

KANSAS CITY LIFE INSURANCE CO

Form 10-Q

August 04, 2006

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FOR ANNUAL AND TRANSITION REPORTS

FORM 10-Q

- QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]
For the Quarterly Period ended June 30, 2006 or
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]
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 Number)

3520 Broadway, Kansas City, Missouri
(Address of Principal Executive Offices)

64111-2565
(Zip Code)

Registrant's Telephone Number, including Area Code: 816-753-7000

Not Applicable

(Former name or former address, 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

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Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

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.

<u>Class</u>	<u>Outstanding June 30, 2006</u>
Common Stock, \$1.25 par value	11,876,181 shares

KANSAS CITY LIFE INSURANCE COMPANY

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Part I Financial Information**Item 1. Financial Statements (Unaudited)****KANSAS CITY LIFE INSURANCE COMPANY
CONSOLIDATED BALANCE SHEETS**

(amounts in thousands, except share data)

	June 30 2006 <u>(Unaudited)</u>	December 31 2005
ASSETS		
Investments:		
Fixed maturity securities available for sale, at fair value	\$ 2,694,780	\$ 2,865,476
Equity securities available for sale, at fair value	58,236	52,775
Mortgage loans	463,739	458,668
Real estate	123,236	81,870
Policy loans	98,342	101,088
Short-term investments	36,373	46,383
Other investments	1,788	2,179
Total investments	3,476,494	3,608,439
Cash	649	10,985
Accrued investment income	39,101	40,002
Deferred acquisition costs	224,877	226,963
Value of business acquired	87,329	89,505
Reinsurance receivables	163,763	162,700
Property and equipment	28,988	29,954
Other assets	23,607	21,964
Separate account assets	363,247	367,860
Total assets	\$ 4,408,055	\$ 4,558,372
LIABILITIES		
Future policy benefits	\$ 853,738	\$ 860,284
Policyholder account balances	2,228,214	2,278,418
Policy and contract claims	36,508	36,142
Other policyholder funds	90,728	93,197
Notes payable	17,787	27,282
Income taxes	13,040	40,155
Other liabilities	166,181	174,815
Separate account liabilities	363,247	367,860
Total liabilities	3,769,443	3,878,153
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	25,426	25,063
Retained earnings	767,686	756,807
Accumulated other comprehensive loss	(58,747)	(8,406)
Less treasury stock, at cost (2006 - 6,620,499 shares; 2005 - 6,578,046 shares)	(118,874)	(116,366)
Total stockholders' equity	638,612	680,219
Total liabilities and stockholders' equity	\$ 4,408,055	\$ 4,558,372

See accompanying Notes to Consolidated Financial Statements (Unaudited).

KANSAS CITY LIFE INSURANCE COMPANY
CONSOLIDATED STATEMENTS OF INCOME (Unaudited)
(amounts in thousands, except share data)

	Quarter ended June 30	Six Months ended June 30
	2006	2005