



DEPARTMENT OF COMMERCE & INSURANCE

P.O. Box 690, Jefferson City, Mo. 65102-0690

ORDER

After full consideration and review of the report of the financial examination of Kansas City Life Insurance Company for the period ended December 31, 2023, together with any written submissions or rebuttals and any relevant portions of the examiner's workpapers, I, Angela L. Nelson, Director of the Missouri Department of Commerce and Insurance pursuant to section 374.205.3(3)(a), RSMo, adopt such examination report. After my consideration and review of such report, workpapers, and written submissions or rebuttals, I hereby incorporate by reference and deem the following parts of such report to be my findings and conclusions to accompany this order pursuant to section 374.205.3(4), RSMo: summary of significant finding, company history, management and control, territory and plan of operation, growth of company and loss experience, reinsurance, accounts and records, financial statements, comments on financial statement items, financial statement changes resulting from examination, and summary of recommendations.

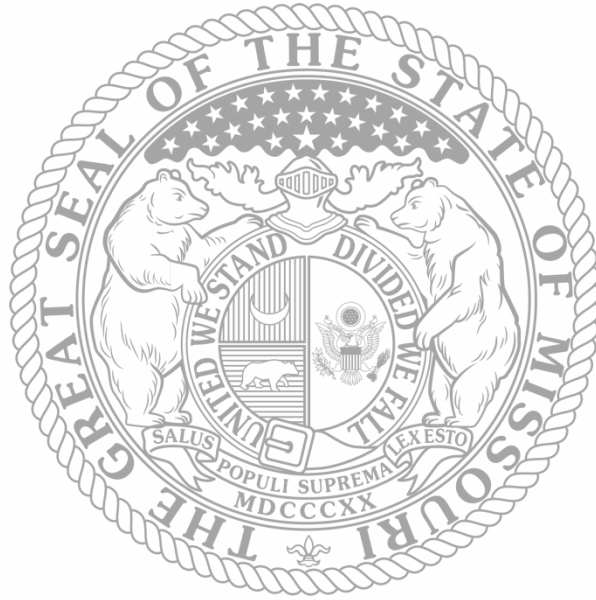
Based on such findings and conclusions, I hereby ORDER that the report of the financial examination of Kansas City Life Insurance Company as of December 31, 2023, be and is hereby ADOPTED as filed and for Kansas City Life Insurance Company to take the following action or actions, which I consider necessary to cure any violation of law, regulation or prior order of the Director revealed by such report: (1) account for its financial condition and affairs in a manner consistent with the Director's findings and conclusions.

So ordered, signed and official seal affixed this 30th day of June, 2025.



A handwritten signature in blue ink, reading "Angela L. Nelson".

Angela L. Nelson, Director
Department of Commerce and Insurance



REPORT OF
FINANCIAL EXAMINATION OF

KANSAS CITY LIFE INSURANCE COMPANY

AS OF
DECEMBER 31, 2023

STATE OF MISSOURI
DEPARTMENT OF COMMERCE & INSURANCE

JEFFERSON CITY, MISSOURI

TABLE OF CONTENTS

SCOPE OF EXAMINATION	1
PERIOD COVERED	1
PROCEDURES.....	1
SUMMARY OF SIGNIFICANT FINDINGS	2
COMPANY HISTORY.....	2
GENERAL.....	2
MERGERS, ACQUISITIONS, AND MAJOR CORPORATE EVENTS.....	2
DIVIDENDS AND CAPITAL CONTRIBUTIONS	2
SURPLUS NOTES.....	3
MANAGEMENT AND CONTROL	3
BOARD OF DIRECTORS	3
SENIOR OFFICERS	4
PRINCIPAL COMMITTEES	4
CORPORATE RECORDS	4
HOLDING COMPANY, SUBSIDIARIES, AND AFFILIATES	5
ORGANIZATIONAL CHART	5
INTERCOMPANY TRANSACTIONS.....	6
TERRITORY AND PLAN OF OPERATION	6
GROWTH OF COMPANY AND LOSS EXPERIENCE.....	7
REINSURANCE.....	7
GENERAL.....	7
ASSUMED REINSURANCE	8
CEDED REINSURANCE	8
ACCOUNTS AND RECORDS.....	9
INDEPENDENT AUDITOR.....	9

ACTUARIAL OPINION.....	9
CONSULTING ACTUARY	9
INFORMATION SYSTEMS.....	9
FINANCIAL STATEMENTS	9
ASSETS.....	10
LIABILITIES, SURPLUS AND OTHER FUNDS.....	11
SUMMARY OF OPERATIONS	12
RECONCILIATION OF CAPITAL AND SURPLUS	13
COMMENTS ON FINANCIAL STATEMENT ITEMS	14
FINANCIAL STATEMENT CHANGES RESULTING FROM EXAMINATION	14
SUMMARY OF RECOMMENDATIONS	14
SUBSEQUENT EVENTS.....	14
ACKNOWLEDGMENT	15
VERIFICATION.....	15
SUPERVISION	16

Jefferson City, MO
May 20, 2025

Honorable Angela L. Nelson, Director
Missouri Department of Commerce and Insurance
301 West High Street, Room 530
Jefferson City, Missouri 65101

Director Nelson:

In accordance with your financial examination warrant, a full-scope financial examination has been made of the records, affairs, and financial condition of

Kansas City Life Insurance Company (NAIC #65129)

hereinafter referred to as such, as KC Life, or as the Company. Its administrative office is located at 3520 Broadway Boulevard, Kansas City, Missouri, telephone number (816) 753-7000. The fieldwork for this examination began on September 24, 2024, and concluded on the above date.

SCOPE OF EXAMINATION

Period Covered

The Missouri Department of Commerce and Insurance (Department) has performed a multi-state financial examination of Kansas City Life Insurance Company. The last examination of the Company by the Department covered the period of January 1, 2015, through December 31, 2019. The current examination covers the period of January 1, 2020, through December 31, 2023, as well as a review of any material transactions and events occurring subsequent to the examination period through the date of this report.

Procedures

We conducted our examination in accordance with the National Association of Insurance Commissioners (NAIC) *Financial Condition Examiners Handbook (Handbook)*, except where practices, procedures, and applicable regulations of the Department or statutes of the state of Missouri prevailed. The *Handbook* requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company, and evaluate system controls and procedures used to mitigate those risks. An examination also includes the identification and evaluation of significant risks that could cause the Company's surplus to be materially misstated, both on a current and prospective basis.

This examination also included a review of significant estimates made by management and evaluation of management's compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately following the Company's financial statements.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. Those activities considered in the examination as key to KC Life included capital and surplus, investments, related party, reinsurance, claims handling and reserving, and underwriting. The examination also included a review and evaluation of information technology general controls.

This examination was conducted as part of a coordinated examination of the Kansas City Life Insurance Group, which consists of three insurance companies domiciled in two states. Missouri is the lead state regulator for the group and regulators from Ohio participated in the examination. The examination was also conducted concurrently with the examination of the Company's affiliates, Old American Life Insurance Company (Old American) and Grange Life Insurance Company (Grange Life).

This examination report includes significant findings of fact, as mentioned in section 374.205 of the Revised Statutes of Missouri (RSMo) (Examination, director may conduct, when...) and general information about the Company and its financial condition. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report but are separately communicated to other regulators and/or the Company.

SUMMARY OF SIGNIFICANT FINDINGS

There were no material adverse findings, significant non-compliance issues, or material changes to the financial statements noted during the examination.

COMPANY HISTORY

General

Kansas City Life Insurance Company was incorporated under the laws of Missouri on May 1, 1895, and commenced business in June 1895, as Bankers Life Association. In June 1899, Bankers Life Association was reincorporated as a premium company and changed its name to Kansas City Life Insurance Company on June 13, 1903. KC Life currently operates as a stock life insurance company, in accordance with the provisions of Chapter 376 RSMo (Life, Health and Accident Insurance).

Mergers, Acquisitions, and Major Corporate Events

A Form A was submitted to the Department on June 8, 2021, by Bona Holdings, LLC (Bona) seeking approval of the proposed acquisition of Sunset Life Insurance Company of America (Sunset Life) from KC Life. Prior to the acquisition, on December 31, 2020, Sunset Life ceded 100% of its insurance business to KC Life. The sale was approved on October 8, 2021, and closed on November 1, 2021. The sale resulted in a \$12.6 million realized gain for KC Life.

Dividends and Capital Contributions

KC Life paid ordinary dividends to stockholders in each year under examination. These dividend payments are summarized in the table below:

Year	Amount
2020	\$ 10,457,990
2021	10,458,087
2022	6,681,556
2023	5,422,237
Total	\$ 33,019,870

KC Life made surplus contributions of \$500,000 and \$4,500,000, in 2020 and 2021, respectively, to its insurance subsidiary, Old American. In 2021, the Company also contributed \$300,000 to its non-insurance subsidiary, Sunset Financial Services, Inc. (Sunset Financial).

Surplus Notes

There were no surplus notes issued or outstanding during the examination period.

MANAGEMENT AND CONTROL**Board of Directors**

The management of the Company is vested in a Board of Directors that are elected by the shareholders. The Company's Articles of Incorporation specify that there shall be fifteen Directors, divided into three equal classes. At each annual meeting of the stockholders, five Directors are elected to serve three-year terms. As of December 31, 2023, the Company only had fourteen directors. The Directors elected and serving as of December 31, 2023, were as follows:

<u>Name and Address</u>	<u>Principal Occupation and Business Affiliation</u>
R. Philip Bixby Kansas City, Missouri	Chairman Kansas City Life Insurance Company
Walter E. Bixby Kansas City, Missouri	President, Chief Executive Officer, and Vice Chairman Kansas City Life Insurance Company
David A. Laird Kansas City, Missouri	Senior Vice President, Finance Kansas City Life Insurance Company
Mark A. Milton Kansas City, Missouri	Senior Vice President, Actuary Kansas City Life Insurance Company
Michael Braude Kansas City, Missouri	Retired President and Chief Executive Officer Kansas City Board of Trade
David S. Kimmel New York, New York	Advisor/Investor Insurance Advisory Partners LLC
James T. Carr Kansas City, Missouri	President and Chief Executive Officer National Association of Intercollegiate Athletics
William A. Schalekamp Kansas City, Missouri	Retired Senior Vice President, General Counsel, Secretary Kansas City Life Insurance Company
Kevin G. Barth Kansas City, Missouri	Chairman and Chief Executive Officer Commerce Bank – Kansas City
Howard E. Cohen Kansas City, Missouri	Retired Partner Deloitte
A. Craig Mason Kansas City, Missouri	Senior Vice President, General Counsel, Secretary Kansas City Life Insurance Company
William R. Blessing Overland Park, Kansas	Retired Senior Vice President Embarq
John C. Cozad Platte City, Missouri	President Cozad Company, LLC
Cecil R. Miller Kansas City, Missouri	Retired Partner KPMG, LLP

Senior Officers

KC Life's Bylaws state that the officers of the Company shall consist of a President and a Secretary. The Board of Directors may also elect a Chairman and Vice Chairman of the Board, one or more Vice Presidents (who may be designated as Executive Vice Presidents or Senior Vice Presidents), Treasurer, Controller, General Counsel, Actuary, Auditor, and any other such Officers as deemed advisable by the Board of Directors. The principal officers, as listed on the Jurat page of the 2023 Annual Statement, were as follows:

<u>Name</u>	<u>Office</u>
Walter E. Bixby	President, Chief Executive Officer, and Vice Chairman
A. Craig Mason	Senior Vice President, General Counsel, and Secretary
Jennifer K. Pieper	Vice President and Controller
Stephen E. Ropp	Senior Vice President, Operations
Mark A. Milton	Senior Vice President, Actuary
David A. Laird	Senior Vice President, Finance
Donald E. Krebs	Senior Vice President, Sales and Marketing

Principal Committees

The Company's Bylaws provide the Board of Directors the ability to authorize an Executive Committee, Nominating Committee, Audit Committee, and any other committees deemed necessary by the Board of Directors. Each committee must consist of two or more directors. The established committees and the members designated and serving as of December 31, 2023, were as follows:

Nominating Committee

R. Philip Bixby
Walter E. Bixby
Michael Braude

Audit Committee

Cecil R. Miller
David S. Kimmel
Howard E. Cohen

Executive Committee

R. Philip Bixby
Walter E. Bixby
William R. Blessing
James T. Carr
Mark A. Milton
William A. Schalekamp
David A. Laird

Investment Committee

Walter E. Bixby
David A. Laird
Mark A. Milton
Stephen E. Ropp
A. Craig Mason, Jr.
Donald E. Krebs

Compensation Committee

Michael Braude
William R. Blessing
Kevin G. Barth

Personnel Committee

Walter E. Bixby
David A. Laird
Mark A. Milton
Stephen E. Ropp
Donald E. Krebs

Corporate Records

The Company's Articles of Incorporation and Bylaws were reviewed. There were no revisions to either document during the examination period. The minutes of the Board of Directors, stockholders, and committee meetings were reviewed for the period under examination.

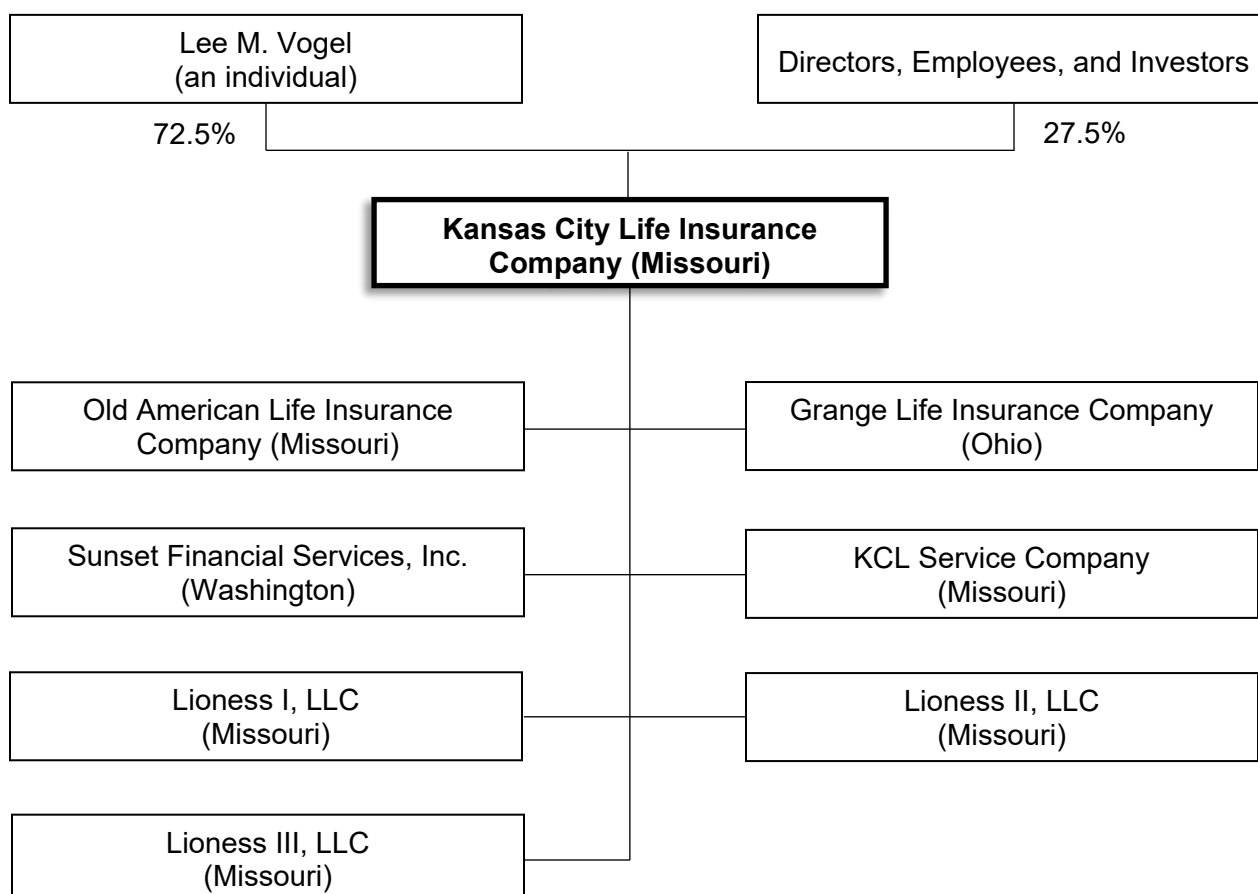
Holding Company, Subsidiaries, and Affiliates

KC Life is a member of an Insurance Holding Company System, as defined by section 382.010, RSMo (Definitions). It is the lead company of the Kansas City Life Insurance Group, which includes the wholly-owned insurance subsidiaries Old American Insurance Company and Grange Life Insurance Company. KC Life also wholly owns non-insurance subsidiaries KCL Service Company and Sunset Financial Services, Inc. Sunset Financial is a Washington corporation that markets KC Life's variable products and performs investment services for policyholders. KCL Service Company does not have any significant operations. In 2021, KC Life completed the acquisition of 100% membership interests of certain land and buildings in three separate limited liability companies in Urbandale, Iowa. These limited liability companies are reported as real estate assets on the KC Life balance sheet and on the organizational chart as Lioness I, LLC, Lioness II, LLC, and Lioness III, LLC.

Lee M. Vogel, an individual, is considered the ultimate controlling person, pursuant to a 2004 stock voting agreement that grants him majority control of the Company's stock. As of December 31, 2013, Mr. Vogel controlled 72.5% of KC Life's outstanding shares. Minority interest shareholders consisting of Directors, employees, and institutional investors constitute the remaining shareholders of KC Life.

Organizational Chart

The following organizational chart depicts the applicable portion of the holding company group as of December 31, 2023. All subsidiaries are wholly-owned unless otherwise noted.



Intercompany Transactions

The following agreements represent significant contracts executed with affiliated entities that were in effect as of December 31, 2023. A brief description of these agreements are as follows:

Tax Allocation Agreement: KC Life and its various subsidiaries are party to a Tax Allocation Agreement that has been in effect since December 31, 2008. The Kansas City Life Insurance Group files a consolidated federal income tax return each year. The portion of the consolidated tax liability allocated to each subsidiary is based upon the subsidiary's tax liability on a stand-alone basis.

Cost Sharing Agreement: KC Life and Old American have been parties to a Cost Sharing Agreement since October 1, 2008. Under the terms of this agreement, the companies agree to share the expenses of executive management, investment, tax, data processing, and other administrative services.

Administrative Services and Cost Sharing Agreement: Effective October 1, 2018, KC Life entered into an administrative services and cost sharing agreement with its newly acquired subsidiary, Grange Life. Under the terms of this agreement, the companies agree to share expenses of various services, including executive management, investment, tax, data processing, and other administrative facilities.

Inter-Company Retained Asset Program for Benefit Payments Agreement: Effective January 1, 2006, KC Life, Sunset Life, and Old American entered into this agreement for the purpose of establishing a retained asset account for the payment of certain benefits and surrenders. KC Life established an account with a bank under which benefits are paid. KC Life and Old American maintain separate investment accounts to fund the payment account.

Participation Agreement: Effective January 1, 2023, KC Life, Old American, and Grange Life entered into this agreement related to the purchase, sale, and participation ownership interest in mortgage loans. All payments, income, gains, profits, losses, expenses, and advances related to the underlying loan, the loan documents, and the collateral are apportioned between the participants in proportion to the respective participation percentages.

KC Life also has various agreements with its non-insurance affiliates, including Cost Sharing and Distribution Agreements with Sunset Financial. Under the Cost Sharing Agreement, which has been in effect since January 1, 2011, KC Life and Sunset Financial agree to share the costs of various management, tax, accounting, and other administrative services. Under the terms of the Distribution Agreement, Sunset Financial is designated as an exclusive distributor of KC Life's variable annuity and variable life separate account products. The Distribution Agreement outlines the responsibility for various activities, including financial responsibility, related to the registering and issuing of the variable contract products.

TERRITORY AND PLAN OF OPERATION

Kansas City Life Insurance Company is licensed by the Missouri Department of Commerce and Insurance under Chapter 376 RSMo (Life, Health and Accident Insurance) to provide life, health and accident insurance and variable contracts. KC Life is licensed and operates in 49 states and the District of Columbia.

KC Life markets individual life insurance and annuity products, including traditional and interest-sensitive products, through a nation-wide sales force of independent general agents, agents, and third-party marketing arrangements. Variable Life and variable annuity contracts are offered through the Company's separate accounts operation. KC Life also markets group insurance products through a nation-wide sales force of independent agents, group brokers, and third-party marketing arrangements. Group insurance products offered by KC Life include life, dental, vision, and disability products.

GROWTH OF COMPANY AND LOSS EXPERIENCE

KC Life's net premiums fluctuated significantly each year of the examination period, as the result of two material reinsurance transactions. As described in the Assumed Reinsurance subsection below, in 2020, KC Life assumed 100% of the premiums of its then subsidiary, Sunset Life, which resulted in the higher-than-average net premiums reported in 2020. In 2021, net premiums were consistent with net premiums in years prior to the assumed reinsurance agreement. The significant decrease and negative net premium amount reported in 2022 was the result of a 100% coinsurance agreement with RGA Reinsurance Company (RGA) under which KC Life ceded \$516.2 million of deferred annuity contracts.

The table below summarizes the Company's growth and loss experience for the period under examination:

(\$000s omitted)

Year	Net Premiums	Change in Net Premiums	Benefits and Losses	Capital and Surplus	Ratio of Net Premiums to Surplus	Net Income (Loss)
2020	\$ 528,189	\$ 241,403	\$ 613,681	\$ 265,341	199.1%	\$ 11,554
2021	265,210	(262,979)	369,689	245,300	108.1%	24,165
2022	(245,544)	(510,754)	(167,358)	220,044	(111.6%)	(21,532)
2023	265,499	511,043	346,779	277,625	95.6%	55,355

REINSURANCE

General

The Company's premium activity on a direct written, assumed, and ceded basis for the period under examination is detailed below:

(\$000s omitted)

Premium Type	2020	2021	2022	2023
Direct Premiums Written	\$ 308,847	\$ 295,486	\$ 317,428	\$ 312,911
Reinsurance Assumed:				
Affiliates	249,625	12,564	-	-
Non-Affiliates	24,827	23,945	29,492	24,654
Reinsurance Ceded:				
Affiliates	-	-	-	-
Non-Affiliates	55,109	66,785	592,465	72,066
Net Premiums Written	\$ 528,189	\$ 265,210	\$ (245,544)	\$ 265,499

Assumed Reinsurance

The Company has historically utilized reinsurance agreements to acquire closed blocks of business. Prior to 2020, most of the business assumed by KC Life was associated with two material reinsurance agreements, as follows:

1) Security Benefit Life Insurance Company – In 1997, KC Life acquired a block of traditional life and universal life products under a 100% coinsurance and servicing agreement with Security Benefit Life Insurance Company. Investments equal to policy reserves are held in a trust to secure payment of the estimated liabilities related to the policies. In 2023, KC Life reported assumed premiums of \$7.0 million and reserves of \$135.7 million related to this agreement.

2) American Family Life Insurance Company – In 2013, KC Life acquired a block of variable universal life insurance policies and variable annuity contracts from American Family Life Insurance Company. Under this reinsurance agreement, KC Life assumes 100% of the separate account liabilities on a modified coinsurance basis and 100% of the general account liabilities on a coinsurance basis. KC Life receives fees based upon specific transactions and the fund value of the block of policies. KC Life reported assumed premiums of \$13.9 million and reserves of \$34.5 million under this contract in 2023.

Effective December 31, 2020, KC Life assumed 100% of the business of its then subsidiary, Sunset Life as part of purchase agreement between KC Life and Bona Holdings, LLC. At the time, Sunset Life was only maintaining its block of business and was not producing new business. Sunset Life's products included traditional life, immediate annuity and interest sensitive products, including universal life and fixed deferred annuity products. The sale of Sunset Life was finalized on November 1, 2021, and on April 26, 2022, Sunset Life changed its name to Ibexis Life & Annuity Insurance Company (Ibexis). In 2023, KC Life reported assumed premiums of \$3.6 million and reserves of \$57.8 million from Ibexis.

Ceded Reinsurance

KC Life utilizes various reinsurance arrangements to minimize fluctuations in mortality and to more effectively manage capital. New sales of traditional and universal life products are reinsured on a yearly renewable term (YRT) basis in excess of the Company's retention limits. New group life sales are reinsured on an excess of retention basis, with the accidental death and dismemberment benefits 100% reinsured. The maximum retention on any one life is \$500,000 for individual policies and \$100,000 for group policies. Sales of certain term life insurance products and group disability income products are reinsured on a quota share coinsurance basis.

The material increase in ceded premiums and corresponding material decrease to net premiums in 2022 was the result of a new reinsurance agreement. Effective April 1, 2022, KC Life entered into a 100% coinsurance agreement with RGA Reinsurance Company for deferred annuity contracts, which led to a decrease in net premiums (and corresponding decrease to reserves) of \$516.2 million. The transaction also resulted in a \$7.4 million deferred gain that was transferred to KC Life surplus and will be amortized over the life of the coinsurance agreement.

The Company is contingently liable for all reinsurance losses ceded to others. This contingent liability would become an actual liability in the event that an assuming reinsurer fails to perform its obligations under the reinsurance contract.

ACCOUNTS AND RECORDS

Independent Auditor

The certified public accounting (CPA) firm, BKD, LLP (BKD), of Kansas City, Missouri, performed the statutory audits of the Company for years 2020 and 2021. In 2022, BKD merged with Dixon Hughes Goodman LLP and began operating under the name FORVIS, LLP (FORVIS). FORVIS, of Kansas City, Missouri, performed the 2022 and 2023 statutory audits of the Company. Reliance was placed upon the CPA workpapers as deemed appropriate.

Actuarial Opinion

The Company's actuarial opinion regarding reserves and other actuarial items was issued by Karen Dierker, FSA, MAAA, for all years in the examination period. Ms. Dierker is employed by the Kansas City Life Insurance Group in the Company's home office in Kansas City, Missouri.

Consulting Actuary

Pursuant to a contract with the Department, Frank G. Edwards, Jr., ASA and Jennifer Thelen, FSA, both employed by INS Consultants, Inc., reviewed the underlying actuarial assumptions and methodologies used by KC Life to determine the adequacy of reserves and other actuarial items. Mr. Edwards and Ms. Thelen determined that the Company made a reasonable provision for the reserves and other actuarial items that were reported in the statutory financial statements, as of December 31, 2023.

Information Systems

Kim Dobbs, CFE, AES, CISA, the Department's Information Systems Financial Examiner-in-Charge and Alicia Galm, CFE, IT Examiner Specialist conducted a review of the Company's information systems.

FINANCIAL STATEMENTS

The following financial statements are based on the statutory financial statements filed by the Company with the Department and present the financial condition of Kansas City Life Insurance Company for the period ending December 31, 2023. The accompanying comments on financial statements reflect any examination adjustments to the amounts reported in the financial statements and should be considered an integral part of the financial statements. The failure of any column of numbers to add to its respective total is due to rounding or truncation.

There may have been additional differences found in the course of this examination, which are not shown in the "Comments on Financial Statement Items." These differences were determined to be immaterial concerning their effect on the financial statements, and therefore were only communicated to the Company and noted in the workpapers for each individual key activity.

ASSETS

As of December 31, 2023

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	\$ 1,879,328,171	\$ -	\$ 1,879,328,171
Stocks:			
Preferred Stocks	3,361,730	-	3,361,730
Common Stocks	60,183,466	85,149	60,098,317
Mortgage Loans on Real Estate:			
First Liens	552,684,727	-	552,684,727
Real Estate:			
Properties Occupied by the Company	1,778,537	-	1,778,537
Properties Held for the Production of Income	84,846,865	-	84,846,865
Cash, Cash Equivalents, and Short- Term Investments	62,717,594	-	62,717,594
Contract Loans	58,111,398	70,340	58,041,058
Derivatives	8,386,344	-	8,386,344
Other Invested Assets	20,672,420	36,102	20,636,318
Receivables for Securities	125,000	-	125,000
Investment Income Due and Accrued	23,269,977	38,359	23,231,618
Premiums and Considerations:			
Uncollected Premiums and Agents' Balances in the Course of Collection	3,146,903	2,200,665	946,238
Deferred Premiums, Agents' Balances and Installments Booked but Deferred and Not Yet Due	5,319,857	-	5,319,857
Reinsurance:			
Amounts Recoverable from Reinsurers	7,737,694	566,531	7,171,163
Other Amounts Receivable Under Reinsurance Contracts	13,113,562	-	13,113,562
Net Deferred Tax Asset	63,119,590	40,810,860	22,308,730
Guaranty Funds Receivable or on Deposit	1,294,613	1,186,279	108,334
Electronic Data Processing Equipment and Software	440,686	-	440,686
Furniture and Equipment, Including Health Care Delivery Assets	667,432	667,432	-
Receivables from Parent, Subsidiaries, and Affiliates	1,369,721	-	1,369,721
Aggregate Write-Ins for Other-Than- Invested Assets	117,541,974	69,011,422	48,530,552
From Separate Accounts, Segregated Accounts, and Protected Cell Accounts	395,945,910	-	395,945,910
TOTAL ASSETS	\$ 3,365,164,171	\$ 114,673,139	\$ 3,250,491,032

LIABILITIES, SURPLUS AND OTHER FUNDS

As of December 31, 2023

Aggregate Reserve for Life Contracts	\$ 2,108,055,273
Aggregate Reserve for Accident and Health Contracts	5,151,861
Liability for Deposit-Type Contracts	215,613,246
Contract Claims:	
Life	21,815,698
Accident and Health	4,481,091
Policyholders' Dividends and Coupons Due and Unpaid	3,167
Provision for Policyholders' Dividends and Coupons Payable in Following	
Calendar Year – Estimated Amounts:	
Dividends Apportioned for Payment	1,802,768
Coupons and Similar Benefits	23,637
Premiums and Annuity Considerations for Life and Accident and Health	
Contracts Received in Advance	1,717,021
Contract Liabilities Not Included Elsewhere:	
Provision for Experience Rating Refunds	45,581
Other Amounts Payable on Reinsurance	1,091,658
Commissions to Agents Due or Accrued	774,143
General Expenses Due or Accrued	36,661,388
Transfers to Separate Accounts Due or Accrued	(6,885,378)
Taxes, Licenses, and Fees Due or Accrued, Excluding Federal Income	
Taxes	3,819,875
Current Federal and Foreign Income Taxes	11,759,844
Unearned Investment Income	224,489
Amounts Withheld or Retained by Company as Agent or Trustee	58,461,904
Remittances and Items Not Allocated	7,201,035
Liability for Benefits for Employees and Agents if Not Included Above	84,539,428
Miscellaneous Liabilities:	
Asset Valuation Reserve	30,712,915
Aggregate Write-Ins for Liabilities	(10,150,364)
From Separate Accounts Statement	395,945,910
TOTAL LIABILITIES	\$ 2,972,866,190
Common Capital Stock	23,120,850
Gross Paid In and Contributed Surplus	41,025,001
Unassigned Funds (Surplus)	454,780,367
Less Treasury Stock, at Cost:	
8,813,266 Shares Common	241,301,378
TOTAL CAPITAL AND SURPLUS	\$ 277,624,840
TOTAL LIABILITIES AND SURPLUS	\$ 3,250,491,030

SUMMARY OF OPERATIONS

For the Year Ended December 31, 2023

Premiums and Annuity Considerations for Life and Accident and Health Contracts	\$ 265,498,792
Considerations for Supplementary Contracts with Life Contingencies	12,356,512
Net Investment Income	128,149,786
Amortization of Interest Maintenance Reserve	518,603
Commissions and Expense Allowances on Reinsurance Ceded	10,168,871
Miscellaneous Income:	
Income from Fees Associated with Investment Management, Administration, and Contract Guarantees from Separate Accounts	23,549,258
Aggregate Write-Ins for Miscellaneous Income	2,007,506
Total Revenue	\$ 442,249,328
Death Benefits	92,497,135
Matured Endowments	1,041,261
Annuity Benefits	138,760,085
Disability Benefits and Benefits Under Accident and Health Contracts	30,631,152
Coupons, Guaranteed Annual Pure Endowments, and Similar Benefits	16,721
Surrender Benefits and Withdrawals for Life Contracts	59,231,966
Interest and Adjustments on Contract or Deposit-Type Contract Funds	10,553,425
Payments on Supplementary Contracts with Life Contingencies	17,142,750
Increase in Aggregate Reserves for Life and Accident and Health Contracts	(3,095,493)
Commissions on Premiums, Annuity Considerations, and Deposit-Type Contract Funds	30,011,345
Commissions and Expense Allowances on Reinsurance Assumed	81,713
General Insurance Expenses	87,707,269
Insurance Taxes, License, and Fees, Excluding Federal Income Taxes	8,939,595
Increase in Loading on Deferred and Uncollected Premiums	15,951
Net Transfers To or (From) Separate Accounts Net of Reinsurance	(44,477,654)
Aggregate Write-Ins for Deductions	4,161,321
Total Underwriting Deductions	\$ 433,218,542
Net Gain (Loss) From Operations Before Dividends to Policyholders and Federal Income Taxes	\$ 9,030,786
Dividends to Policyholders	1,779,769
Federal and Foreign Income Taxes Incurred	6,756,240
Net Realized Capital Gains (Losses)	54,860,514
NET INCOME (LOSS)	\$ 55,355,291

RECONCILIATION OF CAPITAL AND SURPLUS
Changes from January 1, 2020, to December 31, 2023

(\$000's omitted)

	2020	2021	2022	2023
Capital and Surplus, Beginning of Year	\$ 260,804	\$ 265,341	\$ 245,300	\$ 220,044
Net Income (Loss)	11,554	24,165	(21,532)	55,355
Change in Net Unrealized Capital Gains (Losses) Less Capital Gains Tax	(953)	(24,652)	(9,061)	7,666
Change in Net Deferred Income Tax	7,901	5,439	4,299	2,991
Change in Nonadmitted Assets	(12,941)	(17,764)	12,568	(12,729)
Change in Reserve on Account of Change in Valuation Basis (Increase) or Decrease	9,919	(1,902)	(681)	2,253
Change in Asset Valuation Reserve	(700)	316	(216)	2,187
Dividends to Stockholders	(10,458)	(10,458)	(6,682)	(5,422)
Aggregate Write-Ins for Gains and Losses in Surplus	214	4,816	(3,952)	5,279
Net Change in Capital and Surplus	\$ 4,537	\$ (20,041)	\$ (25,256)	\$ 57,581
Capital and Surplus, End of Year	\$ 265,341	\$ 245,300	\$ 220,044	\$ 277,625

COMMENTS ON FINANCIAL STATEMENT ITEMS

None.

FINANCIAL STATEMENT CHANGES RESULTING FROM EXAMINATION

None.

SUMMARY OF RECOMMENDATIONS

None.

SUBSEQUENT EVENTS

On January 24, 2025, the Company paid an amount of \$48,523,128 in satisfaction of the judgment in the case Karr v. Kansas City Life, a class action filed in the 16th Circuit Court for the state of Missouri (Jackson County). The payment includes the damages amount, the prejudgment interest awarded by the Court of appeals, and post judgment interest.

KC Life paid quarterly dividends to its shareholders totaling \$5,422,715 in 2024 and \$2,711,356 as of the first 2 quarters of 2025.

ACKNOWLEDGMENT

The assistance and cooperation extended by the officers and the employees of Kansas City Life Insurance Company during the course of this examination is hereby acknowledged and appreciated. In addition to the undersigned, Kim Dobbs, CFE, AES, CISA, Alicia Galm, CFE, Jessica Jones, CFE, and Kelly Pfefferkorn, CPA, CFE, examiners for the Missouri Department of Commerce and Insurance, also participated in this examination.

VERIFICATION

State of Missouri)
)
County of Platte) ss

I, Laura Church, on my oath swear that to the best of my knowledge and belief the above examination report is true and accurate and is comprised of only facts appearing upon the books, records, or other documents of Kansas City Life Insurance Company, its agents or other persons examined, or as ascertained from the testimony of its officers or agents or other persons examined concerning its affairs, and such conclusions and recommendations as the examiners find reasonably warranted from the facts.



Laura Church, CPA, CFE
Examiner-In-Charge
Missouri Department of Commerce and
Insurance

Sworn to and subscribed before me this 27th day of May, 2025.

My commission expires: 2/14/28 Ashley Davidson
Notary Public



SUPERVISION

The examination process has been monitored and supervised by the undersigned. The examination report and supporting workpapers have been reviewed and approved. Compliance with NAIC procedures and guidelines as contained in the *Financial Condition Examiners Handbook* has been confirmed, except where practices, procedures, and applicable regulations of the Missouri Department of Commerce and Insurance and statutes of the state of Missouri prevailed.



Sara McNeely, CFE
Assistant Chief Financial Examiner
Missouri Department of Commerce and
Insurance