



Dear Fellow Shareholder:

For the first time in our company's history, we have a profitable quarter to report.

Earnings were \$375,868 or \$0.05 per share. We are excited about our path to profitability. And we remain committed to building your company.

Please remember that May 1, 2013 we issued our first policy with a whopping one-time premium of \$400. Since that first policy was sold, we have collected over \$55,289,790 in premiums and we have issued over 3,804 policies and reinsured another 1167 policies.

Our capital and surplus at our life insurance companies six years ago was \$3 million. Today it is \$8.3 million! Here is a summary of our results:

US Alliance Corporation

	Three Months Ended March 31,	
	2019	2018
Income: (unaudited)		
Premium income	\$ 2,392,976	\$ 2,432,096
Net investment income	397,646	311,560
Unrealized gain on equity securities	727,203	-
Other income	12,799	9,246
Total income	3,530,624	2,752,902
Expenses:		
Increase in policyholder reserves	680,560	796,636
Other policy-related expenses*	1,820,008	1,610,644
Operating expenses	654,188	748,380
Total expense	3,154,756	3,155,660
Net Income (loss)	\$ 375,868	\$ (402,758)
Net income (loss) per common share, basic and diluted	\$ 0.05	\$ (0.05)

* 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

Please click [here](#) for a more detailed 1st quarter financial report.

We are also attaching a report from Standard Analytical Service about our company.

As a special benefit for being a shareholder, we are going to offer a shareholder critical illness product (CI), with a guaranteed issue portion.

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



We believe this special product will provide all our shareholders additional financial protection in this turbulent time.

Please watch for our shareholder only CI offer. It will be rolled out in the near future. If we are successful with this product, we may look to roll out a critical illness product nationally. But you are the very first to see it! We also will ask for your feedback on the product description and details.

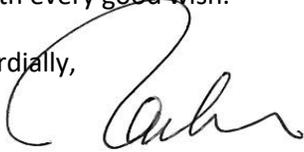
Again, we are grateful for your confidence, investment, and patience in US Alliance.

We are building your company every day.

Please ["Like"](#) us on Facebook and ["Follow"](#) us on LinkedIn.

With every good wish.

Cordially,



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



US ALLIANCE
 LIFE AND SECURITY
 COMPANY

Topeka, Kansas



STRENGTH & STABILITY
 This report prepared by
Standard Analytical Service, Inc.
 Analysis of the Insurance Industry since 1932

**Standard Analytical
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 Publishers of Independent
 Insurance Reports Since 1932



FACTUAL ANALYSES OF SIGNIFICANCE

Standard Analytical Service, Inc. is independent of any insurance company or companies, and we do not sell any kind of insurance. Our financial reports and comparisons, reprints of which are paid for by the companies, are based on statutory financial statements filed with the state insurance departments.

This report should not be interpreted as an analysis of the stock value of a capital stock company, nor is it intended to imply that the company featured will be as successful or is better than the companies making up the aggregate averages, nor is it a recommendation or analysis of the specific policy provisions, rates or claims practices of the organization featured. Its use for all companies, stock, mutual or fraternal, is intended to serve as a guide with respect to the current financial responsibility of the individual company featured herein, based upon the current statutory financial statements on file with the state insurance departments where they are available for public inspection.

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FINANCIAL STABILITY

The financial condition of a life insurance organization is an important factor in public confidence. In this regard we prepared the following report on:

US ALLIANCE LIFE AND SECURITY COMPANY

featuring a comparative analysis of key financial ratios comparing this company with 25 of the leading Life Insurance Companies in the United States.

These 25 leading Life Insurance Companies have been in business for an average of over 100 years and own a major portion of the invested assets and life insurance in force of all the companies. Thus, a favorable comparison of the financial ratios for the company featured herein with 25 of the leading companies can be indicative of the company's financial stability.

KEY FINANCIAL RATIOS - DERIVED FROM THE ANNUAL STATEMENTS AS OF DECEMBER 31, 2018
 (The 25 leading companies are determined by the amount of Admitted Assets as of December 31, 2018)

SOLVENCY

Assets for each \$100 of Liabilities
 A high ratio of Assets over Liabilities is a significant safety factor. This indicates that a company has enough assets to cover its liabilities and to meet all obligations as they become due.
 Assets for each \$100 of Liabilities as of Dec. 31, 2018

Allstate Life Insurance Company, IL	\$113.02
Ameritas Life Insurance Corporation, NE	107.47
AXA Equitable Life Insurance Company, NY	104.15
Bankers Life and Casualty Company, IL	107.71
Connecticut General Life Ins. Co., CT	140.51
Guarantian Life Ins. Co. of America, NY	113.98
John Hancock Life Insurance Co. (USA), MI	104.20
Lincoln National Life Ins. Co., IN	103.51
Massachusetts Mutual Life Ins. Co., MA	106.85
Metropolitan Life Insurance Co., NY	103.02
Midland National Life Insurance Co., IA	106.57
Minnesota Life Insurance Co., MN	106.52
Nationwide Life Insurance Co., OH	105.17
New York Life Insurance Company, NY	113.21
Northwestern Mutual Life Ins. Co., WI	108.85
Ohio National Life Insurance Company, OH	103.63
Pacific Life Insurance Company, NE	108.12
Penn Mutual Life Insurance Company, PA	109.66
Protective Life Insurance Company, TN	108.12
Prudential Insurance Co. of America, NJ	104.11
ReliaStar Life Insurance Company, MN	108.78
RiverSource Life Insurance Company, MN	103.46
State Farm Life Insurance Company, IL	118.16
Symetra Life Insurance Company, IA	105.95
Transamerica Premier Life Ins. Co., IA	104.30
AVERAGE OF 25 OF THE LEADING LIFE CO'S.....	\$106.41
US ALLIANCE LIFE AND SECURITY CO.	\$121.35

SURPLUS FUNDS

Surplus Funds (Including Capital) for each \$100 of Policy Reserves
 A high ratio indicates a greater proportion of surplus to provide for the policy reserve liabilities and the ability to take financial emergencies in stride.
 AVERAGE OF 25 OF THE LEADING LIFE CO'S..... \$13.90

US ALLIANCE LIFE AND SECURITY CO. \$23.77

LIQUID INVESTED ASSETS

Assets in Bonds, Stocks, Cash and Short-Term Investments for each \$100 of Liabilities
 This ratio measures a company's ability to meet its anticipated obligations to policyholders. A high ratio indicates a more liquid investment position with which an insurer can meet unforeseen emergency cash requirements that may arise.
 AVERAGE OF 25 OF THE LEADING LIFE CO'S..... \$45.89

US ALLIANCE LIFE AND SECURITY CO. \$118.25

SURPLUS to LIFE INSURANCE IN FORCE

Surplus Funds for each \$1000 of Life Insurance In Force
 A high ratio may indicate further protection for policyholders.
 AVERAGE OF 25 OF THE LEADING LIFE CO'S..... \$8.76

US ALLIANCE LIFE AND SECURITY CO. \$14.40

FINANCIAL STATEMENT SUMMARY

AS OF DECEMBER 31, 2018	
Admitted Assets	Policy Reserves
\$29,781,086	\$ 22,047,277
Total Liabilities	Total Income
\$24,541,212	\$ 12,047,170
Gross Surplus (Incl. Capital, if any)	Insurance in Force
\$ 5,239,874	\$364,005,000

CONCLUSION-Based on the financial results achieved in the year ended 2018, the comparative analysis made of the organization featured herein is **favorable** when compared to the aggregate averages of 25 of the **LEADING LIFE INSURANCE COMPANIES**.