

KANSAS CITY LIFE INSURANCE CO  
Form 10-Q  
July 30, 2010

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2010 or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 2-40764

KANSAS CITY LIFE INSURANCE COMPANY  
(Exact name of registrant as specified in its charter)

Missouri  
(State or other jurisdiction of  
incorporation or organization)

44-0308260  
(I.R.S. Employer  
Identification No.)

3520 Broadway, Kansas City, Missouri  
(Address of principal executive offices)

64111-2565  
(Zip Code)

816-753-7000  
Registrant's telephone number, including area code

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes

No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, \$1.25 par  
Class

11,467,473 shares  
Outstanding June 30, 2010

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KANSAS CITY LIFE INSURANCE COMPANY  
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## Part I. Financial Information

## Item 1. Financial Statements (Unaudited)

Amounts in thousands, except share data, or as otherwise noted

Kansas City Life Insurance Company  
Consolidated Balance Sheets

	June 30 2010 (Unaudited)	December 31 2009
<b>ASSETS</b>		
Investments:		
Fixed maturity securities available for sale, at fair value	\$2,652,110	\$2,469,272
Equity securities available for sale, at fair value	37,527	36,876
Mortgage loans	463,953	457,582
Real estate	117,683	114,076
Policy loans	84,877	85,585
Short-term investments	82,453	138,704
Total investments	3,438,603	3,302,095
Cash	8,940	4,981
Accrued investment income	34,413	32,989
Deferred acquisition costs	190,057	209,495
Value of business acquired	54,109	66,114
Reinsurance receivables	182,366	179,365
Property and equipment	23,807	24,393
Income taxes	1,754	8,784
Other assets	31,112	35,145
Separate account assets	297,269	312,824
Total assets	\$4,262,430	\$4,176,185
<b>LIABILITIES</b>		
Future policy benefits	\$878,062	\$866,889
Policyholder account balances	2,048,604	2,048,828
Policy and contract claims	33,512	33,484
Other policyholder funds	147,676	137,847
Income taxes	46,683	21,851
Other liabilities	134,396	126,099
Separate account liabilities	297,269	312,824
Total liabilities	3,586,202	3,547,822
<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	41,076	41,068
Retained earnings	762,041	757,225

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Accumulated other comprehensive income (loss)	9,637	(36,477 )
Treasury stock, at cost (2010 - 7,029,207 shares; 2009 - 6,931,589 shares)	(159,647 )	(156,574 )
Total stockholders' equity	676,228	628,363
Total liabilities and stockholders' equity	\$4,262,430	\$4,176,185

See accompanying Notes to Consolidated Financial Statements (Unaudited)

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Kansas City Life Insurance Company  
Consolidated Statements of Income

	Quarter Ended		Six Months Ended	
	June 30		June 30	
	2010	2009	2010	2009
	(Unaudited)		(Unaudited)	
REVENUES				
Insurance revenues:				
Premiums	\$48,251	\$43,176	\$96,180	\$89,716
Contract charges	26,661	26,202	53,340	52,970
Reinsurance ceded	(14,730 )	(13,599 )	(28,032 )	(26,138 )
Total insurance revenues	60,182	55,779	121,488	