



Dear Fellow Shareholder:

2020 continues to be the year of the unexpected and unexplained. In my letter with the first quarter results, I quoted Babe Ruth and not giving up. I told you no matter what the circumstances, your company is a fighter. And we are!

First, let me give you the really good news. As of December 31, 2019, our assets were \$54,879,249. As of June 30, 2020, our assets have increased to \$106,873,101. We have almost doubled the assets of your company in 2020 and five-fold since June 30, 2016.

TOTAL ASSETS	
June 30, 2016 - \$18,390,582	June 30, 2017 - \$20,925,277
June 30, 2018 - \$40,843,182	June 30, 2019 - \$50,308,241
June 30, 2020 - \$106,873,101	

Our investment income increased from \$861,038 to \$1,256,013 as a result of having more assets.

Even with more assets, the accounting rules, which require us to take unrealized gains and losses through the income statement, have resulted in 2019 a gain of \$831,289 and an unrealized loss for the first six months of 2020 of \$1,359,105.

Under the heading of not so good news, though, is our results. While our 6-month premium income increased by \$163,088, second quarter premium income decreased by \$159,697, a direct result of the pandemic, the stay-at-home order and the closing of so many small businesses, which has been painful to our business, our clients, and the communities we serve.

The decrease in premium income and the low interest rates continue to pummel our industry.

PO Box 4026 Topeka, Kansas 66604 Office: 785.228.0200 Toll-free: 866.953.4675 Fax: 785.228.0202
Email: info@usalliancecorporation.com Website: usalliancecorporation.com Find us on Facebook, Instagram, and LinkedIn!

US Alliance Life & Security Company & Dakota Capital Life Insurance Company are members of the Better Business Bureau.



Here is a summary of our results:

US Alliance Corporation

	Six Months Ended June 30,	
	2020	2019
Income:		
	(unaudited)	
Premium income	\$ 5,083,778	\$ 4,920,690
Net investment income	1,256,011	861,038
Net investment gains (losses)	(1,359,105)	831,289
Other income	27,708	25,058
Total income	5,008,392	6,638,075
Expenses:		
Increase in policyholder reserves	1,612,693	1,437,658
Other policy-related expenses*	4,699,454	3,634,089
Operating expenses	1,825,988	1,225,242
Total expense	8,138,135	6,296,989
Net Income (loss)	\$(3,129,743)	\$ 341,086
Net income (loss) per common share, basic and diluted	\$ (0.40)	\$ 0.04

* Other policy-related expenses include death benefits, other benefits paid to policyholders commissions and amortization of deferred acquisition expenses

You may access our full financial results by clicking on the "Securities and Exchange Commission Filings" link on our web-site

The loss per share in the first quarter I reported to you was \$0.35 (rounded). For the second quarter, our loss per share narrowed to \$0.06 (rounded). For the first two quarters, our total loss per share is \$0.40.

Please click [here](#) for a more detailed 2nd quarter financial report.

We have developed an internet and phone-based product distribution capability, and as we continue to evaluate this new "relationship" based strategy we are hopeful. Our consultants are committed to build and maintain relationships with our 725 licensed, contracted producers, but it is a sea change in the way we have done business. We prefer the firm handshake, the warm smile, and being face-to-face. But that is not the reality of today.


With the increased assets, the hard work of our service team, our consultants, and our producers, we will not just survive, but thrive!

You can help us – please think of those whom you might know who might be interested in our suite of products. Please review the list of our products.

On behalf of our directors, service team and sales force, we thank you for your investment, your patience, and your support.

With every good wish.

Cordially,


Jack H. Brier
Chairman & Co-Founder
US Alliance Group of Companies

Our Kansas Products

Term Life Insurance or Whole Life Insurance?

What's the difference?

Term life insurance is temporary. It is available for 10, 15, 20, or 30-year terms. We offer both fully underwritten and simplified issue.

Whole life is permanent life insurance. Premiums are fixed and payable for 10 or 20 years.

Group Life & Disability

Products designed for companies with as few as 3 employees! Custom plan designs and simple application process make this a great fringe benefit for your employees. Short Term Disability (STD) has a 13 or 26 week benefit period while Long Term Disability (LTD) features a simple application process with benefits paid after an elimination period.

Critical Illness (Cancer, Heart Attack, Stroke)

Features issue ages from 18 up to 80-years old. Plans are available for cancer, heart attack, stroke, kidney failure, major organ transplant, blindness, coma, deafness, paralysis, severe burn, and more!

Legacy Juvenile Series®

Our Legacy Juvenile Product features a simple application process, a one-time premium, and can be issued from birth up to age 16.

American Annuity Series®

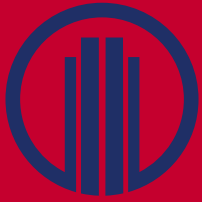
We also offer our American Annuity Product which features a guaranteed minimum interest rate, a 5-year rate guarantee, with an annual 10% free withdrawal provision.

Pre-Need Series

We also offer specialized Pre-Need funeral products which are offered by funeral directors to facilitate prepayment of funeral expenses.

Firehouse Series

To show our gratitude for our firefighters, relief associations are able to purchase low cost and high value plans for their members. These products feature custom plan designs and a simple application process.



Our North Dakota Products



Term Life Insurance or Whole Life Insurance?

What's the difference?

Term life insurance is temporary. It is available for 10, 15, 20, or 30-year terms. We offer both fully underwritten and simplified issue.

Whole life is permanent life insurance. Premiums are fixed and payable for 10 or 20 years



Group Life & Disability

Products designed for companies with as few as 3 employees! Custom plan designs and simple application process make this a great fringe benefit for your employees. Short Term Disability (STD) has a 13 or 26 week benefit period while Long Term Disability (LTD) features a simple application process with benefits paid after an elimination period.

Critical Illness (Cancer, Heart Attack, Stroke)

Features issue ages from 18 up to 70-years old. Plans are available for cancer, heart attack, stroke, kidney failure, major organ transplant, blindness, coma, deafness, paralysis, severe burn, and more!

Little Missouri Juvenile Series®

Our Little Missouri Juvenile Product features a simple application process, a one-time premium, and can be issued from birth up to age 16.

Badlands Annuity Series®

We also offer our Badlands Annuity Product which features a guaranteed minimum interest rate, a 5-year rate guarantee, with an annual 10% free withdrawal provision.

Peace Garden Pre-Need Series®

We also offer specialized Pre-Need funeral products which are offered by funeral directors to facilitate prepayment of funeral expenses.