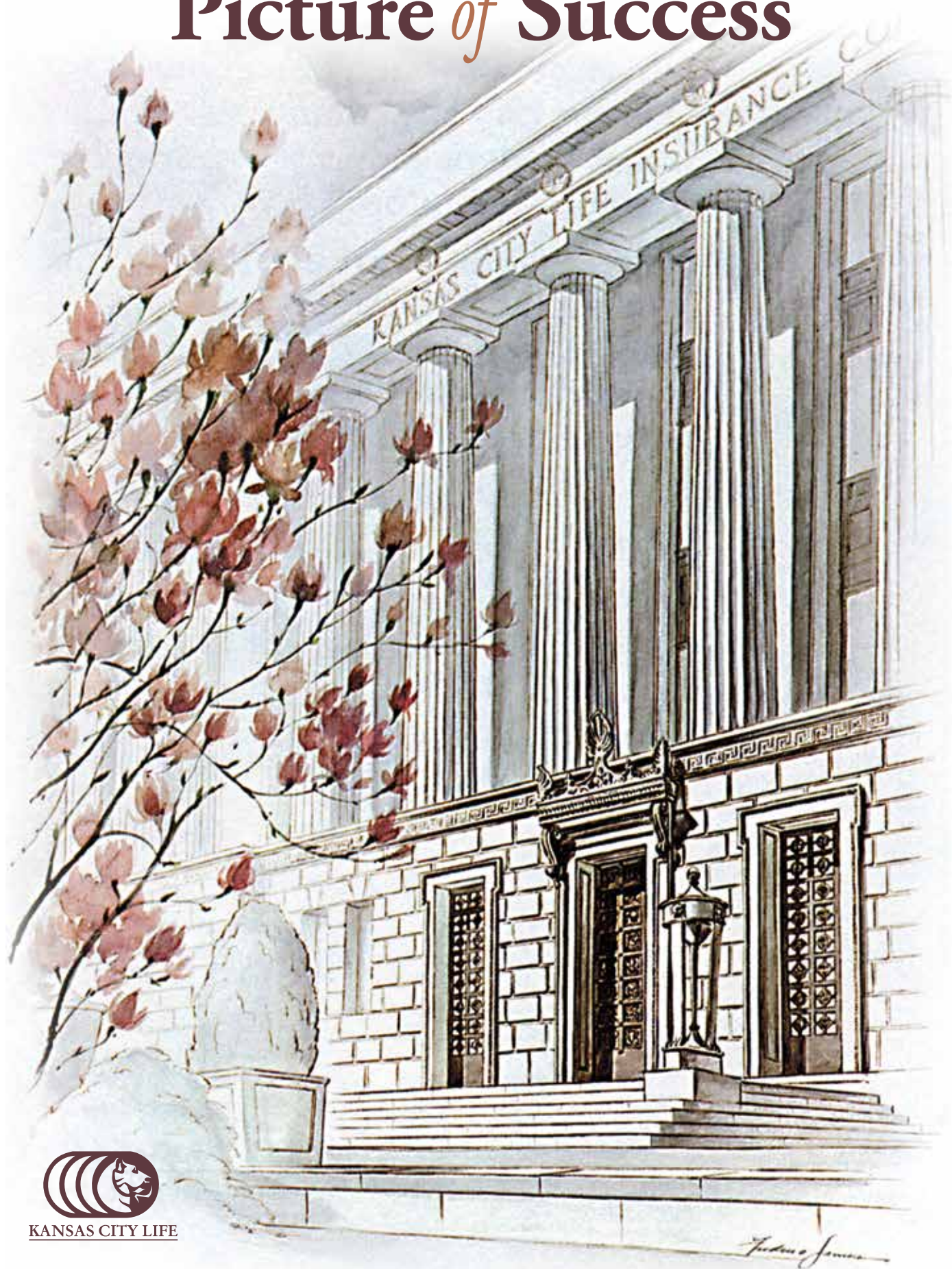


Picture *of* Success



KANSAS CITY LIFE

2017 Annual Report

Message From The President



I am pleased to share with you selected financial results and accomplishments for Kansas City Life Insurance Company for 2017.

Net income in 2017 totaled \$51.5 million, an increase of \$29.2 million over 2016. While many items contributed to the positive results in 2017, the largest single factor was

the impact of the Tax Cuts and Jobs Act of 2017 (the Act). The Act's provisions reduced corporate income tax rates from 35 percent to 21 percent and resulted in an immediate tax benefit of \$30.5 million in 2017. We also expect the Act to reduce our income tax expense in 2018 and future periods.

In addition to the tax law change, several other factors influenced the 2017 results. Insurance revenues increased while policyholder benefits declined. These improvements were offset by a decline in net investment income and increases in the amortization of deferred acquisition costs and operating expenses.

We noted in this report one year ago that we would continue to focus more of our attention on long-term growth initiatives for our insurance products. The results of these efforts have been positive, as new sales from our traditional life insurance and interest sensitive life insurance products each increased 7 percent during 2017 compared to 2016. In addition to that, new deposits from our fixed and variable annuities increased 20 percent compared to the prior year.

The prolonged low interest rate environment continues to be a challenge for companies in the financial services sector, such as life insurance enterprises. Achieving and maintaining favorable investment returns are a significant factor in supporting competitive products.

To meet these challenges and the changing needs of our policyholders, we continually enhance our spectrum of products. Our products are competitive and well designed to meet a wide variety of current and future customer needs. During 2017, we introduced a simplified issue product that shortens the application process for life insurance. This is a first-generation product that enables the use of real time data analytics for our underwriting process. This product reduces, and often eliminates, the need for time-consuming and costly medical exams while offering the same level of insurance protection for our customers. We continue to evaluate opportunities to utilize data analytics and to employ more advanced technology to streamline the application process for our customers and agents.

Security Assured is our promise that reflects our commitment to provide financial security to our customers and policyholders. We believe that our financial strength, sound business philosophies, broad suite of products, and prudent investment decisions will continue to help fulfill our promise to you, our agents, general agents, customers, and policyholders.

A handwritten signature in dark ink, appearing to read "R. Philip Bixby". The signature is fluid and cursive, written over a light-colored background.

— **R. Philip Bixby**

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

The Murals of Kansas City Life



Art has provided inspiration for centuries. Developing a vision of success – one you can picture in your mind – can drive the inspiration that leads to infinite possibilities. Whether the vision consists of a formed idea, three-dimensional draft, blueprint, painting or mural – the beginning of a foundation has been created.

Kansas City Life Insurance Company's pictures of success decorate the halls throughout our Home Office Building. They are on display, presented for

all to see. Drawing inspiration from murals – some of Kansas City Life's pictures of success – has been known as a source of creative innovation for all who visit the building. Suspended from the highest walls in the historic building, the murals serve as a reminder of the importance of the work done in honor of the policyholders, field force members, shareholders and associates, alike. The murals are there for all to picture success, and then manifest it.





Three murals by Andrew Thomas Schwartz depict the use of life insurance throughout history, and all over the world.

Top: This mural depicts insurance in battle. During the height of ancient Rome's power, Roman soldiers would deposit half their wages as insurance for their families if they were to perish in battle. Roman soldiers generally lacked funds to pay for burial, so around 100 B.C. Marius, a Roman military leader, created a burial club among his troops. All the soldiers contributed, and if a soldier died they would use those resources to pay for a proper Roman burial and monetarily help survivors' families.



Center: This mural, based on the book of Genesis, depicts insurance against lean times. Specifically, it depicts Joseph's interpretation of the Pharaoh's dream of seven fat cows for seven lean cows, seven good stalks of grain for seven bad stalks of grain. The story reinforces the need to save during the prosperous years for possible needs during hardships in the future.



Bottom: This mural depicts insurance against invasion. During the third century's Chinese Empire, construction began on a wall, which acted as a form of insurance against invasion.

The primary function of a mural is to decorate a wall – to continue the work of the architect, to enhance and strengthen the existing structure. It should follow the original blueprint for success, one planned in advance. The picture may include history, a family promise or even a nod to mythological influences. Kansas City Life took inspiration from the murals, helping to drive success for all areas of the Company.

Historical periods in time grace the Italian Travertine walls of the lobby, which stand tall with 20-foot Italian marble columns. Homage is paid to early forms of insurance, and three panels show important figures from ancient Rome, the book of Genesis and third century China.

Each panel, painted by artist Andrew Thomas Schwartz, depicts a form of insurance; whether it is soldiers depositing wages for their family before war if they perished, saving during prosperous times to safeguard against financial downturn, or even the Great Wall of China, which offered insurance against invasion. Although each picture represents civilizations of centuries past, they help paint a story of success in the modern age.

Strong values add to a company's picture of success by shaping its depth. Two murals hang on the South wall of the lobby depicting ideals of civilization. These poetic representations suggest ideals of justice, law, industry, intellectual enlightenment and social advancement. These murals, also by artist Schwartz, were inspired by ideals of the 18th century's Age of Enlightenment and stimulate philosophical principles that hold true at Kansas City Life today.

A picture of success can be drawn from another piece of history, one of a more personal nature. Renowned Kansas City artist Daniel MacMorris created several murals for the Company – each representing a section of original figures of the industry and Company.

One mural brings together key individuals in the history of life insurance, including a Unitarian minister and mathematician, the first reliable actuary, and the “the father of life insurance.” An inscription in Latin reads “Plan Ahead for Security Assured.” Another mural offers a distinct glimpse into Kansas City Life’s background. The individuals pictured in this mural represent four generations of the Company’s family leadership.

Acting as the centerpiece of a widely used meeting room for nearly 70 years is another MacMorris original mural. Created in 1948, the colorful painting features a U.S. map flanked by classic symbols of security. This mural was commissioned to serve as the center of attraction – encouraging all to picture success under the model of Security Assured.

Artwork adorns the building at 3520 Broadway, acting as a reminder of history, values and the Company’s mission. With a past dating back to 1895, the pictures paint a long story of success – 122 years in the making. At Kansas City Life, a century-long pattern of success isn’t random. It’s calculated, thought out, prepped and drafted. Then finally, it is turned into a masterpiece.

Two murals, which complement the completion of the lobby in 1924, depict the use of insurance in the classical ages. Each mural, designed and painted by artist Andrew Thomas Schwartz, utilizes influences of Italian, Egyptian and Grecian design. The two compositions, which hang over the Broadway entrances to the building, are poetic representations suggesting ideals of civilization including Justice, Law, Industry, Intellectual Enlightenment and Social Advancement.



Artist – Andrew Thomas Schwartz

Andrew Thomas Schwartz was born in 1867 in Louisville, Ky., and was primarily known for his murals. He studied art in Cincinnati and New York City, as well as abroad in Italy, France, Germany and England. In addition to murals, Schwartz painted a number of other paintings, including both figurative and landscapes. He exhibited extensively at the National Academy of Design, Pennsylvania Academy of the Fine Arts in Philadelphia, the Art Institute of Chicago, the Carnegie Institute in Pittsburgh, and other major cities. He was a member of the National Society of Mural Painters, the Salmagundi Club, the Architectural League of New York, Allied Artists of America, American Watercolor Society, the Circolo Artistico of Rome, Italy, and the Union International Des Beaux Arts et Des Lettres of Paris, France. Schwartz died in 1942.

Andrew T. Schwartz.



Top: This panel alludes to the history, struggle and development of methods of insurance in the 18th and 19th centuries. On the far left is Reverend Richard Price, a Unitarian minister and mathematician who developed the original Equitable Life Insurance Society of the day. Next to him is Dr. William Farr, an insurance analyst who is said to be the first reliable actuary. The most prominent man in the mural is Dr. Elizur Wright, who combined the theories of Price and Farr, and drew his own conclusions to become known as the "father of life insurance."

Center: This mural is a symbolic tribute to the visions of J.B. Reynolds, the Company's first president from 1904 – 1937 and represents the fruition of his dream for Kansas City Life to grow to be a dynamic organization, dedicated to the security of its policyowners. The prominent character in the painting is J.R. Bixby, former Company President and Chairman of the Board, uncle to current Company leaders President, CEO and Chairman of the Board Phil Bixby and Kansas City Life Executive Vice President and Vice Chairman of the Board; President, Old American Insurance Company Web Bixby, LLIF. J.B. Reynolds (J.R.'s grandfather) is shown in the brown suit. Walter W. "Walt" Bixby, J.R.'s brother and Phil and Web's father is in the grey suit and Walter E. Bixby Sr. (dark blue suit) is the father of J.R. and Walt and grandfather to Phil and Web.



Bottom: Hanging in the Lower Level Conference Center is a mural representing Kansas City Life's mission of Security Assured. Created in 1948 by MacMorris, the colorful painting features a map surrounded by symbols of security. Originally, the map was dotted with stars indicating the location of each Kansas City Life general agency and branch office. A prominent lioness was positioned in the Heartland of America, graphically illustrating the Home Office's ability to promptly service general agents and policyholders no matter where they were located. Years later, a brass Kansas City Life logo took the place of the center of the map, representing the location of the Home Office.





Artist Daniel MacMorris, appropriately attired in smock and beret, applies finishing touches to one of the murals following installation.



Above: Howard Reece (left), an assistant of Daniel MacMorris, pointed out the many sketches and drawings the artist had to complete before beginning the mural. MacMorris stated, "Following research in the history of insurance, I worked through my ideas in hundreds of small sketches. These gradually formed into carefully controlled compositions in quite small (10 inch) square sketchbook pages. These little panels were then tried out for color tests of tones to harmonize with the color of the interior marble walls. From tiny miniatures, careful proportional enlarging brought both panels up to 30 inch square color designs that could be enlarged on canvas to 9.5 feet by 11 feet. About 17 months elapsed between the first consideration of the project and its completion." Right: MacMorris received a token of appreciation from Kansas City Life – a marble etching of the building.



Above: The completed murals were smoothed into place from top down via a method much like wallpapering. Inset: Three workmen from Theodore Lawrence, Inc. began phase one of the mural installation process – coating the blank panels on the west wall with an adhesive.



Artist – Daniel MacMorris

Daniel MacMorris was born in 1893 in Sedalia, Mo., and was known for his landscapes, murals, portraits, illustrations, photographs and etchings. After growing up in rural Missouri, he attended the Kansas City Art Institute in 1911, and began working for the *Kansas City Star* as an illustrator in 1914. Several years later, he served in World War II. Upon his return to the states, MacMorris painted several renowned murals throughout the U.S., and would become Kansas City's most celebrated painter of the 20th century. MacMorris lived in several cities including Chicago, Taos, Paris and New York City, but spent most of his time in Kansas City, where he died in 1981. He is quoted as saying, "I'd die if I couldn't paint, and I'll paint till I die. The day they bury me is the day I retire."



Daniel MacMorris

Corporate Highlights

Kansas City Life Insurance Company has painted a picture of success by promising financial security for its policyholders since 1895. This vision of Security Assured has been maintained for 122 years, growing its commitment each year. Through it all, world wars, the Great Depression and inflation, Kansas City Life continues on while honoring values the Company built more than a century ago.

Kansas City Life sustains this success with quality products and service, focused and ambitious individuals within the Home Office and field, and a drive to always do right by policyholders. These time-honored values are built on integrity, sound investment strategies and honest business practices throughout decades.

The Company mission of Security Assured is a promise it will uphold the highest standard of excellence in the way it does business. By maintaining these values, Kansas City Life can picture success in 2018 and beyond.

Individual Insurance

Kansas City Life's Individual Insurance segment provides financial security to consumers in 48 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 both Kansas City Life and Sunset Life.

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. and in certain locations in Europe. Kansas City Life provides each agency with a comprehensive product portfolio and 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 American Republic Insurance Company, GuideOne Mutual Insurance Company and AmeriLife Group LLC allow representatives from all three companies to distribute Kansas City Life's products. These agreements provide representatives with the complementary products and services they need to offer more complete financial security to their clients.

Life insurance sales

One 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 universal life insurance, variable universal life insurance and fixed and variable annuity products.

The Individual Insurance segment generated approximately 50 percent of consolidated insurance revenues for the years ended December 31, 2017, 2016, and 2015.



Total new premiums increased \$0.9 million or 3 percent in 2017 compared to 2016. A \$1.7 million or 37 percent increase in new traditional life insurance premiums was partially offset by a \$0.8 million or 3 percent decrease in immediate annuity premiums. Total renewal premiums increased 1 percent in 2017 compared to the prior year, reflecting an increase in renewal traditional life insurance premiums.

Total new deposits increased \$13.2 million or 18 percent in 2017 compared to 2016, as new fixed annuity deposits increased \$7.0 million or 14 percent, new variable annuity deposits increased \$5.3 million or 54 percent and new interest sensitive life deposits increased \$0.9 million or 7 percent. Total renewal deposits decreased \$2.6 million or 2 percent in 2017 compared to the prior year, as renewal deposits decreased for interest sensitive life and fixed and variable annuities.

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 grow the segment by focusing on quality recruitment and beneficial third-party alliances and partnerships. With a continued concentration on sales development and increased marketing support, paired with superior product portfolio enhancements, the Company looks forward to growing life insurance sales and the agent field force with products designed to meet the greatest needs of our policyholders.

Group Insurance

Kansas City Life offers several insurance products in the Group Insurance segment, including dental, life, accident, 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 generated 20 percent of the Company's consolidated insurance revenues in 2017, unchanged from 2016. Total Group premiums increased by \$3.3 million or 5 percent in 2017, following a \$1.5 million or 2 percent increase in 2016. Moving forward, the Group Insurance segment continues to focus on three primary areas of emphasis to improve sales:

1. Growing in-force business through the Company's sales representatives and select third-party marketing arrangements,
2. Improving administrative efficiency through greater use of customer-facing technology, designed to reduce expenses and improve customer service, and
3. Enhancing the segment's product portfolio, through delivery of new product offerings, particularly to meet the dynamic needs of the voluntary product market.

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	
	2017	2016
ASSETS		
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	<u>3,511,389</u>	<u>3,490,220</u>
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	<u>\$ 4,530,670</u>	<u>\$ 4,449,413</u>
LIABILITIES		
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	<u>3,793,515</u>	<u>3,763,830</u>
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	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	<u>737,155</u>	<u>685,583</u>
Total liabilities and stockholders' equity	<u>\$ 4,530,670</u>	<u>\$ 4,449,413</u>

Consolidated Statements of Comprehensive Income

Amounts in thousands, except share data

	Year Ended December 31		
	2017	2016	2015
REVENUES			
Insurance revenues:			
Net premiums	\$ 179,936	\$ 171,819	\$ 160,175
Contract charges	114,017	111,134	112,030
Total insurance revenues	293,953	282,953	272,205
Investment revenues:			
Net investment income	145,825	150,608	157,150
Net realized investment gains, excluding other-than-temporary impairment losses	4,518	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)	(7)	(57)	(292)
Net other-than-temporary impairment losses recognized in earnings	(7)	(620)	(2,481)
Total investment revenues	150,336	155,497	160,917
Other revenues	6,413	6,572	7,729
Total revenues	450,702	445,022	440,851
BENEFITS AND EXPENSES			
Policyholder benefits	210,799	211,866	198,721
Interest credited to policyholder account balances	72,921	72,814	74,326
Amortization of deferred acquisition costs	34,721	27,833	28,348
Operating expenses	102,892	101,465	97,260
Total benefits and expenses	421,333	413,978	398,655
Income before income tax expense (benefit)	29,369	31,044	42,196
Income tax expense (benefit)	(22,172)	8,728	12,970
NET INCOME	\$ 51,541	\$ 22,316	\$ 29,226
COMPREHENSIVE INCOME (LOSS), NET OF TAXES			
Change in net unrealized gains (losses) on securities available for sale ¹	\$ 2,042	\$ (288)	\$ (43,803)
Change in future policy benefits	1,942	(1,960)	4,913
Change in policyholder account balances	66	(10)	276
Change in benefit plan obligations	6,439	12,152	364
Other comprehensive income (loss)	10,489	9,894	(38,250)
COMPREHENSIVE INCOME (LOSS)	\$ 62,030	\$ 32,210	\$ (9,024)
Basic and diluted earnings per share:			
Net income	\$ 5.32	\$ 2.30	\$ 2.75

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

Condensed Consolidated Statements of Cash Flow

Amounts in thousands

	Year Ended December 31		
	2017	2016	2015
OPERATING ACTIVITIES			
Net cash provided	\$ 14,516	\$ 20,887	\$ 15,692
INVESTING ACTIVITIES			
Purchases:			
Fixed maturity securities	(332,552)	(228,007)	(235,767)
Equity securities	(45)	(3)	(38)
Mortgage loans	(105,354)	(153,947)	(141,184)
Real estate	(5,304)	(34,530)	(8,253)
Policy loans	(11,006)	(10,524)	(8,638)
Other investments	(1,242)	(782)	(280)
Sales or maturities, calls and principal paydowns:			
Fixed maturity securities	326,923	279,854	298,913
Equity securities	4,075	118	33
Mortgage loans	85,891	112,152	91,096
Real estate	2,205	2,042	20,000
Policy loans	12,722	12,026	10,799
Other investments	1,786	383	419
Net sales (purchases) of short-term investments	(4,669)	(5,052)	16,633
Net acquisition of property and equipment	(1,874)	(938)	(683)
Net cash provided (used)	(28,444)	(27,208)	43,050
FINANCING ACTIVITIES			
Deposits on policyholder account balances	226,313	215,688	217,929
Withdrawals from policyholder account balances	(203,249)	(205,372)	(222,907)
Net transfers from separate accounts	5,625	7,670	9,026
Change in other deposits	(4,429)	572	3,954
Cash dividends to stockholders	(10,458)	(10,458)	(11,538)
Net change in treasury stock	—	—	(58,366)
Net cash provided (used)	13,802	8,100	(61,902)
Increase (decrease) in cash	(126)	1,779	(3,160)
Cash at beginning of year	9,630	7,851	11,011
Cash at end of year	\$ 9,504	\$ 9,630	\$ 7,851

These condensed consolidated financial statements should be read in conjunction with the Company's 2017 annual financial report that is available on the Company's website (www.kclife.com/Company/Financials) and the OTCQX website (www.otcm Markets.com/stock/KCLI/filings).

Stockholder Information

CORPORATE HEADQUARTERS

Kansas City Life Insurance Company
3520 Broadway
P.O. Box 219139 | Kansas City, MO 64121-9139
Telephone: 816-753-7000 | Fax: 816-753-4902
Website: www.kclife.com | Email: communications@kclife.com

ANNUAL MEETING

The annual meeting of stockholders will be held at 9 a.m. on Thursday, April 19, 2018, at Kansas City Life Insurance Company's corporate headquarters. Please see the Notice of Annual Meeting and Proxy.

TRANSFER AGENT

Janice Poe, 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 annual financial report is available electronically on the Company's website (www.kclife.com/Company/Financials) and the OTCQX website (www.otcmarkets.com/stock/KCLI/filings). Stockholders may request a free paper copy of Kansas City Life's 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, 2018, Kansas City Life had approximately 159 holders of record.

Stock & 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
2017			
First quarter	\$ 49.35	\$ 44.80	\$ 0.27
Second quarter	50.00	43.85	0.27
Third quarter	50.50	48.25	0.27
Fourth quarter	49.35	45.02	0.27
			\$ 1.08
2016			
First quarter	\$ 40.42	\$35.05	\$ 0.27
Second quarter	42.50	39.27	0.27
Third quarter	41.00	38.70	0.27
Fourth quarter	49.40	39.50	0.27
			\$ 1.08

A quarterly dividend of \$0.27 per share was paid February 7, 2018.

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.

Kansas City Life Insurance Company



KANSAS CITY LIFE

Since 1895, Kansas City Life Insurance Company (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 48 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 annuities and group products. Kansas City Life has been providing Security Assured for more than 120 years.

Old American Insurance Company

OLD AMERICAN



INSURANCE COMPANY

Since 1939, the mission of Old American Insurance Company (www.oaic.com) has been to provide peace of mind to our market and, in turn, enhance the quality of life for policyholders and their beneficiaries. Agents assist individuals ages 50 to 85 through final arrangements planning, charitable-giving life insurance, Social Security and retirement income-replacement insurance. In addition, Old American targets individuals ages 20 to 65 with a Level Term 20 life insurance product. Old American operates in 47 states and the District of Columbia.

Sunset Financial Services Inc.

SFS

SUNSET FINANCIAL

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

Sunset Life Insurance Company of America



Sunset Life

Sunset Life Insurance Company of America (www.sunsetlife.com) was originally founded in 1937. Kansas City Life purchased Sunset Life in 1974 and its operations were consolidated into the Company's Home Office in 1999. The Sunset Life sales force was integrated into the Kansas City Life sales force in 2006.

Financial Rating, evaluated by A.M. Best

Kansas City Life Insurance Company: A (Excellent; Stable Outlook)
Old American Insurance Company: A- (Excellent; Stable Outlook)
Sunset Life Insurance Company: A- (Excellent; Stable Outlook)
These ratings represent A.M. Best's opinion of the financial strength and stability of Kansas City Life, Old American and Sunset Life Insurance Companies and each company's ability to meet ongoing obligations to policyholders, as of September 2017. *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

Kevin G. Barth

President and Chief Operating Officer
Commerce Bank
Kansas City, Mo.

R. Philip Bixby

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

Walter E. Bixby, LLIF

Executive Vice President and Vice Chairman
of the Board
Kansas City Life Insurance Company
President
Old American 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.

Richard L. Finn

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

Nancy Bixby Hudson

Investor
Lander, Wyo.

David S. Kimmel

Chief Executive Officer
CyberRiskPartners, LLC
Rye, N.Y.

A. Craig Mason Jr.

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

Cecil R. Miller, CPA

Retired Partner
KPMG, LLP
Kansas City, Mo.

Mark 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.

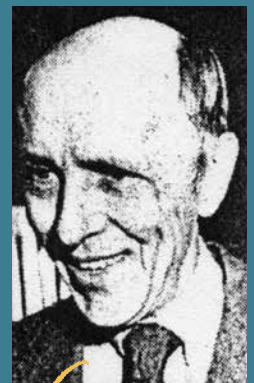
Philip A. Williams, CFA

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

Artist – Frederic James

Born in 1915 in Kansas City, Mo., Frederic James was an American painter who specialized in watercolors and was associated with the Regionalist art movement, an American realist modern art movement that depicting realistic scenes of small-town America, primarily in the Midwest and Deep South. His work has been recognized at the Nelson-Atkins Museum of Art in Kansas City, Kansas City Art Institute (KCAI), Art Institute of Chicago and more. He was hired to teach watercolor painting classes at the KCAI and began a close association with fellow teacher and famed Regionalist artist Thomas Hart Benton.

In honor of Kansas City Life Insurance Company's 75th anniversary in May 1970, James was commissioned to create 75 paintings and drawings, collectively called "Life in Kansas City." One piece of artwork in this collection can be seen on the front cover. James died in 1985.



Frederic James

Senior Officers

Kansas City Life Insurance Company

R. Philip Bixby

President, Chief Executive Officer and
Chairman of the Board

Walter E. Bixby, LLIF

Executive Vice President and Vice Chairman
of the Board

Donald E. Krebs, MSM, CLU, ChFC, LLIF
Senior Vice President, Sales and Marketing

A. Craig Mason Jr.

Senior Vice President, General Counsel
and Secretary

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Senior Vice President and Actuary

Stephen E. Ropp

Senior Vice President, Operations

Philip A. Williams, CFA

Senior Vice President, Finance

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Vice President, Group

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Vice President and Controller

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Chief Financial Officer

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R. Philip Bixby

Chief Executive Officer and Chairman
of the Board

Walter E. Bixby, LLIF

Vice Chairman of the Board

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Vice President, Finance

Scott E. Harvison, JD

Secretary

Kansas City Life
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Old American Insurance Company

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