



# **KANSAS CITY LIFE**

## **KANSAS CITY LIFE INSURANCE COMPANY**

A Missouri Corporation

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Kansas City, MO 64111-2565  
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SIC Code: 6311

## **QUARTERLY REPORT**

For the Period Ending March 31, 2026  
(the "Reporting Period")

The number of shares outstanding of our Common Stock was 9,683,414 as of March 31, 2026 (the end of reporting period)

The number of shares outstanding of our Common Stock was 9,683,414 as of December 31, 2025 (the end of previous reporting period)

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes:  No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes:  No:

Indicate by check mark whether a Change in Control of the company has occurred over this reporting period:

Yes:  No:

**KANSAS CITY LIFE INSURANCE COMPANY**  
**TABLE OF CONTENTS**

<a href="#"><u>Statement on Forward-Looking Information</u></a> .....	<a href="#"><u>3</u></a>
<a href="#"><u>Item 1. The Exact Name of the Issuer and Address and Telephone Number of Issuer's Principal Office</u></a> .....	<a href="#"><u>4</u></a>
<a href="#"><u>Item 2. Shares Outstanding</u></a> .....	<a href="#"><u>4</u></a>
<a href="#"><u>Item 3. Interim Consolidated Financial Statements</u></a> .....	<a href="#"><u>5</u></a>
<a href="#"><u>Item 4. Management's Discussion and Analysis of Financial Condition and Results of Operations</u></a> .....	<a href="#"><u>5</u></a>
<a href="#"><u>Item 5. Legal Proceedings</u></a> .....	<a href="#"><u>13</u></a>
<a href="#"><u>Item 6. Defaults upon Senior Securities</u></a> .....	<a href="#"><u>13</u></a>
<a href="#"><u>Item 7. Other Information</u></a> .....	<a href="#"><u>13</u></a>
<a href="#"><u>Item 8. Exhibits</u></a> .....	<a href="#"><u>13</u></a>
<a href="#"><u>Item 9. Issuer's Certifications</u></a> .....	<a href="#"><u>14</u></a>
<a href="#"><u>Exhibit 3.1 Interim Consolidated Financial Statements</u></a> .....	<a href="#"><u>15</u></a>
<a href="#"><u>Consolidated Balance Sheets</u></a> .....	<a href="#"><u>15</u></a>
<a href="#"><u>Consolidated Statements of Comprehensive Income</u></a> .....	<a href="#"><u>16</u></a>
<a href="#"><u>Consolidated Statements of Cash Flows</u></a> .....	<a href="#"><u>17</u></a>
<a href="#"><u>Notes to Consolidated Financial Statements</u></a> .....	<a href="#"><u>19</u></a>

## Statement on Forward-Looking Information

This report reviews the consolidated financial condition and results of operations of Kansas City Life Insurance Company. Historical information is presented and discussed. Where appropriate, factors that may affect future financial performance are also identified and discussed. Certain statements made in this report include “forward-looking statements.” Forward-looking statements include any statement that may predict, forecast, indicate or imply future results, performance, or achievements rather than historical facts and may contain words like “believe,” “expect,” “estimate,” “project,” “forecast,” “anticipate,” “plan,” “will,” “shall,” and other words, phrases, or expressions with similar meaning.

Forward-looking statements are subject to known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially from those contemplated by the forward-looking statements. Factors that could cause future results to differ materially from expected results include, but are not limited to:

- Changes in economic conditions, including the performance of financial markets, inflation, interest rates, recessionary risks, and potential disruptions in the credit markets;
- Competition and changes in consumer behavior, which may affect our ability to sell our products and retain business;
- Competition in the recruitment and retention of general agents, agents, and employees;
- Customer and agent response to new products, distribution channels, and marketing initiatives;
- Fluctuations in experience regarding current mortality, morbidity, persistency, and interest rates relative to expected amounts used in pricing our products;
- Regulatory, accounting, or tax changes that may affect the cost of, or the demand for, our products or services;
- Unanticipated changes in industry trends;
- Potential changes in ratings assigned by nationally recognized rating organizations;
- The ability to integrate acquisitions and achieve anticipated operating efficiencies and the ability to preserve goodwill that results from acquisitions;
- The availability and effectiveness of reinsurance arrangements;
- The performance of third-party service providers and potential difficulties arising from outsourcing arrangements;
- Ineffectiveness of risk management policies and procedures in identifying, monitoring, and managing risks;
- Results of litigation we may be involved in;
- Our ability to manage operating expenses and our ability to integrate new technologies such as artificial intelligence into our systems and processes; and
- The extent of the impacts resulting from catastrophic events such as natural disasters, pandemics, terrorist attacks, cyber-attacks, international conflicts, and wars.

No assurances can be given that such statements will prove to be correct. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Any forward-looking statement made by us in this report is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statement that may be made from time to time, whether as a result of new information, future developments or otherwise, except as required by law.

## Item 1. The Exact Name of the Issuer and Address and Telephone Number of Issuer's Principal Office

Issuer's Exact Name: Kansas City Life Insurance Company

Issuer's Address: 3520 Broadway  
Kansas City, Missouri 64111

Issuer's Telephone: (816) 753-7000

Issuer's Website: [www.kclife.com](http://www.kclife.com)

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## Item 2. Shares Outstanding

### Common Stock

	<u>March 31, 2026</u>
Number of Shares Authorized	36,000,000
Number of Shares Outstanding	9,683,414
Freely Tradable Shares (Public Float)	2,571,956
Total Number of Shareholders of Record	115

We have more than 100 beneficial shareholders owning at least 100 shares.

### **Item 3. Interim Consolidated Financial Statements**

The interim consolidated financial statements of Kansas City Life Insurance Company as of and for the period ending March 31, 2026 are attached hereto as Exhibit 3.1 and are hereby incorporated by reference into this Quarterly Report, including:

- Consolidated Balance Sheets - (March 31, 2026 - Unaudited; December 31, 2025 - Audited)
- Consolidated Statements of Comprehensive Income - (Unaudited)
- Consolidated Statements of Cash Flows - (Unaudited)
- Notes to Consolidated Financial Statements - (March 31, 2026 - Unaudited; December 31, 2025 - Audited)

The interim consolidated financial statements and the accompanying notes have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The interim consolidated financial statements reflect all adjustments that are, in the opinion of management, necessary for a fair presentation of the results. As permitted under GAAP, certain footnotes or other financial disclosures are condensed or omitted in the interim consolidated financial statements. These interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes included in our 2025 Annual Report, which is available on the OTC Markets Group website ([www.otcmarkets.com/stock/KCLI/filings](http://www.otcmarkets.com/stock/KCLI/filings)). The interim consolidated financial statements and the accompanying notes for the quarters ended March 31, 2026 and 2025 are unaudited. Operating results for the interim period are not necessarily indicative of the results that may be expected or achieved for the year ending December 31, 2026.

### **Item 4. Management's Discussion and Analysis of Financial Condition and Results of Operations**

Amounts are stated in thousands, except share data, or as otherwise noted.

Management's Discussion and Analysis of Financial Condition and Results of Operations provides, in narrative form, the perspective of Kansas City Life Insurance Company management on its financial condition, results of operations, liquidity, and certain other factors that may affect its future results. The terms "the Company," "we," "us," and "our" are used to refer to Kansas City Life Insurance Company and its subsidiaries. Kansas City Life Insurance Company (Kansas City Life) is the parent company. Old American Insurance Company (Old American) and Grange Life Insurance Company (Grange Life) are wholly-owned insurance subsidiaries. We also have non-insurance subsidiaries that individually and collectively are not material.

The following is a discussion and analysis of the results of operations for the quarters ended March 31, 2026 and 2025 and our financial condition at March 31, 2026. This discussion should be read in conjunction with the consolidated financial statements and accompanying notes included in this document, as well as our 2025 Annual Report.

#### **Overview**

Our profitability depends on many factors, which include but are not limited to:

- The sale of traditional and interest sensitive life, annuity, and accident and health products;
- The rate of mortality, lapse, and surrender of future policy benefits and policyholder account balances;
- The rate of morbidity, disability, and incurrence of other policyholder benefits;
- Interest rates credited to policyholders;
- The availability of reinsurance opportunities and the effectiveness of ceded reinsurance programs;
- The amount of investment assets under management;
- The ability to maximize investment returns and manage risks such as interest rate, credit, equity, reinvestment, and inflation;
- Timely and cost-effective access to liquidity;
- Management of distribution costs and operating expenses;
- Management of the operations of our affiliates;
- Changes to regulations and accounting standards, including the ability to manage and effectively implement them;
- Management of closed blocks of business and blocks of business associated with reinsurance assumption transactions;
- The ability to successfully resolve litigation;
- The ability to integrate acquisitions to achieve anticipated operating efficiencies;
- The ability to effectively manage the information technology landscape, including the mitigation of cybersecurity risks and the growing use of artificial intelligence both internally and externally; and
- The ability to identify, adopt, and implement new technologies.

Policyholder behavior and consumer confidence impact the sales and persistency of our products. These include consumer spending decisions that can be influenced by inflation and the cost of living. In addition, the rates of mortality and morbidity can impact the needs of our policyholders and can impact premiums, death benefits, surrenders, and lapses.

General economic conditions, which are highly uncertain and difficult to predict, may affect future results. Financial market volatility can significantly impact our investments, revenues, and policyholder benefits. Volatility and uncertainty have presented significant challenges to the interest rate environment, financial markets as a whole, and specifically to companies invested in fixed maturity securities and other fixed income investments. These conditions may persist into the future, affecting our financial position and financial statements.

## Consolidated Results of Operations

### Summary of Results

We earned net income of \$9.6 million in the first quarter of 2026 compared to \$4.2 million in the first quarter of 2025. Net income per share was \$0.99 in the first quarter of 2026 compared to net income per share of \$0.43 in first quarter of 2025.

The following table presents condensed consolidated results of operations for the quarters ended March 31, 2026 and 2025.

	Quarter Ended March 31,			
	2026	2025 <sup>1</sup>	\$ Change	% Change
Revenues:				
Insurance and other revenues	\$ 79,472	\$ 81,468	\$ (1,996)	(2)%
Net investment income	39,817	39,486	331	1 %
Net investment losses	(1,478)	(2,964)	1,486	50 %
Benefits and expenses:				
Policyholder benefits and interest credited to policyholder account balances	76,015	78,981	(2,966)	(4)%
Change in market risk benefits	315	740	(425)	(57)%
Amortization of deferred acquisition costs	9,396	9,206	190	2 %
Operating expenses	28,018	28,481	(463)	(2)%
Income tax benefit	(5,504)	(3,578)	(1,926)	(54)%
Net income	<u>\$ 9,571</u>	<u>\$ 4,160</u>	<u>\$ 5,411</u>	130 %

<sup>1</sup> Certain prior period amounts have been recast. See Note 2 - New Accounting Pronouncements for more information.

### Insurance Revenues

Insurance revenues consist of premiums, net of reinsurance, from the sale of traditional individual and group life insurance products, immediate annuities, and accident and health products, as well as contract charges from interest sensitive and deposit-type products. Insurance revenues are impacted by the level of new sales, the type of products sold, the persistency of policies, general economic conditions, and competitive forces.

The following table presents gross premiums on new and renewal business, less reinsurance ceded. New premiums are also detailed by product.

	Quarter Ended March 31,			
	2026	2025 <sup>1</sup>	\$ Change	% Change
New premiums:				
Traditional life insurance	\$ 4,723	\$ 4,305	\$ 418	10 %
Immediate annuities	845	990	(145)	(15)%
Group life insurance	584	597	(13)	(2)%
Group accident and health insurance	2,611	2,677	(66)	(2)%
Total new premiums	8,763	8,569	194	2 %
Renewal premiums	67,157	67,901	(744)	(1)%
Immediate annuities - internal rollovers	1,469	2,295	(826)	(36)%
Total premiums	77,389	78,765	(1,376)	(2)%
Reinsurance ceded	(30,710)	(30,005)	(705)	(2)%
Net premiums	\$ 46,679	\$ 48,760	\$ (2,081)	(4)%

<sup>1</sup> Certain prior period amounts have been recast. See Note 2 - New Accounting Pronouncements for more information.

Consolidated total premiums decreased \$1.4 million or 2% in the first quarter of 2026 compared with the first quarter of 2025, as a \$0.2 million or 2% increase in new premiums was offset by a \$0.7 million or 1% decrease in renewal premiums and a \$0.8 million or 36% decrease in internal rollovers from various individual annuity products. The increase in new premiums resulted from a \$0.4 million or 10% increase in new traditional life premiums. Partially offsetting this improvement was a \$0.1 million or 15% decline in new immediate annuity premiums. Immediate annuity receipts can have sizable fluctuations, as receipts from policyholders largely result from one-time premiums. The decrease in renewal premiums was primarily from a \$0.7 million or 1% decline in renewal traditional life premiums.

Reinsurance ceded premiums increased \$0.7 million or 2% in the first quarter of 2026 compared to the first quarter of 2025. This increase reflected higher reinsurance ceded premiums from increased sales on certain term business at the Individual Insurance segment and higher reinsurance ceded premiums for the Old American segment compared to the prior year.

Deposits related to interest sensitive life (universal life, indexed universal life, and variable universal life), fixed annuity contracts, and variable annuities are not recorded as revenue. Revenues from such contracts consist of amounts assessed on policyholder account balances for mortality, policy administration, and surrender charges, and are recognized as contract charges in the Consolidated Statements of Comprehensive Income. The following table provides detail by new and renewal deposits. New deposits are also detailed by product. While the disclosure of deposits is standard industry practice, it is considered a non-GAAP measure.

	Quarter Ended March 31,			
	2026	2025	\$ Change	% Change
New deposits:				
Interest sensitive life	\$ 1,107	\$ 1,247	\$ (140)	(11)%
Fixed annuities	13,153	13,440	(287)	(2)%
Variable annuities	432	747	(315)	(42)%
Total new deposits	14,692	15,434	(742)	(5)%
Renewal deposits	31,860	34,184	(2,324)	(7)%
Total deposits	46,552	49,618	(3,066)	(6)%
Reinsurance ceded	(1,038)	(1,339)	301	22 %
Net deposits	\$ 45,514	\$ 48,279	\$ (2,765)	(6)%

General economic conditions and interest rates available in the marketplace influence new deposits on interest sensitive products. In addition, fluctuations in the equity markets influence the variable life and annuity products. Generally, volatile interest rate and increased inflationary environments present significant challenges to products such as these, and potential sizable fluctuations in new sales can result between periods. Further, general economic conditions have affected both new and renewal deposits.

Total new deposits declined \$0.7 million or 5% in the first quarter of 2026 compared with the first quarter of 2025. This decline included a \$0.1 million or 11% decrease in interest sensitive life deposits, a \$0.3 million or 2% decline in new fixed annuity deposits, and a \$0.3 million or 42% decrease in new variable annuity deposits. Total renewal deposits decreased \$2.3 million or 7% in the first quarter of 2026 versus the prior year, reflecting a \$0.2 million or 1% decline in renewal interest sensitive life deposits, a \$1.1 million or 32% decline in renewal fixed annuity deposits, and a \$1.0 million or 53% decline in renewal variable annuity deposits.

Reinsurance ceded deposits decreased \$0.3 million or 22% in the first quarter of 2026 compared to the first quarter of 2025. This decrease reflected the runoff of a block of fixed annuity business we ceded to a certified domestic reinsurer in 2022.

Contract charges result from charges and fees on interest-sensitive and deposit-type products. Contract charges consist of cost of insurance, expense loads, the amortization of unearned revenues, and surrender charges assessed on policyholder account balance withdrawals. We maintain both open blocks and closed blocks of business. The closed blocks of business reflect products and entities that have been purchased and for which we are not actively pursuing marketing efforts to generate new sales. We continue to service these policies to support customers and to meet long-term profit objectives as these blocks of business decline over time.

Total contract charges were essentially flat in the first quarter of 2026 compared to the first quarter of 2025. Contract charges for open blocks increased \$0.2 million or 1% and decreased \$0.2 million or 2% for closed blocks compared to the prior year. Total contract charges on closed blocks were 39% of total consolidated contract charges in the first quarter of 2026, down slightly from 40% in the first quarter of 2025.

### **Investment Revenues**

The following table provides net investment income classified by income associated with invested assets and income associated with deposit-type reinsurance.

	Quarter Ended March 31,			
	2026	2025	\$ Change	% Change
Gross investment income - invested assets	\$ 40,115	\$ 39,366	\$ 749	2 %
Less investment expenses	(3,278)	(3,247)	(31)	(1)%
Net investment income - invested assets	36,837	36,119	718	2 %
Net investment income - deposit-type reinsurance	2,980	3,367	(387)	(11)%
Net investment income	<u>\$ 39,817</u>	<u>\$ 39,486</u>	<u>\$ 331</u>	1 %

Net investment income from invested assets increased \$0.7 million or 2% in the first quarter of 2026 compared to the first quarter of 2025. These results reflected an increase in overall yields earned that were partially offset by lower average invested assets. Our earned book yield was 4.4% in the first quarter of 2026 compared to 4.5% in the first quarter of 2025.

Fixed maturity securities provide a majority of our investment income. Gross investment income from these investments declined \$0.9 million or 3% in the first quarter of 2026 compared to the same period one year earlier, reflecting lower overall yields earned and lower average invested assets.

Gross investment income from commercial mortgage loans decreased \$0.1 million or 2% in the first quarter of 2026 compared with the prior year, as higher yields earned on new mortgage loans were offset by lower prepayment fees and a decrease in average mortgage loan balances.

Gross investment income from other investments increased \$1.6 million or 737%, reflecting an increase in income from alternative investments.

Net investment income resulting from the runoff of the block of deposit-type reinsurance business was \$3.0 million in the first quarter of 2026 and \$3.4 million in the first quarter of 2025.

### ***Investment Gains (Losses)***

Net investment losses for the first quarter of 2026 totaled \$1.5 million compared to net investment losses of \$3.0 million in the first quarter of 2025. The largest factor in this decrease was lower net losses on other investments, primarily derivatives, which resulted in a loss of \$1.6 million in the first quarter of 2026 compared to a loss of \$2.6 million in the first quarter of 2025, largely reflecting fluctuations in the fair value year-over-year. In addition, net sales and calls of investment securities resulted in a net gain of \$0.2 million in the first quarter of 2026 compared to a net loss of \$0.1 million in the first quarter of 2025.

### ***Policyholder Benefits***

Policyholder benefits, net of reinsurance, consist of death benefits, immediate annuity benefits, accident and health benefits, surrenders, other benefits, and the associated increase or decrease in reserves for future policy benefits and policyholder account balances. The largest component of policyholder benefits was death benefits for the periods presented. Death benefits reflect mortality results, after consideration of the impact of reinsurance.

Policyholder benefits decreased \$3.0 million or 5% in the first quarter of 2026 compared to the first quarter of 2025. The largest factor in this decrease was a \$4.9 million or 11% decline in death benefits, net of reinsurance. In addition, other benefits, net of reinsurance, declined \$2.4 million or 11% compared to one year earlier, reflecting lower annuity and accident and health benefits. Partially offsetting these, benefit and contract reserves increased \$4.5 million or 47% compared to the prior year. The increase in benefit and contract reserves reflected lower annuity benefits paid and decreased ceded reserves on traditional life policies.

### ***Operating Expenses***

Operating expenses consist of incurred commission expense from the sale of insurance products, net of the deferral of certain commissions and certain expenses directly associated with the successful acquisition of new business, expenses from our operations, the amortization of value of business acquired and intangibles, and other expenses.

Operating expenses decreased \$0.5 million or 2% in the first quarter of 2026 compared with the prior year. This decline primarily reflected lower legal expenses that were partially offset by higher employee compensation expenses, in part from higher employee benefits. Amortization of software costs associated with modernization efforts in the Company's administrative system and the implementation of new software also increased versus the prior year.

### ***Income Taxes***

We recorded an income tax benefit of \$5.5 million in the first quarter of 2026 compared to an income tax benefit of \$3.6 million in the first quarter of 2025. The increased tax benefit in 2026 was primarily from the payment of a legal settlement during the first quarter, resulting in the recognition of an additional tax benefit available under Section 1341 of the Internal Revenue Code of \$6.3 million, as compared to a court ordered judgment payment made in the prior year, resulting in the recognition of an additional tax benefit available under Section 1341 of the Internal Revenue Code of \$3.7 million.

## Analysis of Invested Assets

This analysis of investments should be read in conjunction with Note 3 - Investments in the Notes to Consolidated Financial Statements.

The following table provides asset class detail of the investment portfolio.

	March 31, 2026	%	December 31, 2025	%
		of Total		of Total
Fixed maturity securities	\$ 2,316,000	73 %	\$ 2,322,542	71 %
Equity securities	517	— %	514	— %
Mortgage loans	557,040	17 %	548,797	17 %
Real estate	93,574	3 %	94,331	3 %
Policy loans	89,331	3 %	87,742	3 %
Short-term investments	52,167	2 %	132,126	4 %
Other investments	68,226	2 %	63,921	2 %
Total	<u>\$ 3,176,855</u>	<u>100 %</u>	<u>\$ 3,249,973</u>	<u>100 %</u>

Fixed maturity securities were the largest component of total investments and represented 73% of total investments at March 31, 2026 and 71% at December 31, 2025. The largest categories of fixed maturity securities at March 31, 2026 consisted of 73% in corporate obligations, 10% in municipal securities, and 12% in asset-backed securities and collateralized loan obligations. We had 30% of the fixed maturity securities in private placements as of both March 31, 2026 and December 31, 2025. The use of private placements offers an enhancement to our portfolio returns by providing access to higher yielding securities that have a more limited offering at often lower cost.

We use actual or equivalent Standard & Poor's ratings to determine the investment grading of fixed maturity securities. Our fixed maturity securities that were rated investment grade represented 99% of total securities at both March 31, 2026 and December 31, 2025.

The fair value of fixed maturity securities with unrealized losses was \$1.6 billion at March 31, 2026 compared to \$1.4 billion at December 31, 2025. At both March 31, 2026 and December 31, 2025, 99% of security investments with an unrealized loss were investment grade and accounted for approximately 99% of the total unrealized losses.

At March 31, 2026, we had \$16.8 million in gross unrealized gains on fixed maturity securities that were offset by gross unrealized losses of \$193.4 million. At December 31, 2025, we had \$26.9 million in gross unrealized gains on fixed maturity securities that were offset by \$174.0 million in gross unrealized losses. At March 31, 2026, 31% of the fixed maturity securities portfolio had unrealized gains, compared to 38% at December 31, 2025. Gross unrealized losses on fixed maturity securities for less than 12 months totaled \$9.9 million and accounted for 24% of the fair value of securities in a gross unrealized loss position at March 31, 2026. Gross unrealized losses on fixed maturity securities for less than 12 months totaled \$4.4 million and accounted for 10% of the fair value of securities in a gross unrealized loss position at December 31, 2025. Gross unrealized losses on fixed maturity security investments of 12 months or longer increased from \$169.7 million at December 31, 2025 to \$183.6 million at March 31, 2026.

Investments in mortgage loans totaled \$557.0 million at March 31, 2026, up from \$548.8 million at December 31, 2025. The commercial mortgage loan portfolio increased during the first quarter of 2026, due to new loan fundings outpacing regular amortization and loan payoffs. Although demand for longer-term fixed-rate products has softened in response to higher borrowing costs, a brief decline in interest rates generated a modest uptick in new loan activity. Payoff volumes also remained low, as market conditions were generally unfavorable for borrowers to refinance or sell properties. Our mortgage loans are secured by commercial real estate. These loans are stated at the outstanding principal balance, adjusted for amortization of premium and accrual of discount, less an allowance for credit losses. We believe this allowance is at a level adequate to absorb estimated credit losses and was \$1.3 million at March 31, 2026 and \$1.2 million December 31, 2025.

Investments in real estate, policy loans, short-term investments, and other investments comprised 10% of total investments at March 31, 2026 and 12% at December 31, 2025.

## Liquidity and Capital Resources

### Liquidity

Management believes that the Company has sufficient sources of liquidity and capital resources to satisfy operational requirements and to finance expansion plans and strategic initiatives as they may occur. Primary sources of cash flow are premiums, other insurance considerations and deposits, receipts for policyholder accounts, sales and maturities of investments, and investment income. We have access to additional liquidity through our ability to borrow on a collateralized basis from the Federal Home Loan Bank (FHLB). We also have credit facilities that are available for additional working capital needs or investment opportunities. The principal uses of cash are for the insurance operations, including the purchase of investments, payment of insurance benefits, operating expenses, policyholder dividends, withdrawals from policyholder accounts, and costs related to acquiring new business. There can be no assurance that we will continue to generate cash flows at or above current levels or that our ability to borrow under the current credit facilities will be maintained.

We perform cash flow testing and add various levels of stress testing to potential surrender and policy loan levels in order to assess current and near-term cash and liquidity needs. In the event of increased surrenders and other cash needs, we have several sources of cash flow available.

Net cash used from operating activities was \$58.7 million for the quarter ended March 31, 2026. Net cash provided by investing activities was \$44.6 million for the quarter ended March 31, 2026. The primary sources of cash provided by investing activities were from sales, maturities, calls, and principal paydowns of investments totaling \$54.9 million. Investment purchases, including new fixed maturity securities and mortgage loans, totaled \$90.2 million. Net cash provided by financing activities for the quarter ended March 31, 2026 was \$13.7 million. Cash provided by financing activities included \$6.9 million of deposits, net of withdrawals, on policyholder account balances and an \$11.6 million reduction in the deposit asset on reinsurance. These were partially offset by stockholder dividend payments of \$1.7 million and a \$3.7 million change in other deposits.

### Capital Resources

We believe existing capital resources provide adequate support for our current level of business activities, as identified in the following table.

	March 31, 2026	December 31, 2025
Total assets, excluding separate accounts	\$ 4,450,423	\$ 4,531,713
Total stockholders' equity	663,675	665,575
Ratio of stockholders' equity to assets, excluding separate accounts	15%	15%

Stockholders' equity decreased \$1.9 million from year-end 2025, as higher net unrealized losses on available for sale securities were partially offset by an increase in net income and the change in discount rates on the liability for future policy benefits during 2026. Stockholders' equity per share, or book value, equaled \$68.54 at March 31, 2026, a decrease from \$68.73 at December 31, 2025.

Net unrealized losses on available for sale securities, which are included as part of Accumulated Other Comprehensive Loss and as a component of Stockholders' Equity, net of related taxes, totaled \$139.5 million at March 31, 2026, a \$23.3 million increase from \$116.2 million at December 31, 2025. The increase in unrealized losses reflected higher interest rates at March 31, 2026 compared to December 31, 2025.

The Company has advance funding agreements with the FHLB. These funds are used in an investment spread arbitrage program. Interest earned from this program was \$1.8 million during the quarter ended March 31, 2026 and \$2.1 million during the quarter ended March 31, 2025. Interest is credited based on variable rates set by the FHLB. Total obligations outstanding under these agreements, which mature between 2027 and 2030, were \$140.0 million at both March 31, 2026 and December 31, 2025, and are reported as Policyholder Account Balances in the Consolidated Balance Sheets. Accrued interest totaled \$1.0 million at March 31, 2026 and \$1.1 million at December 31, 2025. Cash interest payments were \$1.6 million during the quarters ended March 31, 2026 and March 31, 2025.

In the normal course of business, we have open purchase and sale commitments. At March 31, 2026, we had commitments to fund investments in private alternative investment funds of \$105.6 million, affordable housing investments of \$16.4 million,

and mortgage loans of \$7.1 million. Subsequent to March 31, 2026, we entered into commitments to fund additional loans of \$7.5 million.

Our statutory equity exceeds the minimum capital deemed necessary to support our insurance business, as determined by the risk-based capital calculations and guidelines established by the National Association of Insurance Commissioners (NAIC). We believe these statutory limitations impose no practical restrictions on future dividend payment plans.

In January 2026, the Board of Directors authorized the purchase of up to one million of our shares on the open market through January 2027. No shares were purchased under this authorization during the first quarter of 2026.

On April 27, 2026, the Board of Directors declared a quarterly dividend of \$0.18 per share payable on May 13, 2026 to stockholders of record on May 7, 2026.

## **Item 5. Legal Proceedings**

We are, and in the future may be, subject to legal and regulatory actions in the ordinary course of our insurance operations, including proceedings that may be brought on behalf of various alleged classes of complainants. In certain of these matters, the plaintiffs may seek large and/or indeterminate amounts, including punitive or exemplary damages. Substantial legal liability in these or future legal or regulatory actions could have a material financial effect or cause significant harm to our reputation, which in turn could materially harm our business prospects. Please see Note 21 – Contingent Liabilities of the financial statements in Exhibit 3.1.

## **Item 6. Defaults upon Senior Securities**

None

## **Item 7. Other Information**

None

## **Item 8. Exhibits**

3.1 Interim Consolidated Financial Statements

## Item 9. Issuer's Certifications

I, Walter E. Bixby, certify that:

1. I have reviewed this quarterly disclosure statement of Kansas City Life Insurance Company;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in the light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: May 1, 2026

/s/ Walter E. Bixby

Walter E. Bixby  
President, Chief Executive Officer,  
and Vice Chairman of the Board

I, David A. Laird, certify that:

1. I have reviewed this quarterly disclosure statement of Kansas City Life Insurance Company;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in the light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: May 1, 2026

/s/ David A. Laird

David A. Laird  
Senior Vice President, Finance

**Exhibit 3.1 Interim Consolidated Financial Statements**

Amounts in thousands, except share data, security counts, or as otherwise noted.

**Kansas City Life Insurance Company  
Consolidated Balance Sheets**

	March 31, 2026 <u>(Unaudited)</u>	December 31, 2025 <u></u>
<b>ASSETS</b>		
Investments:		
Fixed maturity securities available for sale, at fair value (amortized cost: 2026 - \$2,492,629; 2025 - \$2,469,644)	\$ 2,316,000	\$ 2,322,542
Equity securities, at fair value (cost: 2026 and 2025 - \$519)	517	514
Mortgage loans (net of allowance for credit losses: 2026 - \$1,301; 2025 - \$1,239)	557,040	548,797
Real estate	93,574	94,331
Policy loans	89,331	87,742
Short-term investments	52,167	132,126
Other investments	68,226	63,921
Total investments	<u>3,176,855</u>	<u>3,249,973</u>
Cash	7,974	8,428
Accrued investment income	29,710	29,981
Market risk benefits asset, at fair value	3,099	3,346
Deferred acquisition costs	250,960	254,337
Reinsurance recoverables (net of allowance for credit losses: 2026 and 2025 - \$1,367)	407,924	407,810
Deposit asset on reinsurance	320,920	329,485
Other assets	252,981	248,353
Separate account assets	390,468	416,995
Total assets	<u>\$ 4,840,891</u>	<u>\$ 4,948,708</u>
<b>LIABILITIES</b>		
Liability for future policy benefits	\$ 1,320,852	\$ 1,341,072
Policyholder account balances	2,093,614	2,104,373
Market risk benefits liability, at fair value	82	56
Policy and contract claims	57,926	57,048
Other policyholder funds	185,137	187,192
Other liabilities	129,137	176,397
Separate account liabilities	390,468	416,995
Total liabilities	<u>4,177,216</u>	<u>4,283,133</u>
<b>STOCKHOLDERS' EQUITY</b>		
Common stock, par value \$1.25 per share		
Authorized 36,000,000 shares, issued 18,496,680 shares	23,121	23,121
Additional paid in capital	41,025	41,025
Retained earnings	911,079	903,251
Accumulated other comprehensive loss	(70,249)	(60,521)
Treasury stock, at cost (2026 and 2025 - 8,813,266 shares)	(241,301)	(241,301)
Total stockholders' equity	<u>663,675</u>	<u>665,575</u>
Total liabilities and stockholders' equity	<u>\$ 4,840,891</u>	<u>\$ 4,948,708</u>

*See accompanying Notes to Consolidated Financial Statements - (Unaudited)*

**Kansas City Life Insurance Company**  
**Consolidated Statements of Comprehensive Income - (Unaudited)**

	Quarter Ended March 31,	
	2026	2025 <sup>1</sup>
	(Unaudited)	
<b>REVENUES</b>		
Insurance revenues:		
Net premiums	\$ 46,679	\$ 48,760
Contract charges	31,329	31,300
Total insurance revenues	78,008	80,060
Investment revenues:		
Net investment income	39,817	39,486
Net investment losses	(1,478)	(2,964)
Total investment revenues	38,339	36,522
Other revenues	1,464	1,408
Total revenues	117,811	117,990
<b>BENEFITS AND EXPENSES</b>		
Policyholder benefits (including liability remeasurement losses (gains): 2026 - \$481; 2025 - \$(1,827)	56,510	59,521
Change in market risk benefits	315	740
Interest credited to policyholder account balances	19,505	19,460
Amortization of deferred acquisition costs	9,396	9,206
Operating expenses	28,018	28,481
Total benefits and expenses	113,744	117,408
Income before income tax benefit	4,067	582
Income tax benefit	(5,504)	(3,578)
Total income tax benefit	(5,504)	(3,578)
<b>NET INCOME</b>	\$ 9,571	\$ 4,160
<b>COMPREHENSIVE INCOME (LOSS), NET OF TAXES</b>		
Changes in:		
Net unrealized gains (losses) on securities available for sale	\$ (23,339)	\$ 26,094
Changes in discount rates on the liability for future policy benefits	13,578	(10,281)
Changes in market risk benefits nonperformance risk	33	166
Other comprehensive income (loss)	(9,728)	15,979
<b>COMPREHENSIVE INCOME (LOSS)</b>	\$ (157)	\$ 20,139
Basic and diluted earnings per share:		
Net income (loss)	\$ 0.99	\$ 0.43

<sup>1</sup> Certain prior period amounts have been recast. See Note 2 - New Accounting Pronouncements for more information.

*See accompanying Notes to Consolidated Financial Statements - (Unaudited)*

**Kansas City Life Insurance Company**  
**Consolidated Statements of Cash Flows - (Unaudited)**

	Quarter Ended March 31,	
	2026	2025 <sup>1</sup>
	(Unaudited)	
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 9,571	\$ 4,160
Adjustments to reconcile net income to net cash used from operating activities:		
Amortization of investment premium and discount	392	210
Depreciation and amortization	787	734
Acquisition costs capitalized	(6,019)	(6,060)
Amortization of deferred acquisition costs	9,396	9,206
Net investment losses	1,478	2,964
Changes in assets and liabilities:		
Reinsurance recoverables	(6,726)	(15,575)
Liability for future policy benefits	3,577	855
Policyholder account balances	(20,570)	(28,300)
Income taxes payable and deferred	(5,552)	(2,890)
Other, net	(45,078)	(39,226)
Net cash used	(58,744)	(73,922)
<b>INVESTING ACTIVITIES</b>		
Purchases or contributions:		
Fixed maturity securities	(62,250)	(53,669)
Mortgage loans	(17,200)	(11,000)
Real estate	(214)	(527)
Policy loans	(2,536)	(1,089)
Other investments	(7,988)	(4,599)
Property and equipment	(58)	(114)
Sales or maturities, calls, principal paydowns and distributions:		
Fixed maturity securities	41,095	96,605
Mortgage loans	8,895	16,830
Real estate	—	6
Policy loans	947	530
Other investments	3,732	3,259
Property and equipment	229	216
Net sales of short-term investments	79,959	2,361
Net cash provided	44,611	48,809

<sup>1</sup> Certain prior period amounts have been recast. See Note 2 - New Accounting Pronouncements for more information.

**Kansas City Life Insurance Company**  
**Consolidated Statements of Cash Flows - (Continued) (Unaudited)**

	Quarter Ended	
	March 31,	
	2026	2025 <sup>1</sup>
	(Unaudited)	
<b>FINANCING ACTIVITIES</b>		
Policyholder account balances:		
Deposits	\$ 46,552	\$ 49,618
Receipts from funding agreements	—	10,000
Withdrawals	(39,682)	(47,853)
Change in deposit asset on reinsurance, net	11,553	15,431
Net transfers from separate accounts	664	576
Change in other deposits	(3,665)	(2,369)
Cash dividends to stockholders	(1,743)	(1,356)
Net cash provided	<u>13,679</u>	<u>24,047</u>
Decrease in cash	(454)	(1,066)
Cash at beginning of year	<u>8,428</u>	<u>8,101</u>
Cash at end of period	<u>\$ 7,974</u>	<u>\$ 7,035</u>

<sup>1</sup> Certain prior period amounts have been recast. See Note 2 - New Accounting Pronouncements for more information.

**Non-Cash Activity**

There was no material non-cash activity during the quarters ended March 31, 2026 or 2025.

*See accompanying Notes to Consolidated Financial Statements - (Unaudited)*

# Kansas City Life Insurance Company

## Notes to Consolidated Financial Statements - (Continued) (Unaudited)

### 1. Nature of Operations and Significant Accounting Policies

#### Basis of Presentation

The interim consolidated financial statements and the accompanying notes include the accounts of the consolidated entity (the Company) and its subsidiaries. Kansas City Life Insurance Company (Kansas City Life) is the parent company. Old American Insurance Company (Old American) and Grange Life Insurance Company (Grange Life) are wholly-owned insurance subsidiaries of Kansas City Life. The Company also has non-insurance subsidiaries that individually and collectively are not material. The terms "the Company," "we," "us," and "our" are used in these consolidated financial statements to refer to Kansas City Life and its subsidiaries.

We have three reportable business segments, which are defined based on the management of the organization in relation to the nature of the products and services offered. For additional information on our segments, please see Note 19 - Segment Information.

The interim consolidated financial statements were prepared on the basis of GAAP for interim financial reporting. Accordingly, they do not include all of the disclosures required by GAAP for complete financial statements. As such, these interim consolidated financial statements should be read in conjunction with our 2025 Annual Report, which is available on the OTC Markets Group website ([www.otcmarkets.com/stock/KCLI/filings](http://www.otcmarkets.com/stock/KCLI/filings)). The interim consolidated financial statements and the accompanying notes for the quarters ended March 31, 2026 and 2025 are unaudited. The consolidated financial statements and the accompanying notes for the year ended December 31, 2025 were audited. Management believes that the disclosures included herein are adequate to make the information presented not misleading and include all adjustments necessary to present fairly the financial position and the results of operations for all periods presented. The results of operations for any interim period are not necessarily indicative of operating results for a full year. Significant intercompany transactions have been eliminated in consolidation and certain immaterial reclassifications have been made to prior period results to conform with the current period's presentation.

The interim consolidated financial statements include estimates and assumptions relating to the reported amounts of certain assets and liabilities, the disclosure of contingent assets and liabilities at the date of the interim consolidated financial statements, and the reported amounts of certain revenue and expenses during the period. These estimates are inherently subject to change and actual results could differ from these estimates. Amounts are stated in thousands, except share data, security counts, or as otherwise noted.

Effective January 1, 2025, we adopted Accounting Standards Update (ASU) No. 2018-12 Targeted Improvements to the Accounting for Long-Duration Contracts, which revised the measurement models and disclosure requirements for long-duration contracts. This guidance was applied with a transition date of January 1, 2023. Accordingly, the results for 2025 have been recast throughout this report and are presented under this guidance. For additional information, please see Note 2 - New Accounting Pronouncements.

#### Business Changes

There were no significant business changes during 2026 or 2025.

#### Current Economic Environment

As of March 31, 2026, the U.S. economy remains in a state of cautious transition. Inflation continues to run modestly above the Federal Reserve's 2% target, with progress toward disinflation proving uneven in recent months. While softer global demand and continued supply chain diversification have helped contain goods inflation, services inflation remains more persistent. Escalating tensions and conflict involving Iran have introduced renewed upside risks, particularly through higher energy prices and supply chain disruptions, which have contributed to increased volatility in both inflation expectations and broader markets.

The Federal Reserve has maintained the federal funds target range at 3.75% to 4.00% through the first quarter of 2026 following its December 2025 rate cut, reflecting a more balanced stance between supporting growth and ensuring inflation continues to moderate. The labor market has continued to normalize from prior strength; unemployment has edged slightly higher but remains low by historical standards. Wage growth has moderated but continues to support underlying consumer demand.

The AI-driven expansion continues to provide a meaningful tailwind to economic growth, with sustained investment in semiconductor production and digital infrastructure supporting industrial activity and early signs of productivity improvement. However, financial markets have experienced increased volatility in early 2026, as higher Treasury yields, driven by persistent inflation, elevated term premiums, and geopolitical uncertainty, have tempered equity market momentum.

**Kansas City Life Insurance Company**  
**Notes to Consolidated Financial Statements - (Continued) (Unaudited)**

Despite some easing in monetary policy, the lagged effects of the prior high-rate environment continue to weigh on interest-rate-sensitive sectors, particularly commercial real estate, where office vacancy rates remain elevated and refinancing risk persists. While higher reinvestment yields benefit new investments, the value of existing fixed income holdings remains under pressure. Prolonged restrictive conditions, combined with rising geopolitical tensions, pose downside risks to growth and increase the potential for asset impairments and credit defaults.

**Significant Accounting Policies**

Please refer to our 2025 Annual Report for a full discussion of our significant accounting policies. No significant updates or changes to these policies occurred during the quarter ended March 31, 2026.

**2. New Accounting Pronouncements**

**Accounting Pronouncement Adopted During 2025**

Effective January 1, 2025, we adopted ASU No. 2018-12 Targeted Improvements to the Accounting for Long-Duration Contracts, which revised the measurement models and disclosure requirements for long-duration contracts. Please refer to our 2025 Annual Report for a full discussion of our adoption of this guidance. The results for 2025 have been recast throughout this report and are presented under this guidance.

**Accounting Pronouncements Issued, Not Yet Adopted**

In November 2024, the Financial Accounting Standards Board (FASB) issued ASU No. 2024-03 Disaggregation of Income Statement Expenses. This update requires disclosure of specified information about certain costs and expenses. Disclosures are required that provide disaggregated information about prescribed categories underlying relevant income statement expense captions. A qualitative description is required for amounts remaining in relevant expense captions that are not separately disaggregated quantitatively. In addition, disclosure of the total amount of selling expenses and an entity's definition of selling expenses are required. This guidance is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. We are currently evaluating this guidance. However, it will not impact our earnings or financial position as the pronouncement only impacts disclosures.

All other new accounting standards and updates of existing standards issued through the date of this filing were considered by management and did not relate to accounting policies and procedures pertinent to us at this time or were not expected to have a material impact to the consolidated financial statements.

**Kansas City Life Insurance Company**  
**Notes to Consolidated Financial Statements - (Continued) (Unaudited)**

**3. Investments**

**Fixed Maturity Securities**

*Securities by Asset Class*

The following table provides amortized cost and fair value of fixed maturity securities by asset class at March 31, 2026.

	Amortized Cost	Gross Unrealized		Fair Value
		Gains	Losses	
U.S. Treasury securities and obligations of U.S. Government	\$ 81,832	\$ 103	\$ 4,800	\$ 77,135
Federal agency issued residential mortgage-backed securities	42,598	86	4,004	38,680
Subtotal	124,430	189	8,804	115,815
Corporate obligations	1,827,643	14,121	161,102	1,680,662
Municipal securities	256,482	1,751	17,145	241,088
Asset-backed securities and collateralized loan obligations	281,074	730	6,004	275,800
Redeemable preferred stocks	3,000	—	365	2,635
Total	<u>\$ 2,492,629</u>	<u>\$ 16,791</u>	<u>\$ 193,420</u>	<u>\$ 2,316,000</u>

The following table provides amortized cost and fair value of fixed maturity securities by asset class at December 31, 2025.

	Amortized Cost	Gross Unrealized		Fair Value
		Gains	Losses	
U.S. Treasury securities and obligations of U.S. Government	\$ 82,703	\$ 250	\$ 4,328	\$ 78,625
Federal agency issued residential mortgage-backed securities	43,315	114	3,698	39,731
Subtotal	126,018	364	8,026	118,356
Corporate obligations	1,806,518	23,272	143,462	1,686,328
Municipal securities	259,756	2,235	16,642	245,349
Asset-backed securities and collateralized loan obligations	274,352	1,049	5,573	269,828
Redeemable preferred stocks	3,000	—	319	2,681
Total	<u>\$ 2,469,644</u>	<u>\$ 26,920</u>	<u>\$ 174,022</u>	<u>\$ 2,322,542</u>

**Kansas City Life Insurance Company**  
**Notes to Consolidated Financial Statements - (Continued) (Unaudited)**

The following table provides information on fixed maturity securities available for sale by actual or equivalent Standard & Poor's rating with the percent of total fair value identified.

	March 31, 2026			December 31, 2025		
	Amortized Cost	Fair Value	% of Total	Amortized Cost	Fair Value	% of Total
AAA	\$ 218,929	\$ 211,648	9 %	\$ 222,630	\$ 216,260	9 %
AA	515,149	476,711	21 %	515,856	480,733	21 %
A	861,899	781,799	34 %	850,132	782,755	34 %
BBB	879,409	829,258	35 %	863,800	826,186	35 %
Total investment grade	2,475,386	2,299,416	99 %	2,452,418	2,305,934	99 %
BB	13,074	12,613	1 %	12,883	12,458	1 %
B and below	4,169	3,971	— %	4,343	4,150	— %
Total below investment grade	17,243	16,584	1 %	17,226	16,608	1 %
Total	<u>\$ 2,492,629</u>	<u>\$ 2,316,000</u>	<u>100 %</u>	<u>\$ 2,469,644</u>	<u>\$ 2,322,542</u>	<u>100 %</u>

*Contractual Maturities*

The following table provides the distribution of maturities for fixed maturity securities available for sale. Expected maturities may differ from these contractual maturities since issuers or borrowers may have the right to call or prepay obligations.

	March 31, 2026		December 31, 2025	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	\$ 78,069	\$ 77,247	\$ 76,210	\$ 75,455
Due after one year through five years	404,696	391,941	379,918	373,336
Due after five years through ten years	587,563	568,153	606,895	592,129
Due after ten years	1,323,196	1,188,264	1,306,028	1,188,920
Securities with variable principal payments	96,105	87,760	97,593	90,021
Redeemable preferred stocks	3,000	2,635	3,000	2,681
Total	<u>\$ 2,492,629</u>	<u>\$ 2,316,000</u>	<u>\$ 2,469,644</u>	<u>\$ 2,322,542</u>

**Evaluation of Potential Credit Impairment**

The Company assesses current expected credit losses quarterly. For fixed maturity securities in an unrealized loss position, management evaluates whether the decline in estimated fair value has resulted from credit losses or other factors. Inherent in management's evaluation of the security are assumptions and estimates about the operations of the issuer and its future earnings potential.

We consider relevant facts and circumstances in performing the credit loss evaluation of a security, including but not limited to:

- The extent to which the fair value is less than amortized cost;
- The credit rating of the security by a rating agency, including any changes to the rating;
- Adverse conditions specifically related to the security, the industry, or geographic area, including changes in the financial condition of the issuer of the security and, in the case of an asset-backed debt security, changes in the financial condition of the underlying loan obligors;
- The payment structure of the security and the likelihood of the issuer being able to make payments in the future; and
- Failure of the issuer of the security to make scheduled interest and principal payments.

If this evaluation indicates that a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, a credit loss is deemed to exist and an allowance for credit losses is recorded through a charge to realized investment gains or losses in the Consolidated Statements of Comprehensive Income, limited by the amount that the fair value

**Kansas City Life Insurance Company**  
**Notes to Consolidated Financial Statements - (Continued) (Unaudited)**

is less than the amortized cost basis. Any unrealized losses that are related to factors other than credit losses are recognized in Accumulated Other Comprehensive Income (Loss) and the change in Other Comprehensive Income (Loss).

Subsequent increases or decreases in the expected cash flow from the specific security may result in corresponding decreases or increases in the allowance which are recognized in realized investment gains or losses. However, the previously recorded allowance is not reduced to an amount below zero.

When the Company has the intent to sell the security, or it is more likely than not that the Company will be required to sell the security before recovery of its amortized cost, any allowance is reversed and the security is written down to the estimated fair value through a charge to realized investment gains or losses. The Company did not record an allowance for credit losses for fixed maturity securities or record any additions or reductions to an allowance at March 31, 2026 or December 31, 2025.

The following table provides information regarding fixed maturity securities available for sale with unrealized losses by asset class and by length of time that individual securities have been in a continuous unrealized loss position at March 31, 2026.

	Less Than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. Treasury securities and obligations of U.S. Government	\$ 2,003	\$ 28	\$ 57,534	\$ 4,772	\$ 59,537	\$ 4,800
Federal agency issued residential mortgage-backed securities	3,699	33	30,126	3,971	33,825	4,004
Subtotal	5,702	61	87,660	8,743	93,362	8,804
Corporate obligations	308,779	8,673	913,474	152,429	1,222,253	161,102
Municipal securities	34,502	604	147,052	16,541	181,554	17,145
Asset-backed securities and collateralized loan obligations	34,329	518	81,516	5,486	115,845	6,004
Redeemable preferred stocks	—	—	2,635	365	2,635	365
Total	<u>\$ 383,312</u>	<u>\$ 9,856</u>	<u>\$1,232,337</u>	<u>\$ 183,564</u>	<u>\$1,615,649</u>	<u>\$ 193,420</u>

**Kansas City Life Insurance Company**  
**Notes to Consolidated Financial Statements - (Continued) (Unaudited)**

The following table provides information regarding fixed maturity securities available for sale with unrealized losses by asset class and by length of time that individual securities have been in a continuous unrealized loss position at December 31, 2025.

	Less Than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. Treasury securities and obligations of U.S. Government	\$ 63	\$ —	\$ 60,220	\$ 4,328	\$ 60,283	\$ 4,328
Federal agency issued residential mortgage-backed securities	1,367	4	32,742	3,694	34,109	3,698
Subtotal	1,430	4	92,962	8,022	94,392	8,026
Corporate obligations	113,571	4,062	954,572	139,400	1,068,143	143,462
Municipal securities	16,830	190	161,544	16,452	178,374	16,642
Asset-backed securities and collateralized loan obligations	10,746	112	84,881	5,461	95,627	5,573
Redeemable preferred stocks	—	—	2,681	319	2,681	319
Total	<u>\$ 142,577</u>	<u>\$ 4,368</u>	<u>\$1,296,640</u>	<u>\$ 169,654</u>	<u>\$1,439,217</u>	<u>\$ 174,022</u>

The following table provides information regarding the number of fixed maturity securities with unrealized losses.

	March 31, 2026	December 31, 2025
Below cost for less than one year	284	104
Below cost for one year or more and less than three years	60	80
Below cost for three years or more	799	818
Total	<u>1,143</u>	<u>1,002</u>

We do not consider the unrealized losses related to these securities to be credit-related. The unrealized losses at both March 31, 2026 and December 31, 2025 are related to changes in interest rates and market spreads subsequent to purchase. A substantial portion of investment securities that have unrealized losses are either corporate debt issued with investment grade credit ratings or other investment securities.

The following table summarizes investments in fixed maturity securities available for sale with unrealized losses at March 31, 2026.

	Amortized Cost	Fair Value	Gross Unrealized Losses
Unrealized losses of 10% or less	\$ 1,006,984	\$ 969,404	\$ 37,580
Unrealized losses of 20% or less and greater than 10%	487,415	419,085	68,330
Subtotal	1,494,399	1,388,489	105,910
Unrealized losses greater than 20%:			
Investment grade	314,670	227,160	87,510
Below investment grade	—	—	—
Total	<u>\$ 1,809,069</u>	<u>\$ 1,615,649</u>	<u>\$ 193,420</u>

**Kansas City Life Insurance Company**  
**Notes to Consolidated Financial Statements - (Continued) (Unaudited)**

The following table summarizes investments in fixed maturity securities available for sale with unrealized losses at December 31, 2025.

	Amortized Cost	Fair Value	Gross Unrealized Losses
Unrealized losses of 10% or less	\$ 880,704	\$ 845,892	\$ 34,812
Unrealized losses of 20% or less and greater than 10%	451,322	388,497	62,825
Subtotal	<u>1,332,026</u>	<u>1,234,389</u>	<u>97,637</u>
Unrealized losses greater than 20%:			
Investment grade	281,213	204,828	76,385
Below investment grade	—	—	—
Total	<u>\$ 1,613,239</u>	<u>\$ 1,439,217</u>	<u>\$ 174,022</u>

The following table provides information on fixed maturity securities available for sale with unrealized losses by actual or equivalent Standard & Poor's rating at March 31, 2026.

	Fair Value	% of Total	Gross Unrealized Losses	% of Total
AAA	\$ 101,232	6 %	\$ 8,464	4 %
AA	323,879	20 %	40,917	21 %
A	601,984	37 %	85,061	44 %
BBB	576,387	36 %	58,264	31 %
Total investment grade	<u>1,603,482</u>	<u>99 %</u>	<u>192,706</u>	<u>100 %</u>
BB	9,519	1 %	516	— %
B and below	2,648	— %	198	— %
Total below investment grade	<u>12,167</u>	<u>1 %</u>	<u>714</u>	<u>— %</u>
Total	<u>\$ 1,615,649</u>	<u>100 %</u>	<u>\$ 193,420</u>	<u>100 %</u>

The following table provides information on fixed maturity securities available for sale with unrealized losses by actual or equivalent Standard & Poor's rating at December 31, 2025.

	Fair Value	% of Total	Gross Unrealized Losses	% of Total
AAA	\$ 101,001	7 %	\$ 8,058	5 %
AA	316,407	22 %	38,873	22 %
A	528,412	37 %	75,881	44 %
BBB	482,552	33 %	50,524	29 %
Total investment grade	<u>1,428,372</u>	<u>99 %</u>	<u>173,336</u>	<u>100 %</u>
BB	8,024	1 %	494	— %
B and below	2,821	— %	192	— %
Total below investment grade	<u>10,845</u>	<u>1 %</u>	<u>686</u>	<u>— %</u>
Total	<u>\$ 1,439,217</u>	<u>100 %</u>	<u>\$ 174,022</u>	<u>100 %</u>

**Kansas City Life Insurance Company**  
**Notes to Consolidated Financial Statements - (Continued) (Unaudited)**

We monitor structured securities through a combination of an analysis of vintage, credit ratings, and other factors. Structured securities include asset-backed, residential mortgage-backed securities, collateralized loan obligations, and other collateralized obligations.

The following tables identify structured securities by credit ratings for all vintages owned.

March 31, 2026			
	Amortized Cost	Fair Value	Net Unrealized Losses
Structured securities:			
Investment grade	\$ 280,339	\$ 275,135	\$ 5,204
Below investment grade	735	665	70
Total structured securities	\$ 281,074	\$ 275,800	\$ 5,274
December 31, 2025			
	Amortized Cost	Fair Value	Net Unrealized Losses
Structured securities:			
Investment grade	\$ 273,610	\$ 269,146	\$ 4,464
Below investment grade	742	682	60
Total structured securities	\$ 274,352	\$ 269,828	\$ 4,524

**Investment Revenues**

The following tables provide investment revenues by major category.

	Quarter Ended March 31,			
	2026	2025	\$ Change	% Change
Gross investment income from invested assets:				
Fixed maturity securities	\$ 27,218	\$ 28,154	\$ (936)	(3)%
Equity securities	7	7	—	— %
Mortgage loans	6,542	6,647	(105)	(2)%
Real estate	2,518	2,394	124	5 %
Policy loans	1,291	1,344	(53)	(4)%
Short-term investments	773	609	164	27 %
Other	1,766	211	1,555	737 %
Total	40,115	39,366	749	2 %
Less investment expenses	(3,278)	(3,247)	(31)	(1)%
Net investment income - invested assets	36,837	36,119	718	2 %
Net investment income - deposit-type reinsurance <sup>1</sup>	2,980	3,367	(387)	(11)%
Net investment income	\$ 39,817	\$ 39,486	\$ 331	1 %

<sup>1</sup> Includes investment income from the runoff of the block of deposit-type reinsurance business. See Note 16 - Reinsurance.

**Kansas City Life Insurance Company**  
**Notes to Consolidated Financial Statements - (Continued) (Unaudited)**

**Investment Gains (Losses)**

The following table provides detail concerning investment gains and losses.

	Quarter Ended March 31,	
	2026	2025
Gross gains resulting from:		
Sales of investment securities	\$ 9	\$ —
Investment securities called and other	243	—
Total gross gains	252	—
Gross losses resulting from:		
Sales of investment securities	(30)	(145)
Sales and write downs of real estate	—	(202)
Total gross losses	(30)	(347)
Change in allowance for credit losses:		
Mortgage loans	(62)	(18)
Total change in allowance for credit losses	(62)	(18)
Net realized/unrealized gains (losses) on:		
Equity securities	2	33
Other investments	(1,640)	(2,632)
Total net realized/unrealized gains (losses)	(1,638)	(2,599)
Net investment losses	\$ (1,478)	\$ (2,964)

**Proceeds from Sales of Investment Securities**

The following table provides proceeds from the sale of fixed maturity and equity securities, excluding maturities and calls.

	Quarter Ended March 31,	
	2026	2025
Proceeds	\$ 4,016	\$ 47,621

The proceeds in 2025 primarily resulted from fixed maturity securities sold in conjunction with a legal judgment paid in the first quarter.

**Kansas City Life Insurance Company**  
**Notes to Consolidated Financial Statements - (Continued) (Unaudited)**

**Mortgage Loans**

Investments in mortgage loans totaled \$557.0 million at March 31, 2026, compared to \$548.8 million at December 31, 2025. Our mortgage loans are secured by commercial real estate and are stated at cost, less an allowance for credit losses. We did not have any premium amortization or discount accretion at March 31, 2026 or December 31, 2025. We believe the allowance for credit losses is at a level adequate to absorb estimated credit losses. This allowance was \$1.3 million at March 31, 2026 and \$1.2 million at December 31, 2025. Our evaluation and assessment of the adequacy of the allowance is based on known and inherent risks in the portfolio, historical and industry data, current economic conditions, and other relevant factors.

Commercial mortgage loans represented 17% of our total investments at both March 31, 2026 and December 31, 2025. In addition to the subject collateral underlying the mortgage, we may require some amount of recourse from borrowers as another potential source of repayment should the loan default. Any recourse requirement deemed necessary is determined as part of the underwriting requirements of each loan. The average loan-to-value ratio for the overall portfolio was 45% at both March 31, 2026 and December 31, 2025. This ratio is based upon the current balance of loans relative to the most current appraisal of value. Additionally, we may receive fees when borrowers prepay their mortgage loans. For additional information on mortgage loans, please see Note 5 - Financing Receivables.

We may refinance commercial mortgage loans prior to contractual maturity as a means of retaining loans that meet our underwriting and pricing parameters. We did not refinance any loans during the quarters ended March 31, 2026 or 2025. At March 31, 2026 and December 31, 2025, we did not have any loan defaults and no material contract modifications, deferrals, or forbearance agreements had been executed. For additional information, please see Note 5 - Financing Receivables.

In the normal course of business, we commit to fund commercial mortgage loans generally up to 120 days in advance. These commitments typically have fixed expiration dates. A small percentage of commitments expire due to the borrower's failure to deliver the requirements of the commitment by the expiration date. In these cases, the commitment fee is retained. For additional information, please see Note 20 - Commitments, Regulatory Matters, Guarantees, and Indemnifications.

**4. Fair Value Measurements**

Under GAAP, fair value represents the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date. We maximize the use of observable inputs and minimize the use of unobservable inputs when developing fair value measurements.

We follow the fair value hierarchy under existing GAAP requirements. No changes were made to our categories as disclosed in our 2025 Annual Report. Please refer to our 2025 Annual Report for a full discussion of the fair value hierarchy and our policies regarding fair value measurements.

**Kansas City Life Insurance Company**  
**Notes to Consolidated Financial Statements - (Continued) (Unaudited)**

The following tables present the fair value hierarchy for those assets and liabilities reported at fair value on a recurring basis.

	March 31, 2026			
	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
U.S. Treasury securities and obligations of U.S. Government	\$ 9,605	\$ 67,530	\$ —	\$ 77,135
Federal agency issued residential mortgage-backed securities	—	38,680	—	38,680
Subtotal	9,605	106,210	—	115,815
Corporate obligations	—	1,680,662	—	1,680,662
Municipal securities	—	241,088	—	241,088
Asset-backed securities and collateralized loan obligations	—	275,800	—	275,800
Redeemable preferred stocks	—	2,635	—	2,635
Fixed maturity securities	9,605	2,306,395	—	2,316,000
Equity securities	67	450	—	517
Short-term investments	52,167	—	—	52,167
Other investments	—	8,478	337	8,815
Market risk benefits asset	—	—	3,099	3,099
Separate account assets	—	390,468	—	390,468
Total	<u>\$ 61,839</u>	<u>\$ 2,705,791</u>	<u>\$ 3,436</u>	<u>\$ 2,771,066</u>
Percent of total	<u>2 %</u>	<u>98 %</u>	<u>— %</u>	<u>100 %</u>
<b>Liabilities:</b>				
Policyholder account balances:				
Indexed universal life	\$ —	\$ —	\$ 7,166	\$ 7,166
Market risk benefits liability	—	—	82	82
Separate account liabilities	—	390,468	—	390,468
Total	<u>\$ —</u>	<u>\$ 390,468</u>	<u>\$ 7,248</u>	<u>\$ 397,716</u>

**Kansas City Life Insurance Company**  
**Notes to Consolidated Financial Statements - (Continued) (Unaudited)**

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
U.S. Treasury securities and obligations of U.S. Government	\$ 9,974	\$ 68,651	\$ —	\$ 78,625
Federal agency issued residential mortgage-backed securities	—	39,731	—	39,731
Subtotal	9,974	108,382	—	118,356
Corporate obligations	—	1,686,328	—	1,686,328
Municipal securities	—	245,349	—	245,349
Asset-backed securities and collateralized loan obligations	—	269,828	—	269,828
Redeemable preferred stocks	—	2,681	—	2,681
Fixed maturity securities	9,974	2,312,568	—	2,322,542
Equity securities	65	449	—	514
Short-term investments	132,126	—	—	132,126
Other investments	—	11,030	280	11,310
Market risk benefits asset	—	—	3,346	3,346
Separate account assets	—	416,995	—	416,995
Total	<u>\$ 142,165</u>	<u>\$ 2,741,042</u>	<u>\$ 3,626</u>	<u>\$ 2,886,833</u>
Percent of total	<u>5 %</u>	<u>95 %</u>	<u>— %</u>	<u>100 %</u>
<b>Liabilities:</b>				
Policyholder account balances:				
Indexed universal life	\$ —	\$ —	\$ 9,990	\$ 9,990
Market risk benefits liability	—	—	56	56
Separate account liabilities	—	416,995	—	416,995
Total	<u>\$ —</u>	<u>\$ 416,995</u>	<u>\$ 10,046</u>	<u>\$ 427,041</u>

**Kansas City Life Insurance Company**  
**Notes to Consolidated Financial Statements - (Continued) (Unaudited)**

The changes in Level 3 assets and liabilities measured at fair value on a recurring basis are summarized below.

	Quarter Ended March 31, 2026		
	Assets	Liabilities	
	Fixed Maturity Securities, Equity Securities, and Other Investments	Indexed Universal Life	Net Market Risk Benefit Liability/ (Asset)
Beginning balance	\$ 280	\$ 9,990	\$ (3,290)
Included in earnings	57	(2,824)	315
Included in other comprehensive income (loss)	—	—	(42)
Purchases, issuances, sales and other dispositions:			
Purchases	—	—	—
Issuances	—	—	—
Sales	—	—	—
Other dispositions	—	—	—
Transfers out of Level 3	—	—	—
Ending balance	<u>\$ 337</u>	<u>\$ 7,166</u>	<u>\$ (3,017)</u>

	Quarter Ended March 31, 2025 <sup>1</sup>		
	Assets	Liabilities	
	Fixed Maturity Securities, Equity Securities, and Other Investments	Indexed Universal Life	Net Market Risk Benefit Liability/ (Asset)
Beginning balance	\$ 10,607	\$ 8,114	\$ (3,669)
Included in earnings	4	(3,252)	740
Included in other comprehensive income (loss)	—	—	(210)
Purchases, issuances, sales and other dispositions:			
Purchases	—	—	—
Issuances	—	—	—
Sales	—	—	—
Other dispositions	—	—	—
Transfers out of Level 3	—	—	—
Ending balance	<u>\$ 10,611</u>	<u>\$ 4,862</u>	<u>\$ (3,139)</u>

<sup>1</sup> Certain prior period amounts have been recast. See Note 2 - New Accounting Pronouncements for more information.

We did not have any transfers between any levels during the quarters ended March 31, 2026 or 2025.

We use the Black Scholes valuation method, including parameters for market volatility, risk-free rate, and index level, for the indexed universal life liabilities categorized as Level 3. We also use a 100% persistency assumption. Persistency of the business is an unobservable input.

**Kansas City Life Insurance Company**  
**Notes to Consolidated Financial Statements - (Continued) (Unaudited)**

The following tables present a summary of fair value estimates for financial instruments not recorded at fair value on a recurring basis but required to be disclosed at fair value. Assets and liabilities that are not financial instruments are not included in this disclosure. The total of the fair value calculations presented below may not be indicative of the value that can be obtained.

	March 31, 2026				Carrying Value
	Fair Value				
	Level 1	Level 2	Level 3	Total	
Assets:					
Investments:					
Mortgage loans	\$ —	\$ —	\$ 534,595	\$ 534,595	\$ 557,040
Policy loans	—	—	89,331	89,331	89,331
Other investments	—	8,557	—	8,557	8,557
Liabilities:					
Individual and group annuities	—	—	969,050	969,050	1,004,423
Supplementary contracts and annuities without life contingencies	—	—	44,475	44,475	47,731
Policyholder account balances:					
Funding agreements	—	141,008	—	141,008	141,008

	December 31, 2025				Carrying Value
	Fair Value				
	Level 1	Level 2	Level 3	Total	
Assets:					
Investments:					
Mortgage loans	\$ —	\$ —	\$ 529,250	\$ 529,250	\$ 548,797
Policy loans	—	—	87,742	87,742	87,742
Other investments	—	8,548	—	8,548	8,548
Liabilities:					
Individual and group annuities	—	—	976,058	976,058	1,010,454
Supplementary contracts and annuities without life contingencies	—	—	45,291	45,291	47,770
Policyholder account balances:					
Funding agreements	—	141,132	—	141,132	141,132

**Kansas City Life Insurance Company**  
**Notes to Consolidated Financial Statements - (Continued) (Unaudited)**

**5. Financing Receivables**

We have financing receivables with specific maturity dates that are recognized as assets in the Consolidated Balance Sheets.

The following table identifies financing receivables by classification amount.

	March 31, 2026	December 31, 2025
Agent receivables, net (allowance for credit losses: 2026 - \$271; 2025 - \$270)	\$ 1,696	\$ 1,720
Investment-related financing receivables:		
Mortgage loans, net (allowance for credit losses: 2026 - \$1,301; 2025 - \$1,239)	557,040	548,797
Total financing receivables	<u>\$ 558,736</u>	<u>\$ 550,517</u>

**Agent Receivables**

We have certain agent receivables that are classified as financing receivables. These receivables from agents are specifically assessed for collectibility and are reduced by an allowance. Agent receivables are included in Other Assets in the Consolidated Balance Sheets.

The following table details the gross receivables, allowance, and net receivables for the two types of agent receivables.

	March 31, 2026			December 31, 2025		
	Gross Receivables	Allowance for Credit Losses	Net Receivables	Gross Receivables	Allowance for Credit Losses	Net Receivables
Agent specific loans	\$ 311	\$ 186	\$ 125	\$ 302	\$ 128	\$ 174
Other agent receivables	1,656	85	1,571	1,688	142	1,546
Total	<u>\$ 1,967</u>	<u>\$ 271</u>	<u>\$ 1,696</u>	<u>\$ 1,990</u>	<u>\$ 270</u>	<u>\$ 1,720</u>

The following table provides a rollforward of the allowance for credit losses for agent receivables.

	Quarter Ended March 31,	
	2026	2025
Beginning balance	\$ 270	\$ 274
Additions for credit losses not previously recorded	—	—
Additions (reductions) for credit losses recorded in a previous period	1	22
End of period	<u>\$ 271</u>	<u>\$ 296</u>

**Mortgage Loans**

We classify our mortgage loan portfolio as long-term financing receivables.

The following table details the mortgage loan portfolio as collectively or individually evaluated for impairment.

	March 31, 2026	December 31, 2025
Mortgage loans collectively evaluated for impairment	\$ 558,341	\$ 550,036
Mortgage loans individually evaluated for impairment	—	—
Allowance for credit losses	(1,301)	(1,239)
Carrying value	<u>\$ 557,040</u>	<u>\$ 548,797</u>

There were no mortgage loans that were past due or on nonaccrual status at March 31, 2026 or at December 31, 2025.

We had no mortgage loan modifications during the quarters ended March 31, 2026 or 2025.

**Kansas City Life Insurance Company**  
**Notes to Consolidated Financial Statements - (Continued) (Unaudited)**

The following table provides a rollforward of the allowance for credit losses for mortgage loans.

	Quarter Ended March 31,	
	2026	2025
Beginning of balance	\$ 1,239	\$ 1,416
Additions for credit losses not previously recorded	69	40
Additions (reductions) for credit losses recorded in a previous period	(7)	(22)
End of period	\$ 1,301	\$ 1,434

Please refer to our 2025 Annual Report for additional information regarding our mortgage loans.

**6. Variable Interest Entities (VIEs)**

We invest in certain affordable housing and real estate joint ventures that are classified as VIEs. These VIEs are included in Real Estate in the Consolidated Balance Sheets. We also invest in certain alternative investment funds that are classified as VIEs. These VIEs are included in Other Investments in the Consolidated Balance Sheets. Please refer to our 2025 Annual Report for a full discussion of our VIEs.

We amortize the initial cost of affordable housing VIE investments in proportion to the tax credits and other tax benefits received and recognize the net investment performance in the Consolidated Statements of Comprehensive Income as a component of Income Tax Expense. The tax credits reduce tax expense while the amortization increases tax expense. Our affordable housing VIE investments did not generate any material tax credits or related amortization during the quarters ended March 31, 2026 or 2025.

Investments in the affordable housing and real estate joint ventures are interests that absorb portions of the VIE's expected losses. These investments also receive portions of expected residual returns of the VIE's net assets exclusive of variable interests. We make an assessment of whether we are the primary beneficiary of a VIE at the time of the initial investment and on an ongoing basis thereafter.

The following table presents the carrying amount and maximum exposure to loss relating to VIEs for which we hold a variable interest, but are not the primary beneficiary, and which had not been consolidated at March 31, 2026 and December 31, 2025. The table includes investments in three real estate joint ventures, three affordable housing real estate joint ventures, and fourteen alternative investment funds at March 31, 2026. The table includes investments in three real estate joint ventures, two affordable housing real estate joint ventures, and twelve alternative investment funds at December 31, 2025.

	March 31, 2026		December 31, 2025	
	Carrying Amount	Maximum Exposure to Loss	Carrying Amount	Maximum Exposure to Loss
Real estate joint ventures	\$ 4,851	\$ 18,920	\$ 5,372	\$ 19,441
Affordable housing real estate joint ventures	772	17,153	792	1,269
Alternative investment funds	62,359	167,972	54,472	154,297
Total	\$ 67,982	\$ 204,045	\$ 60,636	\$ 175,007

The maximum exposure to loss relating to the real estate joint ventures, affordable housing real estate joint ventures, and alternative investment funds is equal to the carrying amounts plus any unfunded equity commitments, exposure to potential recapture of tax credits, guarantees of debt, or other obligations of the VIE with recourse. Unfunded equity and loan commitments typically require financial or operating performance by other parties and have not yet become due or payable, but which may become due in the future.

At March 31, 2026 and December 31, 2025, we had no equity commitments outstanding to the real estate joint venture VIEs and we had no contingent commitments to fund additional equity contributions for operating support to real estate joint venture VIEs. We had unfunded commitments for additional alternative investment funds of \$105.6 million at March 31, 2026 and

**Kansas City Life Insurance Company**  
**Notes to Consolidated Financial Statements - (Continued) (Unaudited)**

\$99.8 million at December 31, 2025. We also had an unfunded commitment for affordable housing investments of \$16.4 million at March 31, 2026.

Recapture events would cause us to reverse some or all of the benefit previously recognized by us or third parties to whom the tax credit interests were transferred. A recapture event can occur at any time during a 15-year required compliance period. The principal causes of recapture include financial default and non-compliance with affordable housing program requirements by the properties controlled by the VIE. Guarantees from the managing member or managing partner in the VIE, insurance contracts, or changes in the residual value accruing to our interests in the VIE may mitigate the potential exposure due to recapture. We did not have any recapture events during the first quarters of 2026 or 2025. The maximum exposure to loss on affordable housing joint ventures did not include any losses which could be realized if the tax credits received by the VIEs were recaptured at March 31, 2026. The maximum exposure to loss on affordable housing joint ventures included \$0.5 million of losses which could be realized if the tax credits received by the VIEs were recaptured at December 31, 2025.

**7. Deferred Acquisition Costs, Value of Business Acquired, Intangible Asset, and Deferred Revenue Liability**

**Deferred Acquisition Costs**

The following tables provide the disaggregated balances of and changes in deferred acquisition costs.

	Quarter Ended March 31, 2026					
	Traditional Life	Universal Life	Variable Universal Life	Deferred Annuities	Variable Annuities	Total
Balance, beginning of year	\$ 146,093	\$ 70,387	\$ 22,174	\$ 11,217	\$ 4,466	\$ 254,337
Capitalization	4,498	1,100	107	313	1	6,019
Amortization	(5,701)	(2,386)	(634)	(421)	(254)	(9,396)
Balance, end of period	<u>\$ 144,890</u>	<u>\$ 69,101</u>	<u>\$ 21,647</u>	<u>\$ 11,109</u>	<u>\$ 4,213</u>	<u>\$ 250,960</u>

  

	Quarter Ended March 31, 2025					
	Traditional Life	Universal Life	Variable Universal Life	Deferred Annuities	Variable Annuities	Total
Balance, beginning of year	\$ 150,673	\$ 72,631	\$ 24,320	\$ 11,383	\$ 5,521	\$ 264,528
Capitalization	4,355	1,160	122	438	(16)	6,059
Amortization	(5,791)	(1,937)	(658)	(533)	(287)	(9,206)
Balance, end of period	<u>\$ 149,237</u>	<u>\$ 71,854</u>	<u>\$ 23,784</u>	<u>\$ 11,288</u>	<u>\$ 5,218</u>	<u>\$ 261,381</u>

**Kansas City Life Insurance Company**  
**Notes to Consolidated Financial Statements - (Continued) (Unaudited)**

**Value of Business Acquired and Intangible Asset**

The following tables provide the disaggregated balances of and changes in value of business acquired (VOBA) and intangible asset.

	Quarter Ended March 31, 2026					
	VOBA			Intangible Asset		
	Traditional Life	Universal Life	Total	Traditional Life	Universal Life	Total
Balance, beginning of year	\$ 2,960	\$ 1,540	\$ 4,500	\$ 3,059	\$ 10,242	\$ 13,301
Amortization	(188)	(141)	(329)	(96)	(236)	(332)
Balance, end of period	\$ 2,772	\$ 1,399	\$ 4,171	\$ 2,963	\$ 10,006	\$ 12,969

	Quarter Ended March 31, 2025					
	VOBA			Intangible Asset		
	Traditional Life	Universal Life	Total	Traditional Life	Universal Life	Total
Balance, beginning of year	\$ 3,781	\$ 2,161	\$ 5,942	\$ 3,455	\$ 11,206	\$ 14,661
Amortization	(211)	(161)	(372)	(109)	(225)	(334)
Balance, end of period	\$ 3,570	\$ 2,000	\$ 5,570	\$ 3,346	\$ 10,981	\$ 14,327

**Deferred Revenue Liability**

The following tables provide the disaggregated balances of and changes in deferred revenue liability.

	Quarter Ended March 31, 2026		
	Universal Life	Variable Universal Life	Total
	Balance, beginning of year	\$ 72,978	\$ 1,633
Unearned revenue	2,550	36	2,586
Amortization	(1,898)	(41)	(1,939)
Balance, end of period	\$ 73,630	\$ 1,628	\$ 75,258

	Quarter Ended March 31, 2025		
	Universal Life	Variable Universal Life	Total
	Balance, beginning of year	\$ 68,919	\$ 1,638
Unearned revenue	2,633	32	2,665
Amortization	(1,531)	(37)	(1,568)
Balance, end of period	\$ 70,021	\$ 1,633	\$ 71,654

**8. Separate Accounts**

Separate account assets and liabilities arise from the sale of variable universal life insurance and variable annuity products. The separate account represents funds segregated for the benefit of certain policyholders who bear the investment risk. The assets are legally segregated and are not subject to claims which may arise from any other business of the Company. The separate account assets and liabilities, which are equal, are recorded at fair value based upon the net asset value (NAV) of the underlying investment holdings as derived from closing prices on a national exchange or as provided by the issuer. Policyholder account deposits and withdrawals, investment income, and realized investment gains and losses are excluded from the amounts reported in the Consolidated Statements of Comprehensive Income. Revenues from separate accounts consist principally of contract charges, which include maintenance charges, administrative fees, and mortality and expense charges.

**Kansas City Life Insurance Company**  
**Notes to Consolidated Financial Statements - (Continued) (Unaudited)**

We have two blocks of variable universal life policies and variable annuity contracts from which fees are received. The fees are based upon both specific transactions and the fund value of the blocks of policies. We have a direct block of ongoing business identified in the Consolidated Balance Sheets as Separate Account Assets, totaling \$390.5 million at March 31, 2026 and \$417.0 million at December 31, 2025, and corresponding Separate Account Liabilities of equal amounts. The fixed-rate funds for these policies of \$50.0 million at March 31, 2026 and \$51.7 million at December 31, 2025 are included in our general account as policyholder account balances. The liability for future policy benefits for the direct block approximated \$0.1 million at both March 31, 2026 and December 31, 2025.

In addition, we have an assumed closed block of variable universal life and variable annuity business that totaled \$382.1 million at March 31, 2026 and \$397.3 million at December 31, 2025. As required under modified coinsurance transaction accounting, the assumed separate account fund balances are not recorded as separate accounts on our consolidated financial statements. Rather, the assumed fixed-rate funds for these policies of \$33.2 million at March 31, 2026 and \$32.7 million at December 31, 2025 are included in our general account as policyholder account balances. The liability for future policy benefits for the assumed block approximated \$0.5 million at both March 31, 2026 and December 31, 2025.

The following tables provide the disaggregated balances of and changes in separate account liabilities.

	Quarter Ended March 31, 2026		
	Variable Universal Life	Variable Annuities	Total
Balance, beginning of year	\$ 157,850	\$ 259,145	\$ 416,995
Premiums and deposits	1,818	804	2,622
Policy charges	(1,664)	(1,121)	(2,785)
Surrenders and withdrawals	(4,284)	(9,718)	(14,002)
Benefit payments	(39)	(1,430)	(1,469)
Investment performance	(3,633)	(6,879)	(10,512)
Net transfers from (to) general account	(464)	83	(381)
Balance, end of period	<u>\$ 149,584</u>	<u>\$ 240,884</u>	<u>\$ 390,468</u>
Cash surrender value <sup>1</sup>	<u>\$ 146,100</u>	<u>\$ 237,865</u>	<u>\$ 383,965</u>

	Quarter Ended March 31, 2025		
	Variable Universal Life	Variable Annuities	Total
Balance, beginning of year	\$ 147,397	\$ 266,029	\$ 413,426
Premiums and deposits	1,877	1,141	3,018
Policy charges	(1,658)	(1,163)	(2,821)
Surrenders and withdrawals	(2,465)	(12,332)	(14,797)
Benefit payments	(1,346)	(467)	(1,813)
Investment performance	(5,742)	(8,305)	(14,047)
Net transfers from (to) general account	188	(482)	(294)
Balance, end of period	<u>\$ 138,251</u>	<u>\$ 244,421</u>	<u>\$ 382,672</u>
Cash surrender value <sup>1</sup>	<u>\$ 134,601</u>	<u>\$ 240,921</u>	<u>\$ 375,522</u>

<sup>1</sup> Cash surrender value represents the amount of the contract holder's account balances distributable at the balance sheet date less certain surrender charges.

**Kansas City Life Insurance Company**  
**Notes to Consolidated Financial Statements - (Continued) (Unaudited)**

***9. Policyholder Liabilities***

**Liability for Future Policy Benefits (LFPB)**

Future policy benefits are amounts payable under insurance policies, including traditional life insurance, immediate annuities with life contingencies, supplementary contracts with life contingencies, group life insurance, and accident and health insurance. These liabilities originate from new premiums and conversions from other products and are generally payable over an extended period of time.

**Kansas City Life Insurance Company**  
**Notes to Consolidated Financial Statements - (Continued) (Unaudited)**

The following tables provide the disaggregated balances of and changes in the liability for future policy benefits.

	Quarter Ended March 31, 2026		
	Traditional Life	Payout Annuities (Life Contingent)	Total
Present value of expected net premiums:			
Balance, beginning of year	\$ 1,348,378		\$ 1,348,378
Beginning balance at original discount rate	1,545,329		1,545,329
Effect of actual variances from expected experience	(8,580)		(8,580)
Adjusted beginning of year balance	1,536,749		1,536,749
Issuances	21,132		21,132
Interest accrual	14,893		14,893
Net premiums collected <sup>1</sup>	(34,624)		(34,624)
Ending balance at original discount rate	1,538,150		1,538,150
Effect of changes in discount rate assumptions	(220,954)		(220,954)
Balance, end of period	<u>\$ 1,317,196</u>		<u>\$ 1,317,196</u>
Present value of expected future policy benefits:			
Balance, beginning of year	\$ 2,314,180	\$ 224,449	\$ 2,538,629
Beginning balance at original discount rate	2,628,937	236,872	2,865,809
Effect of actual variances from expected experience	(10,093)	22	(10,071)
Adjusted beginning of year balance	2,618,844	236,894	2,855,738
Issuances	21,150	1,823	22,973
Interest accrual	26,125	2,266	28,391
Benefit payments	(39,920)	(6,750)	(46,670)
Ending balance at original discount rate	2,626,199	234,233	2,860,432
Effect of changes in discount rate assumptions	(358,863)	(16,115)	(374,978)
Balance, end of period	<u>\$ 2,267,336</u>	<u>\$ 218,118</u>	<u>\$ 2,485,454</u>
Net present value of expected net premiums and future policy benefits	950,140	218,118	1,168,258
Other adjustments	71	1	72
Net liability for future policy benefits	950,211	218,119	1,168,330
Less: reinsurance recoverable	(310,007)	—	(310,007)
Net liability for future policy benefits, after reinsurance recoverable	<u>\$ 640,204</u>	<u>\$ 218,119</u>	<u>\$ 858,323</u>
Expected future benefit payments	4,409,284	324,792	
Expected future gross premiums	3,498,749	N/A	
Revenue recognized	53,236	N/A	
Interest recognized	11,233	2,266	
Weighted average duration	11.32	7.07	
Weighted average interest accretion rate	4.25 %	3.98 %	
Weighted average current discount rate	5.40 %	5.08 %	

<sup>1</sup> Net premiums collected represent the portion of gross premiums collected from policyholders that is used to fund expected benefit payments.

**Kansas City Life Insurance Company**  
**Notes to Consolidated Financial Statements - (Continued) (Unaudited)**

	Quarter Ended March 31, 2025		
	Traditional Life	Payout Annuities (Life Contingent)	Total
Present value of expected net premiums:			
Balance, beginning of year	\$ 1,350,357		\$ 1,350,357
Beginning balance at original discount rate	1,584,434		1,584,434
Effect of actual variances from expected experience	(11,593)		(11,593)
Adjusted beginning of year balance	1,572,841		1,572,841
Issuances	16,779		16,779
Interest accrual	15,207		15,207
Net premiums collected <sup>1</sup>	(35,500)		(35,500)
Ending balance at original discount rate	1,569,327		1,569,327
Effect of changes in discount rate assumptions	(215,870)		(215,870)
Balance, end of period	<u>\$ 1,353,457</u>		<u>\$ 1,353,457</u>
Present value of expected future policy benefits:			
Balance, beginning of year	\$ 2,265,414	\$ 227,536	\$ 2,492,950
Beginning balance at original discount rate	2,644,140	247,141	2,891,281
Effect of actual variances from expected experience	(12,431)	(2,446)	(14,877)
Adjusted beginning of year balance	2,631,709	244,695	2,876,404
Issuances	16,772	3,248	20,020
Interest accrual	26,289	2,381	28,670
Benefit payments	(38,827)	(7,250)	(46,077)
Ending balance at original discount rate	2,635,943	243,074	2,879,017
Effect of changes in discount rate assumptions	(347,005)	(16,188)	(363,193)
Balance, end of period	<u>\$ 2,288,938</u>	<u>\$ 226,886</u>	<u>\$ 2,515,824</u>
Net present value of expected net premiums and future policy benefits	935,481	226,886	1,162,367
Other adjustments	28	—	28
Net liability for future policy benefits	935,509	226,886	1,162,395
Less: reinsurance recoverable	(293,455)	—	(293,455)
Net liability for future policy benefits, after reinsurance recoverable	<u>\$ 642,054</u>	<u>\$ 226,886</u>	<u>\$ 868,940</u>
Expected future benefit payments	4,432,618	336,768	
Expected future gross premiums	3,547,315	N/A	
Revenue recognized	54,253	N/A	
Interest recognized	11,082	2,381	
Weighted average duration	11.67	7.17	
Weighted average interest accretion rate	4.29 %	4.06 %	
Weighted average current discount rate	5.28 %	5.01 %	

<sup>1</sup> Net premiums collected represent the portion of gross premiums collected from policyholders that is used to fund expected benefit payments.

**Kansas City Life Insurance Company**  
**Notes to Consolidated Financial Statements - (Continued) (Unaudited)**

The following table provides a reconciliation of the disaggregated net liability for future policy benefits to the amount in the Consolidated Balance Sheets.

	March 31, 2026	December 31, 2025
Traditional Life	\$ 950,211	\$ 965,890
Payout Annuities (Life Contingent)	218,119	224,450
Reclass of Deferred Compensation Payout Annuities (included in Other Liabilities)	(10,703)	(10,810)
Accident and Health	24,255	24,204
Deferred Profit Liability	22,036	21,548
Universal Life Secondary Guarantees	70,619	69,378
Other	46,315	46,412
Total	<u>\$ 1,320,852</u>	<u>\$ 1,341,072</u>

The following tables provide the actual experience and expected experience for mortality and lapses.

	Quarter Ended March 31, 2026		
	Actual Experience	Expected Experience	Actual to Expected
Mortality: Traditional Life	\$ 36,192	\$ 40,344	90 %
Surrenders: Traditional Life	3,364	3,602	93 %
Benefit payments: Payout Annuities (Life Contingent)	6,723	6,612	102 %

	Quarter Ended March 31, 2025		
	Actual Experience	Expected Experience	Actual to Expected
Mortality: Traditional Life	\$ 35,069	\$ 39,897	88 %
Surrenders: Traditional Life	3,566	3,536	101 %
Benefit payments: Payout Annuities (Life Contingent)	7,211	6,861	105 %

In the event that the present value of future benefits and expenses exceed the present value of gross premiums for a cohort, the net premium ratio is capped at 100% by increasing the corresponding liability and recognizing an immediate impact through Policyholder Benefits in the Consolidated Statements of Comprehensive Income. The LFPB is never recorded at an amount less than zero for a cohort. For the periods presented, there were certain traditional life cohorts for which net premiums exceeded gross premiums, resulting in a decrease to pretax income of \$0.2 million in the first quarter of 2026 and a decrease to pretax income of \$0.4 million in the first quarter of 2025.

**Kansas City Life Insurance Company**  
**Notes to Consolidated Financial Statements - (Continued) (Unaudited)**

**Policyholder Account Balances**

Policyholder account balances are deposit-type contracts, including universal life insurance and fixed annuity contracts, and investment-type contracts.

The following tables provide the gross disaggregated balances of and changes in policyholder account balances. Products may contain both separate account and general account fund options. Accordingly, net amount at risk and cash surrender value reported in the tables relate to the total account balance for each respective product grouping.

	Quarter Ended March 31, 2026				
	Universal Life	Variable Universal Life	Deferred Annuities	Variable Annuities	Total
Balance, beginning of year	\$ 1,005,822	\$ 30,336	\$ 815,174	\$ 54,148	\$ 1,905,480
Premiums received	25,379	(2)	13,459	175	39,011
Policy charges	(24,922)	(226)	(704)	(3)	(25,855)
Surrenders and withdrawals	(10,379)	(185)	(20,300)	(1,647)	(32,511)
Benefit payments	(5,237)	(48)	(2,820)	(1,008)	(9,113)
Net transfers from (to) separate accounts	—	745	—	(82)	663
Interest credited	11,599	502	6,630	422	19,153
Other	856	55	(28)	(1)	882
Balance, end of period	<u>\$ 1,003,118</u>	<u>\$ 31,177</u>	<u>\$ 811,411</u>	<u>\$ 52,004</u>	<u>\$ 1,897,710</u>
Weighted-average crediting rate	3.86 %	3.65 %	3.36 %	2.91 %	3.60 %
Net amount at risk	\$ 7,487,093	\$ 2,011,616	N/A	N/A	\$ 9,498,709
Cash surrender value	\$ 988,842	\$ 410,708	\$ 778,674	\$ 436,614	\$ 2,614,838

	Quarter Ended March 31, 2025				
	Universal Life	Variable Universal Life	Deferred Annuities	Variable Annuities	Total
Balance, beginning of year	\$ 1,022,419	\$ 31,253	\$ 856,758	\$ 59,426	\$ 1,969,856
Premiums received	25,570	23	14,574	1,085	41,252
Policy charges	(24,998)	(234)	(711)	(3)	(25,946)
Surrenders and withdrawals	(10,967)	(728)	(29,426)	(3,152)	(44,273)
Benefit payments	(4,528)	(148)	(5,495)	(702)	(10,873)
Net transfers from (to) separate accounts	—	92	—	479	571
Interest credited	11,452	493	6,633	464	19,042
Other	751	(4)	28	2	777
Balance, end of period	<u>\$ 1,019,699</u>	<u>\$ 30,747</u>	<u>\$ 842,361</u>	<u>\$ 57,599</u>	<u>\$ 1,950,406</u>
Weighted-average crediting rate	3.87 %	3.62 %	3.23 %	2.92 %	3.54 %
Net amount at risk	\$ 7,722,709	\$ 2,123,303	N/A	N/A	\$ 9,846,012
Cash surrender value	\$ 980,376	\$ 374,626	\$ 810,767	\$ 440,800	\$ 2,606,569

**Kansas City Life Insurance Company**  
**Notes to Consolidated Financial Statements - (Continued) (Unaudited)**

The following table provides a reconciliation of the disaggregated policyholder account balances to the amount in the Consolidated Balance Sheets.

	March 31, 2026	December 31, 2025
Universal Life	\$ 1,003,118	\$ 1,005,822
Variable Universal Life	31,177	30,336
Deferred Annuities	811,411	815,174
Variable Annuities	52,004	54,148
Funding Agreements	141,008	141,132
Other <sup>1</sup>	54,896	57,761
Total	<u>2,093,614</u>	<u>2,104,373</u>

<sup>1</sup> Other includes the value of embedded derivatives on interest sensitive universal life contracts and reserves on contracts not involving life contingencies.

The following tables provide the balance of account values by range of guaranteed minimum crediting rates and the related range of difference, in basis points, between rates being credited to policyholders and the respective guaranteed minimums.

	March 31, 2026				
	At Guaranteed Minimum	1 Basis Point - 50 Basis Points Above	51 Basis Points - 150 Basis Points Above	Greater Than 150 Basis Points Above	Total
Universal Life:					
0% to 3%	\$ 320,867	\$ 46,909	\$ 59,048	\$ 14,832	\$ 441,656
Greater than 3% to 4%	249,944	83	—	—	250,027
Greater than 4%	311,435	—	—	—	311,435
Total	<u>\$ 882,246</u>	<u>\$ 46,992</u>	<u>\$ 59,048</u>	<u>\$ 14,832</u>	<u>\$ 1,003,118</u>
Variable Universal Life:					
0% to 3%	\$ 313	\$ 11,279	\$ 32	\$ —	\$ 11,624
Greater than 3% to 4%	19,553	—	—	—	19,553
Greater than 4%	—	—	—	—	—
Total	<u>\$ 19,866</u>	<u>\$ 11,279</u>	<u>\$ 32</u>	<u>\$ —</u>	<u>\$ 31,177</u>
Deferred Annuities:					
0% to 3%	\$ 255,078	\$ 40,667	\$ 196,263	\$ 45,919	\$ 537,927
Greater than 3% to 4%	245,498	—	—	—	245,498
Greater than 4%	27,954	32	—	—	27,986
Total	<u>\$ 528,530</u>	<u>\$ 40,699</u>	<u>\$ 196,263</u>	<u>\$ 45,919</u>	<u>\$ 811,411</u>
Variable Annuities:					
0% to 3%	\$ 51,281	\$ 274	\$ 233	\$ 216	\$ 52,004
Greater than 3% to 4%	—	—	—	—	—
Greater than 4%	—	—	—	—	—
Total	<u>\$ 51,281</u>	<u>\$ 274</u>	<u>\$ 233</u>	<u>\$ 216</u>	<u>\$ 52,004</u>

**Kansas City Life Insurance Company**  
**Notes to Consolidated Financial Statements - (Continued) (Unaudited)**

December 31, 2025

	At Guaranteed Minimum	1 Basis Point - 50 Basis Points Above	51 Basis Points - 150 Basis Points Above	Greater Than 150 Basis Points Above	Total
<b>Universal life:</b>					
0% to 3%	\$ 294,998	\$ 67,708	\$ 61,922	\$ 14,149	\$ 438,777
Greater than 3% to 4%	237,833	15,620	—	—	253,453
Greater than 4%	313,592	—	—	—	313,592
Total	<u>\$ 846,423</u>	<u>\$ 83,328</u>	<u>\$ 61,922</u>	<u>\$ 14,149</u>	<u>\$ 1,005,822</u>
<b>Variable Universal Life:</b>					
0% to 3%	\$ 316	\$ 10,666	\$ 24	\$ —	\$ 11,006
Greater than 3% to 4%	19,330	—	—	—	19,330
Greater than 4%	—	—	—	—	—
Total	<u>\$ 19,646</u>	<u>\$ 10,666</u>	<u>\$ 24</u>	<u>\$ —</u>	<u>\$ 30,336</u>
<b>Deferred Annuities:</b>					
0% to 3%	\$ 253,897	\$ 42,416	\$ 201,952	\$ 37,808	\$ 536,073
Greater than 3% to 4%	251,016	—	—	—	251,016
Greater than 4%	28,055	30	—	—	28,085
Total	<u>\$ 532,968</u>	<u>\$ 42,446</u>	<u>\$ 201,952</u>	<u>\$ 37,808</u>	<u>\$ 815,174</u>
<b>Variable Annuities:</b>					
0% to 3%	\$ 53,516	\$ 283	\$ 137	\$ 212	\$ 54,148
Greater than 3% to 4%	—	—	—	—	—
Greater than 4%	—	—	—	—	—
Total	<u>\$ 53,516</u>	<u>\$ 283</u>	<u>\$ 137</u>	<u>\$ 212</u>	<u>\$ 54,148</u>

**Kansas City Life Insurance Company**  
**Notes to Consolidated Financial Statements - (Continued) (Unaudited)**

**10. Market Risk Benefits**

A market risk benefit (MRB) is a contract or contract feature in a long-duration contract issued by an insurance entity that both protects the contract holder from other-than-nominal capital market risk and exposes the insurance entity to other-than-nominal capital market risk. Market risk benefits include our GMWB and GMDB associated with variable annuity contracts.

The following table provides the balances of and changes in market risk benefits.

	Quarter Ended March 31,	
	2026	2025
Net market risk benefit liability/(asset), beginning of year	\$ (3,290)	\$ (3,669)
Net market risk benefit liability/(asset), beginning of year, before effect of changes in instrument-specific credit risk	(2,749)	(2,907)
Effect of changes in interest rates	(77)	314
Effect of changes in equity markets	(7)	46
Effect of changes in equity index volatility	(12)	—
Net current period activity and other	411	380
Balance, end of period, before effect of changes in the instrument-specific credit risk	(2,434)	(2,167)
Effect of changes in the instrument-specific credit risk	(583)	(972)
Net market risk benefit liability/(asset), end of period	<u>\$ (3,017)</u>	<u>\$ (3,139)</u>
Net amount at risk	\$ 3,678	\$ 6,824
Weighted average attained age of contract holders	69	68

The following table provides a reconciliation of market risk benefits by amounts in an asset position and in a liability position to the market risk benefits amount in the Consolidated Balance Sheets.

	March 31, 2026	December 31, 2025
Asset	\$ 3,099	\$ 3,346
Liability	82	56
Net market risk benefit liability/(asset)	<u>(3,017)</u>	<u>(3,290)</u>

The MRB fair value is sensitive to changes in observable and unobservable inputs. Observable inputs include risk-free rates, index returns, volatilities, and correlations. Increases in risk-free rates and equity returns reduce the liability, while increases in volatilities increase the liability. Unobservable inputs include mortality, lapse, benefit utilization, and nonperformance risk adjustments. Increases in mortality, lapses, and credit spreads used for nonperformance risk reduce the fair value, while increases in benefit utilization increase the fair value.

Please refer to our 2025 Annual Report for quantitative information about the significant unobservable inputs used in the fair value measurements of MRBs. No significant updates or changes to these policies occurred during the quarter ended March 31, 2026.

**Kansas City Life Insurance Company**  
**Notes to Consolidated Financial Statements - (Continued) (Unaudited)**

**11. Unpaid Claims Liability and Short-Duration Contracts**

The liability for unpaid claims is included with Policy and Contract Claims and Liability for Future Policy Benefits in the Consolidated Balance Sheets. Claim adjustment expenditures are expensed as incurred and were not material in any period presented.

The following tables present activity in the accident and health portion of the unpaid claims liability for the consolidated entity and the Group Insurance segment. The activity for the Individual Insurance and the Old American segments was not material for any period presented. Classified as policy and contract claims, but excluded from these tables due to immateriality, are amounts recorded for group life, individual life, and deferred annuities.

	Consolidated	
	Quarter Ended	
	March 31,	
	2026	2025
Gross liability at beginning of the period	\$ 30,529	\$ 33,751
Less reinsurance recoverable	(21,755)	(24,198)
Net liability at beginning of the period	8,774	9,553
Incurred benefits related to:		
Current year	9,292	8,735
Prior years <sup>1</sup>	(998)	(483)
Total incurred benefits	8,294	8,252
Paid benefits related to:		
Current year	6,187	4,772
Prior years	2,350	3,189
Total paid benefits	8,537	7,961
Net liability at end of the period	8,531	9,844
Reinsurance recoverable	21,674	22,581
Gross liability at end of the period	\$ 30,205	\$ 32,425

<sup>1</sup> The incurred benefits related to prior years' unpaid accident and health claims reflect the change in these liabilities.

**Kansas City Life Insurance Company**  
**Notes to Consolidated Financial Statements - (Continued) (Unaudited)**

	Group Insurance Segment	
	Quarter Ended	
	March 31,	
	2026	2025
Gross liability at beginning of the period	\$ 29,210	\$ 31,661
Less reinsurance recoverable	(20,530)	(22,255)
Net liability at beginning of the period	8,680	9,406
Incurred benefits related to:		
Current year	9,296	8,725
Prior years <sup>1</sup>	(1,011)	(472)
Total incurred benefits	8,285	8,253
Paid benefits related to:		
Current year	6,199	4,772
Prior years	2,329	3,181
Total paid benefits	8,528	7,953
Net liability at end of the period	8,437	9,706
Reinsurance recoverable	20,292	20,968
Gross liability at end of the period	\$ 28,729	\$ 30,674

<sup>1</sup> The incurred benefits related to prior years' unpaid accident and health claims reflect the change in these liabilities.

The following table presents the reconciliation of amounts in the above tables to Policy and Contract Claims and claim reserves that are included in Liability for Future Policy Benefits as presented in the Consolidated Balance Sheets.

	March 31,	
	2026	2025
Individual Insurance Segment:		
Individual accident and health	\$ 294	\$ 382
Individual life	34,644	41,608
Deferred annuity	3,957	4,638
Subtotal	38,895	46,628
Group Insurance Segment:		
Group accident and health	28,729	30,674
Group life	2,785	2,893
Subtotal	31,514	33,567
Old American Segment:		
Individual accident and health	1,182	1,369
Individual life	9,298	11,005
Subtotal	10,480	12,374
Total	\$ 80,889	\$ 92,569

For short-duration contracts, incurred-but-not-reported liabilities for the group long-term disability product that were included in the liability for unpaid claims and claim adjustment expenses, net of reinsurance, totaled \$0.6 million at March 31, 2026 and \$0.7 million at December 31, 2025.

**Kansas City Life Insurance Company**  
**Notes to Consolidated Financial Statements - (Continued) (Unaudited)**

**12. Debt**

**Notes Payable**

We had no notes payable outstanding at March 31, 2026 or December 31, 2025.

We had unsecured revolving lines of credit with two major commercial banks that totaled \$80.0 million at both March 31, 2026 and December 31, 2025, with no balances outstanding. The lines of credit are at variable interest rates based upon short-term indices maturing in June of 2026. We anticipate renewing these lines of credit as they come due. One line of credit includes a \$20.0 million portion that can be unconditionally canceled by the lending institution at its discretion at any time.

The Company has access to secured borrowings through repurchase agreements with two major financial counterparties. The Company had no transactions that occurred under these agreements during the first quarter of 2026 and had no outstanding borrowings as of March 31, 2026. The Company had no transactions that occurred under these agreements during the year ended December 31, 2025 and had no outstanding borrowings as of December 31, 2025. Any borrowings drawn under these agreements require a variable interest rate based upon short-term indices and approval from the counterparty at the time of the transaction. No securities are currently pledged under these agreements.

As a member of the Federal Home Loan Bank of Des Moines (FHLB), we have the ability to borrow on a collateralized basis from the FHLB. Through this membership, we have a specific borrowing capacity based upon the amount of collateral we establish. At March 31, 2026, collateral comprised of securities and mortgages in the amount of \$359.6 million, with a fair value of \$331.8 million, were pledged to the FHLB, providing a borrowing capacity of \$269.7 million. At December 31, 2025, collateral comprised of securities and mortgages in the amount of \$363.8 million, with a fair value of \$343.9 million, were pledged to the FHLB, providing a borrowing capacity of \$280.1 million. The interest rates are variable and are set by the FHLB at the time of the advance. The Company's capital investment in the FHLB totaled \$8.6 million at March 31, 2026 and \$8.5 million at December 31, 2025 and is included in Other Investments in the Consolidated Balance Sheets. Dividends received on this capital investment totaled \$0.2 million for the first quarter of 2026 and \$0.2 million for the first quarter of 2025.

**Funding Agreements**

The Company has advance funding agreements with the FHLB. Under the agreements, the Company pledges collateral in the form of fixed maturity securities and commercial mortgage loans and receives cash, which is then reinvested, primarily into other fixed maturity securities that have a variable interest rate. Securities pledged as collateral may not be sold or re-pledged by the Company. The investments pledged and outstanding advance agreements are included in the overall borrowing capacity established with the FHLB. The maximum participation level with this program was \$140.0 million at both March 31, 2026 and December 31, 2025. These agreements mature between 2027 and 2030 and are reported as Policyholder Account Balances in the Consolidated Balance Sheets. Interest is credited based on variable rates set by the FHLB.

The following table provides information regarding our funding agreements with the FHLB.

	March 31, 2026	December 31, 2025
Total obligations outstanding	\$ 140,000	\$ 140,000
Accrued interest	1,008	1,132
	Quarter Ended	
	March 31,	
	2026	2025
Interest credited	\$ 1,482	\$ 1,542
Cash interest payments	1,606	1,563
Interest income on the variable rate fixed maturity securities	1,827	2,087

**Kansas City Life Insurance Company**  
**Notes to Consolidated Financial Statements - (Continued) (Unaudited)**

**13. Income Taxes**

Our U.S. Federal effective income tax rate was (135%) in the first quarter of 2026 and (615%) in the first quarter of 2025. The effective income tax rate in the first quarter of 2026 included an additional tax benefit of \$6.3 million under Section 1341 of the Internal Revenue Code that resulted from the payment of a legal settlement during the quarter. The effective income tax rate in the first quarter of 2025 included an additional tax benefit of \$3.7 million under Section 1341 of the Internal Revenue Code that resulted from the payment of a court ordered judgment during the quarter.

The following table provides information about U.S. Federal taxes paid.

	Quarter Ended	
	March 31,	
	2026	2025
Cash paid for income taxes	\$ 48	\$ —

We had no material uncertain tax positions at March 31, 2026 or December 31, 2025.

At March 31, 2026, we had a \$14.1 million current tax asset and a \$30.3 million net deferred tax asset, compared to an \$8.5 million current tax asset and a \$27.7 million net deferred tax asset at December 31, 2025.

**14. Retirement Plans**

The following table provides the components of net periodic benefit credit.

	Pension Benefits		OPEB	
	Quarter Ended		Quarter Ended	
	March 31,		March 31,	
	2026	2025	2026	2025
Service cost	\$ —	\$ —	\$ 9	\$ 9
Interest cost	1,015	1,065	135	129
Expected return on plan assets	(2,377)	(2,247)	—	—
Amortization of:				
Unrecognized actuarial net loss (gain)	409	548	(376)	(451)
Unrecognized prior service credit	(16)	(16)	—	—
Net periodic benefit credit	\$ (969)	\$ (650)	\$ (232)	\$ (313)

**15. Share-Based Payment**

The Kansas City Life Insurance Company Omnibus Incentive Plan (long-term incentive plan) includes a long-term incentive benefit for senior management. The long-term incentive plan includes a cash award to participants that may be paid, in part, based on the increase in the share price of our common stock through units (phantom shares) assigned by the Compensation Committee of the Board of Directors. Please refer to our 2025 Annual Report for additional information regarding this plan.

The Company made a cash payment of \$1.0 million under the long-term incentive plan during the first quarter of 2026 for the three-year interval ended December 31, 2025. The Company did not make a cash payment under the long-term incentive plan during the first quarter of 2025 for the three-year interval ended December 31, 2024.

At each reporting period, an estimate of the share-based compensation expense is accrued, utilizing the share price at the period end. The cost of share-based compensation accrued as an operating expense in the first quarter of 2026 was \$0.1 million, net of tax. The change in accrual that reduced operating expense in the first quarter of 2025 was \$0.1 million, net of tax.

**Kansas City Life Insurance Company**  
**Notes to Consolidated Financial Statements - (Continued) (Unaudited)**

**16. Reinsurance**

We had a reinsurance agreement with Scottish Re, with a reinsurance recoverable for ceded claims of \$3.4 million and an allowance for credit losses of \$1.4 million at both March 31, 2026 and December 31, 2025. On March 6, 2019, Scottish Re was ordered into receivership for the purposes of rehabilitation by the Court of Chancery of the State of Delaware. The Receiver filed a Motion for Entry of a Liquidation and Injunction Order on July 18, 2023. We will continue to monitor the Liquidation and Injunction Order and expected recovery of the reinsurance recoverable.

Effective October 1, 2023, coinsurance on term life insurance policies held through Scottish Re was recaptured, resulting in the release of ceded reserves of \$1.5 million. The mortality risk on this business was subsequently reinsured on a yearly renewable term (YRT) basis to one of our existing domestic reinsurance partners. The receivable for ceded reserves and premium related to the previously coinsured policies was \$1.8 million at both March 31, 2026 and December 31, 2025. This receivable is recorded in Other Assets in the Consolidated Balance Sheets. The allowance for credit losses on this receivable was \$0.7 million at both March 31, 2026 and at December 31, 2025.

In 2022, we ceded a block of fixed annuity business to a certified domestic reinsurer. The agreement requires Kansas City Life to administer this business on an ongoing basis, and we will receive an expense allowance associated with these efforts. At inception, Kansas City Life recorded a deferred revenue liability that is included in Other Liabilities in the Consolidated Balance Sheets. This liability is being amortized over future periods consistent with the Deposit Asset on Reinsurance. The Deposit Asset on Reinsurance is also accreted to the estimated ultimate cash flows using the interest method and the adjustment is reported as Net Investment Income in the Consolidated Statements of Comprehensive Income. Investment income recognized and interest credited on the block totaled \$3.0 million in the first quarter of 2026. Investment income recognized and interest credited on the block totaled \$3.4 million in the first quarter of 2025. The Deposit Asset on Reinsurance balance was \$320.9 million at March 31, 2026 and \$329.5 million at December 31, 2025.

Old American reinsured 90% of a block of Old American whole life business, issued on or before December 31, 2024, to a certified reinsurer effective June 30, 2025 through a modified coinsurance/coinsurance agreement. We recognized the reinsurance agreement using the deposit method of accounting. In addition, under the right of offset, we offset the deposit liability with the deposit asset in the Consolidated Balance Sheets. On a statutory basis, the agreement qualifies for reinsurance accounting and the deferred gain recognized in statutory surplus was \$28.0 million, net of tax, as of March 31, 2026 and \$29.2 million, net of tax, as of December 31, 2025.

We monitor the financial condition of our reinsurance partners to assess the risk of default. We have a significant concentration of credit risk with RGA Reinsurance Company (RGA). We believe that all of our reinsurance recoverables from RGA are collectible as of March 31, 2026. In the event of a failure of RGA to perform its obligations under its reinsurance treaties, there could be a material impact on our financial position and results of operations.

**Kansas City Life Insurance Company**  
**Notes to Consolidated Financial Statements - (Continued) (Unaudited)**

**17. Comprehensive Income (Loss)**

Comprehensive Income (Loss) is comprised of Net Income and Other Comprehensive Income (Loss). Other Comprehensive Income (Loss) includes the unrealized investment gains or losses on securities available for sale (net of reclassifications for realized investment gains or losses). In addition, Other Comprehensive Income (Loss) includes changes in discount rates on the liability for future policy benefits, changes in market risk benefits nonperformance risk, and the change in the liability for benefit plan obligations. Other Comprehensive Income (Loss) reflects these items net of tax.

The following tables provide information about Comprehensive Income (Loss).

	Quarter Ended March 31, 2026		
	Pre-Tax Amount	Tax Expense (Benefit)	Net-of-Tax Amount
Change in unrealized investment gains/losses	\$ (29,305)	\$ (6,154)	\$ (23,151)
Reclassification of unrealized investment gains/losses	(222)	(34)	(188)
Changes in discount rates on the liability for future policy benefits	17,187	3,609	13,578
Changes in market risk benefits nonperformance risk	42	9	33
Other comprehensive loss	<u>\$ (12,298)</u>	<u>\$ (2,570)</u>	<u>\$ (9,728)</u>
Net income			<u>9,571</u>
Comprehensive loss			<u>\$ (157)</u>

	Quarter Ended March 31, 2025 <sup>1</sup>		
	Pre-Tax Amount	Tax Expense (Benefit)	Net-of-Tax Amount
Change in unrealized investment gains/losses	\$ 32,885	\$ 6,906	\$ 25,979
Reclassification of unrealized investment gains/losses	145	30	115
Changes in discount rates on the liability for future policy benefits	(13,014)	(2,733)	\$ (10,281)
Changes in market risk benefits nonperformance risk	210	44	166
Other comprehensive income	<u>\$ 20,226</u>	<u>\$ 4,247</u>	<u>\$ 15,979</u>
Net income			<u>4,160</u>
Comprehensive income			<u>\$ 20,139</u>

<sup>1</sup> Certain prior period amounts have been recast. See Note 2 - New Accounting Pronouncements for more information.

**Kansas City Life Insurance Company**  
**Notes to Consolidated Financial Statements - (Continued) (Unaudited)**

The following table provides accumulated balances related to each component of Accumulated Other Comprehensive Income (Loss) at March 31, 2026, net of tax.

	<u>Unrealized Gain (Loss) on Securities</u>	<u>Liability for Future Policy Benefits <sup>1</sup></u>	<u>Market Risk Benefits</u>	<u>Benefit Plan Obligations</u>	<u>Total</u>
Beginning of year	\$ (116,212)	\$ 82,688	\$ 427	\$ (27,424)	\$ (60,521)
Other comprehensive income (loss) before reclassification	(23,151)	13,578	33	—	(9,540)
Amounts reclassified from accumulated other comprehensive income (loss)	<u>(188)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(188)</u>
Net current-period other comprehensive income (loss)	<u>(23,339)</u>	<u>13,578</u>	<u>33</u>	<u>—</u>	<u>(9,728)</u>
End of period	<u><u>\$ (139,551)</u></u>	<u><u>\$ 96,266</u></u>	<u><u>\$ 460</u></u>	<u><u>\$ (27,424)</u></u>	<u><u>\$ (70,249)</u></u>

The following table provides accumulated balances related to each component of Accumulated Other Comprehensive Income (Loss) at December 31, 2025, net of tax.

	<u>Unrealized Gain (Loss) on Securities</u>	<u>Liability for Future Policy Benefits <sup>1</sup></u>	<u>Market Risk Benefits</u>	<u>Benefit Plan Obligations</u>	<u>Total</u>
Beginning of year	\$ (172,902)	\$ 102,163	\$ 603	\$ (33,446)	\$ (103,582)
Other comprehensive income (loss) before reclassification	55,049	(19,475)	(176)	6,022	41,420
Amounts reclassified from accumulated other comprehensive income (loss)	<u>1,641</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,641</u>
Net current-period other comprehensive income (loss)	<u>56,690</u>	<u>(19,475)</u>	<u>(176)</u>	<u>6,022</u>	<u>43,061</u>
End of period	<u><u>\$ (116,212)</u></u>	<u><u>\$ 82,688</u></u>	<u><u>\$ 427</u></u>	<u><u>\$ (27,424)</u></u>	<u><u>\$ (60,521)</u></u>

<sup>1</sup> Includes accumulated balances related to ceded reserves that are recorded in Reinsurance Recoverables in the Consolidated Balance Sheets.

**Kansas City Life Insurance Company**  
**Notes to Consolidated Financial Statements - (Continued) (Unaudited)**

The following table presents the pre-tax and the related income tax benefit (expense) components of the amounts reclassified from Accumulated Other Comprehensive Income (Loss) to the Consolidated Statements of Comprehensive Income.

	Quarter Ended March 31,	
	2026	2025
Net investment gains (losses) <sup>1</sup>	\$ 222	\$ (145)
Income tax benefit (expense) <sup>2</sup>	(34)	30
Net of taxes	\$ 188	\$ (115)

<sup>1</sup> (Increases) decreases included in Net Investment Gains (Losses) in the Consolidated Statements of Comprehensive Income.

<sup>2</sup> (Increases) decreases included in Income Tax Expense (Benefit) in the Consolidated Statements of Comprehensive Income.

***18. Earnings Per Share***

Due to our capital structure and the absence of other potentially dilutive securities, there is no difference between basic and diluted earnings per common share for any of the periods reported. The average number of shares outstanding for each of the quarters ended March 31, 2026 and 2025 was 9,683,414. The number of shares outstanding at both March 31, 2026 and December 31, 2025 was 9,683,414.

**Kansas City Life Insurance Company**  
**Notes to Consolidated Financial Statements - (Continued) (Unaudited)**

***19. Segment Information***

We have three reportable business segments, which are defined based on the nature of the products and services offered: Individual Insurance, Group Insurance, and Old American. The Individual Insurance segment consists of individual insurance products for Kansas City Life, Grange Life, and associated assumed reinsurance transactions. The Group Insurance segment consists of sales of group life, dental, vision, disability, accident, and critical illness products. The Old American segment consists of individual insurance products designed largely as final expense products.

The Company's chief operating decision maker (CODM) is the chief executive officer. The CODM assesses performance for all segments and decides how to allocate resources based on net income (loss) that is also reported on the income statement as consolidated net income (loss). The measure of segment assets is reported on the balance sheet as total consolidated assets. The CODM uses net income (loss), amongst other metrics, to assist in the evaluation of the performance of all segments, to determine plans and actions, and to direct the use of assets and capital.

Inter-segment revenues are not material. We operate solely in the United States of America and no individual customer accounts for 10% or more of our revenue.

**Kansas City Life Insurance Company**  
**Notes to Consolidated Financial Statements - (Continued) (Unaudited)**

The following tables provide information about segment revenue, measures of segment profit or loss, significant segment expenses, and a measure of segment assets.

	Quarter Ended March 31, 2026			
	Individual Insurance	Group Insurance	Old American	Consolidated
Insurance revenues	\$ 41,087	\$ 17,601	\$ 19,320	\$ 78,008
Intersegment revenues	126	—	—	126
Net investment income	36,019	97	3,701	39,817
Net investment gains (losses)	(1,479)	—	1	(1,478)
Other revenues	1,445	19	—	1,464
Total segment revenues	<u>77,198</u>	<u>17,717</u>	<u>23,022</u>	<u>117,937</u>
Elimination of intersegment revenues				(126)
Total revenues				<u>117,811</u>
Policyholder benefits	31,130	10,664	14,716	56,510
Change in market risk benefits	315	—	—	315
Interest credited to policyholder account balances	19,505	—	—	19,505
Amortization of deferred acquisition costs	5,150	—	4,246	9,396
Operating expenses:				
Salaries and benefits	9,379	1,287	2,190	12,856
Other segment items <sup>1</sup>	8,286	5,493	1,509	15,288
Operating expenses	<u>17,665</u>	<u>6,780</u>	<u>3,699</u>	<u>28,144</u>
Total segment benefits and expenses	<u>73,765</u>	<u>17,444</u>	<u>22,661</u>	<u>113,870</u>
Elimination of intersegment expense				(126)
Total benefits and expenses				<u>113,744</u>
Income before income tax expense (benefit)	3,433	273	361	4,067
Income tax expense (benefit)	(5,637)	57	76	(5,504)
Net income	<u>\$ 9,070</u>	<u>\$ 216</u>	<u>\$ 285</u>	<u>\$ 9,571</u>
Assets	<u>\$ 4,366,008</u>	<u>\$ 10,500</u>	<u>\$ 464,383</u>	<u>\$ 4,840,891</u>

<sup>1</sup> Other segment items includes agency-related expenses, legal fees, depreciation, amortization, commission expenses net of capitalization, marketing expenses, professional services, and overhead expenses.

**Kansas City Life Insurance Company**  
**Notes to Consolidated Financial Statements - (Continued) (Unaudited)**

	Quarter Ended March 31, 2025 <sup>1</sup>			
	Individual Insurance	Group Insurance	Old American	Consolidated
Insurance revenues	\$ 42,317	\$ 17,710	\$ 20,033	\$ 80,060
Intersegment revenues	119	—	—	119
Net investment income	35,902	83	3,501	39,486
Net investment gains (losses)	(2,981)	—	17	(2,964)
Other revenues	1,385	23	—	1,408
Total segment revenues	<u>76,742</u>	<u>17,816</u>	<u>23,551</u>	<u>118,109</u>
Elimination of intersegment revenues				<u>(119)</u>
Total revenues				<u>117,990</u>
Policyholder benefits	32,274	10,546	16,701	59,521
Change in market risk benefits	740	—	—	740
Interest credited to policyholder account balances	19,460	—	—	19,460
Amortization of deferred acquisition costs	4,764	—	4,442	9,206
Operating expenses:				
Salaries and benefits	8,966	1,310	2,171	12,447
Other segment items <sup>2</sup>	9,587	5,399	1,167	16,153
Operating expenses	<u>18,553</u>	<u>6,709</u>	<u>3,338</u>	<u>28,600</u>
Total segment benefits and expenses	<u>75,791</u>	<u>17,255</u>	<u>24,481</u>	<u>117,527</u>
Elimination of intersegment expense				<u>(119)</u>
Total benefits and expenses				<u>117,408</u>
Income (loss) before income tax expense (benefit)	951	561	(930)	582
Income tax expense (benefit)	(3,499)	118	(197)	(3,578)
Net income (loss)	<u>\$ 4,450</u>	<u>\$ 443</u>	<u>\$ (733)</u>	<u>\$ 4,160</u>
Assets	<u>\$ 4,416,306</u>	<u>\$ 11,319</u>	<u>\$ 454,521</u>	<u>\$ 4,882,146</u>

<sup>1</sup> Certain prior period amounts have been recast. See Note 2 - New Accounting Pronouncements for more information.

<sup>2</sup> Other segment items includes agency-related expenses, legal fees, depreciation, amortization, commission expenses net of capitalization, marketing expenses, professional services, and overhead expenses.

**20. Commitments, Regulatory Matters, Guarantees, and Indemnifications**

**Commitments**

In the normal course of business, we have open purchase and sale commitments.

We had unfunded commitments for additional alternative investment funds of \$105.6 million at March 31, 2026 and \$99.8 million at December 31, 2025. We also had an unfunded commitment for affordable housing investments of \$16.4 million at March 31, 2026.

We had purchase commitments to fund mortgage loans of \$7.1 million at March 31, 2026 and \$17.2 million at December 31, 2025. Subsequent to March 31, 2026, we entered into commitments to fund additional mortgage loans of \$7.5 million.

**Kansas City Life Insurance Company**  
**Notes to Consolidated Financial Statements - (Continued) (Unaudited)**

**Regulatory Matters**

We are subject to regular reviews and inspections by state and federal regulatory authorities. State insurance examiners - or independent audit firms engaged by such examiners - may, from time to time, conduct examinations or investigations into industry practices and customer complaints. A regulatory violation discovered during a review, inspection, or investigation could result in a wide range of remedies that could include the imposition of sanctions against us or our employees, which could have a material adverse effect on our financial statements. In 2025, the Missouri Department of Insurance completed an examination based upon our statutory financial statements for the year ended December 31, 2023 for Kansas City Life and Old American. The Ohio Department of Insurance completed an examination based upon our statutory financial statements for the year ended December 31, 2023 for Grange Life Insurance Company. No examination findings or financial adjustments were required as a result of those examinations.

**Guarantees and Indemnifications**

We are subject to various indemnification obligations issued in conjunction with certain transactions, primarily assumption reinsurance agreements, stock purchase agreements, mortgage servicing agreements, tax credit assignment agreements, construction and lease guarantees, and funding and borrowing agreements whose terms range in duration and often are not explicitly defined. Generally, a maximum obligation is not explicitly stated. Therefore, the overall maximum amount of the obligation under the indemnifications cannot be reasonably estimated. We are unable to estimate with certainty the ultimate legal and financial liability with respect to these indemnifications. We believe that the likelihood is remote that material payments would be required under such indemnifications and, therefore, such indemnifications would not result in a material adverse effect on our financial position or financial statements.

**21. Contingent Liabilities**

On March 6, 2019, the Delaware Department of Insurance requested Scottish Re (US) be placed in rehabilitation. Kansas City Life had ceded some of its business to Scottish Re (US), a subsidiary of Scottish Re Group. On July 18, 2023, the Court entered a Liquidation and Injunction Order (the "Order") detailing the termination of Scottish Re (US)'s existing reinsurance contracts and providing for a liquidation of its assets. We have established an allowance for credit losses related to the reinsurance receivables related to our agreements with Scottish Re (US). We will continue to closely monitor developments related to the distribution of assets by the receiver as we evaluate the allowance for credit losses related to these reinsurance receivables in future financial periods. For additional information, please see Note 16 - Reinsurance.

We are also involved in various pending or threatened legal proceedings arising from the conduct of business both in the ordinary course and otherwise. In some of the matters, very large and/or indeterminate amounts, including punitive and treble damages, are sought.

Due to the unpredictable nature of litigation, the probable outcome of a litigation matter and the amount or range of potential loss can be difficult to ascertain. We accrue liabilities for litigation and other loss contingencies when available information indicates both that a loss is probable and the amount of the loss can be reasonably estimated. If a range of loss is estimated, and some amount within that range appears to be a better estimate than any other amount within that range, then that amount is accrued. If no amount within the range can be identified as a better estimate than any other amount, we accrue the minimum amount in the range.

For such matters where a loss is believed to be reasonably possible, but not probable, or the loss cannot be reasonably estimated, no accrual has been made. It is possible that such matters could require us to pay damages or make other expenditures or establish accruals in amounts that could not be reasonably estimated as of March 31, 2026. While the potential future liabilities could be material in the particular quarterly or annual periods in which they are recorded, based on information currently known by management, we do not believe any such liabilities are likely to have a material adverse effect on our business and our consolidated financial position, results of operations and cash flows.

**22. Subsequent Events**

We evaluated events that occurred subsequent to March 31, 2026 through May 1, 2026, the date the consolidated financial statements were issued, and have identified the following subsequent event.

On April 27, 2026, the Kansas City Life Board of Directors declared a quarterly dividend of \$0.18 per share, payable on May 13, 2026 to stockholders of record on May 7, 2026.

There have been no other subsequent events that occurred during such period that require disclosure in, or adjustment to, the consolidated financial statements as of and for the quarter ended March 31, 2026.