

Kansas City Life Insurance Company

Selected Financial Information

2016



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



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

	December 31	
	2016	2015
ASSETS		
Investments:		
Fixed maturity securities available for sale, at fair value	\$ 2,530,907	\$ 2,580,845
Equity securities available for sale, at fair value	23,996	25,325
Mortgage loans	630,889	589,960
Real estate	195,621	168,097
Policy loans	79,893	81,392
Short-term investments	27,526	22,474
Other investments	1,388	380
Total investments	3,490,220	3,468,473
Cash	9,630	7,851
Accrued investment income	31,586	33,023
Deferred acquisition costs	271,089	267,936
Reinsurance recoverables	187,941	198,834
Property and equipment	15,853	16,580
Other assets	69,838	56,252
Separate account assets	373,256	372,924
Total assets	\$ 4,449,413	\$ 4,421,873
LIABILITIES		
Future policy benefits	\$ 943,643	\$ 926,385
Policyholder account balances	2,051,728	2,056,126
Policy and contract claims	34,553	37,959
Other policyholder funds	178,806	174,353
Other liabilities	181,844	190,295
Separate account liabilities	373,256	372,924
Total liabilities	3,763,830	3,758,042
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	868,054	856,196
Accumulated other comprehensive loss	(5,316)	(15,210)
Treasury stock, at cost (2016 and 2015 - 8,813,266 shares)	(241,301)	(241,301)
Total stockholders' equity	685,583	663,831
Total liabilities and stockholders' equity	\$ 4,449,413	\$ 4,421,873



Kansas City Life Insurance Company
Consolidated Statements of Comprehensive Income

(amounts in thousands, except share data)

	Year Ended December 31	
	2016	2015
REVENUES		
Insurance revenues:		
Net premiums	\$ 171,819	\$ 160,175
Contract charges	111,134	112,030
Total insurance revenues	282,953	272,205
Investment revenues:		
Net investment income	150,608	157,150
Net realized investment gains, excluding other-than-temporary impairment losses	5,509	6,248
Net impairment losses recognized in earnings:		
Total other-than-temporary impairment losses	(563)	(2,189)
Portion of impairment losses recognized in other comprehensive income (loss)	(57)	(292)
Net other-than-temporary impairment losses recognized in earnings	(620)	(2,481)
Total investment revenues	155,497	160,917
Other revenues	6,572	7,729
Total revenues	445,022	440,851
 BENEFITS AND EXPENSES		
Policyholder benefits	211,866	198,721
Interest credited to policyholder account balances	72,814	74,326
Amortization of deferred acquisition costs	27,833	28,348
Operating expenses	101,465	97,260
Total benefits and expenses	413,978	398,655
Income before income tax expense	31,044	42,196
Income tax expense	8,728	12,970
NET INCOME	\$ 22,316	\$ 29,226
 COMPREHENSIVE INCOME (LOSS), NET OF TAXES		
Change in net unrealized gains on securities available for sale, net of DAC, VOBA, and DRL	\$ (288)	\$ (43,803)
Change in future policy benefits	(1,960)	4,913
Change in policyholder account balances	(10)	276
Change in benefit plan obligations	12,152	364
Other comprehensive income (loss)	9,894	(38,250)
COMPREHENSIVE INCOME (LOSS)	\$ 32,210	\$ (9,024)
 Basic and diluted earnings per share:		
Net income	\$ 2.30	\$ 2.75

