



Dear Fellow Shareholder:

What a difference a year makes! 2019 was our first profitable year!

Last spring, I wrote to you about how pleased and excited we were that our first quarter was profitable.

This year the global pandemic, the financial markets, and the stay-at-home orders have given us the worst quarter in our company's operating history.

The swing from profitability to loss is \$3,079,239 from the first quarter of last year to the first quarter of 2020.

But let me put this in context.

Please remember that May 1, 2013 we issued our first policy with a whopping one-time premium of \$400. In the first quarter of 2020, we collected \$19.2 million in life insurance premiums and annuity deposits.

Our capital and surplus at our life insurance companies six years ago was \$3 million and as of March 31, 2020, our capital and surplus has grown to \$7.4 million! Here is a summary of our results:

#### US Alliance Corporation

	Three Months Ended March 31,	
	2020	2019
Income:	(unaudited)	
Premium income	\$ 2,715,761	\$ 2,392,976
Net investment income	514,708	397,646
Net investment gains (losses)	(1,370,761)	727,203
Other income	13,656	12,799
<b>Total income</b>	<b>1,873,364</b>	<b>3,530,624</b>
Expenses:		
Increase in policyholder reserves	923,248	680,560
Other policy-related expenses*	2,518,037	1,820,008
Operating expenses	1,135,450	654,188
<b>Total expense</b>	<b>4,576,735</b>	<b>3,154,756</b>
<b>Net Income (loss)</b>	<b>\$(2,703,371)</b>	<b>\$ 375,868</b>
<b>Net income (loss) per common share, basic and diluted</b>	<b>\$ (0.35)</b>	<b>\$ 0.05</b>

\* 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

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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 more detailed 1st quarter financial report.

I am reminded of Babe Ruth (even though we may not have baseball this year) who said, “You just can’t beat the person who never gives up.” For US Alliance Corporation, you just can’t beat the company that never gives up! And we haven’t. And we won’t!

Earlier this year, we entered into a reinsurance transaction which has added \$13.5 million to our assets. As of March 31, 2020, we have partnered with a large distribution channel to provide them with a specially designed product. We have several other projects to build our company.

We, like most American companies and most Americans, have been dealt an unexpected unique change in our lives, in our business and the way we sell, invest, and build our company.

The Dow Jones Industrial average had it’s worst quarter in history. Warren Buffett’s company lost \$55,000,000,000 (billion) in the first quarter.

Babe also said, “Never let the fear of striking out get in your way.” These are different times and we will not leave any stone unturned to build your company.

We thank our directors (Rochelle Chronister, James Concannon, William P. Graves, James Poolman, and Kurt Scott), who stand by us and with us as we sail our boat through uncharted waters.

More than ever, all of us thank you for your confidence, your investment and your patience. We will get through this.

Please be healthy and safe and stay strong!

With every good wish.

Cordially,



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