



Dear Fellow Shareholder:

Welcome to the 2020 rollercoaster ride!

As I wrote in my second quarter letter, 2020 continues to be the year of the unexpected and unexplained and now the unpredictable.

In the first quarter of 2020, we experienced the greatest quarterly loss in our company's history (\$2,703,371) or \$0.35 per share (rounded). With an extraordinary effort by our team, we narrowed the loss to (\$426,372) in the second quarter or \$0.06 per share (rounded). Thus began the third quarter with a loss of \$0.41 per share.

Our third quarter ended with the largest quarterly profit in our company's history \$1,072,155, or \$0.14 per share, reducing our 2020 loss to \$0.27 per share.

Additionally, we have doubled our assets this year!

As of December 31, 2019, our assets were \$54,879,249. Due to our reinsurance transaction, in just nine months later our assets have grown to \$110,621,875. And our investment income has increased from \$1,303,757 to \$2,322,169.

While our 9-month premium income increased by \$647,916, third quarter premium income increased by \$482,928.

The economic volatility, the difficulty in increasing premium income, and the extraordinary low interest rates pummel our industry, our company, and I know many of you are feeling the pain of the pandemic. Together we will make it through these unparalleled times.

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 the summary of our results:

US Alliance Corporation

	Nine Months Ended September 30,	
	2020	2019
Income:	(unaudited)	
Premium income	\$ 7,631,621	\$ 6,983,705
Net investment income	2,322,169	1,303,757
Net investment gains (losses)	(437,085)	937,590
Other income	48,232	40,454
Total income	9,564,937	9,265,506
Expenses:		
Increase in policyholder reserves	2,574,776	1,997,786
Other policy-related expenses*	6,575,069	5,170,286
Operating expenses	2,472,680	1,713,902
Total expense	11,622,525	8,881,974
Net Income (loss)	\$ (2,057,588)	\$ 383,532
Net income (loss) per common share, basic and diluted	\$ (0.27)	\$ 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 third 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 this distribution method will be successful.

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.

We are mindful we have so much to be thankful for. Our team at US Alliance had a few bumps and bruises from the virus, but we are largely safe and healthy and hope you are as well.

With every good wish.

Cordially,

A handwritten signature in black ink, appearing to read "Jack H. Brier". The signature is fluid and cursive, with a large initial "J" and "B".

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®

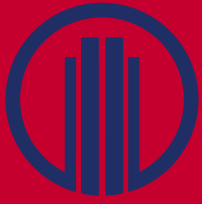
We also offer our American Annuity Product which features a guaranteed minimum interest rate, a 5-year rate guarantee, with an annual 10% free withdrawal provision.

Pre-Need Series

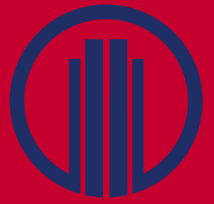
We also offer specialized Pre-Need funeral products which are offered by funeral directors to facilitate prepayment of funeral expenses.

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.