

**IN THE CIRCUIT COURT OF JACKSON COUNTY, MISSOURI  
AT KANSAS CITY**

DAVID B. KARR, individually and on behalf of	)	
others similarly situated,	)	
	)	Case No. _____
Plaintiff,	)	
	)	Division _____
vs.	)	
	)	
KANSAS CITY LIFE INSURANCE	)	
COMPANY	)	
	)	
Serve: A Craig Mason Jr (Registered Agent)	)	
3520 Broadway	)	
Kansas City, MO 64111	)	
	)	
Defendant.	)	

**PETITION**  
**(Civil Action Codes CA, TI, EA, EC)**

Plaintiff David B. Karr, by and through his counsel of record, states and alleges the following claims against Defendant Kansas City Life Insurance Company.

**NATURE OF ACTION**

1. This is a class action for breach of contract and conversion to recover amounts that Defendant charged Plaintiff and the proposed class in excess of amounts authorized by the express terms of their life insurance policies. Plaintiff's claims are supported by the written provisions of his policy, which are materially the same as those of other policies held by the members of the proposed class.

2. The terms of Plaintiff's life insurance policy provide for a "cash value" consisting of monies held in trust by Defendant for Plaintiff, and Defendant is contractually bound to deduct from the cash value only those charges that are explicitly identified and authorized by the policy's terms.

3. Despite unambiguous language in the policy, which is a fully integrated insurance agreement, Defendant breaches the policy by deducting charges from Plaintiff's cash value in excess of the amounts specifically permitted by the policy. Defendant has breached the policy repeatedly and continues to do so.

4. Defendant has caused material harm to Plaintiff and the proposed class by improperly draining monies they have accumulated in the cash values of their policies. Every unauthorized dollar taken from policy owners is one less dollar that can be used to: earn interest; pay future premiums; increase the death benefit; use as collateral for policy loans; or withdraw as cash.

5. Plaintiff brings this case as a class action under Missouri Rule of Civil Procedure 52.08, individually and on behalf of the following persons (the "class"):

All Missouri citizens who own or owned a life insurance policy issued or administered by Defendant, the terms of which provide or provided for: (1) an insurance or cost of insurance charge or deduction calculated using a rate that is determined based on Defendant's expectations as to future mortality experience; (2) additional but separate policy charges, deductions, or expenses; (3) an investment, interest-bearing, or savings component; and (4) a death benefit.

6. On behalf of himself and the class, Plaintiff seeks to recover damages, as well as declaratory and injunctive relief.

### **PARTIES**

7. Plaintiff David B. Karr resides in Savannah, Missouri, and is a citizen of the State of Missouri.

8. Defendant Kansas City Life Insurance Company is a corporation incorporated under the laws of the State of Missouri, with its principal place of business in Kansas City, Missouri.

## **JURISDICTION AND VENUE**

9. Jurisdiction and venue are proper in this Court.

10. This Court has personal jurisdiction over Defendant pursuant to RSMo. § 506.500(1), (2), (3), and/or (5) because the claims alleged herein against Defendant arise from Defendant's (1) transaction of business within Missouri, (2) making of contracts within Missouri, (3) commission of tortious acts within Missouri, and (5) contracting to insure persons located within Missouri at the time of contracting.

11. This Court has subject matter jurisdiction over Plaintiff's claims pursuant to Article V, § 14(a), of the Missouri Constitution. And, jurisdiction is vested in the Circuit Court of Jackson County, Missouri in that the damages are in excess of the monetary jurisdictional minimum of the Circuit Court.

12. Venue is proper in this Court pursuant to RSMo. § 375.1803.1 because Defendant's registered office is located in Jackson County, Missouri. Accordingly, pursuant to RSMo. §§ 375.1800.1 and 508.010.17, Defendant resides in Jackson County, Missouri. Venue is proper at Kansas City pursuant to RSMo. § 478.461.2.

13. This case is not removable to federal court because Plaintiff, all putative class members, and Defendant are citizens of Missouri at the time of this Petition. In addition, neither Plaintiff nor any member of the class asserts any federal question.

## **FACTUAL BACKGROUND**

14. Plaintiff purchased from Defendant a "Flexible Premium Adjustable Death Benefit Life Policy" bearing policy number 2352768, with an issue date of May 20, 1986, a policy date of June 3, 1986, and an initial specified amount of \$50,000 (the "Policy"). A true and accurate copy of the Policy is attached hereto as Exhibit A, and incorporated herein by reference.

15. Plaintiff has always been both the “owner” and the “insured” under the Policy, which remains in force.

16. Defendant is the effective and liable insurer of the Policy, and policies meeting the class definition (the “Class Policies”).

17. The entire contract between Plaintiff and Defendant consists of the Policy, the application, and any supplemental applications. Ex. A at p. 7.

18. The terms of the Policy are not subject to individual negotiation and are materially the same for all policy owners.

19. Only the President, Vice President, Secretary, or Assistant Secretary of Defendant has authority to change a provision of the Policy, and any such “approved change must be endorsed on or attached to” the Policy. Ex. A at p. 10.

20. Insurance agents do not have “authority to make any changes or waive any of the terms” of the Policy. Ex. A at p. 10; *see also* Section 16 of Plaintiff’s application included in Ex. A (“No agent has the authority . . . to waive any of the [Defendant]’s rights or requirements, or to make or alter any contract or policy.”).

21. Defendant has issued and administered, and currently administers, all aspects of the Policy and Class Policies, including collecting premiums, and determining, assessing, and deducting policy charges.

22. Plaintiff’s Policy and the Class Policies are permanent life insurance, meaning their purpose is to provide insurance protection for the life of the insured.

23. In addition to a death benefit, the Policy and Class Policies provide policy owners an investment, savings, or interest-bearing component that accumulates value over time. Although

the savings component in certain of the Class Policies may be identified by a different name, it is identified in the Policy and throughout this Complaint as the “cash value.”

24. Generally, under universal life policies like those owned by Plaintiff and class members, premiums are deposited into the cash value of the policy, and the insurer deducts certain amounts directly from premium payments and monthly deductions from the cash value as disclosed and authorized by the policy.

25. The funds held in the cash value are policy owner property that Defendant holds in trust for its policy owners.

26. The Policy and Class Policies expressly identify how the cash value is calculated:

On each monthly anniversary day the cash value will be equal to:

$$A + B + C - D$$

On any day other than a monthly anniversary day, the cash value will be equal to:

$$A + B + C$$

“A” is the cash value on the preceding monthly anniversary day.

“B” is the net premiums received since the preceding monthly anniversary day.

“C” is interest on “A” from the preceding monthly anniversary day plus interest on each net premium in “B” from the date of receipt of each premium at [Defendant’s] Home Office.

“D” is the monthly deduction (as described in Section 10.4) for the month beginning on that monthly anniversary day.

Ex. A. at p. 10.

27. The Policy expressly defines the specific charges that Defendant may assess and deduct from Plaintiff’s premium payments and the Policy’s cash value. Defendant may assess and deduct only those charges allowed by the Policy.

28. The Policy authorizes Defendant to deduct a premium expense charge of 7.5% from each premium payment for the first 10 years the policy is in-force and 3% from each premium payment thereafter. Ex. A at p. 4.

29. The Policy authorizes Defendant to take from the cash value a “Monthly Deduction.” The Monthly Deduction is:

The amount [Defendant] deduct[s] on the monthly anniversary day from the cash value to pay the cost of insurance, expenses and the cost of any additional benefits provided by riders for the month beginning on that monthly anniversary day.

Ex. A at p. 6.

30. The Policy authorizes Defendant to deduct a monthly expense charge in the amount of \$18.50 per month for the first policy year and \$2.50 per month after the first policy year for all remaining policy years. Ex. A at p. 4.

31. The Policy also authorizes Defendant to deduct an increase expense charge of \$1.44 per \$1,000 increase in specified amount. Ex. A at p. 4.

32. The Policy defines its “Expense Charges” as follows:

The amount [Defendant] deduct[s] to cover [Defendant’s] expenses. The premium expense charge is the amount [Defendant] deduct[s] from each premium payment. The monthly expense charge is included in the monthly deduction. These charges are shown on page 4.

Ex. A at p. 6.

33. The Policy identifies how the current monthly expense charges will be determined:

The current monthly expense charge and the current increase expense charge are shown on page 4. These expense charges will be determined by [Defendant] based on [Defendant’s] expectations as to future expenses. However, any percentage increase in these current expense charges over that shown on page 4 will not be greater than the percentage increase over the same period in the Consumer Price Index for Urban Wage Earners and Clerical Workers-All Items. If the Consumer Price Index is no longer available, [Defendant] will substitute an index which in [Defendant’s] opinion is a comparable index.

Ex. A at p. 11.

34. The premium expense charge, monthly expense charge, and increase expense charge are the only “expense charges” identified by the Policy.

35. In addition to setting the maximum amounts Defendant is authorized to deduct for expense charges, the Policy expressly identifies a separate cost of insurance charge deducted from the cash value each month.

36. The “Cost of Insurance” is defined in the Policy as:

The charge [Defendant] make[s] for providing pure insurance protection using the current cost of insurance rates for this policy. It does not include the cost of any additional benefits provided by riders.

Ex. A at p. 6.

37. The Policy identifies how the cost of insurance is calculated:

The cost of insurance on any monthly anniversary day is equal to:

$$Q \times (R - S)$$

“Q” is the cost of insurance rate (as described in Section 3).

“R” is the Insured’s death benefit on that day divided by no less than 1.0024663.

“S” is the cash value (as described in Section 10.2) prior to subtracting the cost of insurance.

Ex. A at p. 11.

38. The Policy discloses how the monthly cost of insurance rates (“Q” in the above paragraph) will be determined:

The cost of insurance rate on each monthly anniversary day is based on the Insured’s sex, age and risk class. Age means the age on the Insured’s last birthday. The guaranteed maximum monthly cost of insurance rates per \$1,000 shown in the table below are based on the Commissioners 1958 Standard Ordinary Mortality Table, age last birthday.

Monthly cost of insurance rates actually used will be determined by [Defendant] based on [Defendant’s] expectations as to future mortality experience, but these rates will never be greater than those shown below. However, the guaranteed

maximum monthly cost of insurance rates for special risk classes will be adjusted appropriately.

Ex. A at p. 5.

39. Age, sex, and risk class are factors commonly used within the life insurance industry to determine the mortality expectations of an insured or group or class of insureds.

40. Because the Policy specifically identifies age, sex, and risk class in the cost of insurance provisions, and expressly states that the cost of insurance rates actually used will be determined based on Defendant's expectations as to future mortality experience, the parties agreed that Defendant's mortality expectations are what determine cost of insurance rates under the Policy.

41. Like the Policy, the Class Policies disclose similar periodic deductions that Defendant is authorized to take from policy owners' cash values, including specifically, cost of insurance charges that are calculated using rates that Defendant must determine based on its expectation as to future mortality experience and separate, monthly expense charges.

42. Although the Policy and Class Policies authorize Defendant to determine cost of insurance rates based on its "expectations as to future mortality experience," based on information and belief, Defendant does not determine cost of insurance rates based on its "expectations as to future mortality experience." Defendant considers and uses other undisclosed factors to determine such rates, including without limitation, expenses.

43. By failing to determine cost of insurance rates based on its "expectations as to future mortality experience," Defendant knowingly causes those rates to be higher than what is explicitly authorized by the Policy and Class Policies.

44. By failing to determine cost of insurance rates based on its expectations as to future mortality experience, Defendant repeatedly breaches the Policy and Class Policies by



impermissibly inflating those rates such that they exceed Defendant's "expectations as to future mortality experience."

45. The higher cost of insurance rates used by Defendant cause the monthly cost of insurance charge to be greater than what is explicitly authorized by the Policy and Class Policies. Consequently, Defendant withdraws from the cash value amounts for the cost of insurance that are greater than those authorized under the Policy and Class Policies.

46. Defendant's failure to determine cost of insurance rates based on its "expectations as to future mortality experience" and its assessment of unauthorized, hidden, non-mortality related expense loads in the monthly cost of insurance charge drained Plaintiff's cash value over time. Plaintiff does not have other life insurance coverage and Plaintiff likely would not be able to obtain alternative affordable life insurance coverage due to his advanced age and health conditions. In other words, Plaintiff now is effectively uninsurable. Similarly, class members, like Plaintiff, may be left without life insurance when it is needed most (or will be in the future).

47. Each of Defendant's past and future cost of insurance deductions from the cash values of Plaintiff and the class constitutes separate breaches of contract.

48. As a direct and proximate result of Defendant's breaches, Plaintiff and the class have been damaged, and those damages are continuing in nature in that Defendant has deducted and will continue to deduct cost of insurance charges from the cash values of policy owners in unauthorized amounts.

49. By loading cost of insurance rates with undisclosed expense experience factors, Defendant repeatedly breaches the Policy and Class Policies by impermissibly deducting amounts from the cash values of Plaintiff and the class in excess of the expense charge amounts expressly authorized by the Policy and Class Policies.

50. Defendant's inclusion of hidden expense loads in the cost of insurance rates is not authorized under the expense provisions of the Policy. Indeed, Defendant charged policy owners the expense amounts authorized under the Policy's and Class Policies' expense provisions, and therefore, did not have authorization to deduct additional expenses through cost of insurance charges.

51. For example, from June 3, 2018 to June 3, 2019, Defendant deducted \$46.03 from Plaintiff's cash value related to the Policy authorized "Expense Charges." In violation of the Policy, however, Defendant also loaded hidden expense charges in excess of the Policy disclosed expense charges into the cost of insurance (i.e., expense charges in addition to the \$46.03). All class members, like Plaintiff, have been assessed unauthorized expenses through these hidden loads.

52. Each of Defendant's deductions for expenses in excess of the maximum expense charge amounts constitutes separate breaches of contract.

53. As a direct and proximate result of Defendant's breaches, therefore, Plaintiff and the class have been damaged and those damages are continuing in nature in that Defendant has deducted and will continue to deduct expenses from the cash values of Plaintiff and the class in amounts not authorized by the Policy and Class Policies.

54. The nature of Defendant's conduct is such that Plaintiff and each member of the class would be unaware that Defendant was engaging in wrongdoing by taking inflated charges and improper amounts from cash values. Defendant possesses the actuarial information and equations underlying the computation of rates and charges for the Policy. The cost of insurance rates used to calculate cost of insurance charges are not disclosed to policy owners, nor are the components or factors used to determine those rates. And, even if they were, Plaintiff and the

members of the class would lack the knowledge, experience, or training to reasonably ascertain how Defendant calculated the rates and charges included in the Policy.

55. Because of its superior knowledge of the aforementioned computations, Defendant was aware that Plaintiff and each member of the class did not know about the improper deductions. Defendant sent Plaintiff and the class annual statements each year that identified each month's cost of insurance charge while affirmatively concealing the factors Defendant considered and used to determine the cost of insurance rates. Concealment of its conduct and failure to disclose its conduct to Plaintiff and the class constitutes fraudulent concealment and therefore tolls the statute of limitations for Plaintiff and proposed class members. Plaintiff did not learn of Defendant's breaches until after he had engaged counsel, who consulted an actuarial expert.

56. Plaintiff did not discover, nor could he have discovered through reasonable diligence, the facts establishing Defendant's breaches or conversions or the harm caused thereby.

### **CLASS ACTION ALLEGATIONS**

57. Pursuant to Missouri Rules of Civil Procedure 52.08(a), 52.08(b)(1), 52.08(b)(2), 52.08(b)(3) and/or 52.08(c)(4), Plaintiff brings this action on behalf of himself and all Missouri citizens similarly situated, and seeks to represent the following class:

All Missouri citizens who own or owned a life insurance policy issued or administered by Defendant, the terms of which provide or provided for: (1) an insurance or cost of insurance charge or deduction calculated using a rate that is determined based on Defendant's expectations as to future mortality experience; (2) additional but separate policy charges, deductions, or expenses; (3) an investment, interest-bearing, or savings component; and (4) a death benefit.

58. Excluded from the class is Defendant, any entity in which Defendant has a controlling interest, any of the officers, directors, or employees of the Defendant, the legal representatives, heirs, successors, and assigns of the Defendant, anyone employed with Plaintiff's counsels' firms, any Judge to whom this case is assigned, and his or her immediate family. Also

excluded from the class is any variable life insurance contract or policy that explicitly discloses all of the factors on which Defendant based its determination of cost of insurance rates and charges.

59. Plaintiff's claims satisfy the numerosity, typicality, adequacy, commonality and superiority requirements under Federal Rule of Civil Procedure 52.08, as set forth more fully herein.

60. The persons who fall within the class number in at least the hundreds, and thus the numerosity standard is satisfied. Because class members are geographically dispersed across the state, joinder of all class members in a single action is impracticable.

61. Class members are readily ascertainable from information and records in Defendant's possession, custody, or control. Notice of this action can readily be provided to the class.

62. There are questions of law and fact common to the claims of Plaintiff and the class that predominate over any questions affecting only individual class members. The questions of law and fact arising from Defendant's actions that are common to the class include, without limitation:

- (a) Whether Defendant is permitted by the Class Policies to determine cost of insurance rates that are not based on its expectations as to future mortality experience;
- (b) Whether Defendant determines cost of insurance rates that are not based on its expectations as to future mortality experience;
- (c) Whether Defendant is permitted by the Class Policies to consider and use undisclosed factors to determine the monthly cost of insurance rates used to calculate cost of insurance charges;
- (d) Whether Defendant considered, added, included, used, or relied on undisclosed factors to determine the monthly cost of insurance rates used to calculate cost of insurance charges;

- (e) Whether Defendant is permitted by the Class Policies to charge expense amounts to policy owners in excess of the amounts disclosed in the Class Policies;
- (f) Whether Defendant charged expense amounts to policy owners in excess of the amounts disclosed in the Class Policies;
- (g) Whether Defendant breached the terms of the Class Policies or converted class members' property;
- (h) Whether the class sustained damages as a result of Defendant's breaches of contract and conversions;
- (i) Whether the class is entitled to damages, restitution, and/or other equitable relief; and
- (j) Whether the class, or a subset of the class, is entitled to declaratory relief stating the proper construction and/or interpretation of the Class Policies.

63. The questions set forth above predominate over any questions affecting only individual persons, and a class action is superior with respect to considerations of consistency, economy, efficiency, fairness, and equity to other available methods for the fair and efficient adjudication of the claims asserted herein.

64. Plaintiff's claims are typical of the claims of the class in that Plaintiff and the class members all purchased policies containing the same or similar limitations on the amounts that Defendant could charge its policyholders under the express terms of the Policy and Class Policies.

65. Plaintiff will fairly and adequately protect and represent the interests of the proposed class, because his interests are aligned with, and not antagonistic to, those of the proposed class, and he is represented by counsel who are experienced and competent in the prosecution of class action litigation, and have particular expertise with class action litigation on behalf of owners of universal life insurance policies.

66. Maintenance of this action as a class action is a fair and efficient method for adjudicating this controversy. It would be impracticable and undesirable for each member of the

class to bring a separate action. Because of the relatively small size of individual class members' claims, absent a class action, most class members would likely find the cost of litigating their claims prohibitively high and would have no effective remedy. In addition, the maintenance of separate actions would place a substantial and unnecessary burden on the courts and could result in inconsistent adjudications, while a single class action can determine, with judicial economy, the rights of all class members.

**COUNT I: BREACH OF CONTRACT**  
**(Cost of Insurance Charge)**

67. The preceding paragraphs are incorporated by reference as if fully alleged herein.

68. Plaintiff and the class purchased life insurance policies—the Policy and Class Policies—from Defendant.

69. The Policy and Class Policies are valid and enforceable contracts between the Defendant and Plaintiff and class members.

70. Plaintiff and the class substantially performed their obligations under the terms of the Policy and Class Policies.

71. Defendant considers and uses unauthorized and undisclosed factors to determine its monthly cost of insurance rates.

72. Defendant does not determine cost of insurance rates based on its expectations as to future mortality experience.

73. Defendant impermissibly causes cost of insurance rates to be higher for the Policy and the Class Policies.

74. Because Defendant calculates cost of insurance charges using monthly cost of insurance rates that are higher than those authorized by the Policy and Class Policies, Defendant

has deducted and will deduct cost of insurance charges from the cash values of Plaintiff and the class in amounts greater than those authorized by their policies.

75. Defendant's practice of deducting charges in amounts not authorized by the Policy and Class Policies results in repeated breaches of the policies.

76. As a direct and proximate result of Defendant's breaches, Plaintiff and the class have sustained damages that are continuing in nature in an amount to be determined at trial.

**COUNT II: BREACH OF CONTRACT**  
**(Expense Charges)**

77. The preceding paragraphs are incorporated by reference as if fully alleged herein.

78. By loading monthly cost of insurance rates with undisclosed expense factors, Defendant impermissibly deducts expense charges from the cash values of Plaintiff and the class in amounts in excess of the maximum expense charges expressly authorized by their policies.

79. By deducting unauthorized expense charges from the cash values of Plaintiff and the class, Defendant has breached and continues to breach the Policy and Class Policies.

80. As a direct and proximate result of Defendant's breaches, Plaintiff and the class have sustained damages that are continuing in nature in an amount to be determined at trial.

**COUNT III: BREACH OF CONTRACT**  
**(Improving Expectations as to Future Mortality Experience)**

81. The preceding paragraphs are incorporated by reference as if fully alleged herein.

82. The Policy and Class Policies require Defendant to determine cost of insurance rates based on its expectations as to future mortality experience.

83. Although its mortality expectations have generally improved because people are living longer today than when the Policy and Class Policies were initially priced, Defendant has,

on information and belief, failed to reduce monthly cost of insurance rates for the Policy and Class Policies to reflect those improved mortality expectations.

84. Defendant's failure to reduce these rates even though its expectations of future mortality experience improved constitutes breaches of the Policy and Class Policies.

85. As a direct and proximate result of Defendant's breaches, Plaintiff and the class have sustained damages that are continuing in nature in an amount to be determined at trial.

#### **COUNT IV: CONVERSION**

86. The preceding paragraphs are incorporated by reference as if fully alleged herein.

87. Plaintiff and the class had a property interest in the funds Defendant deducted from their cash values in excess of the amounts permitted by the terms of the Policy and Class Policies.

88. By deducting cost of insurance charges and expense charges in unauthorized amounts from the cash values of Plaintiff and the class, Defendant assumed and exercised ownership over, and misappropriated or misapplied, specific funds held in trust for the benefit of Plaintiff and the class, without authorization or consent and in hostility to the rights of Plaintiff and class members.

89. Defendant continues to retain these funds unlawfully without Plaintiff and class members' consent.

90. Defendant's wrongful exercise of control over the personal property of Plaintiff and class members constitutes conversion.

91. As a direct and proximate result of Defendant's conduct, Plaintiff and the class have been damaged, and these damages are continuing in nature.

92. Although requiring expert testimony, the amounts of unauthorized cost of insurance charges and expense charges Defendant took from Plaintiff and the class are capable of



determination, to an identified sum, by comparing Plaintiff's actual cost of insurance charge each month to a cost of insurance charge computed using a monthly cost of insurance rate determined based on Defendant's expectations as to future mortality experience.

93. On behalf of himself and the class, Plaintiff seeks all damages and consequential damages proximately caused by Defendant's conduct.

94. Defendant intended to cause damage to Plaintiff and the class by deducting more from their cash value than was authorized by the Policy and Class Policies. Plaintiff and the class are therefore entitled to damages.

#### **COUNT V: DECLARATORY AND INJUNCTIVE RELIEF**

95. The preceding paragraphs are incorporated by reference as if fully alleged herein.

96. An actual controversy has arisen and now exists between Plaintiff and the class, on the one hand, and Defendant, on the other, concerning the respective rights and duties of the parties under the Policy and Class Policies.

97. Plaintiff contends that Defendant has breached the Policy and Class Policies in the following respects:

- (a) By failing to determine cost of insurance rates based on its expectations as to future mortality experience, Defendant impermissibly increased monthly cost of insurance rates for the Policy and Class Policies and, as a result, withdrew cost of insurance charges from the cash values of Plaintiff and the class in an amount greater than those authorized by the Policy and Class Policies.
- (b) By inflating monthly cost of insurance rates with unauthorized expense factors, Defendant impermissibly deducted expenses from the cash values of Plaintiff and the class in amounts in excess of the maximum expense charges expressly authorized by the Policy and Class Policies.
- (c) By failing to reduce cost of insurance rates to reflect Defendant's improving expectations as to future mortality experience.

98. Plaintiff therefore seeks a declaration of the parties' respective rights and duties under the Policy and Class Policies and requests the Court declare the aforementioned conduct of Defendant unlawful and in material breach of the Policy and Class Policies so that future controversies may be avoided.

99. Pursuant to a declaration of the parties' respective rights and duties under the Policy and Class Policies, Plaintiff further seeks an injunction enjoining Defendant (1) from continuing to engage in conduct in breach of the Policy and Class Policies, and from continuing to collect unlawfully inflated charges in violation of the Policy and Class Policies; and (2) ordering Defendant to comply with the terms of the Policy and Class Policies in regards to its assessment of charges against Plaintiff and class members' cash values.

### **PRAYER FOR RELIEF**

WHEREFORE, Plaintiff, individually and on behalf of all others similarly situated, requests relief and judgment against Defendant as follows:

- (a) That the Court enter an order certifying the class, appointing Plaintiff as a representative of the class, appointing Plaintiff's counsel as class counsel, and directing that reasonable notice of this action, as provided by Missouri Rule of Civil Procedure 52.08(c)(2), be given to the class;
- (b) For a judgment against Defendant for the causes of action alleged against it;
- (c) For damages in an amount to be proven at trial;
- (d) For a declaration that Defendant's conduct as alleged herein is unlawful and in material breach of the Policy and Class Policies;
- (e) For appropriate injunctive relief, enjoining Defendant from continuing to engage in conduct related to the breach of the Policy and Class Policies;

- (f) For pre-judgment and post-judgment interest at the maximum rate permitted by law;
- (g) For Plaintiff's attorney's fees;
- (h) For Plaintiff's costs incurred; and
- (i) For such other relief in law or equity as the Court deems just and proper.

**DEMAND FOR JURY TRIAL**

Plaintiff hereby demands a trial by jury on all issues so triable.

October 1, 2019

Respectfully submitted,

**STUEVE SIEGEL HANSON LLP**

*s/ Patrick J. Stueve*

---

Patrick J. Stueve MO Bar # 37682

Ethan M. Lange MO Bar # 67857

460 Nichols Road, Suite 200

Kansas City, Missouri 64112

Telephone: 816-714-7100

Facsimile: 816-714-7101

Email: stueve@stuevesiegel.com

Email: lange@stuevesiegel.com

- And -

John J. Schirger MO Bar # 60583

Matthew W. Lytle MO Bar # 59145

Joseph M. Feierabend MO Bar # 62563

**MILLER SCHIRGER, LLC**

4520 Main Street, Suite 1570

Kansas City, Missouri 64111

Telephone: 816-561-6500

Facsimile: 816-561-6501

Email: jschirger@millerschirger.com

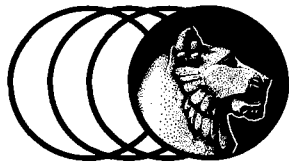
Email: mlytle@millerschirger.com

Email: jfeierabend@millerschirger.com

**COUNSEL FOR PLAINTIFF**

**DAVID B. KARR**

# EXHIBIT A



*The Lioness...protecting her own.*

# KANSAS CITY LIFE INSURANCE COMPANY

*Since 1895*

## **FLEXIBLE PREMIUM ADJUSTABLE DEATH BENEFIT LIFE POLICY - NONPARTICIPATING**

Adjustable death benefit. Death proceeds payable at death of Insured prior to maturity date. Cash value payable on maturity date. Flexible premiums payable until maturity date or prior death of Insured.

Kansas City Life Insurance Company will pay the proceeds of this policy according to the provisions on this and the following pages, all of which are part of this policy. This policy is a legal contract between you and Kansas City Life Insurance Company. **READ YOUR POLICY CAREFULLY.**

Signed for Kansas City Life Insurance Company, a stock company, at its Home Office, 3520 Broadway, Post Office Box 419139, Kansas City, Missouri 64141-9139.

Secretary

Chairman of the Board  
and President

### **20-DAY RIGHT TO EXAMINE POLICY**

Please examine this policy carefully. If you are not satisfied, you may return the policy to us or to your agent within 20 days of its receipt. If returned, the policy will be void from the beginning and any premium paid will be refunded.

192021-80

## GUIDE TO POLICY PROVISIONS

	Page
SECTION 1. Policy Data .....	3
SECTION 2. Benefit and Premium Schedule .....	4
SECTION 3. Table of Guaranteed Maximum Monthly Cost of Insurance Rates Per \$1,000 .....	5
SECTION 4. Definition of Certain Terms .....	6
SECTION 5. Policy Proceeds .....	6
SECTION 6. General Provisions .....	7
6.1 Contract                      6.5 Termination of	
6.2 Incontestability              Coverage	
6.3 Suicide                      6.6 Nonparticipating	
6.4 Age and Sex                  6.7 Annual Report	
SECTION 7. Premium and Reinstatement Provisions .....	8
SECTION 8. Ownership, Assignment and Beneficiary Provisions .....	9
SECTION 9. Policy Change Provisions .....	9
SECTION 10. Guaranteed Policy Values .....	10
SECTION 11. Loan Provisions .....	12
SECTION 12. Settlement Options .....	13

A copy of the original application and any additional benefits provided by rider or endorsement follow page 15.

SECTION 1. POLICY DATA

POLICY NUMBER KNR04  
2352768

BENEFICIARY

AS STATED IN THE APPLICATION

INSURED  
DAVID B KARR

INITIAL SPECIFIED AMOUNT  
\$50,000

POLICY DATE  
JUN 03, 1986

OWNER  
THE INSURED

MATURITY DATE\*  
APR 03, 2051

ISSUE DATE  
MAY 20, 1986

ISSUE AGE  
[REDACTED]

SEX  
MALE

MINIMUM SPECIFIED AMOUNT  
\$50,000

MINIMUM PREMIUM PAYMENT  
\$25.00

PARTIAL SURRENDER CHARGE  
\$25.00

AGENCY  
0098

\*COVERAGE MAY EXPIRE PRIOR TO THE MATURITY  
DATE IF CURRENT VALUES AND ASSUMPTIONS CHANGE  
OR IF INSUFFICIENT PREMIUM PAYMENTS ARE MADE.



## SECTION 2. BENEFIT AND PREMIUM SCHEDULE

DATE PREPARED: 05/20/1986

INSURED  
DAVID B KARRPOLICY NUMBER  
2352768

KNR04

PLANNED PREMIUM PAYMENT: \$534.24 ANNUALLY

\$3,926.22 OF VALUE TRANSFERRED FROM EXISTING POLICY(IES).

FORM NO.	BENEFIT DESCRIPTION	SPECIFIED AMOUNT	RISK CLASS	MONTHLY COST OF INSURANCE
101190-82	COVERAGE OPTION A. DEATH BENEFIT EQUALS THE SPECIFIED AMOUNT AT THE TIME OF DEATH. (EFFECTIVE: JUN 03, 1986)	\$50,000 *	SP SMOKER	SEE PAGE 5
190141-82	ACCIDENTAL DEATH RIDER (EFFECTIVE: JUN 03, 1986)	\$50,000	STANDARD	\$4.17 (EXPIRATION: APR 03, 2026)

## PREMIUM EXPENSE CHARGE

3.750% DEDUCTED FROM \$2,766.75 CASH VALUE TRANSFERRED FROM  
EXISTING POLICIES. 7.500% DEDUCTED FROM EACH PREMIUM PAYMENT FOR  
THE FIRST 10 YEARS, AND 3.000% FROM EACH PREMIUM PAYMENT THEREAFTER.

## CURRENT MONTHLY EXPENSE CHARGE

\$18.50 PER MONTH FOR THE FIRST POLICY YEAR.

2.50 PER MONTH AFTER THE FIRST POLICY YEAR.

## CURRENT INCREASE EXPENSE CHARGE

\$1.44 PER \$1,000 INCREASE IN SPECIFIED AMOUNT.

\*THIS IS THE SPECIFIED AMOUNT AT THE TIME THIS POLICY WAS ISSUED. THE  
SPECIFIED AMOUNT MAY BE CHANGED AS PROVIDED IN THE POLICY CHANGE  
PROVISIONS.

(CONTINUED ON FOLLOWING PAGE)

PAGE 4

## SECTION 2. BENEFIT AND PREMIUM SCHEDULE

DATE PREPARED: 05/20/1986

(CONTINUED)

INSURED  
DAVID B KARRPOLICY NUMBER  
2352768

KNR04

FORM NO.	BENEFIT DESCRIPTION	SPECIFIED AMOUNT	RISK CLASS	MONTHLY COST OF INSURANCE
190480-83	OTHER INSURED TERM LIFE INSURANCE RIDER [REDACTED] (EFFECTIVE: 06-03-1986)	\$50,000	SP SMOKER	SEE RIDER
190480-83	OTHER INSURED TERM LIFE INSURANCE RIDER [REDACTED] (EFFECTIVE: 06-03-1986)	\$10,000	STANDARD	SEE RIDER
190480-83	OTHER INSURED TERM LIFE INSURANCE RIDER [REDACTED] (EFFECTIVE: 06-03-1986)	\$10,000	STANDARD	SEE RIDER

<b>SECTION 3:</b> <b>GUARANTEED MAXIMUM MONTHLY COST</b> <b>OF INSURANCE RATES PER \$1,000</b>
--

The cost of insurance rate on each monthly anniversary day is based on the Insured's sex, age and risk class. Age means the age on the Insured's last birthday. The guaranteed maximum monthly cost of insurance rates per \$1,000 shown in the table below are based on the Commissioners 1958 Standard Ordinary Mortality Table, age last birthday.

Monthly cost of insurance rates actually used will be determined by us based on our expectations as to future mortality experience, but these rates will never be greater than those shown below. However, the guaranteed maximum monthly cost of insurance rates for special risk classes will be adjusted appropriately.

Age	Male Rate	Female Rate	Age	Male Rate	Female Rate	Age	Male Rate	Female Rate
0	\$ .36926	\$ .32862	32	\$ .19045	\$ .17544	64	\$ 2.53768	\$ 1.94238
1	\$ .13669	\$ .12836	33	\$ .19671	\$ .18003	65	\$ 2.77608	\$ 2.12333
2	\$ .12419	\$ .11502	34	\$ .20462	\$ .18503	66	\$ 3.03928	\$ 2.32107
3	\$ .11918	\$ .11001	35	\$ .21463	\$ .19045	67	\$ 3.32978	\$ 2.53768
4	\$ .11459	\$ .10543	36	\$ .22671	\$ .19671	68	\$ 3.64685	\$ 2.77608
5	\$ .11043	\$ .10126	37	\$ .24213	\$ .20462	69	\$ 3.98676	\$ 3.03928
6	\$ .10669	\$ .09751	38	\$ .26088	\$ .21463	70	\$ 4.34500	\$ 3.32978
7	\$ .10376	\$ .09459	39	\$ .28256	\$ .22671	71	\$ 4.71692	\$ 3.64685
8	\$ .10167	\$ .09293	40	\$ .30716	\$ .24213	72	\$ 5.09967	\$ 3.98676
9	\$ .10084	\$ .09250	41	\$ .33384	\$ .26088	73	\$ 5.49760	\$ 4.34500
10	\$ .10168	\$ .09293	42	\$ .36260	\$ .28256	74	\$ 5.92258	\$ 4.71692
11	\$ .10376	\$ .09418	43	\$ .39386	\$ .30716	75	\$ 6.38757	\$ 5.09967
12	\$ .10751	\$ .09625	44	\$ .42806	\$ .33384	76	\$ 6.90619	\$ 5.49760
13	\$ .11293	\$ .09918	45	\$ .46600	\$ .36260	77	\$ 7.49028	\$ 5.92258
14	\$ .11876	\$ .10293	46	\$ .50810	\$ .39386	78	\$ 8.14300	\$ 6.38757
15	\$ .12502	\$ .10751	47	\$ .55482	\$ .42806	79	\$ 8.85700	\$ 6.90619
16	\$ .13168	\$ .11293	48	\$ .60653	\$ .46600	80	\$ 9.62445	\$ 7.49028
17	\$ .13793	\$ .11876	49	\$ .66366	\$ .50810	81	\$10.43681	\$ 8.14300
18	\$ .14294	\$ .12502	50	\$ .72664	\$ .55482	82	\$11.28617	\$ 8.85700
19	\$ .14710	\$ .13168	51	\$ .79505	\$ .60653	83	\$12.17113	\$ 9.62445
20	\$ .15086	\$ .13793	52	\$ .86931	\$ .66366	84	\$13.09630	\$10.43681
21	\$ .15377	\$ .14294	53	\$ .95025	\$ .72664	85	\$14.06747	\$11.28617
22	\$ .15627	\$ .14710	54	\$1.03830	\$ .79505	86	\$15.09034	\$12.17113
23	\$ .15836	\$ .15086	55	\$1.13470	\$ .86931	87	\$16.17587	\$13.09630
24	\$ .16002	\$ .15377	56	\$1.24073	\$ .95025	88	\$17.34343	\$14.06747
25	\$ .16211	\$ .15627	57	\$1.35719	\$1.03830	89	\$18.62108	\$15.09034
26	\$ .16461	\$ .15836	58	\$1.48455	\$1.13470	90	\$20.04580	\$16.17587
27	\$ .16752	\$ .16002	59	\$1.62403	\$1.24073	91	\$21.66244	\$17.34343
28	\$ .17127	\$ .16211	60	\$1.77650	\$1.35719	92	\$23.52590	\$18.62108
29	\$ .17544	\$ .16461	61	\$1.94238	\$1.48455	93	\$26.69963	\$20.04580
30	\$ .18003	\$ .16752	62	\$2.12333	\$1.62403	94	\$28.33894	\$21.66244
31	\$ .18503	\$ .17127	63	\$2.32107	\$1.77650			

## SECTION 4: DEFINITION OF CERTAIN TERMS

The following are key words used in the policy and are important in describing both your rights and ours. As you read this policy, refer back to these definitions.

### 4.1 THE INSURED.

The person whose life is insured under this policy.

### 4.2 YOU, YOUR.

The owner of this policy. The owner may be someone other than the Insured.

### 4.3 WE, OUR, US.

Kansas City Life Insurance Company.

### 4.4 PROCEEDS.

The total amount we are obligated to pay under the terms of this policy.

### 4.5 POLICY DATE.

The date from which policy months, years and anniversaries are computed.

### 4.6 ISSUE DATE.

The date this policy was executed by us. The incontestability and suicide periods for the initial specified amount are measured from this date.

### 4.7 MATURITY DATE.

The date shown on page 3 when coverage terminates and the cash value, if any, is paid.

### 4.8 PLANNED PREMIUM PAYMENTS.

The amount and frequency of premium payments you elected to pay in your last application. This is only an indication of your preference of future premium payments. You may change the amount and frequency of premium payments at any time; however, each premium payment must be at least equal to the minimum premium payment shown on page 3. The ac-

tual amount and frequency of premium payments will affect the cash values and the amount and duration of insurance.

### 4.9 SPECIFIED AMOUNT.

The amount of insurance coverage on the Insured. The death benefit paid will depend on the coverage option in effect at the time of death.

### 4.10 COVERAGE OPTIONS.

Option A provides a death benefit at least equal to the specified amount at the time of death. Option B provides a death benefit at least equal to the specified amount plus the cash value, both at the time of death.

### 4.11 COST OF INSURANCE.

The charge we make for providing pure insurance protection using the current cost of insurance rates for this policy. It does not include the cost of any additional benefits provided by riders.

### 4.12 EXPENSE CHARGES.

The amount we deduct to cover our expenses. The premium expense charge is the amount we deduct from each premium payment. The monthly expense charge is included in the monthly deduction. These charges are shown on page 4.

### 4.13 MONTHLY DEDUCTION.

The amount we deduct on the monthly anniversary day from the cash value to pay the cost of insurance, expenses and the cost of any additional benefits provided by riders for the month beginning on that monthly anniversary day.

### 4.14 MONTHLY ANNIVERSARY DAY.

The day of each month when we make the monthly deduction for this policy. It is the same day of each month as shown in the policy date or the last day of the month for those months not having such a day.

## SECTION 5: POLICY PROCEEDS

### 5.1 PAYMENT OF PROCEEDS.

We will pay the cash value to you if the Insured is living on the maturity date. If the Insured dies prior to this date, we will pay the death proceeds to the beneficiary upon receiving proof of the Insured's death while this policy is in force. When the proceeds are paid, this policy must be returned to us.

To the extent permitted by law, proceeds will not be subject to any claims of a beneficiary's creditors.

### 5.2 AMOUNT OF PROCEEDS PAYABLE AT DEATH.

The amount of proceeds payable upon the Insured's death is determined according to the coverage option

you have elected. The coverage option currently in effect is shown on page 4.

**COVERAGE OPTION A.** The death benefit will be the greater of:

- (1) the specified amount on the date of death increased by any premiums received during the period from the preceding monthly anniversary day to the date of death; or
- (2) the cash value on the date of death plus 10% of the cash value on the monthly anniversary day preceding the date of death.

**COVERAGE OPTION B.** The death benefit will be the greater of:

- (1) the specified amount plus the cash value, both on the date of death; or

- (2) the cash value on the date of death plus 10% of the cash value on the monthly anniversary day preceding the date of death.

Death benefits under either coverage option will be increased by any insurance on the Insured's life provided by riders in force at the Insured's death and any premiums received after the date of death. Death benefits will be decreased by any unpaid policy loan and loan interest.

### **5.3 INTEREST ON DEATH PROCEEDS.**

We will pay interest on single sum death proceeds from the date of the Insured's death until the date of payment. Interest will be at an annual rate determined by us, but never less than the rate required by the state in which this policy is delivered.

## **SECTION 6: GENERAL PROVISIONS**

### **6.1 CONTRACT.**

This policy and application and any supplemental applications are the entire contract. This contract is issued in consideration of the application and payment of the premiums. A copy of the application is attached when the policy is issued. In the absence of fraud, all statements made in any applications either by you or by the Insured will be considered representations and not warranties. Statements may be used to contest a claim or the validity of this policy only if they are contained in an application.

### **6.2 INCONTESTABILITY.**

After this policy has been in force during the Insured's lifetime for two years from the issue date, we cannot contest this policy unless the cash value is insufficient to cover the next monthly deduction.

Any increase in the specified amount will not be contested after the increase has been in force during the lifetime of the Insured for two years following the effective date of the increase.

### **6.3 SUICIDE.**

If the Insured dies by suicide, while sane or insane, within two years of the issue date, the amount payable by us will be equal to the total premiums paid on your policy less the amount of any policy loans, loan interest and partial surrenders.

If the Insured dies by suicide, while sane or insane, within two years after the effective date of any in-

crease in the specified amount, the amount payable by us associated with such increase will be limited to the cost of insurance for such increased amount.

### **6.4 AGE AND SEX.**

This policy is issued at the age shown on page 3 which is the Insured's age on the policy date.

If the Insured's age or sex has been incorrectly stated, the benefits under this policy will be adjusted by the difference in the actual monthly deductions made and the monthly deductions which should have been made for the correct age or sex, accumulated at the interest rates that were credited to the cash value.

### **6.5 TERMINATION OF COVERAGE.**

Coverage under this policy terminates when any of the following events occurs:

- (1) you request that coverage terminate;
- (2) the Insured dies;
- (3) the policy reaches the maturity date; or
- (4) the grace period ends without the payment of a premium sufficient to provide enough cash value to cover the balance of the monthly deduction.



## Section 6: General Provisions (Continued)

### 6.6 NONPARTICIPATING.

This policy is nonparticipating. It will not participate in any of our profits, losses or surplus earnings.

### 6.7 ANNUAL REPORT.

Once a year we will send you a report about your policy. The report will show:

- (1) the current specified amount;
- (2) current cash value;
- (3) partial surrenders;

- (4) premiums paid;
- (5) interest credited;
- (6) all deductions since the last report; and
- (7) the amount of outstanding policy loans and loan repayments, if any.

Upon receiving your written request, we will send you a report at any other time during the year for a reasonable charge as determined by us.

## SECTION 7: PREMIUM AND REINSTATEMENT PROVISIONS

### 7.1 PAYMENT.

Your first premium must be paid when the policy is delivered. There is no insurance until the first premium is paid. All premiums after the first are payable at the Home Office or to a representative authorized to receive premiums. A receipt signed by us will be furnished on request.

### 7.2 PLANNED PREMIUM PAYMENTS.

The planned annual, semi-annual, quarterly or monthly premium payment is shown on page 4.

### 7.3 AMOUNT AND FREQUENCY.

You may change the amount of planned premium payments at any time. Each planned premium payment must be at least equal to the minimum premium payment shown on page 3.

We reserve the right to limit the amount of any increase.

You may change the frequency of planned premium payments at any time. Each premium payment will be credited by us as described in Section 10.

### 7.4 UNSCHEDULED ADDITIONAL PREMIUMS.

Additional premiums may be paid at any time. We reserve the right to limit the number and amount of additional premium payments. Additional premium payments must be at least equal to the minimum premium payment shown on page 3.

### 7.5 GRACE PERIOD.

If the cash value less any policy loans and loan interest on a monthly anniversary day will not cover the

monthly deduction for the month beginning on that monthly anniversary day, a grace period of 31 days from that monthly anniversary day will be allowed to pay a premium that will provide enough cash value to cover the balance of the monthly deduction. The cash value and the monthly deduction are described in Section 10. If the Insured dies during the grace period, any past due monthly deductions will be deducted from the proceeds.

### 7.6 REINSTATEMENT.

If the grace period expires without sufficient premiums being paid, the policy may be reinstated within five years after the expiration of the grace period. Reinstatement is subject to:

- (1) receipt of evidence of insurability of the Insured satisfactory to us;
- (2) payment of a premium sufficient to provide enough cash value to cover both the balance of the monthly deduction at the time of lapse, with interest from that date, and two months monthly deduction due at the time of reinstatement; and
- (3) payment or reinstatement of any indebtedness against the policy which existed on the expiration date of the grace period with interest from that date.

Interest at the rate of 6% per year compounded annually on any past due premiums and indebtedness will be payable to the date of reinstatement.

Your policy cannot be reinstated if it has been surrendered for its cash value.

## **SECTION 8: OWNERSHIP, ASSIGNMENT AND BENEFICIARY PROVISIONS**

### **8.1 OWNERSHIP.**

The Insured is the owner unless otherwise provided in the application. As owner, you may exercise every right provided by your policy. These rights and privileges end at the Insured's death.

The consent of the beneficiary is required to exercise these rights if:

- (1) you have not reserved the right to change the beneficiary; or
- (2) you have named a creditor beneficiary.

### **8.2 CHANGE OF OWNERSHIP.**

You may change the ownership of this policy by giving written notice to us at our Home Office. The change will be effective on the date your request was signed but will have no effect on any payment made or other action taken by us before we receive it. We may require that the policy be submitted for endorsement to show the change.

### **8.3 ASSIGNMENT.**

An assignment is a transfer of some or all of your rights under this policy. No assignment will be binding on us unless made in writing and filed at our Home Office. We assume no responsibility for the validity or effect of any assignment.

### **8.4 BENEFICIARY.**

The beneficiary is shown on the application or in the last beneficiary designation filed with us. Death proceeds will be paid to the beneficiary except as provided in this Section.

If any beneficiary dies before the Insured, that beneficiary's interest will pass to any other beneficiaries according to their respective interests. If all beneficiaries die before the Insured, we will pay the death proceeds to you, if living, otherwise to your estate or legal successors.

If you have reserved the right to do so, you may change the beneficiary by filing a written request in a form satisfactory to us. In order to be effective, the written request for change of beneficiary must be signed while your policy is in force and the Insured is living. The change will be effective on the date your request was signed but will have no effect on any payment made or other action taken by us before we receive it.

The interest of any beneficiary will be subject to:

- (1) any assignment of this policy which is binding on us; and
- (2) any optional settlement agreement in effect at the Insured's death.

### **8.5 SIMULTANEOUS DEATH OF BENEFICIARY AND INSURED.**

Death proceeds will be paid as though the beneficiary died before the Insured if:

- (1) the beneficiary dies at the same time as or within 15 days of the Insured's death; and
- (2) we have not paid the proceeds to the beneficiary within this 15-day period.

## **SECTION 9: POLICY CHANGE PROVISIONS**

### **9.1 RIGHT TO CHANGE.**

At any time after the first policy year, you can request the changes provided for in this Section. Your request must be in writing to us at our Home Office.

### **9.2 CHANGES IN SPECIFIED AMOUNT.**

The specified amount may be changed, subject to the conditions outlined below.

#### **DECREASES IN THE SPECIFIED AMOUNT.**

Any decrease will be effective on the monthly anniversary day on or next following the date we receive your application for decrease. Any decrease will be applied first against any increases to the specified amount in the reverse order in which they were made. Any remaining decrease will then be applied against the initial specified amount.

The specified amount remaining in force after any requested decrease may not be less than the minimum specified amount shown on page 3.

## Section 9: Policy Change Provisions (Continued)

### INCREASES IN THE SPECIFIED AMOUNT.

A request for an increase in the specified amount will be subject to the following requirements:

- (1) an application satisfactory to us must be submitted;
- (2) evidence of insurability satisfactory to us must be submitted; and
- (3) the cash value on the effective date of the increase must be sufficient to provide for the new monthly deduction.

Any increase approved by us will be effective on the date shown on page 4.

### 9.3 CHANGE IN COVERAGE OPTION.

If the coverage option is Option B, it may be changed to Option A. The new specified amount will be the death benefit as of the effective date of change. The

effective date of change will be the monthly anniversary day on or next following the date we receive your application for change.

If the coverage option is Option A, it may be changed to Option B subject to evidence of insurability satisfactory to us. The new specified amount will be the death benefit less the cash value as of the effective date of change. The effective date of change will be the monthly anniversary day on or next following the date we approve your application for change.

### 9.4 CHANGING YOUR POLICY.

Any change to your policy that is not provided for in this Section must be approved by us and signed by our President, Vice President, Secretary or Assistant Secretary.

An approved change must be endorsed on or attached to your policy. No agent has the authority to make any changes or waive any of the terms of your policy.

## SECTION 10: GUARANTEED POLICY VALUES

### 10.1 NET PREMIUM.

The net premium is the premium payment received less the premium expense charge shown on page 4.

### 10.2 CASH VALUE.

On each monthly anniversary day the cash value will be equal to:

$$A + B + C - D$$

On any day other than a monthly anniversary day, the cash value will be equal to:

$$A + B + C$$

"A" is the cash value on the preceding monthly anniversary day.

"B" is the net premiums received since the preceding monthly anniversary day.

"C" is interest on "A" from the preceding monthly anniversary day plus interest on each net premium in "B" from the date of receipt of each premium at our Home Office.

"D" is the monthly deduction (as described in Section 10.4) for the month beginning on that monthly anniversary day.

### 10.3 INTEREST RATE.

Interest will be applied to your cash value by crediting interest to each net premium at rates based on the published 13-week United States Treasury Bill (T-Bill) Discount Rates. These rates are established from the results of each most recent regularly scheduled weekly auction, normally held on Monday. They are not affected by special auctions which may occur between regularly scheduled weekly auctions.

If these regularly scheduled weekly auctions are discontinued, we will substitute an index which in our opinion is a comparable index.

The annual effective rate of interest applied to each net premium is:

- (1) no less than the T-Bill Discount Rate established on the Monday beginning the week in which the premium was received in our Home Office; and
- (2) applied to that premium for the balance of the 13-week period beginning with such Monday.

At the end of this and each successive 13-week period, that net premium and accumulated interest will begin to accrue interest for a new 13-week period at an annual effective rate no less than the T-Bill Dis-



count Rate established on the Monday following the previous 13-week period.

The interest rates described above may be reduced by income taxes, if any, payable by us on the income producing the interest applied to your premiums.

The interest rate applied to the cash values securing any policy loan will be 3% and will replace the most recently used T-Bill Discount Rate(s).

If the T-Bill Discount Rate is below 3%, we will use 3% as if it were the current T-Bill Discount Rate.

#### **10.4 MONTHLY DEDUCTION.**

The monthly deduction for a policy month is equal to:

$$X + Y + Z$$

"X" is the cost of insurance (as described in Section 10.6) and the cost of any additional benefits provided by riders for the policy month.

"Y" is the current monthly expense charge for the appropriate policy year.

"Z" is the current expense charge for increase in specified amount. This charge is applicable only in the policy month in which the increase first becomes effective.

The monthly deduction will reduce cash value earning the most recent T-Bill Discount Rate(s).

#### **10.5 EXPENSE CHARGES.**

The current monthly expense charge and the current increase expense charge are shown on page 4. These expense charges will be determined by us based on our expectations as to future expenses. However, any percentage increase in these current expense charges over that shown on page 4 will not be greater than the percentage increase over the same period in the Consumer Price Index for Urban Wage Earners and Clerical Workers-All Items. If the Consumer Price Index is no longer available, we will substitute an index which in our opinion is a comparable index.

We will not deduct the full current monthly expense charge under the following conditions:

- (1) the policy has been in force for at least one year; and
- (2) the monthly increase in cash value would be less than the increase based on
  - (a) the monthly guaranteed interest rate of .24663%; and

- (b) a monthly deduction based on the guaranteed cost of insurance rate with no monthly expense charge.

#### **10.6 COST OF INSURANCE.**

The cost of insurance on any monthly anniversary day is equal to:

$$Q \times (R - S)$$

"Q" is the cost of insurance rate (as described in Section 3).

"R" is the Insured's death benefit on that day divided by no less than 1.0024663.

"S" is the cash value (as described in Section 10.2) prior to subtracting the cost of insurance.

If the coverage option shown on page 4 is Option A and there have been increases in the specified amount, the cash value of this policy described in "S" above will be allocated between the specified amount provided under the original application and subsequent increases. The cash value will be allocated first to the specified amount provided under the original application with any excess allocated to any increases in the order in which they were made.

#### **10.7 COST OF ADDITIONAL BENEFITS PROVIDED BY RIDERS.**

The cost of additional benefits provided by riders will be specified in those riders.

#### **10.8 CASH SURRENDER VALUE.**

The cash surrender value of this policy is:

- (1) the cash value of this policy at the time of surrender; plus
- (2) any cost of insurance deducted for the period beyond the date of surrender; less
- (3) any indebtedness on this policy.

#### **10.9 SURRENDER.**

You may surrender this policy for its cash surrender value at any time.

You may surrender a part of the cash value of this policy at any time. At the time of such partial surrender we will add the partial surrender charge shown on page 3 to the amount of the partial surrender.

Under Option A, the specified amount and the cash value will be reduced by the amount of the partial surrender. The specified amount remaining in force after

## Section 10: Guaranteed Policy Values (Continued)

any partial surrender may not be less than the minimum specified amount shown on page 3.

Under Option B, the cash value will be reduced by the amount of the partial surrender.

A partial surrender will reduce cash value earning the most recent T-Bill Discount Rate(s).

We have the right to postpone making a surrender payment to you for not more than six months from the date we receive your request.

If a surrender is requested under this provision within 31 days after a policy anniversary, the cash surrender value will not be less than the cash surrender value on that anniversary, less any policy loans or partial surrenders made on or after such anniversary.

### 10.10 EXTENDED TERM INSURANCE.

If the cash value less any policy loans and loan interest on a monthly anniversary day is insufficient to cover the monthly deduction for the month beginning on that monthly anniversary day, the cash value will be applied to continue the specified amount and any additional benefits provided by riders for a portion of the next month.

The amount of extended term insurance is determined according to the coverage option in effect as of the date insurance is extended under this option.

This provision will not continue the policy beyond the maturity date.

### 10.11 BASIS OF COMPUTATION.

Minimum cash values and reserves are based on the Commissioners 1958 Standard Ordinary Mortality Table. Our calculations are based on an interest rate of 3% per year on an age last birthday basis.

Reserves are calculated using a modified preliminary term method, but are not less than the reserves computed by the commissioners reserve valuation method.

Cash values under this policy are equal to, or greater than, the minimum values required by law of the state in which your policy is delivered. A detailed statement of the method of computing these values has been filed with the insurance department of that state.

## SECTION 11: LOAN PROVISIONS

### 11.1 POLICY LOANS.

You may obtain a policy loan by submitting a signed request to us. This policy assigned to us is the only security needed.

We have the right to postpone making a policy loan to you for not more than six months from the date we receive your request.

You may repay your policy loan in full or in part while your policy is in force prior to the death of the Insured. A loan that exists at the end of the grace period may not be repaid unless this policy is reinstated.

All premium payments received will be credited as loan repayments only if so designated. On the date a repayment is received it will be applied to that cash value securing a loan and which has the fewest remaining days in its 13-week period.

Policy loans and any future unpaid loan interest will be secured by cash value earning the most recent T-Bill

Discount Rate(s) at the time the policy loan was made.

### 11.2 AMOUNT OF LOAN AVAILABLE.

The amount of loan available will be the cash value as of the date of the policy loan less:

- (1) any indebtedness on this policy; and
- (2) any loan interest to the next policy anniversary.

### 11.3 LOAN INTEREST.

Interest will be charged on a policy loan from the date of the loan at the rate of 8% per year. We may establish a lower rate for any period for which the policy loan is outstanding.

Interest is payable at the end of each policy year and on the date the loan is repaid. If interest is not paid, the loan will be increased by that amount.

## 11.4 INDEBTEDNESS.

Indebtedness means all unpaid policy loans and accrued loan interest. Any outstanding indebtedness will be deducted from the policy proceeds.

Your policy is terminated whenever your total indebtedness equals or exceeds the cash value. We will mail notice to your last known address recorded with us and to the holder of any assignment of record at least 31 days before such termination.

## SECTION 12: SETTLEMENT OPTIONS

### 12.1 PAYMENT OPTIONS.

You may apply proceeds of \$2,000 or more which are payable under this policy to any of the following options:

**OPTION 1. INTEREST PAYMENTS.** We will make interest payments to the payee annually or monthly as elected. Interest on the proceeds will be paid at the guaranteed rate of 3½ % per year and may be increased by additional interest. The proceeds and any unpaid interest may be withdrawn in full at any time.

**OPTION 2. INSTALLMENTS OF A SPECIFIED AMOUNT.** We will make annual or monthly payments until the proceeds plus interest are fully paid. Interest on the proceeds will be paid at the guaranteed rate of 3½ % per year and may be increased by additional interest. The present value of any unpaid installments may be withdrawn at any time.

**OPTION 3. INSTALLMENTS FOR A SPECIFIED PERIOD.** Payment of the proceeds may be made in equal annual or monthly payments for a specified number of years. Interest on the proceeds will be paid at the guaranteed rate of 3½ % per year and may be increased by additional interest. The present value of any unpaid installments may be withdrawn at any time. The amount of each payment is shown in Table A.

**OPTION 4. LIFE INCOME.** We will pay an income during the payee's lifetime. A minimum guaranteed payment period may be chosen. Payments received under the Installment Refund Option will continue until the total income payments received equal the proceeds applied. The amount of each payment is shown in Table B.

**OPTION 5. JOINT AND SURVIVOR INCOME.** We will pay an income during the lifetime of two persons and will continue to pay the same income as long as either person is living. The minimum guaranteed payment period will be ten years. The amount of each payment is shown in Table C.

If the payout rates in use by us at the time proceeds become payable are more favorable than those shown in Options 4 and 5, we will provide a life income using the more favorable rates.

### 12.2 PAYEE.

The payee is the person receiving proceeds under a settlement option. The payee can be you, the Insured or a beneficiary. We will require satisfactory proof of the payee's age and sex under Options 4 and 5.

The contingent payee is the person named to receive proceeds if the payee is not alive.

### 12.3 MINIMUM PAYMENTS.

The payment under any settlement option must be at least \$25. We may make payments less frequently so that each payment is at least \$25.

### 12.4 CHOICE OF OPTIONS.

You may choose an option by written notice during the Insured's lifetime. If a settlement option is not in effect at the Insured's death, a choice may be made by the beneficiary.

### 12.5 AVAILABILITY OF OPTIONS.

These options are only available with our consent if proceeds are payable to an executor, administrator, trustee, corporation, partnership or association.

### 12.6 OPERATIVE DATE.

The first payment under Option 1 will be payable at the end of the first interest period. The first payment under Options 2 through 5 will be made on the date proceeds become payable.

### 12.7 DEATH OF PAYEE.

At the death of the payee, any payments remaining will be paid according to the terms of the settlement option chosen, unless the contingent payee elects in writing to receive the present value of any remaining guaranteed payments in a single sum.

## Section 12: Settlement Options (Continued)

If a contingent payee has not been named or does not survive the payee, the following amounts will be paid in one sum to the estate of the payee:

- (1) any amount left on deposit under Option 1; and
- (2) the present value of any remaining guaranteed payments under Options 2 through 5.

If you have not named a contingent payee, or if every contingent payee named by you dies before the payee, you may, by written notice to us, name a new contingent payee. The new contingent payee will receive any amount that would otherwise have been payable to the payee's estate.

### 12.8 CLAIMS OF CREDITORS.

To the extent permitted by law, proceeds will not be subject to any claims of a payee's creditors.

**TABLE A - INSTALLMENT OPTION\***

For Each \$1,000 of Proceeds Applied

Term of Years	Annual	Monthly	Term of Years	Annual	Monthly	Term of Years	Annual	Monthly
<b>1</b>	\$1000.00	\$84.65	<b>11</b>	\$107.34	\$9.09	<b>21</b>	\$65.74	\$5.56
<b>2</b>	508.60	43.05	<b>12</b>	99.98	8.46	<b>22</b>	63.70	5.39
<b>3</b>	344.86	29.19	<b>13</b>	93.78	7.94	<b>23</b>	61.85	5.24
<b>4</b>	263.04	22.27	<b>14</b>	88.47	7.49	<b>24</b>	60.17	5.09
<b>5</b>	213.99	18.12	<b>15</b>	83.89	7.10	<b>25</b>	58.62	4.96
<b>6</b>	181.32	15.35	<b>16</b>	79.89	6.76	<b>26</b>	57.20	4.84
<b>7</b>	158.01	13.38	<b>17</b>	76.37	6.47	<b>27</b>	55.89	4.73
<b>8</b>	140.56	11.90	<b>18</b>	73.25	6.20	<b>28</b>	54.69	4.63
<b>9</b>	127.00	10.75	<b>19</b>	70.47	5.97	<b>29</b>	53.57	4.53
<b>10</b>	116.18	9.83	<b>20</b>	67.98	5.75	<b>30</b>	52.53	4.45

**TABLE B - LIFE INCOME OPTIONS\***

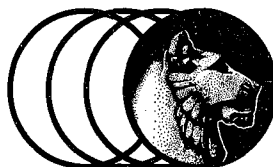
Monthly Income For Each \$1,000 of Proceeds Applied

Age	MALE Minimum Guaranteed Payment Period				FEMALE Minimum Guaranteed Payment Period			
	None	120 Months	240 Months	Installment Refund	None	120 Months	240 Months	Installment Refund
<b>50</b>	\$4.79	\$4.72	\$4.50	\$4.54	\$4.35	\$4.33	\$4.23	\$4.24
<b>51</b>	4.87	4.80	4.56	4.61	4.43	4.40	4.29	4.29
<b>52</b>	4.97	4.88	4.61	4.68	4.50	4.47	4.35	4.36
<b>53</b>	5.06	4.96	4.67	4.76	4.58	4.54	4.40	4.42
<b>54</b>	5.17	5.05	4.73	4.83	4.66	4.62	4.47	4.49
<b>55</b>	5.27	5.15	4.79	4.92	4.75	4.70	4.53	4.56
<b>56</b>	5.39	5.25	4.85	5.00	4.85	4.79	4.59	4.64
<b>57</b>	5.51	5.35	4.92	5.09	4.94	4.88	4.66	4.72
<b>58</b>	5.63	5.46	4.98	5.19	5.05	4.97	4.73	4.81
<b>59</b>	5.77	5.57	5.04	5.29	5.16	5.07	4.80	4.90
<b>60</b>	5.91	5.69	5.10	5.39	5.27	5.18	4.87	4.99
<b>61</b>	6.06	5.81	5.16	5.50	5.40	5.29	4.94	5.09
<b>62</b>	6.22	5.94	5.22	5.62	5.53	5.41	5.01	5.20
<b>63</b>	6.39	6.07	5.28	5.74	5.67	5.53	5.08	5.31
<b>64</b>	6.58	6.21	5.33	5.87	5.82	5.66	5.15	5.43
<b>65</b>	6.77	6.36	5.38	6.01	5.98	5.80	5.22	5.55
<b>66</b>	6.99	6.51	5.44	6.16	6.16	5.95	5.29	5.69
<b>67</b>	7.21	6.67	5.48	6.31	6.36	6.11	5.35	5.83
<b>68</b>	7.46	6.84	5.53	6.47	6.57	6.28	5.41	5.99
<b>69</b>	7.72	7.01	5.57	6.65	6.80	6.45	5.46	6.15
<b>70</b>	8.00	7.18	5.60	6.83	7.04	6.64	5.51	6.32
<b>71</b>	8.31	7.36	5.63	7.03	7.32	6.83	5.56	6.51
<b>72</b>	8.64	7.54	5.66	7.23	7.61	7.03	5.60	6.71
<b>73</b>	8.99	7.72	5.69	7.45	7.93	7.23	5.63	6.92
<b>74</b>	9.37	7.91	5.70	7.69	8.28	7.44	5.66	7.15
<b>75</b>	9.79	8.09	5.72	7.94	8.66	7.65	5.68	7.39

**TABLE C - JOINT AND SURVIVOR OPTION\***Monthly Income - Ten Year Guaranteed Payment Period  
For Each \$1,000 of Proceeds Applied

Male Age	Female Age					
	50	55	60	65	70	75
<b>50</b>	\$4.01	\$4.16	\$4.31	\$4.44	\$4.55	\$4.63
<b>55</b>	4.10	4.31	4.51	4.70	4.87	5.00
<b>60</b>	4.17	4.43	4.70	4.97	5.23	5.43
<b>65</b>	4.23	4.53	4.86	5.23	5.61	5.93
<b>70</b>	4.27	4.60	4.99	5.46	5.97	6.46
<b>75</b>	4.30	4.65	5.08	5.62	6.27	6.95

\*Amounts not shown for available options will be furnished on request.



*The Lioness...protecting her own.*

## **KANSAS CITY LIFE INSURANCE COMPANY**

*Since 1895*

### **AMENDMENT TO MODIFY COVERAGE OPTION PROVISIONS**

This Amendment forms a part of the policy to which it is attached.

**SECTION 5.2, AMOUNT OF PROCEEDS PAYABLE AT DEATH** is deleted and replaced by the following:

The amount of proceeds payable upon the Insured's death is determined according to the coverage option you have elected. The coverage option currently in effect is shown on page 4.

**COVERAGE OPTION A.** The death benefit will be the greater of:

- (1) the specified amount on the date of death increased by any premiums received during the period from the preceding monthly anniversary day to the date of death; or
- (2) The cash value on the date of death plus the cash value percentage, as defined below, applicable for the policy year in which the Insured's death occurs.

**COVERAGE OPTION B.** The death benefit will be the greater of:

- (1) the specified amount plus the cash value, both on the date of death; or
- (2) the cash value on the date of death plus the cash value percentage, as defined below, applicable for the policy year in which the Insured's death occurs.

The "cash value percentage" is the percent described in the following table times the cash value on the monthly anniversary day preceding the date of death.

(continued on reverse side)

<b>Age of Insured at Beginning of Policy Year</b>	<b>Applicable Percent</b>	<b>Age of Insured at Beginning of Policy Year</b>	<b>Applicable Percent</b>
0-40	150%	60	30%
41	143%	61	28%
42	136%	62	26%
43	129%	63	24%
44	122%	64	22%
45	115%	65	20%
46	109%	66	19%
47	103%	67	18%
48	97%	68	17%
49	91%	69	16%
50	85%	70	15%
51	78%	71	13%
52	71%	72	11%
53	64%	73	9%
54	57%	74	7%
55	50%	75-90	5%
56	46%	91	4%
57	42%	92	3%
58	38%	93	2%
59	34%	94	1%

We reserve the right to refund with interest, within 60 days of receipt, any premium payment which would require an increase in the death benefit in order to comply with the cash value percentages shown above.

Death benefits under either coverage option will be increased by any benefits due on the Insured's life provided by riders in force at the Insured's death and any premiums received after the date of death. Death benefits will be decreased by any unpaid policy loan and loan interest.

In all other respects, the terms, conditions and provisions of this policy will remain the same.

Signed for Kansas City Life Insurance Company, a stock company, at its Home Office, 3520 Broadway, Post Office Box 419139, Kansas City, Missouri 64141-9139.



Secretary



Chairman of the Board  
and President





*The Lioness...protecting her own.*

## **KANSAS CITY LIFE INSURANCE COMPANY**

*Since 1895*

### **OTHER INSURED TERM LIFE INSURANCE RIDER**

#### **THE BENEFIT.**

Kansas City Life Insurance Company will pay the Other Insured's specified amount to the beneficiary under this rider upon receiving proof of that Other Insured's death on or before the expiration date and while this rider is in force.

The specified amount provided by this rider with respect to each Other Insured is shown on page 4 of the policy.

#### **OTHER INSURED.**

An Other Insured is each person named as an Other Insured in the application for this rider.

#### **COST OF INSURANCE.**

The cost of insurance for an Other Insured on any monthly anniversary day is equal to:

$$Q \times R$$

"Q" is the cost of insurance rate (as described in the Monthly Cost of Insurance Rates Provision) for each Other Insured.

"R" is each Other Insured's specified amount on that day.

#### **MONTHLY COST OF INSURANCE RATES.**

The monthly cost of insurance rates used in calculating the cost of insurance on each monthly anniversary day are based on each Other Insured's sex, age and risk class on each monthly anniversary day. Age means each Other Insured's age as defined in Section 3 of the policy.

The cost of insurance rates used will be determined by us based on our expectations as to future mortality experience. Any change in the current cost of insurance rates will be on a uniform basis for Other Insureds of the same sex, age and risk class whose

riders have been in force the same length of time. The current cost of insurance rates will never be increased to recover losses incurred, or decreased so as to distribute gains realized by us prior to the change.

The cost of insurance rates used will not exceed those shown in Section 3 of the policy. The guaranteed maximum cost of insurance rates for special risk classes will be adjusted appropriately.

#### **CHANGES IN SPECIFIED AMOUNT.**

An Other Insured's specified amount may be changed at any time after the first rider year, subject to the conditions outlined below.

##### **Decreases In The Specified Amount.**

Any decrease will be effective on the monthly anniversary day on or next following the date we receive your application for decrease. Any decrease will be applied first against any increases to the specified amount in the reverse order in which they were made. Any remaining decrease will then be applied against the initial specified amount.

The specified amount remaining in force after any requested decrease may not be less than \$10,000.

##### **Increases In The Specified Amount.**

A request for an increase in the specified amount will be subject to the following requirements:

- (1) an application satisfactory to us must be submitted;
- (2) evidence of insurability satisfactory to us must be submitted; and
- (3) the cash value of the policy on the effective date of the increase must be sufficient to provide for the new monthly deduction.

Any increase approved by us will be effective on the date shown on page 4 of the policy.



## **OWNERSHIP.**

Unless otherwise provided, the owner(s) of this rider will be as follows:

- (1) the owner of the policy while the Insured is living; and
- (2) after the death of the Insured, each Other Insured will own the benefit on their life.

## **BENEFICIARY.**

Any amount payable upon the death of an Other Insured will be paid, unless otherwise provided, to the owner of this rider, if living, otherwise to the owner's estate or legal successors.

## **SUICIDE.**

If an Other Insured dies by suicide, while sane or insane, within two years of the effective date of this rider, the amount payable by us will be equal to the total cost of insurance charged for this rider.

If an Other Insured dies by suicide, while sane or insane, within two years after the effective date of any increase in the specified amount, the amount payable by us associated with such increase will be limited to the cost of insurance for such increased amount.

## **INCONTESTABILITY.**

After this rider has been in force during each Other Insured's lifetime for two years from its effective date, we cannot contest this rider with respect to each Other Insured except for the insufficiency of the cash value to cover the next monthly deduction.

Any increase in the specified amount for an Other Insured will not be contested after the increase has been in force during the lifetime of that Other Insured for two years following the effective date of the increase.

## **AGE AND SEX.**

If an Other Insured's age or sex has been incorrectly stated, the benefits under this rider will be adjusted by the difference in the cost of insurance charged for this rider and the cost of insurance which should have been charged for the correct age or sex, accumulated at the interest rates that were credited to the policy cash value.

## **CONVERSION OF OTHER INSURED'S TERM RIDER.**

The insurance on an Other Insured may be converted at any time to a new policy without evidence of insurability upon written request to us provided:

- (1) this rider is in force; and
- (2) the request for conversion is made before the expiration date, or within 31 days thereafter.

An Other Insured will also have 31 days after the death of the Insured to convert to a permanent policy.

The premium for the new policy will be based on the age of the Other Insured on the policy date of the new policy. The first premium for the new policy must be paid before it will take effect.

## **NEW POLICY.**

The new policy may be on any whole life or endowment policy then being issued by us. You will not be allowed to convert to a term policy.

The amount of insurance of the new policy may not be more than the insurance provided by this rider at the time of conversion. We will not allow conversion to a policy which is less than the minimum amount we issue.

Any insurance under this rider which is converted to a new policy will terminate at the time the new policy takes effect.

The time period in the suicide and incontestability provisions of any new policy will begin on the effective date of this rider.

The new policy will be issued on the same risk class as this rider.

## **AVAILABILITY OF RIDERS.**

The new policy may include a waiver of premium disability rider or an accidental death rider only with our consent. The time period of the suicide and incontestability provisions of any new policy will apply to these riders from the date of issue of the new policy.

## **TEMPORARY INSURANCE.**

A temporary insurance benefit is provided for an Other Insured for 31 days after the Insured dies. If the Other Insured dies during this period without applying for conversion, we will pay a death benefit. The death benefit will be equal to the specified amount in force on the Other Insured.

## **SUPPLEMENTAL BENEFITS.**

If policy premiums are waived on the Insured's life under a Disability Continuance of Insurance Rider, the premiums for this rider will also be waived during the Insured's total disability.

The terms of the Insured's Accidental Death Rider, if any, apply to an Other Insured if an Accidental Death Rider and an accidental death specified amount is shown separately for that Other Insured on page 4 of the policy.

## GENERAL PROVISIONS.

The following provisions apply to this rider:

- (1) this rider is made a part of the policy to which it is attached;
- (2) this term insurance is subject to all the provisions of this rider and the applicable policy provisions;
- (3) the effective date(s) of this rider with respect to each Other Insured is (are) specified in the rider description on page 4 of the policy;
- (4) this rider is nonparticipating. It will not participate in any of our profits, losses or surplus earnings;
- (5) this rider does not provide for cash or loan values; and
- (6) the expiration date of this rider with respect to each Other Insured is the earlier of the

Insured's maturity date or the first monthly anniversary day on which that Other Insured is age 95.

## CANCELLATION.

This rider may be cancelled by you on any monthly anniversary day. Your request must be in writing and filed with us prior to the monthly anniversary day. We may require that the policy be submitted for endorsement to show the cancellation.

## TERMINATION OF RIDER.

This rider terminates on the earliest of:

- (1) the date the policy terminates for any reason;
- (2) the date this rider is cancelled by you;
- (3) the date insurance on all Other Insured(s) is converted; or
- (4) the last remaining Other Insured's expiration date.

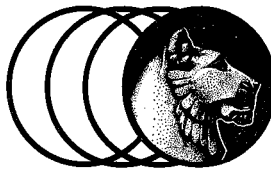
Signed for Kansas City Life Insurance Company, a stock company, at its Home Office, 3520 Broadway, Post Office Box 419139, Kansas City, Missouri 64141-9139.



Secretary



Chairman of the Board  
and President



*The Lioness...protecting her own.*

## **KANSAS CITY LIFE INSURANCE COMPANY**

*Since 1895*

### **ANNUITY AMENDMENT**

This Amendment forms a part of the policy to which it is attached.

This Amendment is required to ensure that your policy will be treated as an annuity contract as defined by Section 72(s) of the Internal Revenue Code of 1954, as amended. We reserve the right to administer the payment of proceeds in accordance with the Internal Revenue Code, as amended, and subject to any future amendments and regulations of the United States Government.

#### **Payment of Proceeds Upon Your Death or the Annuitant's Death Prior to the Maturity Date**

If you or the Annuitant die prior to the maturity date, we will pay the proceeds to the beneficiary in a lump sum upon receiving proof of death while this policy is in force. In lieu of the death benefit being paid in a lump sum, the proceeds may be paid out over the beneficiary's lifetime (or over a period not extending beyond the life expectancy of the beneficiary). However, payments must begin within one year of the date of death.

If you or the Annuitant die prior to the maturity date without designating a beneficiary to receive proceeds as described above, the entire proceeds must be distributed within 5 years of the date of death.

#### **Special Rule For Surviving Spouse Beneficiary**

If you die and the beneficiary is your surviving spouse, he or she may continue this policy as the owner and the distribution limitations outlined above will not apply.

#### **Payment of Proceeds Upon Annuitant's Death On or After The Maturity Date**

If the Annuitant dies on or after the maturity date and before the entire proceeds payable under this policy have been distributed, the remaining proceeds will be paid to the beneficiary at least as rapidly as under the method of payment in effect at the time of the Annuitant's death. In lieu of proceeds being distributed in this manner, the remaining proceeds may be paid out over the beneficiary's lifetime (or over a period not extending beyond the life expectancy of the beneficiary). However, payments must begin within one year of the date of the Annuitant's death.

In all other respects, the terms, conditions and provisions of this policy will remain the same.

Signed for Kansas City Life Insurance Company, a stock company, at its Home Office, 3520 Broadway, Post Office Box 139, Kansas City, Missouri 64141-0139.

Secretary

Chairman of the Board  
and President



*The Lioness...protecting her own.*

## **KANSAS CITY LIFE INSURANCE COMPANY**

*Since 1895*

### **MISSOURI SUICIDE ENDORSEMENT**

This Endorsement forms a part of the policy to which it is attached.

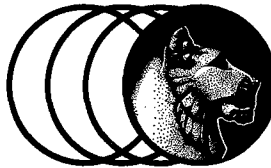
Suicide is no defense to payment under this contract where the policy is issued to a Missouri citizen unless we can show that the Insured intended suicide when applying for the policy, regardless of any language to the contrary in this policy.

In all other respects, the terms, conditions and provisions of this policy will remain the same.

Signed for Kansas City Life Insurance Company, a stock company, at its Home Office,  
3520 Broadway, Post Office Box 139, Kansas City, Missouri 64141-0139.

Secretary

Chairman of the Board  
and President



*The Lioness...protecting her own.*

## **KANSAS CITY LIFE INSURANCE COMPANY**

*Since 1895*

### **AMENDMENT TO MODIFY SUICIDE AND INCONTESTABILITY PROVISIONS**

This Amendment forms a part of the policy to which it is attached.

The purpose of this Amendment is to modify the provisions entitled "Suicide" and "Incontestability" with respect to the amount(s) of insurance rolled over.

"Rolled over" means issued as a replacement of a whole life or endowment policy previously issued by us where any cash value under the old policy is applied to the new policy.

The policy is amended as follows:

For that (each) part of the face amount that was rolled over, the time period in the provisions entitled "Suicide" and "Incontestability" will be measured from the issue date of the policy(ies) from which that (each) amount was rolled over.

In all other respects, the terms, conditions and provisions of this policy will remain the same.

Signed for Kansas City Life Insurance Company, a stock company, at its Home Office, 3520 Broadway, Post Office Box 419139, Kansas City, Missouri 64141-9139.

Secretary

Chairman of the Board  
and President

Application Number  
Nº 96833

APPLICATION FOR INSURANCE

2 352 768

SECTION 1: PRIMARY INSURED

Print full first name, middle initial, last name. <u>DAVID B. KARR</u>				Social Sec. No. [REDACTED]		
<input checked="" type="checkbox"/> Male <input type="checkbox"/> Female	<input checked="" type="checkbox"/> Married <input type="checkbox"/> Single	<input type="checkbox"/> Divorced <input type="checkbox"/> Widowed	<input type="checkbox"/> Separated	Date of Birth [REDACTED]	Age [REDACTED]	State of Birth <u>MO</u>
Street Address [REDACTED]		City [REDACTED]	State [REDACTED]	Zip Code [REDACTED]	Yrs. at addr. <u>7 YRS</u> (if less than 2, show former address in Section 14.)	
Home Telephone [REDACTED]		Business Telephone ( ) [REDACTED] ext. [REDACTED]		Most convenient time and place to contact [REDACTED]		Driver's License No. [REDACTED]
All occupations and exact duties <u>MECHANIC</u>			Employer's name and address [REDACTED]		Yrs. employed <u>10 YRS</u> (if less than 2, show former occupation in Section 14.)	

SECTION 2: OTHER INSURED/SPOUSE

Print full first name, middle initial, last name.				Social Sec. No. [REDACTED]		
<input type="checkbox"/> Male <input type="checkbox"/> Female	<input type="checkbox"/> Married <input type="checkbox"/> Single	<input type="checkbox"/> Divorced <input type="checkbox"/> Widowed	<input type="checkbox"/> Separated	Date of Birth [REDACTED]	Age [REDACTED]	State of Birth [REDACTED]
Street Address [REDACTED]		City [REDACTED]	State [REDACTED]	Zip Code [REDACTED]	Yrs. at addr. [REDACTED] (if less than 2, show former address in Section 14.)	
All occupations and exact duties [REDACTED]			Employer's name and address [REDACTED]		Yrs. employed [REDACTED] (if less than 2, show former occupation in Section 14.)	

SECTION 3: BENEFITS AND PREMIUMS

Plan Name <u>BETTERLIFE</u>	Specified Amount \$ <u>50,000</u>	Planned Annual Premium \$ <u>534.24</u>	Planned Payment Period <u>65</u>	Planned Maturity Date <u>95</u>
<b>Coverage Options</b> <input checked="" type="checkbox"/> Option A - death benefit is the greater of: (1) the specified amount; or (2) no less than 105% of the cash value. <input type="checkbox"/> Option B - death benefit is the greater of: (1) the specified amount plus the cash value; or (2) no less than 105% of the cash value.		<b>Riders</b> <u>534.24</u> <input type="checkbox"/> Disability Continuance of Insurance <input checked="" type="checkbox"/> Accidental Death \$ <u>50,000</u> <input type="checkbox"/> Spouse's Term Insurance [REDACTED] units <input type="checkbox"/> Children's Term Insurance [REDACTED] units <input type="checkbox"/> Scheduled Automatic Increase \$ [REDACTED] Every [REDACTED] Years <input checked="" type="checkbox"/> Other <u>Insured Rider</u>		
Premium Notices to: <input type="checkbox"/> Owner <input type="checkbox"/> Other [REDACTED] If other, give name and address [REDACTED]		<input checked="" type="checkbox"/> Ann <input type="checkbox"/> Qtrly <input type="checkbox"/> PAC <input type="checkbox"/> Combined Billing <input type="checkbox"/> SA <input type="checkbox"/> Mo <input type="checkbox"/> GA <input type="checkbox"/> Other [REDACTED]		

SECTION 4: BENEFICIARY with right to change

Primary [REDACTED]	Relationship <u>WIFE</u>	Equally to the survivors, or to the survivor
Contingent [REDACTED]	Relationship [REDACTED]	

SECTION 5: OWNER if other than Primary Insured

Print full first name, middle initial, last name.				Relationship to Primary Insured [REDACTED]	
Street Address [REDACTED]		City [REDACTED]	State [REDACTED]	Zip Code [REDACTED]	<input type="checkbox"/> Male <input type="checkbox"/> Female
Social Security Number [REDACTED]		Date of Birth [REDACTED]		Age [REDACTED]	State of Birth [REDACTED]
Successor Owner [REDACTED]		Relationship [REDACTED]		If multiple successor owners, show order and distribution in Section 14.	

SECTION 6: APPLICANT if other than Primary Insured or Owner

Print full first name, middle initial, last name.				Relationship to Primary Insured [REDACTED]	
Street Address [REDACTED]		City [REDACTED]	State [REDACTED]	Zip Code [REDACTED]	<input type="checkbox"/> Male <input type="checkbox"/> Female

SECTION 7: INSURANCE HISTORY

1. In the past 3 years have the Proposed Insureds applied for life or health insurance or reinstatement thereof, without receiving it exactly as requested? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	2. Do any of the Proposed Insureds have an application for life or health insurance pending in any other company or intend to apply for such insurance within the next 10 days? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If 1 or 2 answered "Yes", explain in Section 10.	



## SECTION 8: HAZARDOUS ACTIVITIES

In the past 3 years have the Proposed Insureds:

1. flown other than as a scheduled airline passenger or do such individuals intend to engage in any such flying in the next 12 months? ☐ Yes ☒ No

2. engaged in or do such individuals intend to engage in skin diving, motor vehicle racing, skydiving or any other hazardous sport or hobby? ☐ Yes ☒ No

If 1 or 2 above answered "Yes", Complete applicable supplemental questionnaire.

## SECTION 9: EXISTING INSURANCE

List below details of the insurance in force on the Proposed Insured(s) (if none, say none).

Primary Insured Company	Year Issued	Amount of Life	Amount of ADB	Other Insured/Spouse Company	Year Issued	Amount of Life	Amount of ADB
K C, L	1973	25000	—	Roll Over to U-1			
TRUMAN Life	1981	30,000		REPLACE 02047			
AMERICAN Family	1983	15000	10000				

## SECTION 10: HEALTH STATEMENT

Full names of all to be insured (Print)	Relationship to Primary Insured	Birthdate			Age	Sex	Build			Weight change in past year		Present Insurance Amount
		Month	Day	Year			Ft.	In.	Lb.	Gain	Loss	
1. Primary Insured	X	X	X	X	X	X						X
2. [REDACTED]	W.F											
3. [REDACTED]	D											
4. [REDACTED]	D											
5.												

In items 1 through 10 below the word "you" refers to each person listed above.  
To the best of your knowledge and belief:

Yes No

1. Within the past 5 years have you:
  - a. been examined, advised or treated by any physician or other practitioner? [REDACTED]
  - b. been a patient of, or do you intend to enter, a hospital, clinic or other institution for consultation or treatment or surgery? [REDACTED]
  - c. had any electrocardiogram, X-ray, or other diagnostic tests? [REDACTED]
2. a. Have you smoked cigarettes within the past 12 months? [REDACTED]
- b. Has cigarette smoking habit been discontinued? [REDACTED]  
        (if "Yes", indicate when.) [REDACTED]
3. During the last 10 years have you ever had any indication or diagnosis of disease or disorder of:
  - a. brain or nervous system - mental illness, convulsions, epilepsy or paralysis? [REDACTED]
  - b. sight or hearing? [REDACTED]
  - c. the blood or had tumor, cancer or syphilis? [REDACTED]
  - d. heart or blood vessels - heart murmur, pain or pressure in chest, palpitations or rheumatic fever? [REDACTED]
  - e. lungs - asthma, emphysema, bronchitis or tuberculosis? [REDACTED]
  - f. digestive system - indigestion, ulcer, gastritis, liver, gallbladder, intestine or rectum, rupture (hernia)? [REDACTED]
  - g. genito-urinary system - kidney, bladder, prostate, albumin, blood, pus or sugar in urine? [REDACTED]
  - h. bone, joint or muscles, back or spine - arthritis, gout or rheumatism? [REDACTED]
  - i. thyroid, glandular trouble or diabetes? [REDACTED]
4. Have you ever had a diagnosis of or treatment for high blood pressure?
5. Do you take prescription medicine?
6. Have you sought advice, been treated or arrested for the use of alcohol or drugs?
7. Have you any disorder of pregnancy, menstruation, breasts, uterus, ovaries or pelvis?
8. Are you pregnant? Date due?
9. Do any of the family members listed above live outside of the Primary Insured's household?
10. Are you now free from disease and in sound health?

Give DETAILS to "Yes" answers to questions 1-9 or a "No" answer to question 10. Identify question, specify conditions, severity, dates, duration, aftereffects and names and addresses of all attending physicians and medical facilities.

[REDACTED]

[REDACTED]

Names and address of personal or family physicians (if none, say none).

Date and reason last consulted

Clinic or VA Claim Number

**SECTION 11: REPLACEMENT**

Will any existing life, health or annuity contracts be lapsed, surrendered, reissued or converted (to reduce amount, premium or period of coverage including surrender options) if the proposed policy is issued?  
☒ Yes ☐ No Will proposed policy be financed by loans from this or any other policy? ☐ Yes ☒ No

If yes, give name of company in Section 14.

**SECTION 12: CHANGE REQUESTS**

Existing Policy Number _____	<input type="checkbox"/> Increase <input type="checkbox"/> Decrease Specified Amount to \$ _____	Add <input type="checkbox"/> Delete <input type="checkbox"/> ADB \$ _____	Add <input type="checkbox"/> Delete <input type="checkbox"/> Spouse's Term _____ units
		<input type="checkbox"/> WP _____	<input type="checkbox"/> Children's Term _____ units
Change to coverage Option <input type="checkbox"/> A <input type="checkbox"/> B	AI Option Date _____	<input type="checkbox"/> AI \$ _____	<input type="checkbox"/> Auto Increase \$ _____
		<input type="checkbox"/> COL _____	Every _____ Years
		<input type="checkbox"/> Other _____	

Owner's Signature _____	Creditor Beneficiary's Signature _____	Assignee's Signature _____
-------------------------	--	----------------------------

**SECTION 13: SPECIAL RECEIPT CASES**

Answer these questions only if money is to be taken under the Special Temporary Insurance Agreement.

- Have you within the **past 90 days** been admitted to a hospital or other medical facility, been advised to be so admitted or had surgery performed or recommended? ☐ Yes ☐ No
- Have you within the **past 2 years** been treated for heart trouble stroke or cancer or had such treatment recommended by a physician or other medical practitioner? ☐ Yes ☐ No

If either 1 or 2 above is answered "Yes" or left blank, no agent of Kansas City Life Insurance Company is authorized to accept money on this individual and no coverage will take effect under the Special Temporary Insurance Agreement.

**SECTION 14: SPECIAL REQUESTS**

(Settlement option, alternate or additional policy, split dollar, etc.)

**SECTION 15: AUTHORIZATION**

I(we) authorize any physician, medical professional, hospital, clinic, other medical care institution, the Medical Information Bureau, Inc., insurer, reinsurer, motor vehicle department, law enforcement agency, consumer reporting agency, or employer having information available as to employment, other insurance coverage, medical care, advice, treatment or supplies with respect to any physical or mental condition and any other non-medical information regarding me(us) or any of my(our) minor children who are to be insured, to give the information to Kansas City Life Insurance Company or any consumer reporting agency acting on Kansas City Life's behalf.

I(we) understand that this information will be used by Kansas City Life Insurance Company to determine eligibility for insurance.

I(we) agree this Authorization is valid for two and one-half years from the date signed.

I(we) know that I(we) have a right to receive a copy of this Authorization upon request. I(we) agree that a photographic copy of this Authorization is as valid as the original.

I(we) acknowledge receipt of the Notice of Information Practices, including the notices explaining my(our) rights under the Fair Credit Reporting Act as it pertains to investigative consumer reports and the Medical Information Bureau.

**SECTION 16: AGREEMENT AND SIGNATURES**

It is understood and agreed as follows:

- I(we) have carefully read the statements and answers recorded in this application; they are, to the best of my(our) knowledge and belief, true and complete; they and the answers to any required medical examination will become part of this application and any policy(ies) issued on it;
- No agent has the authority to waive the answer to any question, to determine insurability, to waive any of the Company's rights or requirements, or to make or alter any contract or policy;
- The policy and insurance applied for will take effect when the policy is delivered to the Applicant and the first premium in full is paid in cash while the health of the Proposed Insured(s) remains as stated in this application and during their lifetime; the only exception to this is provided in the Temporary Insurance Agreement if the agreement has been issued and the advance payment required by the agreement has been made;
- Any increase in specified amount or change in coverage option applied for will become effective as specified in the policy or rider under which the application is made;
- I(we) agree that this application and any required medical examination, may be included in and made a part of any other policies issued at the same time as or in lieu of the policy applied for and accepted by me(us); however, no change in amount, classification, plan of insurance, age at issue or benefits will be effective unless agreed to in writing by me(us);
- Any provision in this application contrary to the laws of the state in which this policy is applied for and issued will be null and void.

Dated at SAVANNAH MO this 13 day of MAY, 1986.

I certify that the statements of the Proposed Insured(s) and Applicant have been correctly recorded in this application and that the premium payment shown at right has been collected by me and a Temporary Insurance Agreement therefor given to the Applicant.

11959 C. J. Powell  
 Agent Code Signature of Writing Agent

Agent Code Signature of Other Agent(s) (if split case)

Agency Code Agency HOWARD 098

I(we) have paid \$ 0 to the agent in exchange for the Temporary Insurance Agreement and I(we) acknowledge that I(we) fully understand and accept its terms.

D. Daniel B. Tan  
 Primary Insured's Signature (if under 15, parent/guardian signature)

Applicant's Signature (if other than Primary Insured)

Judy B. Tan  
 Other Insured's/Spouse's Signature (if such rider applied for)



# OTHER INSURED SUPPLEMENT

to Application No. 96833  
of DAVID B. KARR  
(Primary Insured)



The Lioness...protecting her own.

**KANSAS CITY LIFE**  
INSURANCE COMPANY Since 1893

(Please print.)

## SECTION 1: OTHER INSURED AGE 19 OR OVER

Full Name		Social Security No.	
Date of Birth		State of Birth	Driver's License No.
Age		Employer's Name and Address	
All occupations and exact duties		Years Employed (if less than 2, show former occupation)	
<input type="checkbox"/> Male	<input checked="" type="checkbox"/> Married	<input type="checkbox"/> Divorced	<input type="checkbox"/> Separated
<input checked="" type="checkbox"/> Female	<input type="checkbox"/> Single	<input type="checkbox"/> Widowed	

If different than Primary Insured:

Address	City	State	Zip Code
Home Telephone ( )	Business Telephone ( )	Most convenient time and place to contact	
Insurance Coverage: Specified Amount \$		Accidental Death Benefit \$	

## SECTION 2: OTHER INSURED UNDER AGE 19

1. Full Name	Specified Amount \$	Accidental Death Benefit \$
2. Full Name	Specified Amount \$	Accidental Death Benefit \$
3. Full Name	Specified Amount \$	Accidental Death Benefit \$
4. Full Name	Specified Amount \$	Accidental Death Benefit \$
5. Full Name	Specified Amount \$	Accidental Death Benefit \$

## SECTION 3: CHANGE REQUESTS

Existing Policy Number	<input type="checkbox"/> Increase <input type="checkbox"/> Decrease	Specified Amount and/or Accidental Death Benefit to the amounts shown above.
Owner's Signature	Creditor Beneficiary's Signature	Assignee's Signature

## SECTION 4: AUTHORIZATION

I authorize the following to give information (defined below) to Kansas City Life Insurance Company or any person or group acting on the part of Kansas City Life: any medical professional, medical care institution, the Medical Information Bureau, Inc., insurer, reinsurer, government agency, consumer reporting agency or employer. "Information" means facts of: a medical nature in regard to my physical or mental condition; employment; other insurance coverage; or any other non-medical facts. I agree that this information will be used by Kansas City Life to decide if I am eligible for insurance. I agree this Authorization is valid for two and one-half years from the date signed. I know that I have a right to receive a copy of this Authorization upon request. I agree that a photographic copy of this Authorization is as valid as the original.

## SECTION 5: AGREEMENT

I agree that the statements on this Supplement are to the best of my knowledge true and complete. I have carefully read the statements in the application numbered above and agree that the answers recorded there are true and complete. I acknowledge receipt of the Notice of Information Practices.

Dated at SAVANNAH MO this 13 day of MAY, 1986.

Carol Fisher 11959  
Agent's Signature Agent Code

**HOWARD 098**

Agency

Agency Code

David B. Karr  
Other Insured's Signature (age 19 or over)

David B. Karr  
Primary Insured's Signature

**FLEXIBLE PREMIUM  
ADJUSTABLE DEATH BENEFIT  
LIFE POLICY - NONPARTICIPATING**

Adjustable death benefit. Death proceeds payable at death of Insured prior to maturity date. Cash value payable on maturity date. Flexible premiums payable until maturity date or prior death of Insured.

If you have any questions concerning this policy or if anyone suggests that you change or replace this policy, please contact your Kansas City Life agent or the Home Office of the Company.



*The Lioness...protecting her own.*

**KANSAS CITY LIFE**  
INSURANCE COMPANY Since 1895

**3520 Broadway • Post Office Box 419139  
Kansas City, Missouri 64141-9139**