Kansas City Life Insurance Company

2015 Third Quarter Report





Includes our subsidiaries:
Sunset Life Insurance Company of America
Old American Insurance Company
Sunset Financial Services, Inc.

Post Office Box 219139 Kansas City, Missouri 64121-9139 Listing: NASDAQ Stock Symbol:KCLI www.kclife.com



Message from the President, CEO and Chairman of the Board

Kansas City Life Insurance Company recorded net income of \$5.4 million or \$0.52 per share in the third quarter of 2015, a decrease of \$2.5 million or \$0.21 per share relative to the same quarter in the prior year. The decline in earnings for the quarter was primarily due to increased policyholder benefits, including increased death benefits. Net income totaled \$23.1 million or \$2.16 per share in the first nine months of 2015, an increase of \$0.9 million or \$0.13 per share relative to the same period one year earlier. The results for both periods reflected reductions in amortization of deferred acquisition costs, interest credited to policyholder account balances, and operating expenses. In addition, net realized investment gains increased in both periods, primarily resulting from a gain on the sale of real estate during the third quarter of 2015. Partially offsetting these favorable factors in both periods were decreases in insurance revenues, primarily from reduced contract charges and lower premiums from annuity and accident and health products, and decreases in net investment income. The decline in net investment income reflects the continuing low interest rate environment.

On October 26, 2015, the Kansas City Life Board of Directors declared a quarterly dividend of \$0.27 per share that will be paid on November 11, 2015 to stockholders of record on November 5, 2015.

A Maly Sty.

R. Philip Bixby



Kansas City Life Insurance Company Consolidated Balance Sheets

(amounts in thousands, except share data)

ASSETS (Unaudited) Asset (Una		Se	September 30 2015 (Unaudited)		December 31 2014	
Investments: Fixed maturity securities available for sale, at fair value \$ 2,697,443 \$ 2,726,731 Equity securities available for sale, at fair value 24,758 24,881 Mortgage loans 568,952 541,180 Real estate 163,030 181,082 Policy loans 81,748 83,553 Short-term investments 23,071 39,107 Other investments 23,075 35,969 Total investments 35,755 33,078 Cash 9,699 11,011 Accrued investment income 35,775 33,078 Deferred acquisition costs 26,260 249,195 Reinsurance recoverables 36,061 406,201 Property and equipment 16,722 17,527 Other assets 36,061 406,501 Separate account assets 3,0402 406,501 Total assets 9,930,481 9,307,61 Policy boder fits 9,930,481 9,307,61 Policy and contract claims 46,065 37,452 Other policy boder fits 1						
Fixed maturity securities available for sale, at fair value \$2,697,443 \$2,726,731 Equity securities available for sale, at fair value 24,758 24,881 Mordrage loans 568,952 541,180 Real estate 163,030 181,082 Policy loans 81,748 83,553 Short-term investments 23,071 39,107 Other investments 26,5 462 Total investments 3,559,267 3,596,906 Cash 9,699 11,011 Accrued investment income 35,775 33,078 Deferred acquisition costs 262,805 249,195 Reinsurance recoverables 200,498 194,225 Property and equipment 16,722 17,527 Other assets 33,60 40,501 Exparate account assets 33,60 40,501 Total assets 330,40 20,00 Policy benefits 930,78 39,076 Policy benefits 39,00 10,00 Policy policy benefits 31,00 20,00						
Equity securities available for sale, at fair value 24,758 24,818 Mortgage loans 568,952 541,180 Real estate 163,030 181,082 Policy loans 81,748 83,555 Short-term investments 23,071 39,107 Other investments 265 462 Total investments 9,699 11,011 Accrued investment income 35,59,267 330,788 Deferred acquisition costs 262,805 249,195 Reinsurance recoverables 200,498 194,255 Reinsurance recoverables 200,498 194,255 Reinsurance recoverables 36,671 407,1867 Other assets 36,672 457,1867 Separate account assets 36,612 406,501 Total assets 36,612 407,1867 Policy benefits \$930,478 \$930,761 Policy policy benefits \$930,478 \$930,761 Policy policy folder funds 173,229 165,662 Other policyholder funds 37,452 406,501						
Mortgage loans 568,952 \$41,180 Real estate 163,030 181,082 Policy loans 81,748 83,553 Short-term investments 23,071 39,107 Other investments 265 462 Total investments 3,592,672 3,596,996 Cash 9,699 11,011 Accrued investment income 35,775 33,078 Deferred acquisition costs 262,805 249,195 Reinsurance recoverables 200,498 194,225 Property and equipment 16,722 17,527 Other assets 36,612 406,501 Total assets 36,621 406,501 Total assets 36,4621 406,501 Policy benefits 9,930,76 5,930,78 Policy benefits 9,930,76 2072,041 Policy and contract claims 46,00 37,425 Other policy benefits 197,530 217,291 Other policy benefits 3,36,10 40,600 Policy and contract claims 40,00		\$	2,697,443	\$	2,726,731	
Real estate 163,030 181,048 Policy loans 81,748 83,535 Short-term investments 207 3,700 Other investments 265 462 Total investments 3,599,267 3,596,906 Cash 9,699 11,011 Accrued investment income 35,775 33,078 Reinsurance recoverables 262,805 249,195 Reinsurance recoverables 20,692 11,912 Property and equipment 16,722 17,527 Other assets 35,670 63,134 Separate account assets 364,612 406,501 Total assets 9,907,61 40,601 Puture policy bender account blances 9,907,61 59,307,81 930,78 Policy and contract claims 9,907,61 930,78					24,881	
Policy loans 81,748 83,581 Short-term investments 23,071 39,107 Other investments 265 462 Total investments 3,559,267 3,596,906 Cash 9,699 11,011 Accord investment income 35,775 33,078 Deferred acquisition costs 262,805 249,195 Reinsurance recoverables 200,498 194,225 Property and equipment 16,722 17,527 Other assets 3,600 3,134 Spantale account assets 364,621 406,501 Total assets 393,478 \$930,781 Putture policy benefits \$930,478 \$930,761 Policy policy policy finds \$930,478 \$930,761 Policy and contract claims \$930,478 \$930,761 Policy policy finds \$173,229 165,602 Other policy bolder finds 373,221 37,252 Other policy bolder funds 33,73,217 3,293,002 Separate account liabilities 36,602 406,501			568,952		541,180	
Short-term investments 23,071 39,107 Other investments 26s 462 Total investments 3,559,267 3,596,908 Cash 9,699 11,011 Accrued investment income 35,775 33,078 Deferred acquisition costs 262,805 249,195 Reinsurance recoverables 200,498 194,225 Property and equipment 16,722 17,527 Other assets 33,670 63,134 Separate account assets 364,621 406,501 Total assets 393,478 9,307,781 Puture policy benefits 930,478 930,761 Policy and contract claims 173,293 165,602 Other policyholder funds 173,293 165,602 Other liabilities 364,612 406,501 Separate account liabilities 373,211 3,291,018			163,030		181,082	
Other investments 26s 462 Total investments 3,559,267 3,596,996 Cash 9,699 11,011 Accrued investment income 35,775 33,078 Deferred acquisition costs 262,805 249,195 Reinsurance recoverables 200,498 194,425 Property and equipment 16,722 17,525 Other assets 364,621 406,501 Separate account assets 364,621 406,501 Total assets 930,478 930,761 Puture policy benefits 930,478 930,761 Policy and contract claims 46,405 37,425 Other policyholder funds 173,229 165,062 Other policyholder funds 173,229 165,062 Other policyholder funds 364,621 406,501 Total liabilities 364,621 406,501 Separate account liabilities 364,621 406,501 Total liabilities 37,721 3,829,108 SCOKKHOLDERS' EQUITY 23,121 23,121 23,121 <td>Policy loans</td> <td></td> <td>81,748</td> <td></td> <td>83,553</td>	Policy loans		81,748		83,553	
Total investments 3,559,267 3,559,699 Cash 9,699 11,011 Accrued investment income 35,775 33,078 Deferred acquisition costs 262,805 249,195 Reinsurance recoverables 200,498 194,425 Property and equipment 16,722 17,527 Other assets 35,670 63,134 Separate account assets 364,621 406,501 Total assets \$ 304,621 406,501 Total assets \$ 930,478 \$ 930,761 Future policy benefits \$ 930,478 \$ 930,761 Policy and contract claims 46,405 37,452 Other policyholder funds 173,229 165,062 Other policyholder funds 173,229 165,062 Other policyholder funds 364,621 406,501 Total liabilities 364,621 406,501 Total liabilities 364,621 406,501 Total liabilities 323,121 3,829,108 Total liabilities 23,121 23,121 Ad	Short-term investments		23,071		39,107	
Cash 9,699 11,011 Accrued investment income 35,775 33,078 Deferred acquisition costs 262,805 249,195 Reinsurance recoverables 200,498 194,225 Property and equipment 16,722 17,527 Other assets 33,670 63,134 Separate account assets 364,621 406,501 Total assets 930,478 930,761 Future policy benefits 930,478 930,761 Policyholder account balances 2,060,954 2,072,041 Policy and contract claims 46,405 37,452 Other policyholder funds 173,229 165,062 Other policyholder funds 197,530 217,291 Separate account liabilities 364,621 406,501 Total liabilities 364,621 406,501 Total liabilities 364,621 406,501 Total liabilities 23,121 23,121 Additional paid in capital 41,025 41,007 Additional paid in capital 41,025 41,007	Other investments		265		462	
Accrued investment income 35,775 33,078 Deferred acquisition costs 262,805 249,195 Reinsurance recoverables 200,498 194,425 Property and equipment 16,722 17,527 Other assets 53,670 63,134 Separate account assets 364,621 406,501 Total assets \$4,503,057 \$4571,867 Enture policy benefits \$930,478 \$930,761 Policy and contract claims 46,405 37,452 Other policy bolder funds 173,229 165,062 Other policy labelities 197,530 217,291 Separate account liabilities 364,621 406,501 Separate account liabilities 364,621 406,501 Total liabilities 373,73,217 3829,108 STOCKHOLDERS' EQUITY Common stock, par value \$1.25 per share 23,121 23,121 Additional paid in capital 41,025 41,007 Retained earnings 852,941 838,508 Accumulated other comprehensive income 5,554	Total investments		3,559,267		3,596,996	
Deferred acquisition costs 262,805 249,195 Reinsurance recoverables 200,498 194,425 Property and equipment 16,722 17,527 Other assets 53,670 63,134 Separate account assets 364,621 406,501 Total assets \$930,478 \$930,761 Future policy benefits \$930,478 \$930,761 Policy and contract claims 46,005 37,452 Other policyholder funds 173,229 165,062 Other policyholder funds 197,530 217,291 Separate account liabilities 364,621 406,501 Separate account liabilities 374,212 3829,108 STOCKHOLDERS' EQUITY 23,121 23,121 Common stock, par value \$1.25 per share 23,121 23,121 Additional paid in capital 41,025 41,007 Retained earnings 852,941 838,508 Accumulated other comprehensive income 5,554 23,040 Treasury stock, at cost (2015 - 7,887,781 shares; 2014 - 7,671,475 shares) (192,801) (182,917) <td>Cash</td> <td></td> <td>9,699</td> <td></td> <td>11,011</td>	Cash		9,699		11,011	
Reinsurance recoverables 200,498 194,425 Property and equipment 16,722 17,527 Other assets 53,670 63,134 Separate account assets 364,621 406,501 Total assets \$4,503,057 \$4,571,867 Enture policy benefits \$930,478 \$930,761 Policy policy benefits \$930,478 \$930,761 Policy and contract claims 46,405 37,452 Other policy bolder funds 173,229 165,062 Other policy holder funds 197,330 217,291 Separate account liabilities 364,621 406,501 Total liabilities 3,773,217 3,829,108 STOCKHOLDERS' EQUITY 23,121 23,121 Common stock, par value \$1.25 per share 23,121 23,121 Additional paid in capital 41,025 41,007 Retained earnings 852,941 838,508 Accumulated other comprehensive income 5,554 23,040 Treasury stock, at cost (2015 - 7,887,781 shares; 2014 - 7,671,475 shares) 109,201 (182,917) <	Accrued investment income		35,775		33,078	
Property and equipment 16,722 17,527 Other assets 53,670 63,134 Separate account assets 364,621 406,501 Total assets \$4,503,057 \$4,571,867 LIABILITIES \$930,478 \$930,761 Policy benefits \$930,478 \$930,761 Policy and contract claims 46,405 37,452 Other policyholder funds 173,229 165,062 Other liabilities 197,530 217,291 Separate account liabilities 364,621 406,501 Total liabilities 364,621 406,501 Total liabilities 373,73,217 3,829,108 STOCKHOLDERS' EQUITY Common stock, par value \$1.25 per share 23,121 23,121 Additional paid in capital 41,025 41,007 Retained earnings 852,941 838,508 Accumulated other comprehensive income 5,554 23,040 Treasury stock, at cost (2015 - 7,887,781 shares; 2014 - 7,671,475 shares) (192,801) (182,917) Total stockholders' equity 729,840	Deferred acquisition costs		262,805		249,195	
Other assets 53,670 63,134 Separate account assets 364,621 406,501 Total assets \$4,503,057 \$4,571,867 LIABILITIES Future policy benefits \$930,478 \$930,761 Policy policy benefits \$930,478 \$930,761 Policy and count balances 2,060,954 2,072,041 Policy and contract claims 46,405 37,452 Other policyholder funds 173,229 165,062 Other liabilities 197,530 217,291 Separate account liabilities 364,621 406,501 Total liabilities 364,621 406,501 Total liabilities 23,121 23,121 STOCKHOLDERS' EQUITY 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 41,007 Retained earnings 852,941 838,508 Accumulated other comprehensive income 5,554 23,040 Treasury stock, at co	Reinsurance recoverables		200,498		194,425	
Separate account assets 364,621 406,501 Total assets \$4,503,057 \$4,571,867 LIABILITIES Future policy benefits \$930,478 \$930,761 Policy holder account balances 2,060,954 2,072,041 Policy and contract claims 46,405 37,452 Other policyholder funds 173,229 165,062 Other liabilities 197,530 217,291 Separate account liabilities 364,621 406,501 Total liabilities 3,773,217 3,829,108 STOCKHOLDERS' EQUITY Common stock, par value \$1.25 per share 23,121 23,121 Authorized 36,000,000 shares, issued 18,496,680 shares 23,121 23,121 Additional paid in capital 41,025 41,007 Retained earnings 852,941 838,508 Accumulated other comprehensive income 5,554 23,040 Treasury stock, at cost (2015 - 7,887,781 shares; 2014 - 7,671,475 shares) (192,801) (182,917) Total stockholders' equity 729,840 742,759	Property and equipment		16,722		17,527	
Total assets \$ 4,503,057 \$ 4,571,867 LIABILITIES Future policy benefits \$ 930,478 \$ 930,761 Policy policy benefits 2,060,954 2,072,041 Policy and contract claims 46,405 37,452 Other policyholder funds 173,229 165,062 Other liabilities 197,530 217,291 Separate account liabilities 364,621 406,501 Total liabilities 3,773,217 3,829,108 STOCKHOLDERS' EQUITY Common stock, par value \$1.25 per share 23,121 23,121 Additional paid in capital 41,025 41,007 Retained earnings 852,941 838,508 Accumulated other comprehensive income 5,554 23,040 Treasury stock, at cost (2015 - 7,887,781 shares; 2014 - 7,671,475 shares) (192,801) (182,917) Total stockholders' equity 729,840 742,759	Other assets		53,670		63,134	
LIABILITIES Future policy benefits \$ 930,478 \$ 930,761 Policy policy benefits 2,060,954 2,072,041 Policy and contract claims 46,405 37,452 Other policyholder funds 173,229 165,062 Other liabilities 197,530 217,291 Separate account liabilities 364,621 406,501 Total liabilities 3,773,217 3,829,108 STOCKHOLDERS' EQUITY Common stock, par value \$1.25 per share 23,121 23,121 Additional paid in capital 41,025 41,007 Retained earnings 852,941 838,508 Accumulated other comprehensive income 5,554 23,040 Treasury stock, at cost (2015 - 7,887,781 shares; 2014 - 7,671,475 shares) (192,801) (182,917) Total stockholders' equity 729,840 742,759	Separate account assets		364,621		406,501	
Future policy benefits \$ 930,478 \$ 930,761 Policyholder account balances 2,060,954 2,072,041 Policy and contract claims 46,405 37,452 Other policyholder funds 173,229 165,062 Other liabilities 197,530 217,291 Separate account liabilities 364,621 406,501 Total liabilities 3,773,217 3,829,108 STOCKHOLDERS' EQUITY Common stock, par value \$1.25 per share 23,121 23,121 Additional paid in capital 41,025 41,007 Retained earnings 852,941 838,508 Accumulated other comprehensive income 5,554 23,040 Treasury stock, at cost (2015 - 7,887,781 shares; 2014 - 7,671,475 shares) (192,801) (182,917) Total stockholders' equity 729,840 742,759	Total assets	\$	4,503,057	\$	4,571,867	
Policyholder account balances 2,060,954 2,072,041 Policy and contract claims 46,405 37,452 Other policyholder funds 173,229 165,062 Other liabilities 197,530 217,291 Separate account liabilities 364,621 406,501 Total liabilities 3,773,217 3,829,108 STOCKHOLDERS' EQUITY 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 41,007 Retained earnings 852,941 838,508 Accumulated other comprehensive income 5,554 23,040 Treasury stock, at cost (2015 - 7,887,781 shares; 2014 - 7,671,475 shares) (192,801) (182,917) Total stockholders' equity 729,840 742,759	LIABILITIES					
Policy and contract claims 46,405 37,452 Other policyholder funds 173,229 165,062 Other liabilities 197,530 217,291 Separate account liabilities 364,621 406,501 Total liabilities 3,773,217 3,829,108 STOCKHOLDERS' EQUITY Common stock, par value \$1.25 per share 23,121 23,121 Authorized 36,000,000 shares, issued 18,496,680 shares 23,121 23,121 Additional paid in capital 41,025 41,007 Retained earnings 852,941 838,508 Accumulated other comprehensive income 5,554 23,040 Treasury stock, at cost (2015 - 7,887,781 shares; 2014 - 7,671,475 shares) (192,801) (182,917) Total stockholders' equity 729,840 742,759	Future policy benefits	\$	930,478	\$	930,761	
Other policyholder funds 173,229 165,062 Other liabilities 197,530 217,291 Separate account liabilities 364,621 406,501 Total liabilities 3,773,217 3,829,108 STOCKHOLDERS' EQUITY Common stock, par value \$1.25 per share 23,121 23,121 Authorized 36,000,000 shares, issued 18,496,680 shares 23,121 23,121 Additional paid in capital 41,025 41,007 Retained earnings 852,941 838,508 Accumulated other comprehensive income 5,554 23,040 Treasury stock, at cost (2015 - 7,887,781 shares; 2014 - 7,671,475 shares) (192,801) (182,917) Total stockholders' equity 729,840 742,759	Policyholder account balances		2,060,954		2,072,041	
Other liabilities 197,530 217,291 Separate account liabilities 364,621 406,501 Total liabilities 3,773,217 3,829,108 STOCKHOLDERS' EQUITY Common stock, par value \$1.25 per share 23,121 23,121 Authorized 36,000,000 shares, issued 18,496,680 shares 23,121 23,121 Additional paid in capital 41,025 41,007 Retained earnings 852,941 838,508 Accumulated other comprehensive income 5,554 23,040 Treasury stock, at cost (2015 - 7,887,781 shares; 2014 - 7,671,475 shares) (192,801) (182,917) Total stockholders' equity 729,840 742,759	Policy and contract claims		46,405		37,452	
Separate account liabilities 364,621 406,501 Total liabilities 3,773,217 3,829,108 STOCKHOLDERS' EQUITY Common stock, par value \$1.25 per share Authorized 36,000,000 shares, issued 18,496,680 shares Additional paid in capital 41,025 41,007 Retained earnings 852,941 838,508 Accumulated other comprehensive income 5,554 23,040 Treasury stock, at cost (2015 - 7,887,781 shares; 2014 - 7,671,475 shares) (192,801) (182,917) Total stockholders' equity 729,840 742,759	Other policyholder funds		173,229		165,062	
Total liabilities 3,773,217 3,829,108 STOCKHOLDERS' EQUITY 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 41,007 Retained earnings 852,941 838,508 Accumulated other comprehensive income 5,554 23,040 Treasury stock, at cost (2015 - 7,887,781 shares; 2014 - 7,671,475 shares) (192,801) (182,917) Total stockholders' equity 729,840 742,759	Other liabilities		197,530		217,291	
STOCKHOLDERS' EQUITY 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 41,007 Retained earnings 852,941 838,508 Accumulated other comprehensive income 5,554 23,040 Treasury stock, at cost (2015 - 7,887,781 shares; 2014 - 7,671,475 shares) (192,801) (182,917) Total stockholders' equity 729,840 742,759	Separate account liabilities		364,621		406,501	
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 41,007 Retained earnings 852,941 838,508 Accumulated other comprehensive income 5,554 23,040 Treasury stock, at cost (2015 - 7,887,781 shares; 2014 - 7,671,475 shares) (192,801) (182,917) Total stockholders' equity 729,840 742,759	Total liabilities		3,773,217		3,829,108	
Authorized 36,000,000 shares, issued 18,496,680 shares 23,121 23,121 Additional paid in capital 41,025 41,007 Retained earnings 852,941 838,508 Accumulated other comprehensive income 5,554 23,040 Treasury stock, at cost (2015 - 7,887,781 shares; 2014 - 7,671,475 shares) (192,801) (182,917) Total stockholders' equity 729,840 742,759	STOCKHOLDERS' EQUITY					
Additional paid in capital 41,025 41,007 Retained earnings 852,941 838,508 Accumulated other comprehensive income 5,554 23,040 Treasury stock, at cost (2015 - 7,887,781 shares; 2014 - 7,671,475 shares) (192,801) (182,917) Total stockholders' equity 729,840 742,759	Common stock, par value \$1.25 per share					
Retained earnings 852,941 838,508 Accumulated other comprehensive income 5,554 23,040 Treasury stock, at cost (2015 - 7,887,781 shares; 2014 - 7,671,475 shares) (192,801) (182,917) Total stockholders' equity 729,840 742,759	Authorized 36,000,000 shares, issued 18,496,680 shares		23,121		23,121	
Accumulated other comprehensive income 5,554 23,040 Treasury stock, at cost (2015 - 7,887,781 shares; 2014 - 7,671,475 shares) (192,801) (182,917) Total stockholders' equity 729,840 742,759	Additional paid in capital		41,025		41,007	
Treasury stock, at cost (2015 - 7,887,781 shares; 2014 - 7,671,475 shares) (192,801) (182,917) Total stockholders' equity 729,840 742,759	Retained earnings		852,941		838,508	
Total stockholders' equity 729,840 742,759	Accumulated other comprehensive income		5,554		23,040	
	Treasury stock, at cost (2015 - 7,887,781 shares; 2014 - 7,671,475 shares)		(192,801)		(182,917)	
Total liabilities and stockholders' equity \$ 4,503,057 \$ 4,571,867	Total stockholders' equity		729,840		742,759	
	Total liabilities and stockholders' equity	\$	4,503,057	\$	4,571,867	

 ${\it Please \ refer \ to \ the \ Company's \ Form \ 10-Q \ and \ Annual \ Report \ on \ Form \ 10-K, \ as \ amended.}$



Kansas City Life Insurance Company Consolidated Statements of Comprehensive Income

(amounts in thousands, except share data)

	Quarter Ended				Nine Months Ended			
	September 30			September 30				
		2015		2014		2015		2014
		(Unaudited)			(Unaudited)			
REVENUES								
Insurance revenues:								
Net premiums	\$	39,378	\$	42,480	\$	120,196	\$	125,601
Contract charges		28,632		29,541		83,467		89,173
Total insurance revenues		68,010		72,021		203,663		214,774
Investment revenues:								
Net investment income		38,277		40,608		118,175		122,650
Net realized investment gains, excluding other-than-temporary impairment losses		4,475		981		6,724		3,430
Net impairment losses recognized in earnings:								
Total other-than-temporary impairment losses		(419)		(765)		(2,189)		(1,221)
Portion of impairment losses recognized in other comprehensive income (loss)		(9)		433		(171)		620
Net other-than-temporary impairment losses recognized in earnings		(420)		(222)		(2.2(0)		((01)
Total investment revenues		(428) 42,324		(332)		(2,360)		(601) 125,479
Other revenues								
Total revenues		1,927		2,385		5,737		7,061
Total revenues		112,261		115,663		331,939		347,314
BENEFITS AND EXPENSES								
Policyholder benefits		51,553		49,675		149,699		152,582
Interest credited to policyholder account balances		18,597		18,999		55,626		57,205
Amortization of deferred acquisition costs		9,244		9,797		19,586		31,154
Operating expenses		24,707		25,588		73,790		74,321
Total benefits and expenses		104,101		104,059		298,701		315,262
Income before income tax expense		8,160		11,604		33,238		32,052
Income tax expense		2,725		3,644		10,126		9,795
NET INCOME	\$	5,435	\$	7,960	\$	23,112	\$	22,257
COMPREHENSIVE INCOME (LOSS), NET OF TAXES								
Change in net unrealized gains on securities	Ф	(1.702)	Ф	(0.006)	ф	(10.041)	Ф	20.177
available for sale, net of DAC and VOBA	\$	(1,783)	\$	(9,096)	\$	(18,941)	\$	29,177
Change in policy benefits		139		623		1,289		(5,939)
Change in policyholder account balances		17		41		166		(203)
Other comprehensive income (loss)		(1,627)		(8,432)		(17,486)		23,035
COMPREHENSIVE INCOME (LOSS)	\$	3,808	\$	(472)	\$	5,626	\$	45,292
Basic and diluted earnings per share:								
Net income	\$	0.52	\$	0.73	\$	2.16	\$	2.03

Please refer to the Company's Form 10-Q and Annual Report on Form 10-K, as amended.

