

Class Notice of Kansas City Life Insurance Co. Cost of Insurance Class Action Settlement

Dear Class Member,

You have been sent this Class Notice of Kansas City Life Insurance Company Cost of Insurance Class Action Settlement (the “Class Notice”) because you were identified as a *Sheldon* Class Member in the class action lawsuit, *Sheldon v. Kansas City Life Insurance Company*, pending in the 16th Circuit Court of Jackson County, Missouri, Case No. 1916-CV26689. This Class Notice summarizes a recent Settlement that impacts your rights. A full description of the Settlement is contained in the Settlement Agreement, which includes the precise definitions of capitalized terms used in this Class Notice. The Settlement Agreement is available for you to read at www.sheldonkcllitigation.com. Please read it and this Class Notice carefully to understand your rights and obligations under the Settlement.

Records provided by Kansas City Life Insurance Company indicate that you are currently the owner or were the owner at the time of termination of a Century II variable universal life (“VUL”) insurance policy that was issued in the state of Missouri and active on or after January 1, 2002. Throughout this Class Notice, Kansas City Life Insurance Company is referred to as “KCL.”

The Settlement involves the Cost of Insurance that KCL deducted from the contract values of these life insurance policies. The Settlement provides that KCL will fund a *Sheldon* Settlement Fund in the amount of \$5 million, which will be used to pay (1) cash to *Sheldon* Class Members; (2) Class Counsel’s attorneys’ fees and expenses in an amount to be approved by the Court; (3) any service award to Plaintiff in an amount to be approved by the Court; and (4) the expenses incurred in administering the Settlement.

If You Own or Owned a KCL Century II VUL Life Insurance Policy, a Class Action Lawsuit May Affect Your Rights

**A COURT AUTHORIZED THIS NOTICE.
THIS IS NOT A SOLICITATION FROM A LAWYER.
YOU ARE NOT BEING SUED.**

- A Settlement was reached with KCL in a class action lawsuit about the Cost of Insurance applied to these policies. If the Settlement is approved by the Court, you will automatically receive a payment. No further action is required.
- The Settlement includes current and former owners of Century II VUL policies issued in the state of Missouri, that were active on or after January 1, 2002 (*see* Questions 4 & 5 below).
- As part of the Settlement, *Sheldon* Class Members will be eligible to receive a portion of a cash *Sheldon* Settlement Fund funded by KCL; the total *Sheldon* Settlement Fund amount is \$5 million (*see* Question 7 below).

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT	
DO NOTHING	Automatically receive your share of the Settlement Fund
OBJECT	Write to the Court if you don't like the Settlement
GO TO A HEARING	Make a request to speak in Court about the fairness of the Settlement

These rights and options—and the deadlines to exercise them—are explained in this Class Notice.

The Court in charge of this case still must decide whether to provide final approval of the Settlement. Settlement checks will be automatically issued to each *Sheldon* Class Member if the Court approves the Settlement and after any appeals are resolved. **You do not need to take further action to receive payment if you are eligible under the Settlement. Please be patient.**

1. Why did I get this Class Notice?

KCL's records show that you own or owned a Century II VUL policy that was issued by KCL (or were identified as the legal representative of such an owner) in the state of Missouri and that was active on or after January 1, 2002. A Court authorized this Class Notice because you have a right to know about the proposed Settlement and all your options before the Court decides whether to approve the Settlement. This Class Notice explains the lawsuit, the Settlement, and your legal rights.

Judge Marty Seaton of the 16th Circuit Court of Jackson County, Missouri is overseeing this case. The case is known as *Sheldon v. Kansas City Life Insurance Company*, Case No. 1916-CV26689. The person who sued, J. Gregory Sheldon, is called the "Plaintiff." Kansas City Life Insurance Company is the Defendant and is referred to as "KCL" in this Class Notice.

The following is only a summary of the Settlement. A full description of the Settlement is in the Settlement Agreement. Nothing in this Class Notice changes the terms of the Settlement Agreement. You can read the Settlement Agreement by visiting www.sheldonkellitigation.com.

Questions? Visit www.sheldonkellitigation.com or call 1-844-672-0836

2. What is this lawsuit about?

This lawsuit is about whether KCL's Cost of Insurance deductions were consistent with the policy language in the Century II VUL life insurance policies issued by KCL ("Policies"). The Policies have a contract value ("Contract Value") that earns interest or investment returns. The Policies expressly authorize KCL to take a Monthly Deduction from the Contract Value each month.

Plaintiff alleges that KCL violated the Policies in three different ways.

- First, the Policies state that the Cost of Insurance Rates used to calculate monthly Cost of Insurance Charges will be determined by KCL based on its expectations as to future mortality experience. Plaintiff alleges that KCL impermissibly used unauthorized and undisclosed non-mortality factors to determine the Cost of Insurance Rates.
- Second, Plaintiff alleges KCL failed to reduce its Cost of Insurance Rates when KCL's expectations as to future mortality experience improved.
- Third, while the Policies provide for a separate Monthly Expense Charge, Plaintiff alleges that KCL exceeds the fixed amount of this charge by using its expenses when determining Cost of Insurance Rates.

KCL denies all of Plaintiff's claims, and asserts that, at all times, it complied with the plain language of the Policies.

You can read Plaintiff's Petition, KCL's Answer, and other relevant documents at www.sheldonkcllitigation.com.

3. What if I received another notice about a similar class action lawsuit?

Several policy owners have filed lawsuits, including this case, against KCL regarding the allegations described in Question 2. Three cases, including this case against KCL, were tried to jury verdicts a few years ago. The first case, *Meek v. Kansas City Life Insurance Company*, consisted of Kansas policy owners of different universal life insurance policies issued by KCL, but was later amended to only include Kansas policy owners who incurred Cost of Insurance or Expense Charges between June 18, 2014 and February 28, 2021. The second case, *Karr v. Kansas City Life Insurance Company*, consisted of certain Missouri policy owners of different universal life insurance policies issued by KCL. If you were one of these Missouri policy owners, you may have received a class notice and a recent payment in that lawsuit. These lawsuits were resolved through all appeals and the amounts recovered after trial are being distributed separately and in addition to any settlement.

The third case, *Sheldon v. Kansas City Life Insurance Company* (this case), was also tried to a jury verdict and the Court entered judgment against KCL in the amount of \$4,095,897.75, plus prejudgment interest in the amount of \$2,038,042.27. But KCL had appealed the *Sheldon* judgment at the time of the Settlement. It is being resolved through this Settlement.

Four additional class action cases were filed on behalf of Arizona, California, Colorado, Illinois, Maryland, North Carolina, Pennsylvania, Texas, or Washington policy owners in the Central District of California, District of Maryland, and Western District of Missouri. **This Settlement and Class Notice supersedes all prior notices you may have received in the *Sheldon* Action related to your Century II VUL life insurance policy.** This Settlement, if approved by the Court and by the United States District Court in the Western District of Missouri, where the other actions are or will be pending, will resolve all the actions.

4. Why is there a Settlement?

The Parties negotiated the Settlement with an understanding of the factual and legal issues that would affect the outcome of these lawsuits. During the lawsuit, Plaintiff, through his attorneys, thoroughly examined and investigated the facts and the law relating to the issues in these cases.

Plaintiff believes that the final outcome of the lawsuit, if he were to proceed through appeals, is uncertain. A settlement avoids the costs and risks of further litigation and provides immediate relief to the *Sheldon* Class Members. Based on his evaluation of the facts and law, Plaintiff and his attorneys have determined that the proposed Settlement is fair, reasonable, and adequate. They have reached this conclusion based on the substantial benefits the Settlement provides to *Sheldon* Class Members and the risks, uncertainties, and costs inherent in the lawsuit.

While there was a trial in this case, there has been no final appellate determination on the merits of the claims or defenses in this lawsuit. There will be no final determination on the merits of the remaining claims and defenses if the Court approves the Settlement. The Settlement does not indicate that KCL has done anything wrong or that Plaintiff and the *Sheldon* Class Members would win or lose if this lawsuit were to proceed through the appeal.

5. Who is included in the *Sheldon* Class?

The *Sheldon* Class includes all persons or entities who own or owned one of the approximately 530 Policies issued by KCL. “Policies” means all Century II VUL insurance policies issued by KCL in the state of Missouri that were active on or after January 1, 2002. A Policy includes all applications, schedules, riders, and other forms that were specifically made a part of the Policy at the time of issue, plus all riders and amendments issued later. Policies include everything that was part of “The Contract,” as that term is defined in your Policy or Policies.

A separate settlement class covers all persons or entities who own or owned life insurance policies issued by KCL in the state of Missouri, as well as KCL life insurance policies issued in other states. That class will receive a different notice and is being overseen by the Hon. Beth Phillips in the United States District Court for the Western District of Missouri. If you own or owned another universal life insurance policy issued by KCL and covered by the separate settlement, you may receive a separate notice setting out your rights and obligations related to that portion of the Settlement. If you owned both a Century II VUL policy issued in Missouri and another one of the policies covered by that settlement class, you may be a member of both settlement classes. You are **not** part of the *Sheldon* or any Settlement Class if you are KCL; any entity in which KCL has a controlling interest; any of the officers, employees, or board of directors of KCL; the legal representatives, heirs, successors, and assigns of KCL; anyone employed with Plaintiff’s counsel’s law firms; the owner of the policy bearing policy number 5033898; or any Judge to whom this Action or Related Action is assigned or his or her immediate family.

If someone who would otherwise be a *Sheldon* Class Member is deceased, his or her estate is a *Sheldon* Class Member.

6. How can I confirm that I am in the *Sheldon* Class?

If you are not sure whether you are included in the *Sheldon* Class, you can get free help at www.sheldonkcllitigation.com, by calling 1-844-672-0836, or by emailing SheldonKCL@noticeadministrator.com.

7. What does the Settlement provide?

KCL has agreed to fund a Settlement Fund in the amount of \$5 million, which will be used to pay (1) all payments to *Sheldon* Class Members; (2) Class Counsel’s attorneys’ fees and expenses in an amount to be approved by the Court; (3) any service award to Plaintiff J. Gregory Sheldon in an amount to be approved by the Court; and (4) the expenses incurred in administering the Settlement. The Net Settlement Fund equals \$5 million less the amounts described in (2) through (4) as approved by the Court.

If the Court approves the Settlement related to the *Sheldon* Class and Judge Phillips approves the portion of the Settlement related to the Settlement Class, settlement checks will be mailed to *Sheldon* Class Members in amounts that will vary according to a Distribution Plan. The Distribution Plan is designed to provide each *Sheldon* Class Member an approximate pro rata portion of the Net Settlement Fund in proportion to the amount of damages with prejudgment interest allegedly suffered by each *Sheldon* Class Member. There will also be a minimum cash payment and more paid where a *Sheldon* Class Member’s Policy is still in force.

The full Distribution Plan is attached to Plaintiff’s Motion for Preliminary Approval of Class Action Settlement and to Permit Issuance of Notice to *Sheldon* Class and is available at www.sheldonkcllitigation.com.

You should consult your own tax advisors about the tax consequences of the proposed Settlement, including any benefits you may receive and any tax reporting obligations you may have as a result.

8. How do I participate in the Settlement?

Sheldon Class Members do not have to do anything to participate in the Settlement. No claims need to be filed. Upon approval of the Settlement, a settlement check will be sent to every *Sheldon* Class Member in the amount determined by the

Questions? Visit www.sheldonkcllitigation.com or call 1-844-672-0836

Settlement Administrator using the method described in Question 7. If someone who would otherwise be a *Sheldon* Class Member is deceased, his or her estate is a *Sheldon* Class Member. If your address changes, you should contact the Settlement Administrator to give them your new address.

9. When will I receive my settlement check?

The settlement checks will be sent to *Sheldon* Class Members within 30 days after the Final Settlement Date, which is the date that the approval process is formally completed. It is a condition of the Settlement that both the Court in this case and Judge Phillips approve the Settlement. The Final Settlement Date will not occur until both approvals have been given and are final. Settlement checks will be automatically mailed without any proof of claim or further action on the part of the *Sheldon* Class Members. It could take several months to complete the Settlement process and depending on factors that cannot be predicted at this time. Updates will be made available to you on the Settlement Website, www.sheldonkcllitigation.com.

10. What happens if I do nothing?

If the Settlement is approved, you will receive a settlement check representing your share of the Settlement.

If the Settlement is approved, you cannot sue KCL or be part of any other lawsuit against KCL concerning the Released Claims, as that term is defined in the Settlement Agreement.

If your Policy is still in force, KCL is not required to lower its Cost of Insurance Rates and may continue to use its current Cost of Insurance Rates. KCL may also increase Cost of Insurance Rates if deterioration in its expectations as to future mortality experience is the reason for the increase.

The Settlement Agreement is available at www.sheldonkcllitigation.com and describes the claims that you are giving up. If you have any questions, you can talk to the law firms listed in Question 12 for free, or you can hire your own lawyer.

11. How do I tell the Court if I do not like the Settlement?

You can object to the Settlement if you do not like some part of it. The Court will consider your views. To object to the Settlement, you must serve a written objection in the case, *Sheldon v. Kansas City Life Insurance Company*, Case No. 1916-CV26689. The objection **must include** the following:

- The *Sheldon* Class Member's name (or the name of the entity that owns the Policy), current address, telephone number, and email address;
- Policy number(s);
- A written statement of all reasons for the objection accompanied by any legal support for the objection (if any);
- Copies of any papers, briefs, or other documents upon which the objection is based (if any);
- A list of all persons who will be called to testify in support of the objection (if any);
- A list of any attorneys representing you or who assisted in the preparation of your objection (if any);
- Whether you intend to appear at the Fairness Hearing and the identity of all attorneys (if any) who will appear at the Fairness Hearing on your behalf;
- Whether the objection applies only to you, to a specific subset of the *Sheldon* Class, or to the entire *Sheldon* Class; and
- The signature of you or your counsel.

You must mail your objection to the Settlement Administrator at Sheldon v KCL Litigation P.O. Box 2002, Chanhassen, MN 55317-2002, postmarked no later than September 22, 2025.

12. Do I have a lawyer in this case?

Yes. The Court appointed the following lawyers as "Class Counsel" to represent all the members of the Sheldon Class:

<p>John J. Schirger, Joseph M. Feierabend Schirger Feierabend LLC 6811 Shawnee Mission Parkway, Suite 312 Overland Park, KS 66202 sheldonkcllitigation@SFLawyers.com</p>	<p>Patrick J. Stueve, Bradley T. Wilders, Lindsay Todd Perkins, Ethan M. Lange Stueve Siegel Hanson LLP 460 Nichols Rd., Suite 200 Kansas City, MO 64112 sheldonkcllitigation@stuevesiegel.com</p>
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If you have questions, you may contact these lawyers. You will not be charged for contacting these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

13. How will the lawyers be paid?

Class Counsel have not been paid for their work in this case. After trial, the Court awarded Class Counsel one-third of the judgment as attorneys’ fees in light of the thousands of hours of labor spent on this case. As part of this Settlement, the Court will determine how much Class Counsel will now be paid for fees and expenses. Class Counsel will seek an award for attorneys’ fees of up to one-third of the *Sheldon* Settlement Fund, plus reimbursement of Class Counsel’s costs and expenses (no more than \$225,000), also to be paid from the *Sheldon* Settlement Fund. Any award made as part of this Settlement will replace the prior award. You will not be responsible for payment of Class Counsel’s fees and expenses.

Class Counsel will also request a service award payment of up to \$100,000.00 for Plaintiff J. Gregory Sheldon for his service to the *Sheldon* Class, which is an amount the Court previously awarded Mr. Sheldon following trial. This payment will also be paid from the *Sheldon* Settlement Fund. Any award made as part of this Settlement will replace the prior award. You will not be responsible for payment of Plaintiff’s Service Award.

The Judge will determine any amounts to be paid to Class Counsel and to the Plaintiff. Class Counsel’s motion seeking an award of attorneys’ fees, reimbursement of costs and expenses, and service award for the Plaintiff will be available at www.sheldonkcllitigation.com.

14. When and where will the Court decide whether to approve the Settlement?

The Judge will hold a Fairness Hearing to decide whether to approve the Settlement and any requests for attorneys’ fees and expenses, service award to Plaintiff, and the costs of settlement administration. You may attend and ask to speak, but you do not have to.

The Judge will hold the Fairness Hearing at 2:30 p.m. on December 11, 2025, at the Jackson County Courthouse, 308 West Kansas – 1st Floor, Independence, MO 64050. The Fairness Hearing may be moved to a different date or time without additional notice being mailed to you, so please check www.sheldonkcllitigation.com for any updates. At the Fairness Hearing, the Judge will consider whether the Settlement is fair, reasonable, and adequate and in the best interests of *Sheldon* Class Members and whether to award the requested attorneys’ fees, expenses, service award, and the costs of settlement administration. If there are objections, the Judge will consider them and will listen to people who have asked to speak at the Fairness Hearing. After the Fairness Hearing, the Judge will decide whether to approve the Settlement. We do not know how long the Judge’s decision will take.

15. Do I have to attend the hearing?

No, but you or your own lawyer are welcome to attend the Fairness Hearing at your expense. If you send a timely objection but do not attend the Fairness Hearing, the Judge will still consider your objection.

16. May I speak at the hearing?

You may speak at the Fairness Hearing by filing an objection that indicates your intention to do so. If you wish to appear through counsel, your written objection must list the attorneys representing you who will appear at the Fairness Hearing. Unless otherwise ordered by the Judge, a *Sheldon* Class Member who does not submit a timely objection with the required information will not be permitted to speak at the Fairness Hearing.

17. If I cash the settlement check, will it affect my Policy(ies)?

No. Cashing the settlement check or not cashing the settlement check has no effect on your Policy(ies).

18. How do I get more information?

This Class Notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You can find a copy of the Settlement Agreement at www.sheldonkclitigation.com. You may also send your questions to the Settlement Administrator, in writing, at Sheldon v KCL Litigation, P.O. Box 2002, Chanhassen, MN 55317-2002, or call the Settlement Administrator at 1-844-672-0836. You can review the Court's docket in this case at www.courts.mo.gov.

If your address has changed or will change, please notify the Settlement Administrator by December 11, 2025.

Be sure to regularly check www.sheldonkclitigation.com for updates, as information contained in this notice, including dates, times, or locations, may be changed without additional notice being mailed to you.

DATE: August 8, 2025