and 2017 - 8,813,266 shares) (241,301) (241,301) Total stockholders' equity 691,706 737,155	Policyholder account balances		
Other liabilities 142,894 159,800 Separate account liabilities 373,734 419,812 Total liabilities 4,279,780 3,793,515 STOCKHOLDERS' EQUITY Common stock, par value \$1.25 per share Authorized 36,000,000 shares, issued 18,496,680 shares Additional paid in capital 41,025 41,025 Retained earnings 914,411 908,022 Accumulated other comprehensive income (loss) (45,550) 6,288 Treasury stock, at cost (2018 and 2017 - 8,813,266 shares) (241,301) (241,301) Total stockholders' equity 691,706 737,155	Policy and contract claims		
Separate account liabilities 373,734 419,812 Total liabilities 4,279,780 3,793,515 STOCKHOLDERS' EQUITY Common stock, par value \$1.25 per share Authorized 36,000,000 shares, issued 18,496,680 shares Additional paid in capital 41,025 41,025 Retained earnings 914,411 908,022 Accumulated other comprehensive income (loss) (45,550) 6,288 Treasury stock, at cost (2018 and 2017 - 8,813,266 shares) (241,301) (241,301) Total stockholders' equity 691,706 737,155	Other policyholder funds	174,984	172,850
Total liabilities 4,279,780 3,793,515 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 914,411 908,022 Accumulated other comprehensive income (loss) (45,550) 6,288 Treasury stock, at cost (2018 and 2017 - 8,813,266 shares) (241,301) (241,301) Total stockholders' equity 691,706 737,155	Other liabilities	142,894	159,800
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 914,411 908,022 Accumulated other comprehensive income (loss) (45,550) 6,288 Treasury stock, at cost (2018 and 2017 - 8,813,266 shares) (241,301) (241,301) Total stockholders' equity 691,706 737,155	Separate account liabilities	373,734	419,812
Common stock, par value \$1.25 per share 23,121 23,121 Authorized 36,000,000 shares, issued 18,496,680 shares 23,121 23,121 Additional paid in capital 41,025 41,025 Retained earnings 914,411 908,022 Accumulated other comprehensive income (loss) (45,550) 6,288 Treasury stock, at cost (2018 and 2017 - 8,813,266 shares) (241,301) (241,301) Total stockholders' equity 691,706 737,155	Total liabilities	4,279,780	3,793,515
Common stock, par value \$1.25 per share 23,121 23,121 Authorized 36,000,000 shares, issued 18,496,680 shares 23,121 23,121 Additional paid in capital 41,025 41,025 Retained earnings 914,411 908,022 Accumulated other comprehensive income (loss) (45,550) 6,288 Treasury stock, at cost (2018 and 2017 - 8,813,266 shares) (241,301) (241,301) Total stockholders' equity 691,706 737,155	STOCKHOLDERS' EQUITY		
Authorized 36,000,000 shares, issued 18,496,680 shares 23,121 23,121 Additional paid in capital 41,025 41,025 Retained earnings 914,411 908,022 Accumulated other comprehensive income (loss) (45,550) 6,288 Treasury stock, at cost (2018 and 2017 - 8,813,266 shares) (241,301) (241,301) Total stockholders' equity 691,706 737,155			
Additional paid in capital 41,025 41,025 Retained earnings 914,411 908,022 Accumulated other comprehensive income (loss) (45,550) 6,288 Treasury stock, at cost (2018 and 2017 - 8,813,266 shares) (241,301) (241,301) Total stockholders' equity 691,706 737,155		23,121	23,121
Retained earnings 914,411 908,022 Accumulated other comprehensive income (loss) (45,550) 6,288 Treasury stock, at cost (2018 and 2017 - 8,813,266 shares) (241,301) (241,301) Total stockholders' equity 691,706 737,155	Additional paid in capital		
Accumulated other comprehensive income (loss) (45,550) 6,288 Treasury stock, at cost (2018 and 2017 - 8,813,266 shares) (241,301) (241,301) Total stockholders' equity 691,706 737,155			
Treasury stock, at cost (2018 and 2017 - 8,813,266 shares) (241,301) (241,301) Total stockholders' equity 691,706 737,155	-		
Total stockholders' equity 691,706 737,155	• • • • • • • • • • • • • • • • • • • •	` ' /	



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

	Year Ended December 31			
		2018		2017
REVENUES				
Insurance revenues:				
Net premiums	\$	193,593	\$	179,936
Contract charges		116,916		114,028
Total insurance revenues	-	310,509		293,964
Investment revenues:				
Net investment income		141,315		145,825
Net investment gains		2,840		4,555
Total investment revenues		144,155		150,380
Other revenues		6,368		6,413
Total revenues		461,032		450,757
BENEFITS AND EXPENSES				
Policyholder benefits		227,202		210,799
Interest credited to policyholder account balances		74,308		72,921
Amortization of deferred acquisition costs		40,616		34,770
Operating expenses		101,720		102,898
Total benefits and expenses		443,846		421,388
Income before income tax expense (benefit)		17,186		29,369
Income tax expense (benefit)		1,514		(22,172)
NET INCOME	\$	15,672	\$	51,541
COMPREHENSIVE INCOME (LOSS), NET OF TAXES				
Changes in:				
Net unrealized gains (losses) on securities available for sale	\$	(65,062)	\$	788
Effect on deferred acquisition costs, value of business acquired, and deferred revenue liabilities		8,867		1,254
Future policy benefits		11,210		1,942
Policyholder account balances		144		66
Benefit plan obligations		(5,823)		6,439
Other comprehensive income (loss)		(50,664)		10,489
COMPREHENSIVE INCOME (LOSS)	\$	(34,992)	\$	62,030
Basic and diluted earnings per share:				
Net income	\$	1.62	\$	5.32

