My fellow shareholders,

It is my pleasure to share with you the Company's 2014 results. The year was marked with several notable achievements. The Company recorded solid earnings, improved an already strong financial position and completed some important steps to improve our efficiency and profitability.

The Company completed the conversion of the American Family Life Insurance Company block of business to the Home Office systems and processes during the first quarter of the year. This enabled the Company to reduce costs and gain efficiency. In the second half of the year, the Company reached an agreement for the sale of certain assets associated with the Company’s broker/dealer, Sunset Financial Services. This new relationship with Securities America, Inc. provides enhanced support to our policyholders and agents, while allowing the Company to remain focused on the sale and administration of our core products. The Company completed the sale in the fourth quarter, resulting in Sunset Financial Services recognizing a gain on the transaction and being better positioned to operate more efficiently in the future.

Net earnings in 2014 totaled $30.0 million, similar to last year, as reduced operating expenses and policyholder benefits were partially offset by lower net investment income and premiums. Life insurance premiums and contract charges increased in 2014, resulting from improved sales and the full-year impact of the American Family transaction. As a result, total assets increased to $4.6 billion and stockholders’ equity reached $743 million at year-end.

The prolonged low-interest rate environment continues to provide many challenges to all financial institutions, as well as consumers. To meet the changing needs of policyholders, the Company continually enhances a wide spectrum of products. The Company’s suite of universal life, variable life, whole life, return of premium and term insurance products offers consumers many options for today’s environment, as well as the ability to adjust to future changes in the marketplace.

The Company remains focused on what we do best, which is helping agents serve their clients by providing valuable life insurance protection solutions for families and loved ones. We have thrived by tailoring these solutions to the evolving needs of the American population, including the growing senior market, which is the focus of Old American Insurance Company. In addition, the Company features group life, group disability and group dental products for its targeted market of small employers, primarily serving companies between two and 500 employees.

The year 2015 will mark our 120th year of service and commitment. Throughout our long and venerable history, we have successfully navigated through many periods of economic turbulence and change, and we believe our future is as bright as our past. Our experience allows us to remain focused to provide value for the benefit of our policyholders and shareholders both today and in the future.

We remain continually aware that there are many options available to agents and policyholders, and the trust that they afford us by selecting one of our many products must be earned and continually renewed. Our faithful commitment to providing Security Assured is our promise and the cornerstone in all that we do.

— R. Philip Bixby
President, Chief Executive Officer and Chairman of the Board
Kansas City Life Insurance Company
Since 1895, Kansas City Life Insurance Company (www.kclife.com) has been dedicated to the present and future financial security of our customers. Kansas City Life provides financial services, including life insurance and investments*, to consumers throughout 48 states and the District of Columbia. More than 2,500 general agents and agents serve individuals, families, small businesses and corporations with a diverse range of products including universal life, term life, whole life, variable life insurance,* variable annuities,* fixed deferred annuities and group products. Kansas City Life has been providing Security Assured for more than 119 years.

Old American Insurance Company
Since 1939, the mission of Old American Insurance Company (www.oaic.com) has been to provide peace of mind to our market and, in turn, enhance the quality of life for policyholders and their beneficiaries. Agents assist individuals ages 50 to 85 through final arrangements planning, charitable giving life insurance, Social Security and retirement income replacement insurance. In addition, Old American began targeting individuals ages 20 to 65 in 2009 with our Level Term 20 life insurance product. The subsidiary operates in 47 states and the District of Columbia.

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

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

Financial Ratings, evaluated by A.M. Best
Kansas City Life Insurance Company: A (Excellent; Stable Outlook)
Old American Insurance Company: A- (Excellent; Stable Outlook)
Sunset Life Insurance Company: A- (Excellent; Stable Outlook)

These ratings represent A.M. Best’s opinion of the financial strength and stability of Kansas City Life, Old American and Sunset Life Insurance Companies and each company’s ability to meet ongoing obligations to policyholders, as of June 2014.

There are 16 financial strength ratings offered by A.M. Best, ranging from A++ (Superior) to F (In Liquidation).

Please refer to the Company’s Form 10-K and Proxy Statement as filed with the Securities and Exchange Commission (SEC).

*Kansas City Life’s variable product series is distributed through Sunset Financial Services Inc. Member FINRA and SIPC.
Honor and respect – One of a pair of lionesses gracing the front of Kansas City Life Insurance Company’s Home Office building. The north lioness was featured on the cover of The Kansas City Star January 25, 1965, when the Kansas City Life flag was at half-mast in honor of Sir Winston Churchill’s passing.
Two grand lionesses, carved in granite, sit on pedestals atop a flight of stone steps, one on either side, and are the outstanding feature of the approach to Kansas City Life Insurance Company’s Home Office building in Kansas City, Mo. These majestic figures guard the front steps and were chosen by the Company’s forefathers to grace the building’s entrance for their symbolic as well as decorative value.

The lioness image, also represented in Kansas City Life’s logo, is symbolic of maternal strength, stability and protection – the lioness protecting her own. The two granite lioness statues help reinforce that message and serve as lasting reminders of the Company’s dependability and financial strength.
**Statues of protection**

Sculptor Jorgen C. Dreyer, who modeled the dignified lioness statues in the early 1920s, spent a significant amount of time observing the lionesses at the Swope Park Zoo (now the Kansas City Zoo, Kansas City, Mo.). He studied the lines of their bodies and their various postures and movements. The figure of the lioness, he pointed out, possesses a softer roundness than that of the male, and the fore part of the body is not concealed by a heavy mane.

At the Swope Park Zoo Dreyer discovered an exceptionally beautiful model in the lioness Lizzie, which according to the sculptor, is one of the most perfect specimens he had found.

“The caged beast,” Dreyer observed one day, “is nearly an ideal model. Always it is natural. Usually it is in movement at certain times of the day, and the best understanding of its body can be obtained when it is in action.”

He worked on his model for the lionesses throughout hot weather, standing in buckets of cold water in his back yard to keep cool. First a study was modeled in wax, one-quarter size, from which a full-sized clay model was made. The clay model was used to form a plaster mound and cast, which served as the final model for the carving.

When Dreyer had finished, the model was sent to a granite quarry in Cold Springs, Minn. There, stone carvers worked with two huge blocks of granite, each weighing 9 tons, to create the creatures from Dreyer’s model. He supervised the completion of this work and finished the carving. When a flaw was discovered in his cast, one of the two lionesses had to be re-cast three times.

The granite lioness statues are 10 feet 6 inches long, 4 feet 10 inches high, weigh 6 tons and cost $4,000 in 1925. Carved in pink, black and white granite, they are remarkable creatures with their heavy paws, rounded faces and large

---

*Symbol of protection – The lioness image in Kansas City Life’s logo serves as a lasting reminder of the Company’s dependability and financial strength.*
bellies. Though they are at rest, there is also a watchfulness and protectiveness about them that makes them appropriate symbols for a life insurance company.

The pride of Kansas City Life
The word “pride” is defined as a feeling of happiness you get when you or someone you know does something good or difficult. It also represents a company of lions that are dedicated and loyal to one another. It is no wonder that the word pride has significant meaning for Kansas City Life Insurance Company.

From the moment you first come in contact with our 119-year-old Company, you will realize we highly regard the promise of life insurance and financial products. Kansas City Life remains dedicated to our shareholders, our policyholders, our field force and our associates. Kansas City Life has not altered that promise of providing Security Assured since our inception in 1895. We have assisted policyholders through world wars, the Great Depression and various periods of recession and inflation. With a complete product portfolio and financial services, each need is met.

_Humble beginnings_ – The photo above features a clay model of one of the two lionesses that furnish the detail of the approach to Kansas City Life’s Home Office building. The actual statues are hewn from granite, are 10 feet 6 inches long, 4 feet 10 inches high and weigh 6 tons each. They are placed on pedestals beside the entry steps, 25 feet from the curb and 45 feet apart. From the lionesses to the building, a broad walkway extends 150 feet. Below are two images of the artist, Jorgen C. Dreyer, with the lionesses in development through completion.
Our essential relationships with our shareholders, our policyholders, our field force and our associates build upon our solid foundation and separate us from all others in the industry. We are proud of our superior customer service, sales and marketing support and our financial strength.

The pride of Kansas City Life can also be seen in the select group of agencies who have received the Company’s most prestigious agency honor – the Agency Building Award. In this instance, PRIDE stands for positive, resourcefulness, innovative, dedication and efficiency.

When you look at Kansas City Life, you are truly discovering a family. And when you feel a part of a family, your efforts and hard work become an investment, as opposed to a job. Our Home Office associates are committed to putting in the extra effort.

After all, our agents and their customers are the most important part of our family. And that’s who we are in business to support.

Kansas City Life has held true to the tradition and promise of honesty, integrity and sound business practices upon which our Company was founded in 1895. Kansas City Life is proud of the heritage that has been passed down for four generations.
Kansas City Life Home Office building completed in 1924 – The photo above shows the Kansas City Life Home Office building right before completion. The two lionesses found their perch upon their pedestals on April 6, 1925.

The sculptor, Jorgen C. Dreyer, studied lionesses at the Swope Park Zoo (now the Kansas City Zoo, Kansas City, Mo.) for inspiration to ensure he would capture their realism. Dreyer would visit the zoo often, including early in the morning and at night.
The promise of Security Assured has been a 119-year tradition at Kansas City Life Insurance Company. The goal of this mission is to not only safeguard individuals, families and businesses against the unpredictability of life, but it is also the foundation on which the Company was built.

We are committed to providing financial security to policyholders for generations to come. Kansas City Life will always uphold our promise to provide premium services and continue our tradition of bringing value to our shareholders.

It is Kansas City Life’s commitment to sound business practices, integrity and financial strength that has made our Company into what it is today. These notions are the cornerstone of our business philosophy as we seek to maintain consistent, long-term profitable growth.

Kansas City Life enjoyed a solid sales year in 2014, with life insurance sales tracking industry life insurance sales. With some strategic organizational changes during the year, our Company is positioned to further grow our life insurance sales in 2015.

**Individual Insurance**

Kansas City Life’s Individual Insurance segment provides financial security to consumers in 48 states. Life insurance products are distributed through two channels: the Company’s field force and through alliances with third-party marketing arrangements. The Individual Insurance segment consists of individual insurance products for both Kansas City Life and Sunset Life.

**Company’s field force**

The Company’s field force is represented by independent agencies, which are operated by general agents and agents across the U.S. and in certain locations in Europe. Kansas City Life provides each agency with an ever-growing product portfolio and marketing support necessary to succeed in servicing consumers in their local markets.

The Company’s expanding product portfolio and individual one-on-one support from the Home Office are attractive recruiting resources, setting Kansas City Life apart from many in the industry.

**Third-party alliances**

Independent alliances with American Republic Insurance Company, GuideOne Mutual Insurance Company and AmeriLife Group LLC allow representatives from all three companies to distribute Kansas City Life’s products. These agreements provide representatives with the complementary products and services they need to offer complete financial security to their clients.

**Life insurance sales**

Life insurance sales and new business production at Kansas City Life are measured by new premiums recorded and new deposits received. Premiums include receipts from traditional individual life insurance and immediate annuity products. Deposits are received from universal life insurance, variable universal life insurance and fixed deferred and variable annuity products.
The Individual Insurance segment generated approximately 53% of consolidated insurance revenues for the year ended December 31, 2014, compared to 58% and 49%, respectively, for the years ended December 31, 2013 and 2012. In addition, this segment provided 92% of consolidated net income for the year ended December 31, 2014, compared to 85% and 93%, respectively, for the years ended December 31, 2013 and 2012.

Total new deposits increased $1.4 million or 2% in 2014, compared to a $2.9 million or 3% decline in 2013. The increase in 2014 resulted from a $12.8 million or 65% increase in new variable annuity deposits. Total renewal deposits decreased $2.1 million or 1% in 2014, following a $14.6 million or 10% increase in 2013. The reinsurance transaction on variable products increased renewal deposits $25.2 million in 2014 and $20.0 million in 2013, as the transaction occurred in April of 2013.

Future growth

The Individual Insurance segment is an essential part of Kansas City Life’s core business, representing a majority of the Company’s revenue and net income. The Company plans to continue to grow the segment by recruiting talented general agents and agents and by adding more third-party alliances. Enhancements to the vast product portfolio, increased focus on sales development and superior marketing support are elements that will be emphasized to attract new field representatives.

Group Insurance

Kansas City Life Insurance Company offers several insurance products in the Group Insurance segment, including dental, life, vision, and short- and long-term disability. These offerings encompass both traditional, employer-funded group insurance, as well as voluntary, employee-paid products.

The Group Insurance segment markets our products primarily to small and mid-size organizations. Group products are sold through sales representatives who target a nationwide network of independent general agents and group brokers, along with the Company’s career general agents. The sales network is this segment’s core distribution system. The Company also markets Group products through select third-party marketing arrangements.

The Group Insurance segment generated 20% of the Company’s consolidated insurance revenues in 2014, compared to 18% in 2013. Total Group premiums increased $3.8 million or 6% in 2014, following a $4.4 million or 7% increase in 2013. Moving forward, the Group Insurance segment continues to focus on three primary areas of emphasis to improve sales:

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

Sunset Financial Services Inc.

Kansas City Life Insurance Company’s distributing broker/dealer for its proprietary line of variable annuity and variable universal life products.
Heritage of strength – Kansas City Life Insurance Company has held true to the tradition and promise of honesty, integrity and sound business practices upon which our Company was founded in 1895. Kansas City Life is proud of the heritage that has been passed down for four generations and features the lioness image of strength and protection in Company materials.
Old American Insurance Company celebrated a significant milestone in 2014 – our 75th Diamond Anniversary. Founded in December of 1939, Old American was created based on the philosophy that nobody should be considered uninsurable simply on the basis of age. This philosophy allowed for tremendous growth during the next several decades with Old American offering peace of mind to the senior market across the country.

During the 1950s, the Company established an agency force and confined the agency operation to the state of Missouri. It was also during this decade that Old American embarked on a program to become licensed in other states around the country. While obtaining the various state licenses and expanding agency operations, Old American developed a model office, which became how the Company operates agency territories with general agent managers.

Old American began its current chapter on October 31, 1991, when it was purchased by Kansas City Life Insurance Company and the Bixby family. The Bixby family has remained focused on providing peace of mind to policyholders and their families. Walter E. Bixby, LLIF, a fourth generation member of the Bixby family, has served as the Company’s president since 1996.

Our Company’s Peace of Mind mission is represented by a symbolic eagle. Prominently displayed in Old American’s logo, the eagle stands for reliability, protection and security. Old American carries out this mission through products that are designed to cover the necessary costs following the death of a loved one. These funds also provide comfort to surviving family members to know that money will be available for ongoing expenses.

For the past 75 years, Old American’s products and services have provided for financial needs following a death, but they also fulfill emotional needs as well. The need for final expense products among the senior market continues to increase as the country’s population ages. With the final expense industry’s strong demand, Old American Insurance Company had a record-breaking sales year as we carried out our mission to provide peace of mind to our market.

During 2014, Old American focused on improving territory penetration, recruiting and agent productivity for our general agencies in order to effectively meet the sales objectives of our Company.

Looking forward, Old American will remain committed to delivering peace of mind through our successful nationwide general agency system with exclusive territories. Old American is focused on our core foundation for even further momentum to fuel profitable growth for our field force and our Company.
Peace of Mind protection – Our Company’s Peace of Mind mission is represented by a symbolic eagle. Prominently displayed in Old American’s logo, the eagle stands for reliability, protection and security. Old American carries out this mission through products that are designed to cover the necessary costs following the death of a loved one. Old American is housed in Kansas City Life’s Home Office building and utilizes the symbolic logo in all marketing materials.
Senior Officers

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

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

Tracy W. Knapp  
Senior Vice President, Finance

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

A. Craig Mason, Jr.  
Senior Vice President, General Counsel and Secretary

Mark A. Milton, FSA, CERA, MAAA  
Senior Vice President and Actuary

Stephen E. Ropp  
Senior Vice President, Operations

Ryan C. Beasley, MSFS, CFP*, CLU*, ChFC*, LLIF  
Vice President, Agencies

Aaron L. Bush  
Vice President, Corporate Actuary

Robert M. Fisher, CPA, CITP  
Vice President, Information Technology

Timothy W. Knott  
Vice President, Group

David A. Laird, CPA, FLMI*  
Vice President and Controller

John L. Nogalski, CPA, FLMI*  
Vice President, Taxes

Richard D. Ropp, FLMI*, ACS*  
Vice President, Customer Services and Claims

J. Todd Salash*  
Vice President, Information Technology

Dan L. Schick, CPA, CLU*, FLMI*  
Vice President and Auditor

Philip A. Williams, CFA  
Vice President, Securities

Old American Insurance Company
R. Philip Bixby  
Chairman of the Board

Walter E. Bixby, LLIF  
President

Robert M. Fisher, CPA, CITP  
Vice President, Information Technology

Gary K. Hoffman, JD, CLU*, FLMI***  
Vice President, Associate General Counsel and Secretary

Tracy W. Knapp  
Chief Financial Officer

David A. Laird, CPA, FLMI*  
Vice President and Controller

Timothy J. Langland, JD, CLU*, FLMI*  
Vice President, Associate General Counsel and Secretary

Richard D. Ropp, FLMI*, ACS*  
Vice President, Customer Services and Claims

Stephen E. Ropp  
Vice President, Operations

Benton T. Summers, CLU*, ChFC*  
Vice President, Sales

Sunset Life Insurance Company of America
R. Philip Bixby  
President and Chairman of the Board

Walter E. Bixby, LLIF  
Vice Chairman of the Board

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

David A. Laird, CPA, FLMI*  
Vice President and Controller

Mark A. Milton, FSA, CERA, MAAA  
Vice President and Actuary

Richard D. Ropp, FLMI*, ACS*  
Vice President, Policy Administration

Matthew R. O’Connor, JD  
Secretary

*J. Todd Salash retired from the Company in October 2014.

**Gary K. Hoffman retired from the Company in April 2014.
Kevin G. Barth
President and Chief Operating Officer
Commerce Bank
Kansas City, Mo.

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

Walter E. Bixby, LLIF
Executive Vice President and Vice Chairman of the Board
Kansas City Life Insurance Company
President
Old American Insurance Company
Kansas City, Mo.

William R. Blessing
Retired Senior Vice President, Corporate Strategy and Development
Embarq
Overland Park, Kan.

Michael Braude
Retired President and Chief Executive Officer
Kansas City Board of Trade
Kansas City, Mo.

James T. Carr
President and Chief Executive Officer
National Association of Intercollegiate Athletics
Kansas City, Mo.

John C. Cozad
President
Cozad Company, LLC
Platte City, Mo.

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

Nancy Bisby Hudson
Investor
Lander, Wyo.

David S. Kimmel
Chief Executive Officer
CyberRiskPartners, LLC
Rye, N.Y.

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

Cecil R. Miller, CPA
Retired Partner
KPMG, LLP
Kansas City, Mo.

Mark Milton, FSA, CERA, MAAA
Senior Vice President and Actuary
Kansas City Life Insurance Company
Kansas City, Mo.

William A. Schalekamp, JD, CLU®, FLMI®
Retired Senior Vice President, General Counsel and Secretary
Kansas City Life Insurance Company
Kansas City, Mo.
CORPORATE HEADQUARTERS
Kansas City Life Insurance Company
3520 Broadway
Post Office Box 219139
Kansas City, MO 64121-9139
Telephone: 816-753-7000
Fax: 816-753-4902
Internet: http://www.kclife.com
Email: kclife@kclife.com

NOTICE OF ANNUAL MEETING
The annual meeting of stockholders will be held at 9 a.m. on Thursday, April 23, 2015, at Kansas City Life Insurance Company's corporate headquarters.

TRANSFER AGENT
Janice Poe, Stock Agent and Assistant Secretary
Kansas City Life Insurance Company
Post Office Box 219139
Kansas City, MO 64121-9139

10-K REQUEST
Stockholders may request a free copy of Kansas City Life's Form 10-K, as filed with the Securities and Exchange Commission, by writing to Secretary, Kansas City Life Insurance Company.

SECURITY HOLDERS
As of January 31, 2015, Kansas City Life had approximately 3,023 security holders, including individual participants in security position listings.

Please refer to the Company’s Form 10-K and Proxy Statement as filed with the Securities and Exchange Commission (SEC).

Stock & Dividend Information

The following table presents the high and low prices for the Company’s common stock for the periods indicated and the dividends declared per share and paid during such periods. The Company’s common stock is traded on the NASDAQ Capital Market under the symbol “KCLI.”

<table>
<thead>
<tr>
<th></th>
<th>High</th>
<th>Low</th>
<th>Dividend Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First quarter</td>
<td>$50.62</td>
<td>$43.60</td>
<td>$0.27</td>
</tr>
<tr>
<td>Second quarter</td>
<td>48.68</td>
<td>40.62</td>
<td>0.27</td>
</tr>
<tr>
<td>Third quarter</td>
<td>46.99</td>
<td>43.29</td>
<td>0.27</td>
</tr>
<tr>
<td>Fourth quarter</td>
<td>49.82</td>
<td>43.90</td>
<td>0.27</td>
</tr>
<tr>
<td>2013:</td>
<td></td>
<td></td>
<td>$1.08</td>
</tr>
<tr>
<td>First quarter</td>
<td>$39.93</td>
<td>$36.35</td>
<td>$0.27</td>
</tr>
<tr>
<td>Second quarter</td>
<td>39.06</td>
<td>34.01</td>
<td>0.27</td>
</tr>
<tr>
<td>Third quarter</td>
<td>45.31</td>
<td>38.10</td>
<td>0.27</td>
</tr>
<tr>
<td>Fourth quarter</td>
<td>49.95</td>
<td>43.15</td>
<td>0.27</td>
</tr>
</tbody>
</table>

A quarterly dividend of $0.27 per share was paid February 11, 2015.

NASDAQ market quotations are compiled according to Company records and may reflect inter-dealer prices, without markup, markdown or commission and may not necessarily represent actual transactions.