

KANSAS CITY LIFE INSURANCE COMPANY

**Kansas City Life**  
Insurance Company celebrates

130  
*years*

Est. 1895



2025 ANNUAL REPORT



## Message From The President

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It is my pleasure to share with you our highlights and achievements for Kansas City Life Insurance Company in 2025.

In 2025, we marked the Company's 130th anniversary. This significant milestone reflects our stability and strength. We have brought Security Assured to our customers throughout our long history. We have evolved with the changes through these many years, and we continue to meet the ever-evolving landscape with resilience, fortitude, and plans for the future.

The Company incurred a net loss of \$20.8 million in 2025, compared with a net loss of \$9.6 million in 2024. The results for both years were impacted by legal accruals related to class action lawsuits. We recently achieved a global settlement regarding the class action lawsuits, and we consider these matters to be closed. Excluding these accruals, net income would have been \$14.8 million in 2025 and \$7.1 million in 2024.

Investment revenues increased \$1.5 million or 1%, primarily resulting from an increase in realized investment gains compared to the prior year. In addition, policyholder benefits were \$8.1 million or 3% lower compared to the prior year, reflecting lower death benefits and benefit and contract reserves. Partially offsetting these items was a \$7.0 million or 2% decline in insurance revenues versus the prior year. This decline was due to lower premiums and an increase in reinsurance ceded premiums. New traditional life insurance premiums increased, as did new deposits on both our interest-sensitive life and fixed annuity products.

During 2025, we continued to improve our point-of-sale process on certain products, which enables our agents and future policyholders to complete the sales process more effectively and in a significantly reduced timeframe. Further, we completed a significant administrative system conversion on certain group products that will provide enhanced support at a lower administrative cost. We also introduced new products and certain enhancements to our product lineup that are designed to offer policyholders more options and financial flexibility.

During 2025, we adopted Accounting Standards Update No. 2018-12 Targeted Improvements to the Accounting for Long Duration Contracts, effective Jan. 1, 2025, with Dec. 31, 2025, marking the first required reporting period for Kansas City Life. This guidance resulted in a significant change to insurance accounting. It revises the measurement models and disclosure requirements for long-duration contracts and was applied with a transition date of Jan. 1, 2023. For additional information, please refer to our audited 2025 Annual Report at [www.kclife.com](http://www.kclife.com).

Throughout our 130-year history, we have been committed to maintaining our financial security and financial strength. We have successfully navigated economic headwinds and have withstood the test of time. We are committed to meeting our corporate objectives and maintaining our financial strength and security. As we look to the future with optimism, we always keep our strong past in mind. We are committed to provide Security Assured to our policyholders, customers, agents, and general agents now and in the future.

A handwritten signature in blue ink that reads "Walter E. Bixby".

— **Walter E. Bixby, LLIF**

*President, Chief Executive Officer,  
and Vice Chairman of the Board*

# Corporate Highlights

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For 130 years and counting, Kansas City Life Insurance Company has provided the financial promise of Security Assured to its policyholders and dedicated field force. 2025 marked this celebratory anniversary and provided the opportunity to look back on the Company's growth, success, and all who helped the Company progress to this point.

On May 1, 1895, Kansas City Life was founded as Bankers Life Association, a name it held until 1900. The Company's first headquarters were located in the heart of downtown Kansas City, Mo., at Ninth and Main. The first policies were issued in amounts from \$1,000 to \$5,000, and the first death claim was paid during the first year of business.

In 1896, operations were expanded to include Colorado and Minnesota, and in 1897, headquarters were moved to a larger office in downtown Kansas City, Mo. Heading into the 21st century, the Company experienced a substantial increase in business. In 1924, the Company finished construction and moved to its current Home Office in the Midtown area of Kansas City at Broadway and Armour.

In this day and age, strong, family-owned companies are few and far between. Under the Bixby family leadership, the Kansas City Life Group of Companies is known for long-term relationships, quality work, and high agent and associate loyalty. In fact, Kansas City Life is one of the few active national financial services companies to be led by the same family for four generations. Kansas City Life celebrates our history of 130 years in the life insurance industry,

and the Company looks forward to the many years ahead, continuing to provide financial security through the power of life insurance.

## Individual Insurance

Kansas City Life's Individual Insurance segment provides financial security to consumers in 49 states. Life insurance products are distributed through two channels: the Company's field force and third-party marketing arrangements. The Individual Insurance segment consists of individual insurance products for Kansas City Life and Grange Life Insurance Company.

## Company's field force

The Company's field force is represented by independent agencies, which are operated by general agents and agents across the U.S. Kansas City Life provides each agency with a comprehensive product portfolio and the marketing support necessary to succeed in servicing consumers in their local markets.

The Company's product portfolio and individual one-on-one support from the Home Office are attractive recruiting resources, setting Kansas City Life apart from many in the industry.

## Third-party alliances

Independent arrangements with GuideOne Mutual Insurance Company and AmeriLife Group LLC allow representatives from both companies to distribute Kansas City Life's products. These arrangements provide representatives with the complementary products and services they need to offer more complete financial security to their clients.



## Life insurance sales

A measure of life insurance sales and new business production at Kansas City Life is from new premiums recorded and new deposits received. Premiums include receipts from traditional individual life insurance and immediate annuity products. Deposits are received from interest-sensitive life insurance and fixed and variable annuity products.

The Individual Insurance segment generated approximately 53% of consolidated insurance revenues in 2025, up from approximately 52% in 2024.

Total new premiums rose \$1.1 million or 7% in 2025 compared to 2024, due to a \$2.7 million or 42% increase in new traditional life insurance premiums, largely from the sale of term products. Partially offsetting this were a \$1.6 million or 19% decrease in new immediate annuity premiums and a \$2.8 million or 30% decrease in internal rollovers from various individual annuity products compared to one year earlier. Total renewal premiums decreased \$1.9 million or 2% in 2025 compared to the prior year, resulting from a decline in renewal traditional life insurance premiums.

Total new deposits rose \$9.0 million or 15% in 2025 compared to 2024, reflecting a \$9.2 million or 19% increase in new fixed annuity deposits and a \$1.0 million or 17% increase in new interest-sensitive life deposits. Partially offsetting these improvements was a \$1.2 million or 22% decline in new variable annuity deposits. Total renewal deposits decreased \$2.9 million or 2% in 2025 compared to the prior year. A \$3.0 million or 3% decline in renewal

interest-sensitive life deposits and a \$1.5 million or 14% decline in renewal fixed annuity deposits were partially offset by a \$1.6 million or 34% increase in renewal variable annuity deposits.

## Future growth

The Individual Insurance segment is an essential part of Kansas City Life's core business, representing a majority of the Company's revenue. The Company plans to continue to grow the segment by recruiting talented general agents and agents and by adding more third-party alliances. Enhancements to the product portfolio, increased focus on sales development, and superior marketing support are elements that will be emphasized to attract new field representatives.

## Group Insurance

Kansas City Life offers several insurance products in the Group Insurance segment, including dental, life, accident, critical illness, vision, and short- and long-term disability. These offerings encompass both traditional, employer-funded group insurance, as well as voluntary, employee-paid products.

The Group Insurance segment markets products primarily to small and mid-size organizations. Group products are sold through sales representatives who target a nationwide network of independent general agents and group brokers, along with the Company's career general agents. This sales network is this segment's core distribution system. The Company also markets Group products through select third-party marketing arrangements.

The Group Insurance segment accounted for 22% of the Company's consolidated insurance

revenues in 2025, consistent with its 2024 contribution. Total Group premiums were flat year over year. The Group Insurance segment focuses on three primary areas of emphasis to improve sales:

- Growing in force business through the Company's sales representatives.
- Improving administrative efficiency through greater use of customer-facing technology, designed to reduce expenses and improve customer service.
- Targeting higher-premium opportunities by pursuing groups with multiple lines of coverage and generating higher annualized premium volume in excess of \$50,000.

## **Old American Insurance Company**

Founded in 1939, Old American Insurance Company has a long history of delivering final expense life insurance to its customers. Since the Company's inception, Old American's mission has been to provide present and future Peace of Mind to the senior market and, in turn, enhance the quality of life for both the client and their loved ones.

Old American's foundation is built on the philosophy that nobody should be considered uninsurable simply on the basis of age. That philosophy continues to resonate with its mission of providing financial protection and security to the senior market.

As a fourth-generation, family-oriented company, Old American is proud to help other families provide for future expenses and protect their loved ones. With values rooted in reliability, protection, and security, the Company continues to serve nearly 200,000 policyholders in 48 states and the District of Columbia. As a subsidiary of Kansas City Life Insurance Company, Old American also continues to support Kansas City Life's promise of providing Security Assured to its policyholders.

Old American generated 25% of consolidated insurance revenues in 2025, down slightly from 26% in 2024.

## **Sunset Financial Services, Inc.**

Sunset Financial Services Inc. is Kansas City Life's distributing broker/dealer for its proprietary line of variable annuity and variable universal life products.



# Consolidated Balance Sheets

Amounts in thousands, except share data

	December 31	
	2025	2024*
<b>ASSETS</b>		
Investments:		
Fixed maturity securities available for sale, at fair value	\$ 2,322,542	\$ 2,350,032
Equity securities, at fair value	514	819
Mortgage loans	548,797	575,068
Real estate	94,331	96,867
Policy loans	87,742	84,913
Short-term investments	132,126	64,917
Other investments	63,921	48,825
Total investments	3,249,973	3,221,441
Cash	8,428	8,101
Accrued investment income	29,981	31,147
Market risk benefits asset, at fair value	3,346	3,753
Deferred acquisition costs	254,337	264,528
Reinsurance recoverables	407,810	381,448
Deposit asset on reinsurance	329,485	377,475
Other assets	248,353	233,320
Separate account assets	416,995	413,426
Total assets	\$ 4,948,708	\$ 4,934,639
<b>LIABILITIES</b>		
Liability for future policy benefits	\$ 1,341,072	\$ 1,288,727
Policyholder account balances	2,104,373	2,149,721
Market risk benefits liability, at fair value	56	84
Policy and contract claims	57,048	56,227
Other policyholder funds	187,192	189,479
Other liabilities	176,397	188,277
Separate account liabilities	416,995	413,426
Total liabilities	4,283,133	4,285,941
<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	903,251	929,435
Accumulated other comprehensive loss	(60,521)	(103,582)
Treasury stock, at cost (2025 and 2024 - 8,813,266 shares)	(241,301)	(241,301)
Total stockholders' equity	665,575	648,698
Total liabilities and stockholders' equity	\$ 4,948,708	\$ 4,934,639

For additional information, please see the Notes to Consolidated Financial Statements in the Company's Annual Financial Report.

\*Certain prior period amounts have been recast as a result of our adoption of Accounting Standards Update No. 2018-12 Targeted Improvements to the Accounting for Long Duration Contracts. For additional information, please see our 2025 Annual Report at [www.kclife.com](http://www.kclife.com).

# Consolidated Statements of Comprehensive Income

Amounts in thousands, except share data

	Year Ended December 31	
	2025	2024*
<b>REVENUES</b>		
Insurance revenues:		
Net premiums	\$ 188,954	\$ 196,030
Contract charges	125,197	125,135
Total insurance revenues	314,151	321,165
Investment revenues:		
Net investment income	162,193	164,616
Net investment gains (losses)	3,202	(676)
Total investment revenues	165,395	163,940
Other revenues	5,904	5,698
Total revenues	485,450	490,803
<b>BENEFITS AND EXPENSES</b>		
Policyholder benefits	246,611	254,715
Change in market risk benefits	157	(1,807)
Interest credited to policyholder account balances	78,031	78,801
Amortization of deferred acquisition costs	35,270	37,251
Operating expenses	157,361	133,999
Total benefits and expenses	517,430	502,959
Loss before income tax benefit	(31,980)	(12,156)
Income tax benefit	(11,219)	(2,586)
<b>NET LOSS</b>	<b>\$ (20,761)</b>	<b>\$ (9,570)</b>
<b>COMPREHENSIVE INCOME, NET OF TAXES</b>		
Changes in:		
Net unrealized gains (losses) on securities available for sale	\$ 56,690	\$ (28,048)
Changes in discount rates on the liability for future policy benefits	(19,475)	34,374
Market risk benefits nonperformance risk loss	(176)	(835)
Benefit plan obligations	6,022	7,262
Other comprehensive income	43,061	12,753
<b>COMPREHENSIVE INCOME</b>	<b>\$ 23,300</b>	<b>\$ 3,183</b>
Basic and diluted earnings per share:		
Net loss	\$ (2.14)	\$ (0.99)

For additional information, please see the Notes to Consolidated Financial Statements in the Company's Annual Financial Report.

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# Condensed Consolidated Statements of Cash Flows

Amounts in thousands

	Year Ended December 31	
	2025	2024*
<b>OPERATING ACTIVITIES</b>		
Net cash used	\$ (130,552)	\$ (58,369)
<b>INVESTING ACTIVITIES</b>		
Purchases or contributions:		
Fixed maturity securities	(286,519)	(240,556)
Mortgage loans	(31,758)	(39,545)
Real estate	(2,279)	(1,425)
Policy loans	(4,746)	(3,746)
Other investments	(20,618)	(26,798)
Property and equipment	(261)	(1,306)
Sales or maturities, calls, principal paydowns, and distributions:		
Fixed maturity securities	383,626	200,257
Equity securities	304	–
Mortgage loans	58,205	56,970
Real estate	442	570
Policy loans	1,915	2,857
Other investments	13,710	13,066
Property and equipment	216	–
Net sales (purchases) of short-term investments	(67,209)	26,651
Net cash provided (used)	45,028	(13,005)
<b>FINANCING ACTIVITIES</b>		
Policyholder account balances		
Deposits	196,638	190,546
Receipts from funding agreements	20,000	20,000
Withdrawals	(181,139)	(185,834)
Change in deposit asset on reinsurance, net	61,027	56,583
Net transfers from separate accounts	1,499	721
Change in other deposits	(6,751)	(6,813)
Cash dividends to stockholders	(5,423)	(5,423)
Net cash provided	85,851	69,780
Increase (decrease) in cash	327	(1,594)
Cash at beginning of year	8,101	9,695
Cash at end of year	\$ 8,428	\$ 8,101

For additional information, please see the Notes to Consolidated Financial Statements in the Company's Annual Financial Report.

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# Stockholder Information

## CORPORATE HEADQUARTERS

Kansas City Life Insurance Company  
3520 Broadway  
P.O. Box 219139 | Kansas City, MO 64121-9139  
Phone: 816-753-7000 | Fax: 816-753-4902  
Website: [www.kclife.com](http://www.kclife.com) | Email: [communications@kclife.com](mailto:communications@kclife.com)

## ANNUAL MEETING

The annual meeting of stockholders will be held at 9 a.m. on Thursday, April 23, 2026, at Kansas City Life Insurance Company's corporate headquarters. Please see the Notice of Annual Meeting of Stockholders and Proxy.

## TRANSFER AGENT

Heather Welch, Stock Agent and Assistant Secretary  
Kansas City Life Insurance Company  
P.O. Box 219139 | Kansas City, MO 64121-9139

## ANNUAL FINANCIAL REPORT REQUEST

The Company's audited Annual Financial Report is available electronically on the Company's website ([www.kclife.com/Company/Financials](http://www.kclife.com/Company/Financials)) and the OTCQX website ([www.otcmarkets.com/stock/KCLI/disclosure](http://www.otcmarkets.com/stock/KCLI/disclosure)). Stockholders may request a free paper copy of Kansas City Life's audited Annual Financial Report, as published on the OTCQX best marketplace, by writing to Secretary, Kansas City Life Insurance Company.

## SECURITY HOLDERS

As of January 31, 2026, Kansas City Life had approximately 117 holders of record.

# Stock and Dividend Information

The following table presents the high and low prices for the Company's common stock for the periods indicated and the dividends declared per share and paid during such periods. The Company's common stock is traded on the OTCQX best marketplace under the symbol "KCLI."

	High	Low	Dividend Paid
2025			
First quarter	\$ 36.50	\$ 33.55	\$ 0.14
Second quarter	33.00	27.45	0.14
Third quarter	36.49	29.05	0.14
Fourth quarter	33.70	30.45	0.14
			<u>\$ 0.56</u>
2024			
First quarter	\$ 39.01	\$ 33.00	\$ 0.14
Second quarter	38.47	34.50	0.14
Third quarter	39.00	34.70	0.14
Fourth quarter	36.67	35.00	0.14
			<u>\$ 0.56</u>

A quarterly dividend of \$0.18 per share was paid February 11, 2026.

The high and low market quotations are compiled according to Company records and may reflect inter-dealer prices, without markup, markdown, or commission and may not necessarily represent actual transactions.

# The Kansas City Life Group of Companies

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## **Kansas City Life Insurance Company**

Since 1895, Kansas City Life Insurance Company ([www.kclife.com](http://www.kclife.com)) has been dedicated to the present and future financial security of our customers. Kansas City Life provides financial services, including life insurance and investments\*, to consumers throughout 49 states and the District of Columbia. More than 2,500 general agents and agents serve individuals, families, small businesses, and corporations with a diverse range of products, including universal life, term life, whole life, variable life insurance\*, variable annuities\*, fixed deferred annuities, and group products. Kansas City Life has been providing Security Assured for more than 130 years.



## **Grange Life Insurance Company**

From 1968 to 2018, Grange Life Insurance Company served as the life affiliate of Grange Mutual Insurance Company, headquartered in Columbus, Ohio, and operated in 13 Midwestern and Southern states. Grange Life became part of the Kansas City Life Group of Companies in 2018 and has adopted the Kansas City Life branding.



## **Old American Insurance Company**

Since 1939, for over 85 years, the mission of Old American Insurance Company ([www.oaic.com](http://www.oaic.com)) has been to provide Peace of Mind to the senior market. Agents assist individuals ages 50 to 85 through final arrangements planning and communication, in order to enhance the quality of life for policyholders and relieve the emotional and financial burdens from their beneficiaries. In addition, Old American offers a whole life insurance policy for children two weeks to 15 years old, further extending Peace of Mind to parents and grandparents. Old American operates in 48 states and the District of Columbia.



## **Sunset Financial Services Inc.\***

Sunset Financial Services Inc. is the distributing broker/dealer for Kansas City Life's line of variable annuity and variable universal life products.

## **Financial Rating, evaluated by A.M. Best**

**Kansas City Life Insurance Company: A- (Excellent; Negative Outlook)**

**Grange Life Insurance Company: B+ (Good; Negative Outlook)**

**Old American Insurance Company: B++ (Good; Stable Outlook)**

These ratings represent A.M. Best's opinion of the financial strength and stability of Kansas City Life, Grange Life, and Old American Insurance Companies and each company's ability to meet ongoing obligations to policyholders, as of December 2025.

*There are 13 financial strength ratings assigned by A.M. Best, ranging from A++ (Superior) to D (Poor).*

*\*Kansas City Life's variable product series is distributed through Sunset Financial Services, Inc.*

# Board of Directors Kansas City Life Insurance Company

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**Kevin G. Barth**

Chairman and Chief Executive Officer  
Commerce Bank  
Kansas City, Mo.

**R. Philip Bixby**

Chairman of the Board  
Kansas City Life Insurance Company  
Kansas City, Mo.

**Walter E. Bixby, LLIF**

President, Chief Executive Officer, and  
Vice Chairman of the Board  
Kansas City Life Insurance Company  
President  
Old American Insurance Company  
President and Chief Executive Officer  
Grange Life Insurance Company  
Kansas City, Mo.

**William R. Blessing**

Retired Senior Vice President,  
Corporate Strategy and Development  
Embarq  
Overland Park, Kan.

**Michael Braude**

Retired President and Chief Executive Officer  
Kansas City Board of Trade  
Kansas City, Mo.

**James T. Carr**

President and Chief Executive Officer  
National Association of  
Intercollegiate Athletics  
Kansas City, Mo.

**John C. Cozad**

President  
Cozad Company, LLC  
Platte City, Mo.

**Eileen M. Hutchinson**

Retired Vice President of Finance and  
Chief Financial Officer  
Government Employee Health  
Association, Inc. (GEHA)  
Kansas City, Mo.

**David S. Kimmel**

Co-founder and Senior Advisor  
Insurance Advisory Partners LLC  
Rye, N.Y.

**David A. Laird, CPA, FLMI**

Senior Vice President, Finance  
Kansas City Life Insurance Company  
Kansas City, Mo.

**A. Craig Mason Jr.**

Senior Vice President, General Counsel  
and Secretary  
Kansas City Life Insurance Company  
Kansas City, Mo.

**Mark A. Milton, FSA, CERA, MAAA**

Senior Vice President and Actuary  
Kansas City Life Insurance Company  
Kansas City, Mo.

**William A. Schalekamp, JD, CLU, FLMI**

Retired Senior Vice President, General  
Counsel and Secretary  
Kansas City Life Insurance Company  
Kansas City, Mo.

**Richard W. Seagraves**

Former Audit Partner and Audit  
Professional Practice Partner  
KPMG  
Kansas City, Mo.

# Senior Officers

## **Kansas City Life Insurance Company**

**Walter E. Bixby, LLIF**  
President and Chief Executive Officer

**David A. Laird, CPA, FLMI**  
Senior Vice President, Finance

**A. Craig Mason Jr.**  
Senior Vice President, General Counsel  
and Secretary

**Mark A. Milton, FSA, CERA, MAAA**  
Senior Vice President and Actuary

**Stephen E. Ropp**  
Senior Vice President, Operations

**James P. Bixby**  
Vice President, New Business Operations

**Aaron L. Bush, ASA, MAAA**  
Vice President, Corporate Actuary

**T. Bennett Deacy, CFA**  
Vice President, Investments

**Michael J. Deon**  
Vice President, Agencies

**Sarah Jacobson**  
Vice President, Human Resources

**Keith L. Kelley**  
Vice President, Life Administration

**John L. Nogalski, CPA, FLMI**  
Vice President, Taxes

**Jennifer K. Pieper, CPA**  
Vice President & Controller

**James L. Richardson**  
Vice President, IT

**T. Dwane Turnage, LUTCF**  
Vice President, Marketing

## **Old American Insurance Company**

**Walter E. Bixby, LLIF**  
President

**Bradley W. Cope, CLU, FMLI, ACS**  
Vice President, Sales

**David A. Laird, CPA, FLMI**  
Chief Financial Officer

**Mark A. Milton, FSA, CERA, MAAA**  
Chief Actuary

**Jennifer K. Pieper, CPA**  
Vice President and Controller

**Stephen E. Ropp**  
Vice President, Operations

**Malika S. Simmons**  
Vice President, Assistant General Counsel  
and Secretary

## **Grange Life Insurance Company**

**Walter E. Bixby, LLIF**  
President and Chief Executive Officer

**Keith L. Kelley**  
Vice President, Life Administration

**David A. Laird, CPA, FLMI**  
Chief Financial Officer

**A. Craig Mason Jr.**  
General Counsel and Secretary

**Mark A. Milton, FSA, CERA, MAAA**  
Actuary

Kansas City Life  
Insurance Company

Grange Life Insurance Company

Old American Insurance Company

Sunset Financial Services Inc.

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







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