



Dear Fellow Shareholder:

Between 2017 and 2021 our direct premium rose from \$3,167,654 to \$8,566,404, an increase of 170%. 2020 to 2021 direct premium has increased 35%.

For the first nine months of 2022 our sales efforts have been rewarded.

- Our preneed division has seen a sales increase for the first nine months from 2021 to 2022 of 25%.
- Our group division has seen a sales increase for the first nine months from 2021 to 2022 of 83%.
- Our individual products has seen a sales increase for the first nine months from 2021 to 2022 of 82%.

We have control over our sales, service, and policyholder satisfaction and you can see from the above results we are executing our strategy. However, market volatility and accounting rules have muted our success.

Today's stock and bond markets test our resiliency in ways we never imagined when we sold our first insurance policy on May 1, 2013. Please click [here](#) to review the capital markets outlook from NEAM.

Barron's succinctly described the economy as "red hot inflation, rising interest rates, and a surging dollar have taken a steep toll on stock and bond investors."

Others have described the markets actions as a "classic bear market rally", "Whiplash", and one analyst described these times as "being seasick".

Simply put, as an investor there has been no place to hide. Uncertainty seems to be outweighing hope as the prevalent attitude of today.

As you can see from the following chart the results are distorted by the accounting rules adopted by FASB (Financial Accounting Standards Board) I have described in previous letters which force us to recognize unrealized losses and gains in the income statement (temporary we believe).

For the first nine months of 2022, our net investment losses were \$2,809,802 compared to \$202,742 in 2021. Of that amount, \$2,794,514 is attributable to accounting rules which require unrealized losses to be considered losses in the income statement.

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



Please click [here](#) for a detailed financial report. Here is an unaudited summary of our results:

US Alliance Corporation

	Nine Months Ended September 30,	
	2022	2021
Income:	(unaudited)	
Premium income	\$ 10,023,670	\$ 9,212,137
Net investment income	4,429,292	4,143,127
Net investment gains (losses)	(2,809,802)	(202,742)
Other income	252,899	237,901
Total income	11,896,059	13,390,423
Expenses:		
Increase in policyholder reserves	3,393,766	3,310,238
Other policy-related expenses*	8,896,409	8,014,357
Operating expenses	2,579,990	2,254,193
Total expense	14,870,165	13,578,788
Net Income (loss)	\$ (2,974,106)	\$ (188,365)
Net income (loss) per common share, basic and diluted	\$ (0.38)	\$ (0.03)

* 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

Death claims have increased by 30% for the first nine months of the year. At this point we have not been able to conclusively point to Covid as our claims driver as claims have been higher among working age (25-65) insureds than we expected. It could be that during Covid medical appointments were missed or simply an anomaly which time will help us explain. Also please note our operating expenses increased as a result of transferring expenditures from the cost of issuance for our stock offering to other operating expenses. As the markets recover, we expect unrealized gains to increase.

Normally in a quarterly shareholder letter I don't discuss the balance sheet but because the change is so unprecedented and large we want to be transparent about our results. Our stockholders equity has declined in the first nine months of 2022 by \$11,278,548. Of this amount, \$10,015,494 decline is with NEAM (part of Berkshire Hathaway) portfolios. This is a reflection of the impact of volatility. Of this amount there is not one single bond or preferred stock in our portfolio that has missed an interest or dividend payment and none are permanently impaired.

Please do not think we are making excuses for the results. They are what they are. We continue to work every day to build your company.

We thank you for being a shareholder and while we have had success with our business we are painfully aware you have not been rewarded. I assure you we are going to keep growing, keep finding asset opportunities, and keep building your company regardless of the volatility of the stock and bond markets.

You can help us today by reviewing the products we offer. Please think of us when you think of your insurance needs and please think of us with your friends, neighbors, and small businesses. Together we continue to build great company, but we need your help.

Whether it is a temporary disability, a plan for the future, or a death we are here to serve people at perhaps one of the worst times in their life and we will not waiver from that responsibility and awesome opportunity to serve.

As always, if you have questions please contact me at jack.brier@usalliancelife.com.

We are humbled and grateful for your investment.

With every good wish.

Cordially,

A handwritten signature in black ink, appearing to read 'Jack H. Brier', with a large, stylized initial 'J'.

Jack H. Brier

Chairman & Co-Founder
US Alliance Group of Companies

OUR PRODUCTS

Term Life Insurance

Term life insurance is temporary and offers coverage for a specific term. Available for 10, 15, 20, or 30-year terms. This product is the most affordable form of Life Insurance. We offer both fully underwritten and simplified issue.

Whole Life Insurance

Whole life insurance is permanent life insurance. Premiums are paid for 10 or 20 years and your benefits last a lifetime. Whole Life also builds cash value should the need arise.

Group Life Insurance

Group life insurance is designed for companies with as few as 3 employees. The process is simple and a great benefit, which makes this a great tool to retain your best employees.

Short Term Disability (STD) and Long Term Disability (LTD)

Short Term Disability (STD) offers peace of mind to you and your employees when a disability occurs. Long Term Disability (LTD) offers a long-term income solution for the most severe disabilities.

Critical Illness (Cancer, Heart Attack, Stroke)

Critical Illness is designed to protect you from the high costs of cancer, heart attack, stroke, kidney failure, major organ transplant, blindness, coma, deafness, paralysis, severe burn, and more.

Juvenile Term Insurance

Our Juvenile product features a one-page application process, a one-time premium, and protects your child's insurability.

Annuities

Our Annuity product features a guaranteed minimum interest rate, a 5-year rate guarantee, with an annual 10% free withdrawal provision. This is a great solution to the unpredictable markets.

Pre-Need Insurance

Our specialized Pre-Need funeral products are offered by funeral directors to facilitate prepayment of funeral expenses. This product eases the burden of the loved ones left behind.

Firehouse Series (Available in Kansas)

To show our gratitude for our firefighters, relief associations can purchase low cost and high value plans for their members. These products feature custom plan designs and a simple application process, and 24-hour coverage.

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