
**SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

**SCHEDULE 13E-3
(Rule 13e-100)**

**TRANSACTION STATEMENT UNDER SECTION 13(e) OF THE
SECURITIES EXCHANGE ACT OF 1934 AND RULE 13e-3 THEREUNDER**

(Amendment No. 1)

Kansas City Life Insurance Company

(Name of the Issuer and Name of Person Filing Statement)

Common Stock, \$1.25 par value per share

(Title of Class of Securities)

484836 10 1

(CUSIP Number of Class of Securities)

A. Craig Mason, Jr.
Senior Vice President, General Counsel and Secretary
Kansas City Life Insurance Company
3520 Broadway
Kansas City, MO 64111

(Name, Address and Telephone Number of Persons Authorized to Receive Notices and
Communications on Behalf of the Person(s) Filing Statement)

Copy to:
James W. Allen
Scott D. Claassen
Stinson Leonard Street LLP
1201 Walnut Street, Suite 2900
Kansas City, MO 64106
(816) 842-8600

This statement is filed in connection with (check the appropriate box):

- a. The filing of solicitation materials or an information statement subject to Regulation 14A, Regulation 14C, or Rule 13e-3(c) under the Securities Exchange Act of 1934.

- b. The filing of a registration statement under the Securities Act of 1933.
- c. A tender offer.
- d. None of the above.

Check the following box if the soliciting materials or information statement referred to in checking box (a) are preliminary copies:

Check the following box if the filing is a final amendment reporting the results of the transaction:

CALCULATION OF FILING FEE

Transaction Valuation (*)	Amount of Filing Fee (**)
\$10,316,250	\$2,063.25

(*) Calculated solely for purposes of determining the filing fee. This amount assumes the acquisition of approximately 196,500 shares of common stock for \$52.50 per share in cash in lieu of issuing fractional shares to holders of less than 250 shares of common stock immediately before the proposed reverse stock split.

(**) The filing fee is calculated in accordance with Rule 0-11(b) by multiplying the Transaction Valuation of \$10,316,250 by 0.0002.

Check the box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: \$2,063.25

Form or Registration No.: Schedule 13E-3 (File No. 005-17065)

Filing Party: Kansas City Life Insurance Company

Date Filed: August 4, 2015

RULE 13e-3 TRANSACTION STATEMENT

INTRODUCTION

This Amendment No. 1 to the Rule 13e-3 Transaction Statement on Schedule 13E-3 (this "*Schedule 13E-3*") of Kansas City Life Insurance Company, a Missouri corporation (the "*Company*"), is being filed by the Company on August 31, 2015, in connection with a proposed transaction to terminate the registration of the shares of its common stock, \$1.25 par value per share (the "*Common Stock*" or "*Stock*"), under the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"). At a special meeting of shareholders, the Company's shareholders of record will vote on:

- (1) a proposal to approve, subject to final action by the Company's Board of Directors, an amendment to the Company's Articles of Incorporation, whereby the Company will effect a 1-for-250 reverse stock split of its Common Stock and as a result of which each shareholder owning of record fewer than 250 shares of Stock before the reverse stock split will have such shares cancelled and converted into the right to receive a cash payment for each such share of Stock in lieu of receiving a fractional post-reverse stock split share of Stock; and
- (2) a proposal to approve, subject to shareholder approval of proposal 1 above and final action by the Company's Board of Directors, an amendment to the Company's Articles of Incorporation to take effect immediately following the reverse stock split, whereby the Company will effect a 250-for-1 forward stock split of each one issued and outstanding share of its Common Stock (and including each fractional share of Stock in excess of one share).

This Schedule 13E-3 is being filed with the Securities and Exchange Commission (the "*SEC*") concurrently with the filing of the Company's preliminary proxy statement under cover of Amendment No. 1 to Schedule 14A (the "*Proxy Statement*") pursuant to Regulation 14A under the Exchange Act. The information contained in the Proxy Statement, including all annexes thereto, is expressly incorporated herein by reference and the responses to each item of this Schedule 13E-3 are qualified in their entirety by reference to the information contained in the Proxy Statement. Capitalized terms used and not otherwise defined herein have the meanings ascribed to such terms in the Proxy Statement.

Item 1. Summary Term Sheet

The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

- SUMMARY TERM SHEET
- QUESTIONS AND ANSWERS ABOUT THE REVERSE/FORWARD STOCK SPLIT AND THE SPECIAL MEETING

Item 2. Subject Company Information

- (a) **Name and Address.** The name of the subject company is Kansas City Life Insurance Company, a Missouri corporation. The Company's principal executive offices are located at 3520 Broadway, Kansas City, Missouri 64111. The Company's telephone number at that address is (816) 753-7000. See also the information set forth in the Proxy Statement under the following caption, which is incorporated herein by reference:

- INFORMATION ABOUT THE COMPANY — Name and Address

- (b) **Securities.** The subject class of equity securities to which this Schedule 13E-3 relates is the Company's common stock, \$1.25 par value per share, of which 10,643,001 shares were outstanding as of July 23, 2015.

See also the information set forth in the Proxy Statement under the following caption, which is incorporated herein by reference:

- INFORMATION ABOUT THE COMPANY — Market Price of Common Stock; Dividends

- (c) **Trading Market and Price.** The information set forth in the Proxy Statement under the following caption is incorporated herein by reference:

- INFORMATION ABOUT THE COMPANY — Market Price of Common Stock; Dividends

- (d) **Dividends.** The information set forth in the Proxy Statement under the following caption is incorporated herein by reference:

- INFORMATION ABOUT THE COMPANY — Market Price of Common Stock; Dividends

- (e) **Prior Public Offerings.** Not applicable. See also the information set forth in the Proxy Statement under the following caption, which is incorporated herein by reference:

- INFORMATION ABOUT THE COMPANY — Prior Public Offerings

- (f) **Prior Stock Purchases.** The information set forth in the Proxy Statement under the following caption is incorporated herein by reference:

- INFORMATION ABOUT THE COMPANY — Stock Purchases

Item 3. Identity and Background of Filing Person

- (a) **Name and Address.** The filing person, the Company, is also the subject company. The name, business address and business telephone number of the Company is provided in Item 2(a) above.

The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

- INFORMATION ABOUT THE COMPANY — Name and Address
 - SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT — Certain Information Concerning the Company, the Company's Directors and Executive Officers
- (b) ***Business and Background of Entities.*** Not applicable.
- (c) ***Business and Background of Natural Persons.*** The information set forth in the Proxy Statement under the following caption is incorporated herein by reference:
- SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT — Certain Information Concerning the Company, the Company's Directors and Executive Officers

Item 4. Terms of the Transaction

- (a) ***Material Terms.*** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:
- SPECIAL FACTORS — Purposes of and Reasons for the Reverse/Forward Stock Split
 - SPECIAL FACTORS — Fairness of the Reverse/Forward Stock Split
 - SPECIAL FACTORS — Effects of the Reverse/Forward Stock Split
 - SPECIAL FACTORS — Material U.S. Federal Income Tax Consequences of the Reverse/Forward Stock Split
 - SPECIAL FACTORS — Sources of Funds and Expenses
 - SPECIAL FACTORS — Shareholder Approval
 - SPECIAL FACTORS — Effective Date
 - SPECIAL FACTORS — Termination of the Reverse/Forward Stock Split
- (c) ***Different Terms.*** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:
- SPECIAL FACTORS — Fairness of the Reverse/Forward Stock Split
 - SPECIAL FACTORS — Effects of the Reverse/Forward Stock Split
 - SPECIAL FACTORS — Material U.S. Federal Income Tax Consequences of the Reverse/Forward Stock Split
 - SPECIAL FACTORS — Potential Conflicts of Interests of Officers, Directors and Certain Affiliated Persons

- (d) ***Appraisal Rights.*** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:
 - SPECIAL FACTORS — No Appraisal or Dissenters' Rights
- (e) ***Provisions for Unaffiliated Security Holders.*** The information set forth in the Proxy Statement under the following caption is incorporated herein by reference:
 - SPECIAL FACTORS — Fairness of the Reverse/Forward Stock Split — Procedural Fairness
- (f) ***Eligibility for Listing or Trading.*** Not applicable.

Item 5. Past Contacts, Transactions, Negotiations and Agreements

- (a) ***Transactions.*** The information set forth in the Proxy Statement under the following caption is incorporated herein by reference:
 - SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT — Transactions between the Company and Executive Officers and Directors of the Company
- (b) ***Significant Corporate Events.*** None.
- (c) ***Negotiations or Contacts.*** None.
- (e) ***Agreements Involving the Subject Company's Securities.*** The information set forth in the Proxy Statement under the following caption is incorporated herein by reference:
 - INFORMATION ABOUT THE COMPANY — Stock Purchases

Item 6. Purposes of the Transaction and Plans or Proposals

- (b) ***Use of Securities Acquired.*** The information set forth in the Proxy Statement under the following caption is incorporated herein by reference:
 - SPECIAL FACTORS — Effective Date
- (c) ***Plans.*** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:
 - SPECIAL FACTORS — Purposes of and Reasons for the Reverse/Forward Stock Split
 - SPECIAL FACTORS — Background of the Reverse/Forward Stock Split
 - SPECIAL FACTORS — Fairness of the Reverse/Forward Stock Split
 - SPECIAL FACTORS — Effects of the Reverse/Forward Stock Split

- SPECIAL FACTORS — Conduct of Our Business After the Reverse/Forward Stock Split
- SPECIAL FACTORS — Effective Date

Item 7. Purposes, Alternatives, Reasons and Effects

- (a) **Purposes.** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:
- SPECIAL FACTORS — Purposes of and Reasons for the Reverse/Forward Stock Split
 - SPECIAL FACTORS — Background of the Reverse/Forward Stock Split
- (b) **Alternatives.** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:
- SPECIAL FACTORS — Background of the Reverse/Forward Stock Split
 - SPECIAL FACTORS — Alternatives Considered
- (c) **Reasons.** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:
- SPECIAL FACTORS — Purposes of and Reasons for the Reverse/Forward Stock Split
 - SPECIAL FACTORS — Background of the Reverse/Forward Stock Split
 - SPECIAL FACTORS — Fairness of the Reverse/Forward Stock Split
 - SPECIAL FACTORS — Alternatives Considered
- (d) **Effects.** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:
- SPECIAL FACTORS — Purposes and Reasons for the Reverse/Forward Stock Split
 - SPECIAL FACTORS — Background of the Reverse/Forward Stock Split
 - SPECIAL FACTORS — Fairness of the Reverse/Forward Stock Split
 - SPECIAL FACTORS — Effects of the Reverse/Forward Stock Split
 - SPECIAL FACTORS — Conduct of Our Business After the Reverse/Forward Stock Split
 - SPECIAL FACTORS — Material U.S. Federal Income Tax Consequences of the Reverse/Forward Stock Split

- SPECIAL FACTORS — Effective Date

Item 8. Fairness of the Transaction

- (a) ***Fairness.*** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:
- SPECIAL FACTORS — Background of the Reverse/Forward Stock Split
 - SPECIAL FACTORS — Fairness of the Reverse/Forward Stock Split
- (b) ***Factors Considered in Determining Fairness.*** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:
- SPECIAL FACTORS — Purposes of and Reasons for the Reverse/Forward Stock Split
 - SPECIAL FACTORS — Background of the Reverse/Forward Stock Split
 - SPECIAL FACTORS — Fairness of the Reverse/Forward Stock Split
 - SPECIAL FACTORS — Alternatives Considered
- (c) ***Approval of Security Holders.*** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:
- SPECIAL FACTORS — Fairness of the Reverse/Forward Stock Split — Procedural Fairness
- (d) ***Unaffiliated Representatives.*** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:
- SPECIAL FACTORS — Fairness of the Reverse/Forward Stock Split — Procedural Fairness
- (e) ***Approval of Directors.*** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:
- SPECIAL FACTORS — Fairness of the Reverse/Forward Stock Split — Procedural Fairness
- (f) ***Other Offers.*** None.

Item 9. Reports, Opinions, Appraisals and Negotiations

- (a) ***Report, Opinion or Appraisal.*** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:
- SPECIAL FACTORS — Background of the Reverse/Forward Stock Split

- SPECIAL FACTORS — Fairness of the Reverse/Forward Stock Split
 - SPECIAL FACTORS — Opinion of Duff & Phelps, LLC
- (b) ***Preparer and Summary of the Report, Opinion or Appraisal.*** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:
- SPECIAL FACTORS — Background of the Reverse/Forward Stock Split
 - SPECIAL FACTORS — Fairness of the Reverse/Forward Stock Split
 - SPECIAL FACTORS — Opinion of Duff & Phelps, LLC
- (c) ***Availability of Documents.*** The following item is available for inspection and copying at the Company's principal executive offices located at 3520 Broadway, Kansas City, Missouri 64111 during the Company's regular business hours by any interested shareholder of the Company or representative who has been so designated in writing:
- Fairness Analysis presentation of Duff & Phelps, LLC dated June 24, 2015, presented to the Independent Valuation Committee of the Company's Board of Directors at its June 24, 2015 meeting.
 - Fairness Analysis presentation of Duff & Phelps, LLC, dated July 24, 2015, presented to the Company's Board of Directors at its July 24, 2015 meeting
 - Fairness Opinion of Duff & Phelps, LLC dated July 27, 2015

Item 10. Source and Amounts of Funds or Other Consideration

- (a) ***Source of Funds.*** The information set forth in the Proxy Statement under the following caption is incorporated herein by reference:
- SPECIAL FACTORS — Source of Funds and Expenses
- (b) ***Conditions.*** The information set forth in the Proxy Statement under the following caption is incorporated herein by reference:
- SPECIAL FACTORS — Source of Funds and Expenses
- (c) ***Expenses.*** The information set forth in the Proxy Statement under the following caption is incorporated herein by reference:
- SPECIAL FACTORS — Source of Funds and Expenses
- (d) ***Borrowed Funds.*** The information set forth in the Proxy Statement under the following caption is incorporated herein by reference:
- SPECIAL FACTORS — Source of Funds and Expenses

Item 11. Interest in Securities of the Subject Company

- (a) **Securities Ownership.** The information set forth in the Proxy Statement under the following caption is incorporated herein by reference:
- SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT
- (b) **Securities Transactions.** The information set forth in the Proxy Statement under the following caption is incorporated herein by reference:
- INFORMATION ABOUT THE COMPANY — Stock Purchases

Item 12. The Solicitation or Recommendation

- (d) **Intent to Tender or Vote in a Going Private Transaction.** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:
- SPECIAL FACTORS — Potential Conflicts of Interests of Officers, Directors and Certain Affiliated Persons
 - SPECIAL FACTORS — Shareholder Approval
- (e) **Recommendation of Others.** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:
- SPECIAL FACTORS — Shareholder Approval

Item 13. Financial Statements

- (a) **Financial Information.** The audited financial statements and unaudited interim financial statements are incorporated by reference in the Proxy Statement and are incorporated by reference in this Schedule 13E-3, in each case, from the Company's Annual Report on Form 10-K for the year ended December 31, 2014, as amended, and the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2015.

In addition, the information set forth in the Proxy Statement under the following caption is incorporated herein by reference:

- FINANCIAL INFORMATION — Summary Historical Financial Information
- (b) **Pro forma Information.** The information set forth in the Proxy Statement under the following caption is incorporated herein by reference:
- FINANCIAL INFORMATION — Pro Forma Consolidated Financial Information

Item 14. Persons/Assets, Retained, Employed, Compensated or Used

(a) ***Solicitation or Recommendation.*** The information set forth in the Proxy Statement under the following caption is incorporated herein by reference:

- QUESTIONS AND ANSWERS ABOUT THE REVERSE/FORWARD STOCK SPLIT AND THE SPECIAL MEETING — Who pays the cost of soliciting votes at the Special Meeting?

(b) ***Employees and Corporate Assets.*** The information set forth in the Proxy Statement under the following caption is incorporated herein by reference:

- QUESTIONS AND ANSWERS ABOUT THE REVERSE/FORWARD STOCK SPLIT AND THE SPECIAL MEETING — Who pays the cost of soliciting votes at the Special Meeting?

Item 15. Additional Information

(b) ***Other Material Information.*** The information contained in the Proxy Statement, including all annexes attached thereto, is incorporated herein by reference.

Item 16. Exhibits

(a) Notice of Special Meeting and Proxy Statement of the Company, including all annexes attached thereto, and the accompanying proxy card (incorporated herein by reference to Amendment No. 1 to the Company's Schedule 14A filed with the SEC on September 1, 2015).

(b) Not applicable.

(c)(1) Fairness Analysis presentation of Duff & Phelps, LLC, dated July 24, 2015, presented to the Company's Board of Directors at its July 24, 2015 meeting (previously filed with the SEC as Exhibit (c)(1) to the Company's Schedule 13E-3 on August 4, 2014).

(c)(2) Fairness Opinion of Duff & Phelps, LLC dated July 27, 2015 (previously filed with the SEC as Exhibit (c)(2) to the Company's Schedule 13E-3 on August 4, 2014).

(c)(3) Fairness Analysis presentation of Duff & Phelps, LLC dated June 24, 2015, presented to the Independent Valuation Committee of the Company's Board of Directors at its June 24, 2014 meeting.

(d) Not applicable.

(f) Not applicable.

(g) Not applicable.

* * *

SIGNATURE

After due inquiry and to the best of its knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

KANSAS CITY LIFE INSURANCE COMPANY

Dated: September 1, 2015

By: /s/ R. Philip Bixby _____
R. Philip Bixby
President, CEO and Chairman of the Board

EXHIBIT INDEX

Exhibit No.	Description
(a)	Notice of Special Meeting and Proxy Statement of the Company, including all annexes attached thereto, and the accompanying proxy card (incorporated herein by reference to Amendment No. 1 to the Company's Schedule 14A filed with the SEC on September 1, 2015).
(b)	Not applicable.
(c)(1)	Fairness Analysis presentation of Duff & Phelps, LLC, dated July 24, 2015, presented to the Company's Board of Directors at its July 24, 2015 meeting (previously filed with the SEC as Exhibit (c)(1) to the Company's Schedule 13E-3 on August 4, 2014).
(c)(2)	Fairness Opinion of Duff & Phelps, LLC dated July 27, 2015 (previously filed with the SEC as Exhibit (c)(21) to the Company's Schedule 13E-3 on August 4, 2014).
(c)(3)	Fairness Analysis presentation of Duff & Phelps, LLC, dated June 24, 2015, presented to the Independent Valuation Committee of the Company's Board of Directors at its June 24, 2014 meeting.
(d)	Not applicable.
(f)	Not applicable.
(g)	Not applicable.

CONFIDENTIAL

June 24, 2015

Fairness Analysis

Presentation to the Independent Valuation Committee of the
Board of Directors of Kansas City Life Insurance Company



Duff & Phelps Disclaimer

- The following pages contain material that is being provided by Duff & Phelps, LLC (“Duff & Phelps”) to the independent valuation committee (the “Independent Valuation Committee”) of the board of directors (the “Board of Directors”) of Kansas City Life Insurance Company (the “Company”) in the context of a meeting held to consider a Proposed Transaction (defined herein).
- The accompanying material was, and any Opinion (as defined herein) will be, compiled on a confidential basis for the sole use and benefit of the Independent Valuation Committee in connection with its evaluation of the Proposed Transaction and may not be distributed to any other party, publicly disclosed, or relied upon for any other purpose without the prior written consent of Duff & Phelps; provided that these materials may be distributed to senior management of the Company, the Board of Directors and outside legal advisors engaged in connection with the Proposed Transaction to represent the Company, the Independent Valuation Committee or the Board of Directors.
- Because this material was prepared for use in the context of an oral presentation to the Independent Valuation Committee, neither the Company nor Duff & Phelps, nor any of their respective legal or financial advisors, take any responsibility for the accuracy or completeness of any of the material if used by persons other than the Independent Valuation Committee or the Board of Directors.
- These materials are not intended to represent an Opinion but rather to serve as discussion materials for the Independent Valuation Committee and as a summary of the basis upon which Duff & Phelps may render an Opinion.
- Any Opinion provided by Duff & Phelps would not: (i) address the merits of the underlying business decision to enter into the Proposed Transaction versus any alternative strategy or transaction; (ii) address any transaction related to the Proposed Transaction; (iii) be a recommendation as to how the Independent Valuation Committee, the Board of Directors or any shareholder should vote or act with respect to any matters relating to the Proposed Transaction, or whether to proceed with the Proposed Transaction or any related transaction; (iv) indicate that the Per Share Consideration paid or received is the best possibly attainable under any circumstances; or (v) create any fiduciary duty on Duff & Phelps’ part to any party.
- The information utilized in preparing this presentation was obtained from the Company and from public sources. Any estimates and projections contained herein have been prepared by the management of the Company and involve numerous and significant subjective determinations, which may or may not prove to be correct. No representation or warranty, expressed or implied, is made as to the accuracy or completeness of such information and nothing contained herein is, or shall be relied upon as, a representation, whether as to the past or the future. Duff & Phelps did not attempt to independently verify such information.
- No selected company or transaction used in our analysis is directly comparable to the Company or the Proposed Transaction.

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1. Executive Summary
2. Kansas City Life Insurance Company Trading Analysis
3. Valuation Analysis

Appendix

1. “Go-Dark” Transactions Analysis
2. Selected Public Companies’ Revenue Segmentation

Section 1

Executive Summary

Executive Summary

The Proposed Transaction

- Duff & Phelps' understanding of the "Proposed Transaction" is as follows:
 - The Company intends, subject to approval of its shareholders, to effect a 1-for-[•] reverse stock split of its common stock. Shareholders that would otherwise receive less than one full share of common stock would in lieu of receiving a fractional share would receive \$[•] in cash (the "Per Share Consideration").
 - Following the reverse stock split, the Company would effect a [•]-for-1 forward stock split, returning its outstanding shares to their original pre-split state. The Company estimates that it cancel approximately [•] shares of its common stock in the Proposed Transaction, or approximately [•]% of the shares of common stock outstanding as of the date hereof, for an aggregate cost of approximately \$[•].
 - Following the Proposed Transaction, the Company would suspend the registration of its common stock under Section 12(b) of the Securities Exchange Act of 1934, as amended, and would terminate the listing of its common stock on the NASDAQ Capital Market LLC.
- The ratios to be used for the reverse and forward stock splits were determined by the Board of Directors and the amount of the Per Share Consideration was determined by the Board of Directors based upon the recommendation of the Independent Valuation Committee. Shareholders whose shares are cancelled and converted into the right to receive the Per Share Consideration are referred to herein as the "Cashed-out Shareholders".

The Engagement

- The Independent Valuation Committee has engaged Duff & Phelps to serve as an independent valuation advisor to the Independent Valuation Committee (solely in its capacity as such) to provide an opinion (the "Opinion") as to the fairness, from a financial point of view, to: (i) the Cashed-out Shareholders of the Per Share Consideration to be received by such holders in the Proposed Transaction; (ii) the Company (including its continuing shareholders) of the Per Share Consideration to be paid by the Company to the Cashed-out Shareholders in the Proposed Transaction; and (iii) the public shareholders of the Company (other than R. Philip Bixby, Walter E. Bixby, Nancy B. Hudson and their respective affiliates) who will remain shareholders after the Proposed Transaction of the Per Share Consideration to be paid by the Company to the Cashed-out Shareholders in the Proposed Transaction (without giving effect to any impact of the Proposed Transaction on any particular shareholder other than in its capacity as a shareholder).

Executive Summary

Scope of Analysis

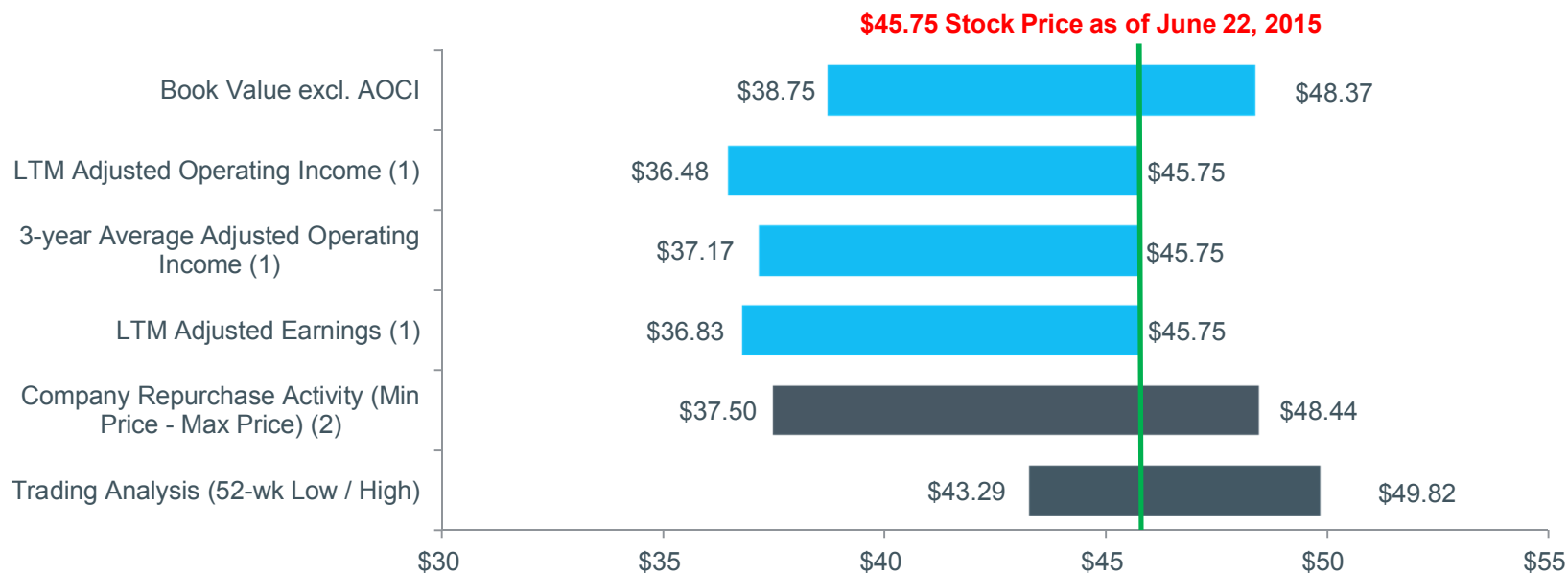
Duff & Phelps has made such reviews, analyses and inquiries as it has deemed necessary and appropriate under the circumstances. Duff & Phelps also took into account its assessment of general economic, market and financial conditions, as well as its experience in securities and business valuation, in general, and with respect to similar transactions, in particular. Duff & Phelps' procedures, investigations, and financial analysis with respect to the preparation of its Opinion included, but were not limited to, the items summarized below.

- Reviewed the following documents:
 - The Company's Annual Reports on Form 10-K (including the audited financial statements of the Company included therein) filed with the Securities and Exchange Commission ("SEC") for the years ended December 31, 2013 and 2014 and the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015 (including the unaudited interim financial statements of the Company included therein) filed with the SEC;
 - Other internal documents relating to the history, current operations, and probable future outlook of the Company, including financial projections, provided to us by management of the Company; and
 - Documents related to the Proposed Transaction, including _____.
- Discussed the information referred to above and the background and other elements of the Proposed Transaction with the management of the Company;
- Reviewed the historical trading price and trading volume of the Company's common stock, and financial information and stock market information of certain other companies whose securities are publicly traded and that Duff & Phelps deemed relevant;
- Performed certain valuation and comparative analyses using generally accepted valuation and analytical techniques including an analysis of selected public companies that Duff & Phelps deemed relevant and an analysis of selected transactions that Duff & Phelps deemed relevant; and
- Conducted such other analyses and considered such other factors as Duff & Phelps deemed appropriate.

Executive Summary

Equity Value per Share Range

Valuation Summary



(1) Excludes \$3.3 million of revenue net of tax recognized from the sale of Sunset Financial Services in Q4 2014

(2) Includes transactions since January 2013

Note: Financial data as of March 31, 2015; operating income and earnings include estimated cost savings from delisting

Executive Summary

Valuation Conclusion Versus Proposed Transaction

Equity Value Conclusions

(\$ in millions, except per share values)

		Low	High	Stock Price as of June 22, 2015	
Fundamental Per Share Valuation Range					
Book Value excl. AOCI		\$38.75	-	\$48.37	
LTM Adjusted Operating Income (1)		\$36.48	-	\$45.75	
3-year Average Adjusted Operating Income (1)		\$37.17	-	\$45.75	
LTM Adjusted Earnings (1)		\$36.83	-	\$45.75	
Average Per Share Price (rounded)		\$37.30	-	\$46.40	
				\$45.75	
Observed Per Share Valuation Range					
Trading Analysis (52-wk Low / High)		\$43.29	-	\$49.82	
Company Repurchase Activity (Min Price - Max Price) (2)		\$37.50	-	\$48.44	
Implied Equity Value Multiples (based on average per share price)					
LTM Operating Income (1)	\$28.3	14.1x	-	17.5x	17.2x
3-year Average Adjusted Operating Income (1)	\$28.1	14.2x	-	17.6x	17.4x
2015 Projected Operating Income (3)	\$27.5	14.5x	-	18.0x	17.7x
LTM Earnings (1)	\$29.5	13.5x	-	16.8x	16.5x
3-year Average Adjusted Earnings (1)	\$33.7	11.8x	-	14.7x	14.5x
2015 Projected Earnings (3)	\$27.5	14.5x	-	18.0x	17.7x
P / Book Value excl. AOCI	\$721.5	0.55x	-	0.69x	0.68x
P / Statutory Capital and Surplus	\$342.0	1.16x	-	1.45x	1.43x

(1) Excludes \$3.3 million gain from divestiture of certain non-proprietary agent relationships related to Sunset Financial Services with Securities America.

(2) Includes transactions since January 2013

(3) Based on information provided by Company management

Note: Financial data as of March 31, 2015; operating income and earnings adjusted for estimated cost savings from delisting

Executive Summary

Selected “Go-Dark” Transactions Analysis

- As more fully described in the Appendix 1, Duff & Phelps reviewed 48 “go-dark” transactions by means a reverse/forward stock split or cash out merger.
- Of the 48 transactions reviewed, the list was further refined to 9 transactions by excluding (i) companies with market capitalizations under \$20.0 million (ii) the cash-out of greater than 5% of the company’s total shares outstanding and (iii) transactions values less than \$1.0 million.
- Following is a summary of 9 transactions described in the previous bullet including the percentage of shares cashed-out, percentage dilution associated with the total dollar amount of premium paid and the percentage premium paid per share for the transactions.
- Duff & Phelps relied on the reported acquisition price paid by these companies in connection with the comparable transactions and compared that price to the most recently reported trading prices for the same shares to determine a difference in price (i.e., premium or discount). Duff & Phelps did not consider the trading history or fundamental value of the stock for the transactions reviewed other than the last recorded trading price (for purposes of comparison to the acquisition price paid to the selected transactions).

No.	Company Name	Transaction Type	Date Announced	Market Cap at Announcement (\$mil)	Fractional Share Price	Common Stock Price Before Announcement (1)	% Difference from Previous Day	% Dilution (2)	Common Stock Price After Announcement	% Difference After Announcement	Shares Purchased as a % of Shares Outstanding	Fractional Shares (thousands)	Transaction Value (\$mil)(3)	1 year Stock Price % Change	Price Before Announcement as a % of 52-week high	Average Daily Trading Volume (thousands)(4)	Shares Outstanding (thousands)	Control Group with greater than 20 %	State of Incorporation
1	Monarch Cement Co.	Reverse Stock Split	8/8/14	\$104.7	\$30.00	\$26.41	13.6%	0.35%	\$26.40	(0.0%)	2.5%	98.6	\$3.0	12.4%	96.7%	1.33	3,963.92	-	Kansas
2	MAXAM Inc. (5)	Reverse Stock Split	8/19/09	\$40.6	\$11.00	\$8.90	23.6%	0.87%	\$8.90	-	3.5%	160.0	\$1.8	(56.0%)	44.5%	0.02	4,559.64	64%	Delaware
3	PSB Group, Inc.	Cash Out Merger	5/24/07	\$58.3	\$21.00	\$15.15	38.6%	1.57%	\$18.50	22.1%	4.8%	148.1	\$3.1	(9.8%)	79.7%	2.04	3,068.55	-	Michigan
4	County Bank Corp.	Reverse Stock Split	10/7/05	\$60.0	\$55.00	\$53.70	2.4%	0.12%	\$53.70	-	4.7%	52.8	\$2.9	1.3%	92.6%	0.88	1,118.32	-	Michigan
5	Iowa First Bancshares Corp.	Reverse Stock Split	7/22/05	\$47.7	\$38.00	\$34.25	10.9%	0.54%	\$34.50	0.7%	4.7%	65.2	\$2.5	10.0%	84.6%	1.17	1,382.67	-	Iowa
6	First Citizens Bancorp., Inc.	Cash Out Merger	9/13/05	\$539.3	\$735.00	\$590.00	24.6%	1.24%	\$675.00	14.4%	4.8%	43.4	\$31.9	16.4%	97.5%	0.11	898.91	66%	South Carolina
7	Guaranty Bancshares, Inc.	Cash Out Merger	6/7/05	\$53.6	\$24.00	\$19.35	24.0%	0.55%	\$22.50	16.3%	2.2%	61.7	\$1.5	1.8%	75.9%	2.70	2,825.00	33%	Texas
8	ASB Financial Corp. (5)	Reverse Stock Split	2/28/05	\$35.8	\$23.00	\$20.27	13.5%	0.70%	\$21.76	7.4%	5.0%	86.3	\$2.0	(19.0%)	69.3%	0.77	1,715.86	-	Ohio
9	Bank First National Corporation	Cash Out Merger	2/25/05	\$105.8	\$19.60	\$15.25	28.5%	0.45%	\$15.25	-	1.5%	106.5	\$2.1	-	93.8%	2.54	6,937.27	-	Wisconsin
	High			\$539.3			38.6%	1.57%		22.1%	5.0%	160.0	\$31.9	16.4%	97.5%	2.7			
	Low			\$35.8			2.4%	0.12%		0.0%	1.5%	43.4	\$1.5	(56.0%)	44.5%	0.0			
	Average			\$116.2			20.0%	0.71%		6.8%	3.8%	91.4	\$5.6	(4.8%)	81.6%	1.3			
	Median			\$58.3			23.6%	0.55%		0.7%	4.7%	86.3	\$2.5	1.3%	84.6%	1.2			

(1) Based upon last observed trading price

(2) % Dilution = [(Fractional Share Price - Common Stock Price Before Announcement) X Fractional Shares] / (Market Capitalization at Announcement - Transaction Value)

(3) Estimated cash paid for fractional shares

(4) For the 12 month period preceding the announcement

(5) Traded on national exchange prior to transaction

Executive Summary

KCLI Illustrative Dilution Example

- Following is a summary of the dilution associated with an illustrative transaction. In this illustrative transaction, the Per Share Consideration for fractional shares is assumed to be \$52.50 with 2.0% of total shares outstanding being cashed out. The resulting dilution is 0.3020%.
- Duff & Phelps also reviewed a sensitivity of the dilution based on the Per Share Consideration for fractional shares and the percentage of shares outstanding being cashed out.

Dilution Calculation

	<u>Values</u>
Total Shares Outstanding	10,662,527
Stock Price	\$45.75
Market Capitalization	\$487,810,610
<u>Assumptions</u>	
% Cashed Out	2.0%
Cash-Out Price	\$52.50
% Premium	14.8%
Transaction Value	\$11,195,653
Premium \$'s per share	\$6.75
Premium \$'s	\$1,439,441
Dilution Factor	0.3020%

Dilution Sensitivity

		% Cashed Out				
		1.0%	1.5%	2.0%	2.5%	3.0%
Cash-Out Price	\$47.50	0.04%	0.06%	0.08%	0.10%	0.12%
	\$50.00	0.09%	0.14%	0.19%	0.24%	0.29%
	\$52.50	0.15%	0.23%	0.30%	0.38%	0.46%
	\$55.00	0.20%	0.31%	0.41%	0.52%	0.63%
	\$57.50	0.26%	0.39%	0.53%	0.66%	0.80%

Section 2

Kansas City Life Insurance Company Trading Analysis

Kansas City Life Insurance Company Trading Analysis

Kansas City Life Insurance Company - Ownership

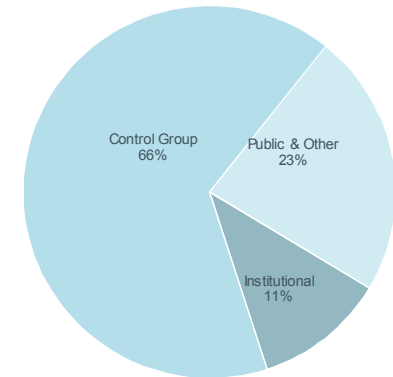
Top 20 Shareholders	Shares	% of Outstanding
Jrb Interests, Ltd	2,966,312	27.82%
WEB Interests, Ltd.	2,358,340	22.12%
Bixby, Walter E.	744,275	6.98%
I.A. Michael Investment Counsel Ltd.	567,220	5.32%
Kansas City Life Insurance Company Savings and Profit Sharing Plan and Kansas City Life Employee Stock Plan	459,967	4.31%
Bixby, R. Philip	356,135	3.34%
Bixby, Angeline I.	353,688	3.32%
BlackRock, Inc.	230,609	2.16%
Hudson, Nancy Bixby	223,696	2.10%
Glacier Peak Capital LLC	120,554	1.13%
The Vanguard Group, Inc.	116,986	1.10%
Financial Counselors, Inc.	108,170	1.01%
Donald Smith & Co., Inc.	90,712	0.85%
State Street Global Advisors, Inc.	75,390	0.71%
Kennedy Capital Management, Inc.	54,004	0.51%
Morgan Dempsey Capital Management, LLC	47,858	0.45%
Northern Trust Global Investments	46,132	0.43%
TFS Capital LLC	23,973	0.22%
Teachers Insurance and Annuity Association of America	23,596	0.22%
Parametric Portfolio Associates LLC	21,341	0.20%
Top Shareholders	8,988,958	84.30%

Source: Capital IQ and SEC filings

Note: Blue shaded shareholders are part of control group

Kansas City Life Insurance Company - Ownership by Class

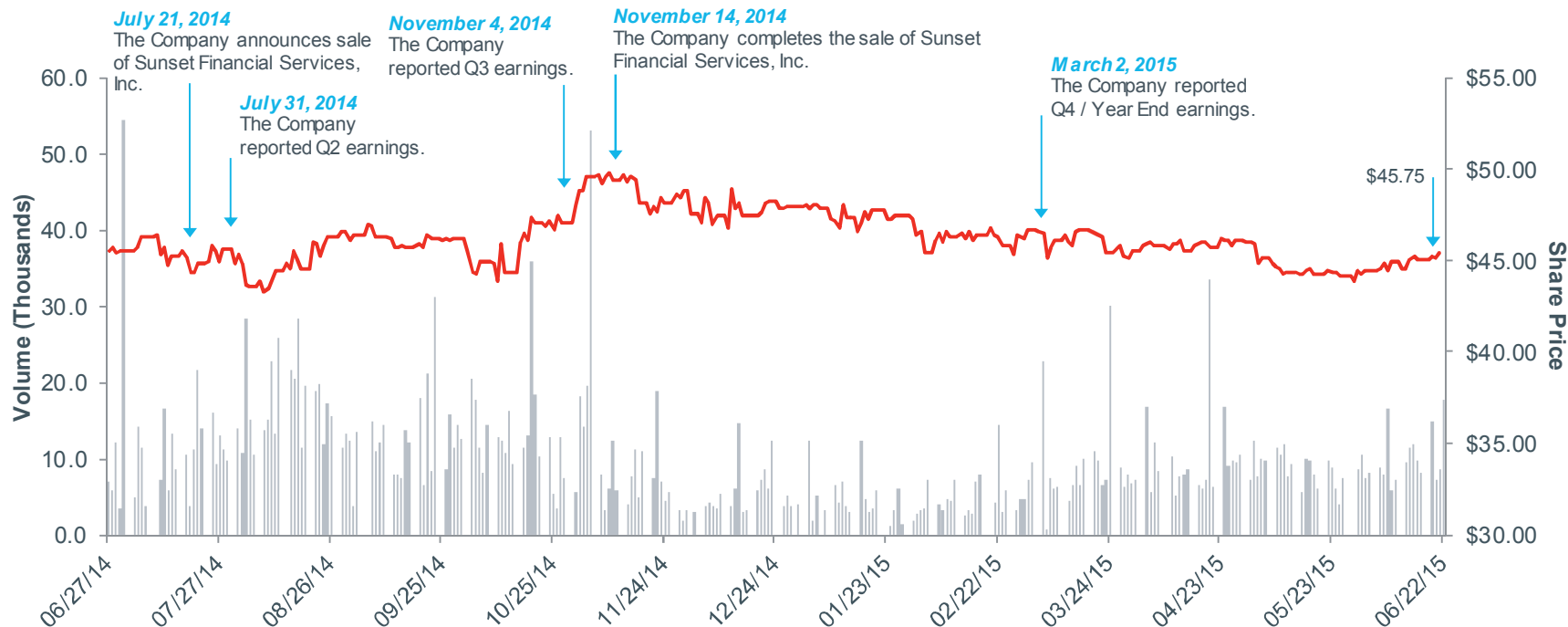
Type	Common Stock Equivalent Held	% of Total Outstanding
Institutional	1,217,431	11%
Control Group	7,002,446	66%
Public & Other	2,442,650	23%



Kansas City Life Insurance Company Trading Analysis

Kansas City Life Insurance Company - Trading History

June 27, 2014 to June 22, 2015



Kansas City Life Insurance Company - Historical Daily Trading Volume

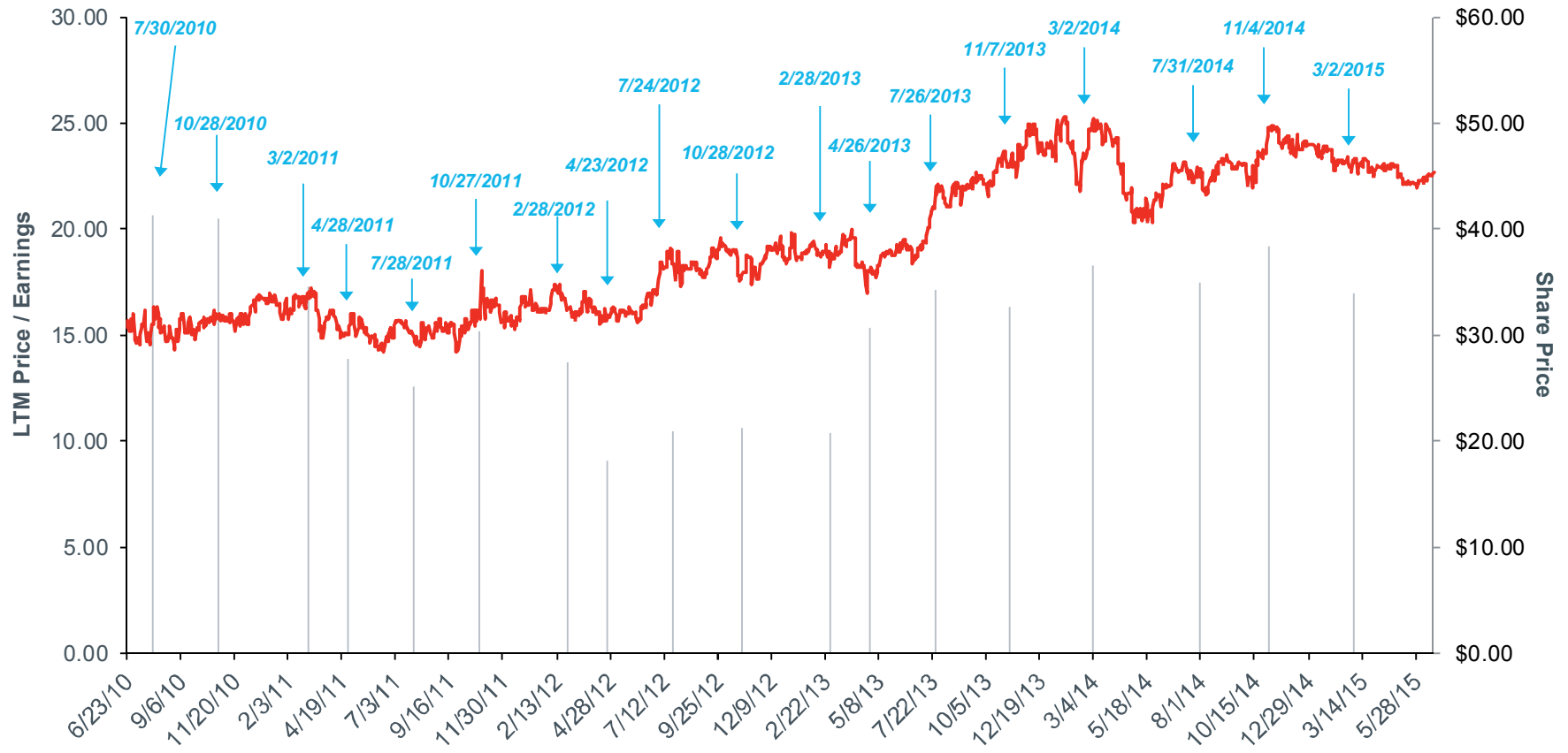
Two-Week Average	11,231	One-Month Average	10,072	Six-Month Average	7,804
% of Shares Outstanding	0.11%	% of Shares Outstanding	0.09%	% of Shares Outstanding	0.07%
% of Float	0.34%	% of Float	0.31%	% of Float	0.24%
Shares Outstanding (1)	10,662,527				
Float	3,282,600				
% Float	30.79%				

(1) As of June 15, 2015 per Company management

Kansas City Life Insurance Company Trading Analysis

Kansas City Life Insurance Company - Earnings Release Dates and P/E Ratio Day After Announcement

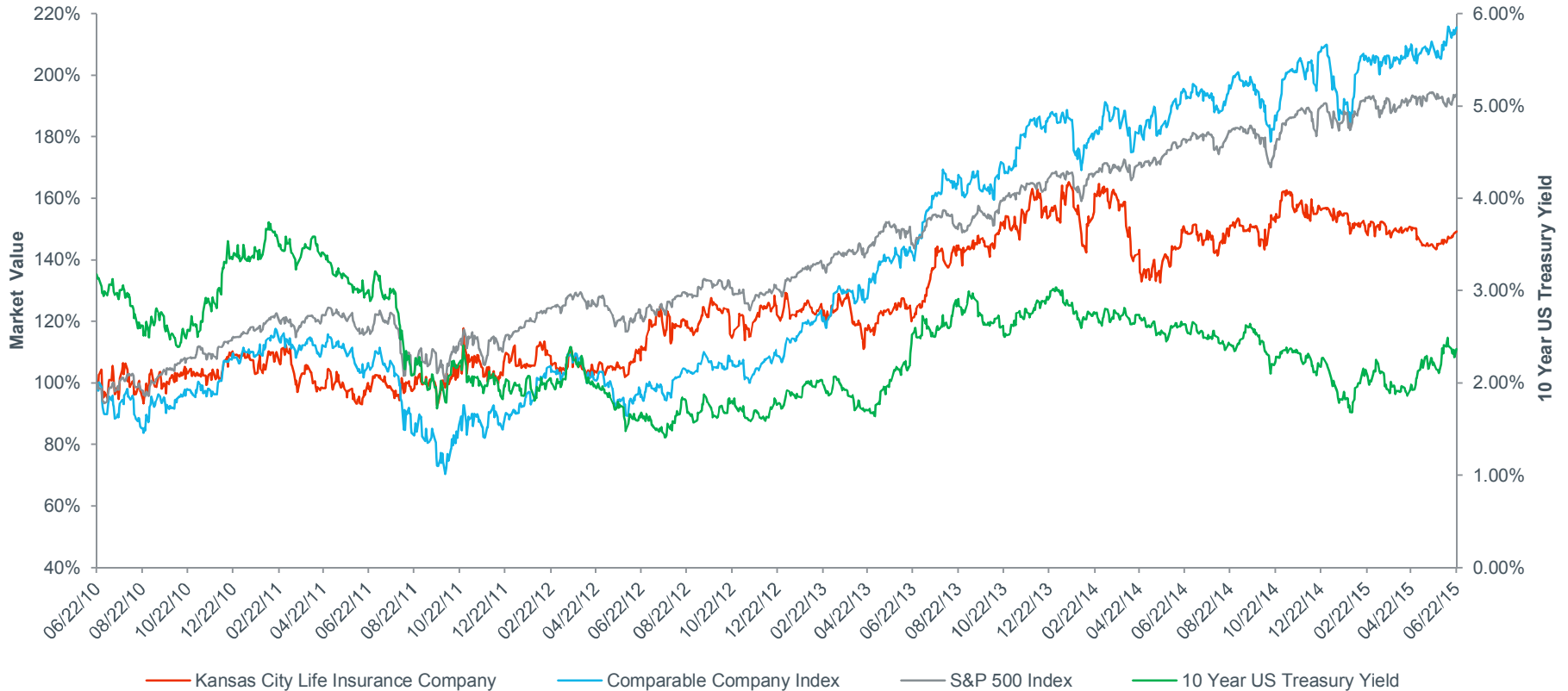
June 23, 2010 to June 22, 2015



Kansas City Life Insurance Company and Comps Stock Performance

Kansas City Life Insurance vs. Comparable Company Index

June 22, 2010 to June 22, 2015



Source: Capital IQ

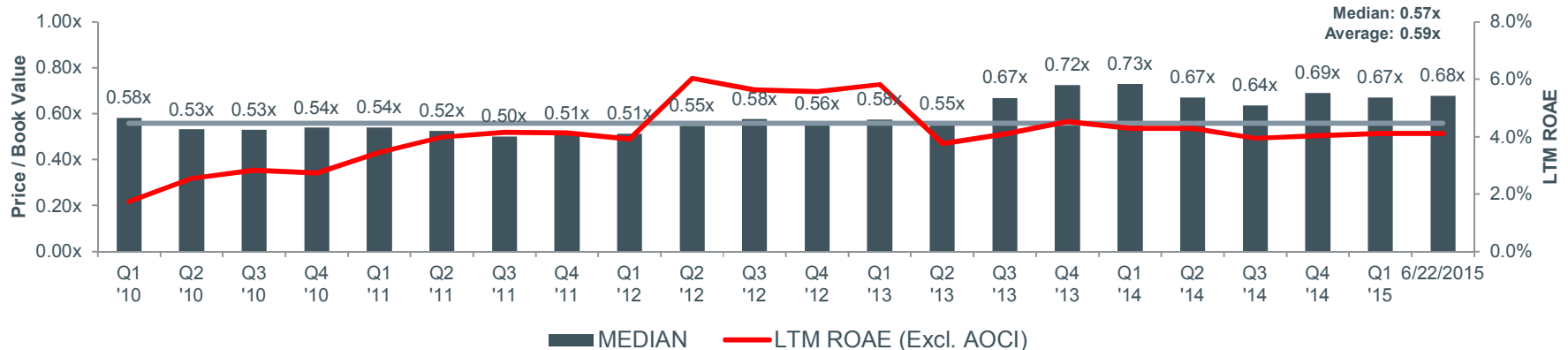
Note: Comparable Company Index includes American Equity Investment Life, American National Insurance, FBL Financial Group, Lincoln National Corporation, National Western Life Insurance, Symetra Financial and Torchmark Corporation; Fidelity & Guaranty was excluded from the Index because it became public on December 13, 2013

Kansas City Life Insurance Company Trading Analysis

Historical Price / LTM Operating Income



Historical Price / Book Value & LTM ROAE (Excl. AOCI)



Kansas City Life Insurance Company Trading Analysis

Schedule of Share Repurchases - Kansas City Life Insurance Company

(in thousands)

Period	Transaction Type	Number of Shares Repurchased	Aggregate Cost	Estimated Average Cost Per Share
Mar-15	Repurchase Plan	35,848	\$1,651,517	\$46.07
Jan-15	Repurchase Plan	9,119	\$435,615	\$47.77
Jan-15	Benefit Plans (1)	353	\$16,955	\$48.03
YTD 2015 Repurchases		45,320	\$2,104,087	\$46.43
Nov-14	Repurchase Plan	9,213	\$446,278	\$48.44
Oct-14	Repurchase Plan	54,617	\$2,523,852	\$46.21
Oct-14	Benefit Plans (1)	231	\$10,245	\$44.35
Sep-14	Repurchase Plan	51,993	\$2,402,077	\$46.20
Sep-14	Benefit Plans (1)	5	\$230	\$45.96
Aug-14	Repurchase Plan	26,915	\$1,199,871	\$44.58
Jul-14	Benefit Plans (1)	74	\$3,364	\$45.46
Aug-14	Benefit Plans (1)	633	\$30,511	\$48.20
Jan-14	Benefit Plans (1)	507	\$24,204	\$47.74
2014 Repurchases		144,188	\$6,640,630	\$46.06
Oct-13	Repurchase Plan	15,670	\$696,375	\$44.44
Sep-13	Repurchase Plan	8,091	\$356,166	\$44.02
Aug-13	Repurchase Plan	29,833	\$1,304,895	\$43.74
Aug-13	Benefit Plans (1)	51	\$2,164	\$42.43
Jan-13	Repurchase Plan	9,924	\$372,150	\$37.50
2013 Repurchases		63,569	\$2,731,750	\$42.97
Total Repurchase Activity		253,077	\$11,476,467	\$45.35
Min				\$37.50
Max				\$48.44
YTD 2015				\$46.43
2014 Average Price Paid				\$46.06
2013 Average Price Paid				\$42.97

(1) Includes shares purchased from the employee stock ownership (ESOP) plan sponsored by the Company

Source: Company filings

Section 3

Valuation Analysis

Industry Overview and Trends

- Life insurers continue to face the challenges of an extended low-interest-rate environment and overcapacity in the industry. The persistently low interest rates have resulted in new money investment rates below investment portfolio yields and have caused interest-rate-driven margin pressure. In an attempt to counter this impact, some insurers have:
 - Started to go “back to basics” by focusing on traditional whole and term life and supplemental health insurance; and
 - Employed a variety of tools such as:(i) product re-pricing and/or hedging to reduce interest rate risk exposure and (ii) diversifying investment portfolios by investing in alternative assets such as commercial real estate and commercial mortgage-backed securities.
- To the extent an interest rate recovery takes longer to materialize and new money rates remain below those used in DAC and reserving assumptions, the risk of adverse earnings and balance sheet impacts will continue to be an overhang for U.S. life insurers.
- Many insurers have excess capital and, given the overcapacity in the industry, are returning capital to shareholders in the form of share buybacks, which is likely to remain a core capital management strategy in 2015.
- M&A activity has continued to accelerate in the first quarter of 2015 with 13 announced or closed deals totaling \$24.4 billion versus 10 announced or closed deals totaling \$3.7 billion in the first quarter of 2014. The average deal value for the first quarter of 2015 was \$1.9 billion with the largest being Dai-ichi Life Insurance Company's \$8.7 billion acquisition of Protective Life Corporation.
- Valuations for many public firms have remained at the lower end of historical ranges, reflecting the many challenges facing the industry that have resulted in a combination of slow growth, lack of transparency, and more volatile earnings streams.
 - The industry is starting to bifurcate between those insurers who are adjusting to the persistent low interest rate environment and industry overcapacity by embracing the use of technology, strategic acquisitions, and effective capital management and those insurers who are unwilling or unable to adapt to the “new normal”; these dynamics are expected to have a strong impact on valuation.
 - During the financial crisis, there was downward pressure on price / book multiples but valuations have “re-rated” in line with pre-crisis levels.
 - Price / earnings multiples of the U.S. life insurers remain lower than that of other financial services sectors including asset managers, large cap banks, broker-dealers, universal banks and P&C insurers.
- Historically, life insurers’ price / book multiples have been highly correlated with their ROE results. It is also important to compare an insurer’s ROE versus its cost of capital. Life insurers usually operate on a thin margin between the two metrics. While many insurers strive for a double-digit ROE, the average ROE in recent years has remained in the mid- to high-single-digit range for most life insurers.⁽¹⁾
- Price / tangible book value multiples of the top 20 life insurance companies (based on market cap) have remained flat, on average, at approximately 1.5x for the 12 month period between 3/31/14 and 3/31/15; whereas price / earnings multiples have increased slightly, on average, from approximately 12.2x to 13.7x (an approximate 12% increase).
- Going forward, analysts expect the environment for the life insurance industry to continue to remain neutral relative to the general economy. Key general economic indicators such as interest rates and demographics drive demand for policyholders and are expected to continue to be strong predictors for the performance of the industry.
- Within the industry, the Company remains a smaller player relative to its peer group and the selected public companies utilized in this analysis. It lags the comparable companies’ median and mean revenue and operating income growth and return on average equity excluding AOCI.

(1) S&P Insurance: Life & Health Industry Survey, October 2014

Source: S&P Insurance Industry Survey, April 2015; pwc Insurance Valuation Quarterly Update, Q1 2015; Capital IQ

Valuation Analysis

Historical and Projected Financial Performance

(\$ in millions)

	2010A	2011A	2012A	2013A	2014A	LTM	2015P (1)
Total Insurance Revenue	\$245.8	\$228.4	\$236.0	\$300.0	\$284.2	\$283.0	\$287.1
<i>Growth</i>	1.2%	-7.1%	3.3%	27.1%	-5.3%	-3.0%	1.0%
Net Investment Revenue	\$127.4	\$180.4	\$194.6	\$173.6	\$168.3	\$165.8	\$159.7
<i>Growth</i>	-28.2%	41.6%	7.9%	-10.8%	-3.0%	-4.2%	-5.1%
<i>Net Investment Yield</i>	3.7%	5.0%	4.8%	4.7%	4.6%	4.6%	4.4%
Total Revenue (2)	\$431.4	\$419.0	\$439.9	\$483.6	\$461.7	\$457.4	\$455.2
<i>Growth</i>	2.5%	-2.9%	5.0%	9.9%	-4.5%	-3.7%	-1.4%
Policy Benefits <i>as % of Total Revenue</i>	\$268.9 62.3%	\$239.3 57.1%	\$242.2 55.1%	\$291.3 60.2%	\$279.4 60.5%	\$276.5 60.4%	\$277.6 61.0%
Total Acquisition Costs	NA	NA	\$41.8	\$50.2	\$52.2	\$50.2	\$50.8
Operating Expenses (3)	NA	NA	\$95.4	\$96.7	\$89.4	\$88.5	\$87.1
Net Income (3)	\$23.0	\$26.8	\$41.8	\$30.8	\$28.4	\$29.5	\$27.5
<i>Growth</i>	114.3%	16.7%	56.0%	-26.5%	-7.7%	-5.6%	-3.2%
<i>as % of Total Revenue</i>	5.3%	6.4%	9.5%	6.4%	6.1%	6.4%	6.0%
Operating Earnings (3)	\$23.3	\$25.5	\$29.9	\$28.2	\$26.2	\$28.3	\$27.5
<i>Growth</i>	35.4%	9.1%	17.2%	-5.4%	-7.3%	0.9%	5.0%
<i>as % of Total Revenue</i>	5.4%	6.1%	6.8%	5.8%	5.7%	6.2%	6.0%
Dividend	\$12.4	\$12.3	\$12.0	\$11.9	\$11.1	\$11.8	NA
<i>Payout Ratio</i>	53.9%	46.0%	28.8%	38.6%	39.1%	39.9%	NA
Total Equity	\$679.5	\$710.7	\$746.8	\$722.3	\$742.8	\$757.5	\$768.7
Total Equity (excl. AOCI)	\$671.7	\$680.6	\$692.7	\$708.2	\$719.7	\$721.5	\$732.7
Operating ROAE (excl. AOCI)	3.5%	3.8%	4.3%	4.0%	3.7%	3.9%	3.8%
Net ROAE (excl. AOCI)	3.4%	4.0%	6.1%	4.4%	4.0%	4.1%	3.8%

(1) Based on information provided by Company management

(2) 2014 Revenue adjusted to exclude \$3.3 million gain from divestiture of certain non-proprietary agent relationships related to Sunset Financial Services with Securities America.

(3) Pro Forma to exclude \$1.0 million of expenses associated with SEC reporting that will be foregone as a result of the Proposed Transaction.

LTM = Latest twelve months ended March 31, 2015

Source: Company filings and management

Valuation Analysis

Selected Public Companies Analysis

- Duff & Phelps reviewed the current trading multiples of publicly traded companies that it determined to be relevant to its analysis.
- Duff & Phelps analyzed the 3-year average, LTM and projected operating income and net income for each of the publicly traded companies.
- Duff & Phelps analyzed the selected public companies' trading multiples of stock price to their respective book value per share and operating earnings per share.
- Duff & Phelps analyzed a number of factors in comparing the Company to the selected public companies including historical and forecasted growth in revenues and profits, profit margins, returns on equity and other characteristics that we deemed relevant.

None of the companies utilized for comparative purposes in the following analysis are directly comparable to the Company. Duff & Phelps does not have access to nonpublic information on any of the companies used for comparative purposes. Accordingly, a complete valuation analysis cannot be limited to a quantitative review of the selected companies, and involves complex considerations and judgments concerning differences in financial and operating characteristics of such companies, as well as other factors that could affect their value relative to that of the Company.

Valuation Analysis

Selected Public Companies Analysis – Financial Performance (GAAP)

Selected Public Company Analysis

(\$ in millions, except per share data)

COMPANY INFORMATION	FINANCIAL PERFORMANCE (GAAP)																
	REVENUE GROWTH			EARNINGS GROWTH						RETURNS				DIVIDENDS		LEVERAGE	BOOK VALUE
Company Name	3-YR Revenue CAGR	LTM Revenue Growth	2015 Proj. Revenue Growth	3-YR Op. Income CAGR	LTM Op. Income Growth	2015 Proj. Op. Income Growth	3-YR EPS CAGR	LTM EPS Growth	Projected 2015 EPS Growth	Net Investment Yield	3-Yr Avg. ROAE excl. AOCI	LTM ROAE excl. AOCI	2015 Proj. ROAE	3-Yr Avg. Dividend Payout Ratio	LTM Dividend Payout Ratio	Leverage Ratio	BV Per Share Growth
American Equity Investment Life Holding Co.	20.6%	-8.4%	12.3%	12.6%	20.6%	3.0%	6.8%	-40.8%	17.2%	4.3%	13.2%	10.8%	11.7%	9.4%	10.8%	22.9%	2.3%
American National Insurance Co.	0.3	-3.6	NA	18.7	46.8	NA	8.7	14.3	NA	4.7	6.3	7.6	NA	39.1	27.8	8.5	5.6
FBL Financial Group Inc.	4.0	1.5	3.5	10.7	7.2	-5.1	24.7	5.9	-6.8	4.9	10.6	11.6	10.3	12.8	32.8	19.5	2.4
Fidelity & Guaranty Life	9.2	-2.2	-5.3	-5.0	-57.9	-33.1	NM	-62.7	-29.2	4.3	21.3	4.5	6.7	0.0	15.6	14.9	6.1
Lincoln National Corporation	8.2	11.4	3.6	8.9	9.1	-3.6	36.4	16.3	6.8	4.7	11.3	11.7	11.3	10.3	13.3	28.9	8.9
National Western Life Insurance Company	7.4	-11.3	NA	NM	NM	NA	23.8	3.6	NA	5.0	7.3	7.2	NA	1.7	1.2	2.0	7.4
Symetra Financial Corporation	3.0	2.8	8.0	6.1	-6.0	-11.3	15.5	-4.9	-21.8	4.4	9.9	8.9	7.4	18.2	22.3	23.6	0.7
Torchmark Corporation	5.5	3.3	2.7	2.7	-0.9	1.7	9.9	3.0	2.3	4.8	15.3	14.6	12.7	11.0	12.6	20.4	8.6
Mean	7.3%	-0.8%	4.1%	7.8%	2.7%	-8.1%	18.0%	-8.2%	-5.3%	4.6%	11.9%	9.6%	10.0%	12.8%	17.0%	17.6%	5.2%
Median	6.4%	-0.3%	3.5%	8.9%	7.2%	-4.3%	15.5%	3.3%	-2.2%	4.7%	11.0%	9.8%	10.8%	10.6%	14.4%	20.0%	5.8%
Kansas City Life Insurance Company^{1 2}	3.3%	-3.7%	-1.4%	0.9%	0.9%	5.0%	1.9%	-5.6%	-3.2%	4.6%	4.8%	4.1%	3.8%	35.5%	39.4%	0.0%	2.9%

(1) Based on information provided by company management

(2) Pro Forma to reflect sunset sale and SEC cost savings

LTM = Latest Twelve Months

CAGR = Compounded Annual Growth Rate

AOCI = Accumulated Other Comprehensive Income

Operating Income is after-tax, excluding realized gains and losses

Leverage Ratio = Total Debt / Total Invested Capital

Source: Bloomberg, Capital IQ, SEC filings, SNL Financial

Valuation Analysis

Selected Public Companies Analysis – Financial Performance (Statutory)

Selected Public Company Analysis

(\$ in millions, except per share data)

COMPANY INFORMATION	FINANCIAL PERFORMANCE (STATUTORY)								
	REVENUE GROWTH		EARNINGS GROWTH		RETURNS		CAPITAL POSITION		
Company Name	3-YR Revenue CAGR	LTM Revenue Growth	3-YR Income CAGR	LTM Income Growth	3-Yr Avg. ROAE excl. AOCI	LTM ROAE excl. AOCI	C&S / Total Reserves	RBC Ratio	A.M. Best Rating
American Equity Investment Life Holding Co.	1.2%	12.0%	27.1%	27.8%	12.2%	10.2%	6.8%	372%	A-
American National Insurance Co.	-10.1	-2.1	-8.9	-17.8	6.4	7.6	21.5	482	A
FBL Financial Group Inc.	NA	NA	39.3	3.7	NA	NA	NA	545	A
Fidelity & Guaranty Life	NA	NA	-5.0	-57.9	NA	NA	NA	350	B++
Lincoln National Corporation	6.9	2.4	NM	27.4	11.8	12.0	9.2	541	A+
National Western Life Insurance Company	-5.7	-1.8	12.7	23.9	7.2	7.2	13.4	865	A
Symetra Financial Corporation	6.4	3.6	16.1	23.0	9.9	8.9	9.4	474	A
Torchmark Corporation	5.5	5.7	0.2	-33.9	15.3	14.5	9.2	326	A+
Mean	0.7%	3.3%	11.7%	-0.5%	10.5%	10.1%	11.6%	494%	
Median	3.3%	3.0%	12.7%	13.4%	10.8%	9.5%	9.3%	478%	
Kansas City Life Insurance Company	3.5%	-5.6%	4.2%	NM	4.7%	4.3%	11.6%	443%	A

LTM = Latest Twelve Months

CAGR = Compounded Annual Growth Rate

AOCI = Accumulated Other Comprehensive Income

C&S = Capital & Surplus

RBC = Risk Based Capital

Source: Bloomberg, Capital IQ, SEC filings, SNL Financial

Valuation Analysis

Selected Public Companies Analysis – Valuation Multiples

Selected Public Company Analysis

(\$ in millions, except per share data)

COMPANY INFORMATION	MARKET DATA				STOCK PRICE AS A MULTIPLE OF									
	Company Name	Stock Price on 6/22/15	% of 52-Wk High	Market Cap	Dividend Yield	3 Yr. Avg. Operating Income	LTM Operating Income	2015 Operating Income	3 Yr. Avg. EPS	LTM EPS	Proj. 2015 EPS	BV (Excl. AOCI) Per Share	P/BV to BVPS Growth	LTM Statutory Income
American Equity Investment Life Holding Co.	\$27.45	92.5%	\$2,115	0.7%	13.7x	10.5x	10.8x	13.0x	14.8x	14.0x	1.47x	0.64x	6.6x	0.96x
American National Insurance Co.	103.83	87.7	2,793	3.0	15.0	10.7	NA	11.9	9.4	NA	0.69	0.12	17.4	0.90
FBL Financial Group Inc.	58.57	93.0	1,452	2.5	15.0	13.5	14.3	15.2	13.3	14.3	1.52	0.63	NA	NA
Fidelity & Guaranty Life	23.37	89.9	1,373	1.1	NM	14.1	12.6	NM	14.0	11.4	1.05	0.17	NA	NA
Lincoln National Corporation	61.01	99.1	15,437	1.2	10.8	9.7	9.9	12.9	11.2	10.4	1.23	0.14	10.7	2.08
National Western Life Insurance Company	240.45	87.8	874	0.1	NM	14.3	NA	8.8	8.2	NA	0.57	0.08	10.9	0.73
Symetra Financial Corporation	24.65	95.3	2,862	1.7	14.0	14.0	14.2	13.7	13.4	14.4	1.19	1.65	12.3	1.37
Torchmark Corporation	59.03	100.0	7,444	0.9	14.2	14.0	13.7	15.4	14.5	14.1	2.01	0.23	17.8	5.94
Mean		93.2%	\$4,294	1.4%	13.8x	12.6x	12.6x	13.0x	12.3x	13.1x	1.22x	0.46x	12.6x	2.00x
Median		92.8%	\$2,454	1.1%	14.1x	13.7x	13.2x	13.0x	13.3x	14.0x	1.21x	0.20x	11.6x	1.16x
Kansas City Life Insurance Company^{1,2}	\$45.75	91.8%	\$488	2.4%	17.4x	17.2x	17.7x	14.5x	16.5x	17.7x	0.68x	0.24x	21.0x	1.43x

(1) Based on information provided by company management

(2) Pro Forma to reflect sunset sale and SEC cost savings

LTM = Latest Twelve Months

AOCI = Accumulated Other Comprehensive Income

C&S = Capital & Surplus

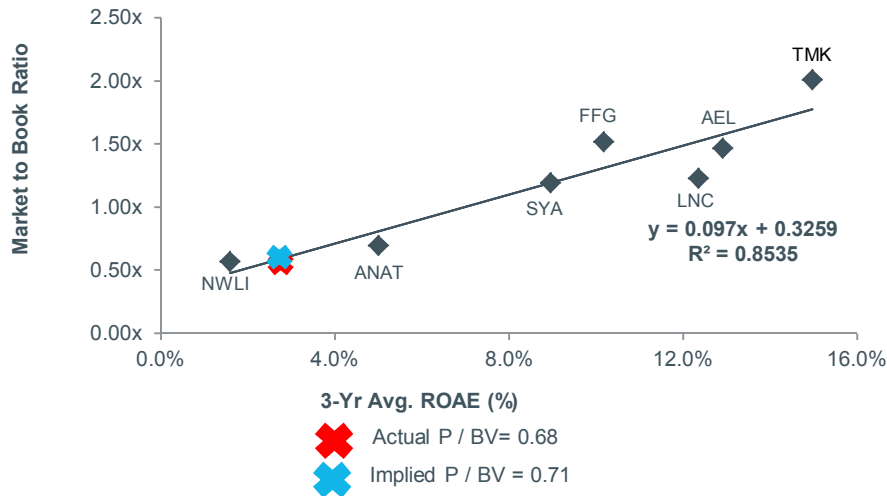
Operating Income is after-tax, excluding realized gains and losses

Source: Bloomberg, Capital IQ, SEC filings, SNL Financial

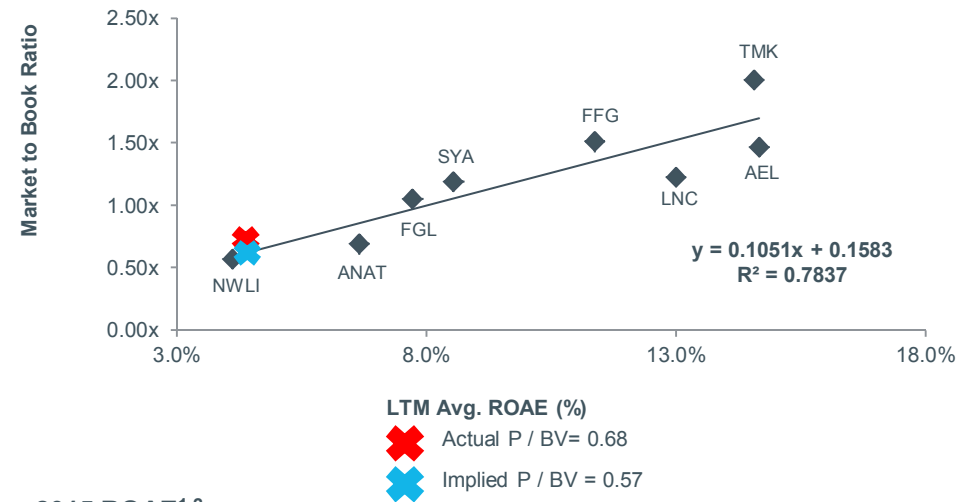
Valuation Analysis

Selected Public Companies Analysis – Regression Analysis

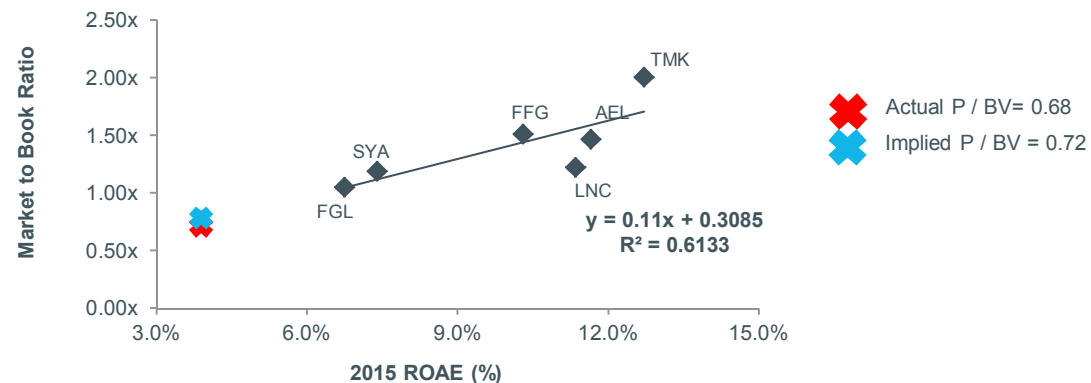
P / Book Value¹ vs. 3-YR Avg. Op. Income ROAE¹



P / Book Value¹ vs. LTM Op. Income ROAE¹



P / Book Value¹ vs. 2015 ROAE^{1,2}



(1) Excludes Accumulated Other Comprehensive Income (AOCI)
 (2) Based on information provided by Company management

Valuation Analysis

Selected Public Companies Analysis Conclusion

- Duff & Phelps selected valuation multiples for the Company based upon the regression analysis summarized on the previous page.

Selected Public Companies Analysis - Kansas City Life Insurance Company

(\$ in millions)

Metric	Equity Valuation Multiples			Valuation Summary		
	Public Company Range	Public Company Median	Selected Multiple Range	Company Performance	Equity Value Range	
Book Value excl. AOCI	0.57x - 2.01x	1.21x	0.57x - 0.71x	\$721.5	\$413.1	- \$515.8
					\$413.1	- \$515.8
				Shares Outstanding (2)	10.7	10.7
					\$38.75	- \$48.37

Implied Equity Value Multiples

LTM Adjusted Operating Income (1)	9.7x - 14.3x	13.7x		\$28.3	14.6x	- 18.2x
3-year Average Adjusted Operating Income (1)	10.8x - 15.0x	14.1x		\$28.1	14.7x	- 18.4x
2015 Projected Adjusted Operating Income (2)	9.9x - 14.3x	13.2x		\$27.5	15.0x	- 18.8x
LTM Adjusted Earnings (1)	8.2x - 14.8x	13.3x		\$29.5	14.0x	- 17.5x
3-year Average Adjusted Earnings (1)	8.8x - 15.4x	13.0x		\$33.7	12.3x	- 15.3x
2015 Projected Adjusted Earnings (2)	10.4x - 14.4x	14.0x		\$27.5	15.0x	- 18.8x
P / Book Value excl. AOCI	0.57x - 2.01x	1.21x		\$721.5	0.57x	- 0.71x
P / Statutory Capital and Surplus	0.73x - 5.94x	1.16x		\$342.0	1.21x	- 1.51x

(1) Excludes \$3.3 million gain from divestiture of certain non-proprietary agent relationships related to Sunset Financial Services with Securities America.

(2) Based on information provided by Company management

Note: Financial data as of March 31, 2015; operating income and earnings adjusted for estimated cost savings from delisting

Valuation Analysis

Selected Public Companies Analysis Conclusion

- Duff & Phelps selected valuation multiples for the Company based upon the median of the comparable companies analyzed and the Company's current trading multiple.

Selected Public Companies Analysis - Kansas City Life Insurance Company

(\$ in millions)

Metric	Equity Valuation Multiples			Valuation Summary		
	Public Company Range	Public Company Median	Selected Multiple Range	Company Performance	Equity Value Range	
LTM Adjusted Operating Income (1)	9.7x - 14.3x	13.7x	13.7x - 17.2x	\$28.3	\$389.0	- \$487.8
					\$389.0	- \$487.8
				Shares Outstanding (2)	10.7	10.7
					\$36.48	- \$45.75

Implied Equity Value Multiples

LTM Adjusted Operating Income (1)	9.7x - 14.3x	13.7x		\$28.3	13.7x	- 17.2x
3-year Average Adjusted Operating Income (1)	10.8x - 15.0x	14.1x		\$28.1	13.8x	- 17.4x
2015 Projected Adjusted Operating Income (2)	9.9x - 14.3x	13.2x		\$27.5	14.1x	- 17.7x
LTM Adjusted Earnings (1)	8.2x - 14.8x	13.3x		\$29.5	13.2x	- 16.5x
3-year Average Adjusted Earnings (1)	8.8x - 15.4x	13.0x		\$33.7	11.6x	- 14.5x
2015 Projected Adjusted Earnings (2)	10.4x - 14.4x	14.0x		\$27.5	14.2x	- 17.7x
P / Book Value excl. AOCI	0.57x - 2.01x	1.21x		\$721.5	0.54x	- 0.68x
P / Statutory Capital and Surplus	0.73x - 5.94x	1.16x		\$342.0	1.14x	- 1.43x

(1) Excludes \$3.3 million gain from divestiture of certain non-proprietary agent relationships related to Sunset Financial Services with Securities America.

(2) Based on information provided by Company management

Note: Financial data as of March 31, 2015; operating income and earnings adjusted for estimated cost savings from delisting

Valuation Analysis

Selected Public Companies Analysis Conclusion

- Duff & Phelps selected valuation multiples for the Company based upon the median of the comparable companies analyzed and the Company's current trading multiple.

Selected Public Companies Analysis - Kansas City Life Insurance Company

(\$ in millions)

Metric	Equity Valuation Multiples			Valuation Summary		
	Public Company Range	Public Company Median	Selected Multiple Range	Company Performance	Equity Value Range	
3-year Average Adjusted Operating Income (1)	10.8x - 15.0x	14.1x	14.1x - 17.4x	\$28.1	\$396.3	- \$487.8
			Equity Value Range		\$396.3	- \$487.8
			Shares Outstanding (2)		10.7	10.7
			Equity Value Per Share Range		\$37.17	- \$45.75

Implied Equity Value Multiples

LTM Adjusted Operating Income (1)	9.7x - 14.3x	13.7x		\$28.3	14.0x	- 17.2x
3-year Average Adjusted Operating Income (1)	10.8x - 15.0x	14.1x		\$28.1	14.1x	- 17.4x
2015 Projected Adjusted Operating Income (2)	9.9x - 14.3x	13.2x		\$27.5	14.4x	- 17.7x
LTM Adjusted Earnings (1)	8.2x - 14.8x	13.3x		\$29.5	13.4x	- 16.5x
3-year Average Adjusted Earnings (1)	8.8x - 15.4x	13.0x		\$33.7	11.8x	- 14.5x
2015 Projected Adjusted Earnings (2)	10.4x - 14.4x	14.0x		\$27.5	14.4x	- 17.7x
P / Book Value excl. AOCI	0.57x - 2.01x	1.21x		\$721.5	0.55x	- 0.68x
P / Statutory Capital and Surplus	0.73x - 5.94x	1.16x		\$342.0	1.16x	- 1.43x

(1) Excludes \$3.3 million gain from divestiture of certain non-proprietary agent relationships related to Sunset Financial Services with Securities America.

(2) Based on information provided by Company management

Note: Financial data as of March 31, 2015; operating income and earnings adjusted for estimated cost savings from delisting

Valuation Analysis

Selected Public Companies Analysis Conclusion

- Duff & Phelps selected valuation multiples for the Company based upon the median of the comparable companies analyzed and the Company's current trading multiple.

Selected Public Companies Analysis - Kansas City Life Insurance Company

(\$ in millions)

Metric	Equity Valuation Multiples			Valuation Summary		
	Public Company Range	Public Company Median	Selected Multiple Range	Company Performance	Equity Value Range	
LTM Adjusted Earnings (1)	8.2x - 14.8x	13.3x	13.3x - 16.5x	\$29.5	\$392.7	- \$487.8
					\$392.7	- \$487.8
				Shares Outstanding (2)	10.7	10.7
					\$36.83	- \$45.75

Implied Equity Value Multiples

LTM Adjusted Operating Income (1)	9.7x - 14.3x	13.7x		\$28.3	13.9x	- 17.2x
3-year Average Adjusted Operating Income (1)	10.8x - 15.0x	14.1x		\$28.1	14.0x	- 17.4x
2015 Projected Adjusted Operating Income (2)	9.9x - 14.3x	13.2x		\$27.5	14.3x	- 17.7x
LTM Adjusted Earnings (1)	8.2x - 14.8x	13.3x		\$29.5	13.3x	- 16.5x
3-year Average Adjusted Earnings (1)	8.8x - 15.4x	13.0x		\$33.7	11.7x	- 14.5x
2015 Projected Adjusted Earnings (2)	10.4x - 14.4x	14.0x		\$27.5	14.3x	- 17.7x
P / Book Value excl. AOCI	0.57x - 2.01x	1.21x		\$721.5	0.54x	- 0.68x
P / Statutory Capital and Surplus	0.73x - 5.94x	1.16x		\$342.0	1.15x	- 1.43x

(1) Excludes \$3.3 million gain from divestiture of certain non-proprietary agent relationships related to Sunset Financial Services with Securities America.

(2) Based on information provided by Company management

Note: Financial data as of March 31, 2015; operating income and earnings adjusted for estimated cost savings from delisting

Appendix 1

“Go-Dark” Transactions Analysis

“Go-Dark” Transactions Analysis

Selected “Go-Dark” Transactions Analysis

- Duff & Phelps reviewed 48 “go-dark” transactions by means a reverse/forward stock split or cash out merger.
- Duff & Phelps screened transactions based on the following criteria (source information was obtained from Capital IQ and company SEC filings):
 - Transaction announced after January 1, 2005;
 - Reverse split / forward split transactions with cash paid for fractional shares;
 - Cash out merger with cash paid to shareholders holding a number of shares under a predetermined amount;
 - Filing of Form 15 with the SEC to deregister its common stock under the Securities Exchange Act of 1934;
 - Market capitalization at the time of announcement of greater than \$10 million; and
 - Per share cash paid for fractional shares greater than \$1.00 per share;
- The analysis included premiums paid for fractional shares as well as the percentage dilution associated with the total dollar amount of premium paid for each of the transactions.
- Duff & Phelps relied on the reported acquisition price paid by these companies in connection with the comparable transactions and compared that price to the most recently reported trading prices for the same shares to determine a difference in price (i.e., premium or discount). Duff & Phelps did not consider the trading history or fundamental value of the stock for the 48 transactions reviewed other than the last recorded trading price (for purposes of comparison to the acquisition price paid to the selected transactions).

None of the selected transactions involves companies that are identical to Kansas City Life Insurance Company and Duff & Phelps does not have access to non-public information regarding these companies and transaction.

“Go-Dark” Transactions Analysis

No.	Company Name	Transaction Type	Date Announced	Market Cap at Announcement (\$mil)	Fractional Share Price	Common Stock Price Before Announcement (1)	% Difference from Previous Day	% Dilution (2)	Common Stock Price After Announcement	% Difference After Announcement
1	Monarch Cement Co.	Reverse Stock Split	8/8/14	\$104.7	\$30.00	\$26.41	13.6%	0.35%	\$26.40	(0.0%)
2	Emtec, Inc.	Reverse Stock Split	5/6/13	\$18.4	\$1.05	\$1.01	4.0%	0.23%	\$1.02	1.0%
3	DGT Holdings Corp.	Reverse Stock Split	12/14/12	\$46.5	\$13.50	\$11.66	15.8%	1.54%	\$12.00	2.9%
4	CoSine Communications Inc.	Reverse Stock Split	8/30/10	\$18.9	\$2.24	\$1.87	19.8%	0.04%	\$1.87	-
5	EDCI Holdings, Inc. (3)	Reverse Stock Split	7/22/10	\$27.0	\$5.00	\$4.02	24.4%	1.65%	\$4.73	17.7%
6	Regency Affiliates Inc.	Reverse Stock Split	3/1/10	\$11.7	\$6.00	\$3.37	78.0%	0.43%	\$4.49	33.2%
7	Boss Holdings Inc.	Reverse Stock Split	8/26/09	\$13.1	\$7.65	\$6.20	23.4%	0.58%	\$5.12	(17.4%)
8	MAXXAM Inc. (3)	Reverse Stock Split	8/19/09	\$40.6	\$11.00	\$8.90	23.6%	0.87%	\$8.90	-
9	Cuisine Solutions Inc. (3)	Reverse Stock Split	5/26/09	\$16.5	\$1.30	\$0.95	36.8%	2.77%	\$0.93	(2.1%)
10	Capital Properties Inc.	Reverse Stock Split	8/8/08	\$84.1	\$25.00	\$23.32	7.2%	0.02%	\$25.50	9.4%
11	Gouverneur Bancorp, Inc. (3)	Reverse Stock Split	6/25/08	\$19.3	\$10.00	\$8.60	16.3%	0.04%	\$8.06	(6.3%)
12	Peoples-Sidney Financial Corporation	Reverse Stock Split	5/21/08	\$17.0	\$13.47	\$12.55	7.3%	0.56%	\$12.55	-
13	First Bancorp of Indiana Inc. (3)	Reverse Stock Split	2/29/08	\$21.4	\$14.00	\$12.01	16.6%	0.24%	\$12.01	-
14	Oregon Pacific Bancorp (3)	Reverse Stock Split	1/2/08	\$20.0	\$13.00	\$9.05	43.6%	0.41%	\$10.75	18.8%
15	Peoples Bancorp (3)	Reverse Stock Split	12/28/07	\$44.2	\$16.75	\$14.20	17.9%	1.54%	\$14.23	0.2%
16	CB Financial Corporation	Reverse Stock Split	10/30/07	\$17.1	\$20.00	\$15.25	31.2%	1.98%	\$15.25	-
17	Jaclyn Inc. (3)	Reverse Stock Split	12/4/07	\$14.8	\$10.21	\$5.95	71.6%	11.17%	\$7.75	30.2%
18	Citizens Financial Corporation (3)	Reverse Stock Split	7/2/07	\$10.4	\$7.25	\$6.54	10.9%	1.33%	\$6.61	1.1%
19	PSB Group, Inc.	Cash Out Merger	5/24/07	\$58.3	\$21.00	\$15.15	38.6%	1.57%	\$18.50	22.1%
20	Northway Financial Inc. (3)	Reverse Stock Split	4/16/07	\$50.3	\$37.50	\$27.42	36.7%	5.88%	\$31.02	13.1%
21	Monarch Community Bancorp Inc.	Cash Out Merger	2/16/07	\$31.6	\$13.50	\$10.60	27.4%	1.44%	\$12.15	14.6%
22	Ohio State Bancshares Inc.	Reverse Stock Split	1/12/07	\$17.2	\$95.00	\$92.34	2.9%	0.34%	\$93.34	1.1%
23	Meritage Hospitality Group Inc. (3)	Reverse Stock Split	10/6/06	\$25.4	\$5.25	\$4.67	12.3%	0.08%	\$4.67	-
24	The Pegasus Companies, Incorporated (3)	Reverse Stock Split	8/15/06	\$30.4	\$3.25	\$2.25	44.4%	0.26%	\$2.35	4.4%
25	Bactolac Pharmaceutical, Inc.	Reverse Stock Split	5/16/06	\$16.0	\$4.00	\$3.60	11.1%	0.45%	\$3.29	(8.6%)
26	Harbor Bankshares Corporation	Cash Out Merger	5/12/06	\$17.2	\$31.00	\$25.50	21.6%	0.41%	\$25.50	-
27	Mestek Inc. (3)	Reverse Stock Split	3/31/06	\$109.8	\$15.24	\$12.51	21.8%	1.72%	\$12.58	0.6%
28	Home City Financial Corp. (3)	Reverse Stock Split	1/26/06	\$12.7	\$17.10	\$15.28	11.9%	0.30%	\$15.76	3.1%
29	Yadkin Valley Company	Reverse Stock Split	1/24/06	\$10.1	\$78.00	\$56.00	39.3%	3.16%	\$56.00	-
30	Collins Industries, Inc.	Reverse Stock Split	11/2/05	\$44.3	\$7.70	\$6.76	14.0%	0.17%	\$7.01	3.7%
31	County Bank Corp.	Reverse Stock Split	10/7/05	\$60.0	\$55.00	\$53.70	2.4%	0.12%	\$53.70	-
32	Iowa First Bancshares Corp.	Reverse Stock Split	7/22/05	\$47.7	\$38.00	\$34.25	10.9%	0.54%	\$34.50	0.7%
33	First Citizens Bancorp., Inc.	Cash Out Merger	9/13/05	\$539.3	\$735.00	\$590.00	24.6%	1.24%	\$675.00	14.4%
34	FirstFed Bancorp, Inc.	Cash Out Merger	9/9/05	\$23.5	\$11.00	\$9.03	21.8%	27.88%	\$9.63	6.6%
35	Illini Corporation	Cash Out Merger	8/23/05	\$21.2	\$40.50	\$39.05	3.7%	0.34%	\$39.25	0.5%
36	Cherokee Banking Company	Cash Out Merger	7/1/05	\$19.3	\$17.75	\$15.50	14.5%	2.21%	\$15.50	-
37	FC Banc Corp.	Cash Out Merger	6/24/05	\$16.8	\$29.12	\$23.22	25.4%	2.55%	\$23.97	3.2%
38	Guaranty Bancshares, Inc.	Cash Out Merger	6/7/05	\$53.6	\$24.00	\$19.35	24.0%	0.55%	\$22.50	16.3%
39	FFD Financial Corp. (3)	Reverse Stock Split	5/24/05	\$17.8	\$19.00	\$15.45	23.0%	1.69%	\$17.55	13.6%
40	Community Investors Bancorp, Inc. (3)	Reverse Stock Split	5/24/05	\$13.9	\$15.00	\$13.17	13.9%	0.55%	\$13.22	0.4%
41	Home Loan Financial Corp. (3)	Reverse Stock Split	5/18/05	\$26.8	\$20.75	\$15.87	30.8%	2.17%	\$18.77	18.3%
42	United Tennessee Bankshares Inc.	Cash Out Merger	4/14/05	\$24.9	\$22.00	\$18.26	20.5%	5.06%	\$21.20	16.1%
43	BF Enterprises Inc.	Reverse Stock Split	3/31/05	\$30.1	\$8.95	\$7.50	19.3%	1.61%	\$8.50	13.3%
44	Mercury Air Group, Inc. (3)	Reverse Stock Split	3/22/05	\$10.6	\$4.00	\$3.36	19.0%	1.25%	\$3.45	2.7%
45	Northeast Indiana Bancorp Inc. (3)	Reverse Stock Split	3/16/05	\$29.4	\$23.50	\$20.00	17.5%	0.17%	\$21.00	5.0%
46	LICT Corporation	Reverse Stock Split	3/11/05	\$66.0	\$29.00	\$24.99	16.0%	1.05%	\$23.90	(4.4%)
47	ASB Financial Corp. (3)	Reverse Stock Split	2/28/05	\$35.8	\$23.00	\$20.27	13.5%	0.70%	\$21.76	7.4%
48	Bank First National Corporation	Cash Out Merger	2/25/05	\$105.8	\$19.60	\$15.25	28.5%	0.45%	\$15.25	-
	Kansas City Life Insurance Company (4)	Reverse Stock Split	6/22/15	\$487.8						
	Average			\$44.0			22.4%	1.91%		5.4%
	Median			\$24.2			19.6%	0.64%		1.1%

(1) Based upon last observed trading price

(2) % Dilution = [(Fractional Share Price - Common Stock Price Before Announcement) X Fractional Shares] / (Market Capitalization at Announcement - Transaction Value)

(3) Traded on national exchange prior to transaction

(4) Shares outstanding per Company management

Source: Capital IQ and Company Filings

“Go-Dark” Transactions Analysis

No.	Company Name	Shares Purchased as a % of Shares Outstanding	Fractional Shares (thousands)	Transaction Value (\$mil)(1)	1 year Stock Price % Change	Price Before Announcement as a % of 52-week high	Average Daily Trading Volume (thousands)(2)	Shares Outstanding (thousands)	Control Group with greater than 20 %	State of Incorporation
1	Monarch Cement Co.	2.5%	98.6	\$3.0	12.4%	96.7%	1.33	3,963.92	-	Kansas
2	Emtec, Inc.	5.5%	1,001.4	\$1.1	6.3%	82.1%	9.43	18,200.00	63%	Delaware
3	DGT Holdings Corp.	9.0%	350.0	\$4.7	16.6%	88.6%	6.44	3,879.00	59%	New York
4	CoSine Communications Inc.	0.2%	22.3	\$0.1	(1.6%)	91.2%	10.25	10,142.86	-	Delaware
5	EDCI Holdings, Inc. (3)	6.2%	420.0	\$2.1	(29.2%)	62.3%	24.56	6,730.00	-	Delaware
6	Regency Affiliates Inc.	0.6%	19.1	\$0.1	39.3%	74.9%	3.03	3,468.54	58%	Delaware
7	Boss Holdings Inc.	2.4%	51.0	\$0.4	(0.8%)	75.2%	0.97	2,124.05	56%	Delaware
8	MAXXAM Inc. (3)	3.5%	160.0	\$1.8	(56.0%)	44.5%	0.02	4,559.64	64%	Delaware
9	Cuisine Solutions Inc. (3)	6.7%	1,185.0	\$1.5	(53.0%)	35.8%	12.47	17,559.19	58%	Delaware
10	Capital Properties Inc.	0.4%	11.6	\$0.3	(17.2%)	71.0%	2.13	3,299.96	52%	Rhode Island
11	Gouverneur Bancorp, Inc. (3)	0.3%	5.8	\$0.1	(21.8%)	43.0%	1.51	2,300.74	57%	New York
12	Peoples-Sidney Financial Corporation	7.0%	95.7	\$1.3	(3.8%)	83.3%	1.14	1,364.05	-	Delaware
13	First Bancorp of Indiana Inc. (3)	1.4%	25.4	\$0.4	(33.3%)	64.4%	1.59	1,826.32	-	Indiana
14	Oregon Pacific Bancorp (3)	0.9%	20.4	\$0.3	(24.9%)	72.4%	1.70	2,211.87	-	Oregon
15	Peoples Bancorp (3)	7.8%	243.0	\$4.1	(26.2%)	70.0%	2.52	3,104.99	-	Ohio
16	CB Financial Corporation	6.2%	65.9	\$1.3	NA	NA	1.30	1,070.17	-	North Carolina
17	Jaclyn Inc. (3)	12.4%	306.3	\$3.1	(43.4%)	41.8%	8.64	2,468.61	51%	Delaware
18	Citizens Financial Corporation (3)	10.7%	170.3	\$1.2	0.6%	95.6%	0.01	1,586.11	62%	Kentucky
19	PSB Group, Inc.	4.8%	148.1	\$3.1	(9.8%)	79.7%	2.04	3,068.55	-	Michigan
20	Northway Financial Inc. (3)	16.1%	240.8	\$9.0	(19.6%)	78.0%	2.05	1,494.17	-	New Hampshire
21	Monarch Community Bancorp Inc.	5.7%	147.0	\$2.0	(10.2%)	81.5%	0.97	2,599.50	36%	Maryland
22	Ohio State Bancshares Inc.	10.6%	19.5	\$1.9	31.8%	97.9%	0.77	183.94	-	Ohio
23	Meritage Hospitality Group Inc. (3)	0.6%	33.7	\$0.2	(4.3%)	94.3%	4.00	5,440.60	26%	Michigan
24	The Pegasus Companies, Incorporated (3)	0.6%	77.1	\$0.3	(30.8%)	40.3%	0.07	13,166.09	59%	Delaware
25	Bactolac Pharmaceutical, Inc.	3.6%	171.2	\$0.7	(11.1%)	75.8%	0.00	4,733.68	68%	Texas
26	Harbor Bankshares Corporation	1.9%	12.5	\$0.4	34.2%	100.0%	0.51	675.58	30%	Maryland
27	Mestek Inc. (3)	7.2%	632.1	\$9.6	(44.5%)	47.0%	5.41	8,732.13	40%	Pennsylvania
28	Home City Financial Corp. (3)	2.4%	20.1	\$0.3	0.4%	91.7%	0.64	835.69	-	Ohio
29	Yadkin Valley Company	7.2%	13.0	\$1.0	27.3%	61.5%	0.00	180.60	28%	North Carolina
30	Collins Industries, Inc.	1.2%	80.3	\$0.6	31.0%	90.0%	11.75	6,633.01	-	Missouri
31	County Bank Corp.	4.7%	52.8	\$2.9	1.3%	92.6%	0.88	1,118.32	-	Michigan
32	Iowa First Bancshares Corp.	4.7%	65.2	\$2.5	10.0%	84.6%	1.17	1,382.67	-	Iowa
33	First Citizens Bancorp., Inc.	4.8%	43.4	\$31.9	16.4%	97.5%	0.11	898.91	66%	South Carolina
34	FirstFed Bancorp, Inc.	53.3%	1,300.0	\$14.3	20.4%	96.7%	1.93	2,439.00	22%	Delaware
35	Illini Corporation	8.4%	45.6	\$1.8	14.0%	99.5%	1.09	541.00	-	Illinois
36	Cherokee Banking Company	13.0%	161.1	\$2.9	-	91.2%	0.99	1,243.00	38%	Georgia
37	FC Banc Corp.	9.9%	64.6	\$1.9	(12.2%)	73.9%	1.46	651.47	-	Ohio
38	Guaranty Bancshares, Inc.	2.2%	61.7	\$1.5	1.8%	75.9%	2.70	2,825.00	33%	Texas
39	FFD Financial Corp. (3)	6.6%	78.0	\$1.5	10.0%	92.2%	1.64	1,188.22	-	Ohio
40	Community Investors Bancorp, Inc. (3)	3.8%	40.2	\$0.6	(11.4%)	82.3%	2.06	1,055.64	-	Ohio
41	Home Loan Financial Corp. (3)	6.4%	109.0	\$2.3	(17.9%)	72.7%	1.55	1,699.91	-	Ohio
42	United Tennessee Bankshares Inc.	21.9%	259.7	\$5.7	1.3%	88.2%	0.74	1,186.00	30%	Tennessee
43	BF Enterprises Inc.	8.7%	304.5	\$2.7	(14.8%)	85.1%	1.81	3,482.33	55%	Delaware
44	Mercury Air Group, Inc. (3)	6.3%	192.6	\$0.8	(44.9%)	37.4%	12.89	3,056.36	38%	New York
45	Northeast Indiana Bancorp Inc. (3)	1.0%	14.1	\$0.3	(4.4%)	86.2%	2.35	1,432.28	-	Delaware
46	LICT Corporation	5.9%	160.0	\$4.6	(28.6%)	76.3%	0.10	2,700.00	26%	New York
47	ASB Financial Corp. (3)	5.0%	86.3	\$2.0	(19.0%)	69.3%	0.77	1,715.86	-	Ohio
48	Bank First National Corporation	1.5%	106.5	\$2.1	-	93.8%	2.54	6,937.27	-	Wisconsin
Kansas City Life Insurance Company (4)					(1.1%)		10.04	10,662.53	66%	Missouri
Average		6.5%		\$2.9	(6.8%)	77.2%	3.21			
Median		5.3%		\$1.7	(4.3%)	81.5%	1.57			

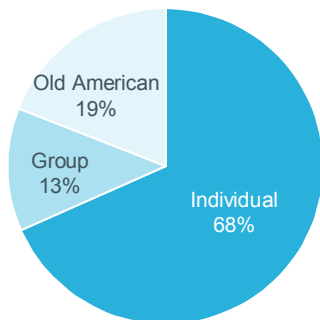
- (1) Estimated cash paid for fractional shares
(2) For the 12 month period preceding the announcement date
(3) Traded on national exchange prior to transaction
(4) Shares outstanding per Company management
Source: Capital IQ and Company Filings

Appendix 2

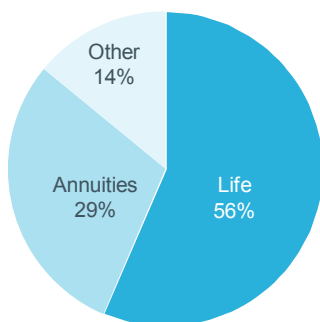
Selected Public Companies' Revenue
Segmentation

Selected Public Companies' Revenue Segmentation¹

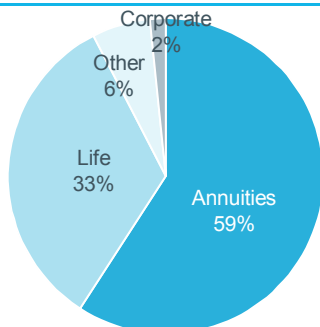
Kansas City Life Insurance



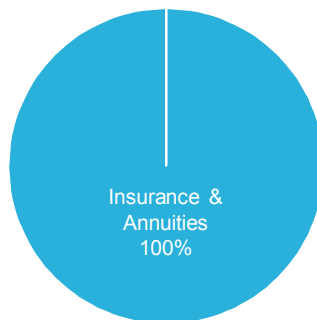
FBL Financial Group



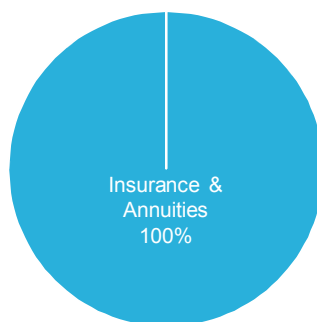
National Western Life Insurance



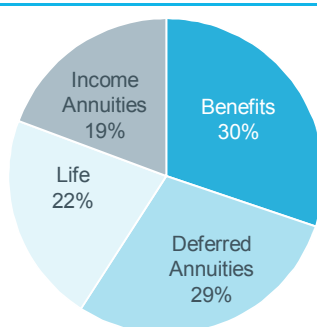
American Equity Investment Life



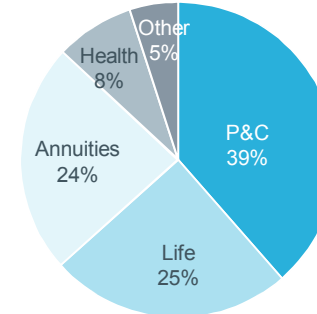
Fidelity & Guaranty Life



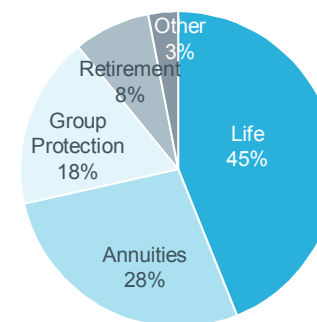
Symetra Financial



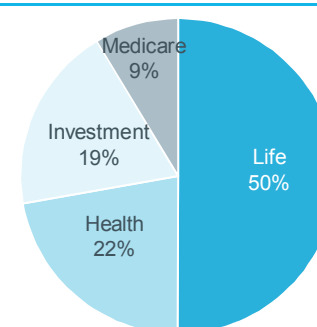
American National Insurance



Lincoln National



Torchmark



(1) Segments as reports, and LTM as of March 31, 2015
Source: Capital IQ, Company Filings

Confidential

July 27, 2015

Board of Directors and Independent Valuation
Committee of the Board of Directors
of Kansas City Life Insurance Company
3520 Broadway
Kansas City, MO 64111

Ladies and Gentlemen:

Kansas City Life Insurance Company (the "**Company**") and the independent valuation committee (the "Independent Valuation Committee") of the board of directors (the "**Board of Directors**") of the Company have engaged Duff & Phelps, LLC ("**Duff & Phelps**") to serve as an independent valuation advisor to the Independent Valuation Committee and to provide an opinion (the "**Opinion**", as described below) as of the date hereof with respect to the contemplated transaction described below (the "**Proposed Transaction**").

Description of the Proposed Transaction

Duff & Phelps' understanding of the "Proposed Transaction" is as follows: The Company intends, subject to approval of its shareholders, to affect a 1-for-250 reverse stock split of its common stock. Shareholders that would otherwise receive less than one full share of common stock would in lieu of receiving a fractional share would receive \$52.50 in cash (the "**Per Share Consideration**"). Following the reverse stock split, the Company would affect a 250-for-1 forward stock split, returning its outstanding shares to their original pre-split state. The Company estimates that it will cancel approximately 196,538 shares of its common stock in the Proposed Transaction, or approximately 1.84% of the shares of common stock outstanding as of the date hereof, for an aggregate cost of approximately \$10,318,245. Following the Proposed Transaction, the Company would suspend the registration of its common stock under Section 12(b) of the Securities Exchange Act of 1934, as amended, and would terminate the listing of its common stock on the NASDAQ Capital Market LLC. The ratios to be used for the reverse and forward stock splits were determined by the Board of Directors and the amount of the Per Share Consideration was determined by the Board of Directors based upon the recommendation of the Independent Valuation Committee. Shareholders whose shares are cancelled and converted into the right to receive the Per Share Consideration are referred to herein as the "**Cashed-out Shareholders**".

Opinion

Duff & Phelps has been asked to opine as to the fairness, from a financial point of view, to: (i) the Cashed-out Shareholders of the Per Share Consideration to be received by such holders in the Proposed Transaction; (ii) the Company (including its continuing shareholders) of the Per Share Consideration to be paid by the Company to the Cashed-out Shareholders in the Proposed Transaction; and (iii) the public shareholders of the Company (other than R. Philip Bixby, Walter E. Bixby, Nancy B. Hudson and their respective affiliates) who will remain shareholders after the Proposed Transaction of the Per Share Consideration to be paid by the Company to the Cashed-out Shareholders in the Proposed Transaction (without giving effect to any impact of the Proposed Transaction on any particular shareholder other than in its capacity as a shareholder).

Scope of Analysis

In connection with this Opinion, Duff & Phelps has made such reviews, analyses and inquiries as it has deemed necessary and appropriate under the circumstances. Duff & Phelps also took into account its assessment of general economic, market and financial conditions, as well as its experience in securities and business valuation, in general, and with respect to similar transactions, in particular. Duff & Phelps' procedures, investigations, and financial analysis with respect to the preparation of its Opinion included, but were not limited to, the items summarized below:

1. Reviewed the following documents:
 - a. The Company's Annual Reports on Form 10-K (including the audited financial statements of the Company included therein) filed with the Securities and Exchange Commission ("**SEC**") for the years ended December 31, 2013 and 2014 and the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015 (including the unaudited interim financial statements of the Company included therein) filed with the SEC; and
 - b. Other internal documents relating to the history, current operations, and probable future outlook of the Company provided to us by management of the Company
2. Discussed the information referred to above and the background and other elements of the Proposed Transaction with the management of the Company;
3. Reviewed the historical trading price and trading volume of the Company's common stock, and financial information and stock market information of certain other companies whose securities are publicly traded and that Duff & Phelps deemed relevant;
4. Performed certain valuation and comparative analyses using generally accepted valuation and analytical techniques including an analysis of selected public companies that Duff & Phelps deemed relevant and an analysis of selected transactions that Duff & Phelps deemed relevant; and

5. Conducted such other analyses and considered such other factors as Duff & Phelps deemed appropriate.

Assumptions, Qualifications and Limiting Conditions

In performing its analyses and rendering this Opinion with respect to the Proposed Transaction, Duff & Phelps, with the Company's consent:

1. Relied upon the accuracy, completeness, and fair presentation of all information, data, advice, opinions and representations obtained from public sources or provided to it from private sources, including Company management, and did not independently verify such information;
2. Assumed that all procedures required by law to be taken in connection with the Proposed Transaction have been, or will be, duly, validly and timely taken;
3. Assumed that any estimates, evaluations and forecasts furnished to Duff & Phelps were reasonably prepared and based upon the best currently available information and good faith judgment of the person furnishing the same, and Duff & Phelps expresses no opinion with respect to such forecasts or the underlying assumptions. Management of the Company does not prepare long-term financial projections;
4. Assumed that information supplied and representations made by Company management are substantially accurate regarding the Company and the Proposed Transaction;
5. Assumed that the final versions of all documents reviewed by Duff & Phelps in draft form conform in all material respects to the drafts reviewed;
6. Assumed that there has been no material change in the assets, liabilities, financial condition, results of operations, business, or prospects of the Company since the date of the most recent financial statements and other information made available to Duff & Phelps, and that there is no information or facts that would make the information reviewed by Duff & Phelps incomplete or misleading;
7. Assumed that all of the conditions required to implement the Proposed Transaction will be satisfied and that the Proposed Transaction will be completed in accordance with the summary term sheet described in the Company's preliminary proxy statement filed with the SEC without any amendments thereto or any waivers of any terms or conditions thereof; and

8. Assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the Proposed Transaction will be obtained without any adverse effect on the Company or the contemplated benefits expected to be derived in the Proposed Transaction.

To the extent that any of the foregoing assumptions or any of the facts on which this Opinion is based prove to be untrue in any material respect, this Opinion cannot and should not be relied upon. Furthermore, in Duff & Phelps' analysis and in connection with the preparation of this Opinion, Duff & Phelps has made numerous assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of any party involved in the Proposed Transaction.

Duff & Phelps has prepared this Opinion effective as of the date hereof. This Opinion is necessarily based upon market, economic, financial and other conditions as they exist and can be evaluated as of the date hereof, and Duff & Phelps disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting this Opinion which may come or be brought to the attention of Duff & Phelps after the date hereof.

Duff & Phelps did not evaluate the Company's solvency or conduct an independent appraisal or physical inspection of any specific assets or liabilities (contingent or otherwise). Duff & Phelps is not an expert in the evaluation of reserves for future policy benefits and was not requested to, and did not, make any actuarial determinations or evaluations or attempt to evaluate actuarial assumptions. Duff & Phelps made no analysis of, and expresses no view with respect to, the adequacy of the Company's reserves for future policy benefits. Duff & Phelps has not been requested to, and did not, (i) initiate any discussions with, or solicit any indications of interest from, third parties with respect to the Proposed Transaction, the assets, businesses or operations of the Company, or any alternatives to the Proposed Transaction, (ii) negotiate or determine the terms of the Proposed Transaction, or (iii) advise the Independent Valuation Committee, the Board of Directors or any other party with respect to alternatives to the Proposed Transaction.

Duff & Phelps is not expressing any opinion as to the market price or value of the Company's common stock (or anything else) after the announcement or the consummation of the Proposed Transaction. This Opinion should not be construed as a valuation opinion, credit rating, solvency opinion, an analysis of the Company's credit worthiness, as tax advice, or as accounting advice. Duff & Phelps has not made, and assumes no responsibility to make, any representation, or render any opinion, as to any legal matter.

This Opinion is furnished solely for the use and benefit of the Independent Valuation Committee and the Board of Directors in connection with their consideration of the Proposed Transaction and is not intended to, and does not, confer any rights or remedies upon any other person, and is not intended to be used, and may not be used, by any other person or for any other purpose, without Duff & Phelps' express consent. This Opinion (i) does not address the merits of the underlying business decision to enter into the Proposed Transaction versus any alternative strategy or transaction; (ii) does not address any transaction related to the Proposed Transaction; (iii) is not a recommendation as to how the Independent Valuation Committee, the Board of Directors or any shareholder should vote or act with respect to any matters relating to the Proposed Transaction, or whether to proceed with the Proposed Transaction or any related transaction, and (iv) does not indicate that the Per Share Consideration paid or received is the best possibly attainable under any circumstances; instead, it merely states whether the Per Share Consideration in the Proposed Transaction is within a range suggested by certain financial analyses. The decision as to whether to proceed with the Proposed Transaction or any related transaction may depend on an assessment of factors unrelated to the financial analysis on which this Opinion is based. This letter should not be construed as creating any fiduciary duty on the part of Duff & Phelps to any party.

This Opinion is solely that of Duff & Phelps, and Duff & Phelps' liability in connection with this letter shall be limited in accordance with the terms set forth in the engagement letter among Duff & Phelps, the Company and the Independent Valuation Committee dated May 27, 2015 (the "**Engagement Letter**"). This letter is confidential, and its use and disclosure is strictly limited in accordance with the terms set forth in the Engagement Letter.

Disclosure of Prior Relationships

Duff & Phelps has acted as financial advisor to the Independent Valuation Committee and will receive a fee for its services. No portion of Duff & Phelps' fee is contingent upon either the conclusion expressed in this Opinion or whether or not the Proposed Transaction is successfully consummated. Pursuant to the terms of the Engagement Letter, a portion of Duff & Phelps' fee is payable upon Duff & Phelps' delivery of its Opinion. Other than this engagement, during the two years preceding the date of this Opinion, Duff & Phelps has not had any material relationship with any party to the Proposed Transaction for which compensation has been received or is intended to be received, nor is any such material relationship or related compensation mutually understood to be contemplated.

Conclusion

Based upon and subject to the foregoing, Duff & Phelps is of the opinion that as of the date hereof: (i) the Per Share Consideration to be received by Cashed-out Shareholders in the Proposed Transaction is fair from a financial point of view to the Cashed-out Shareholders; (ii) the Per Share Consideration to be paid by the Company to the Cashed-out Shareholders in the Proposed Transaction is fair from a financial point of view to the Company (including its continuing shareholders); and (iii) the Per Share Consideration to be paid by the Company to the Cashed-out Shareholders in the Proposed Transaction is fair from a financial point of view the public shareholders of the Company (other than R. Philip Bixby, Walter E. Bixby, Nancy B. Hudson and their respective affiliates) who will remain shareholders after the Proposed Transaction (without giving effect to any impact of the Proposed Transaction on any particular shareholder other than in its capacity as a shareholder).

This Opinion has been approved by the Opinion Review Committee of Duff & Phelps.

Respectfully submitted,

Duff & Phelps, LLC