



**2018**  
**SHAREHOLDER**  
**UPDATE**

## DEAR FELLOW SHAREHOLDER:

What a year 2017 was for us!

In 2017 our assets increased from \$19,191,989 to \$38,988,337. This is an increase in assets of more than 100%.

In 2017 our revenues increased from \$6,586,873 to \$12,071,857. This is an increase of revenues of 83.2%, while our operational expenses increased from \$1,961,649 to \$2,306,238 or 17.5%.

Our shareholders' equity has increased from \$11,380,983 to \$13,935,702 and our share count has increased from 5,565,943 to 7,310,939.

With this growth is an increase in policyholder reserves and benefits of \$4,903,754. While this amount is shown as an expense, we are able to earn income on the funds to insure we can pay claims whenever they occur.

Our march to profitability has four components:

1. Build our company with competitive products and pricing and give policyholders great value. Our "organic" premium was \$2,592,243 in 2016 and \$3,167,654 in 2017 – an increase of \$575,411, 22.1%.

We also consider "organic" geographical growth. In 2016 we were authorized to conduct business in Kansas, North Dakota, and Missouri. At the end of 2017, we added Oklahoma and Nebraska. We intend to seek authority in South Dakota in 2018 and this will extend our presence from Oklahoma to Canada.

2. Build our company by acquiring blocks of existing business. In 2016 our revenue from these blocks of business was \$3,500,758 and in 2017 it was \$7,826,619 – an increase of 123.5%.
3. Build our company by acquiring other small life insurance companies. In 2017 we acquired Dakota Capital Life Insurance Company (DCL) and have begun marketing our products in North Dakota. Revenues at DCL in 2016 were \$631,354 and \$1,357,638 in 2017.
4. You! We need your help in identifying those investors who might wish to own stock in USAC and help us identify small businesses who could benefit their employees with our group products in life, short term and long term disability.

We are here for you, we are grateful to you for your investment, and your patience as our Path to Profitability journey continues.

**Jack H. Brier**  
President & Founder



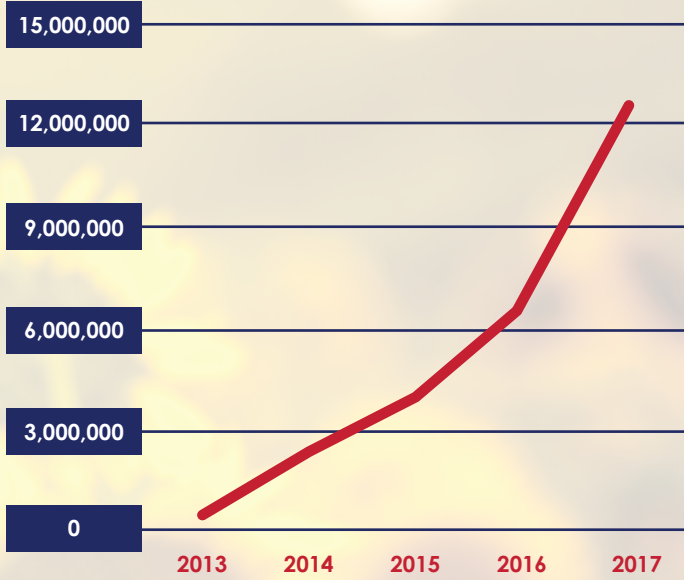
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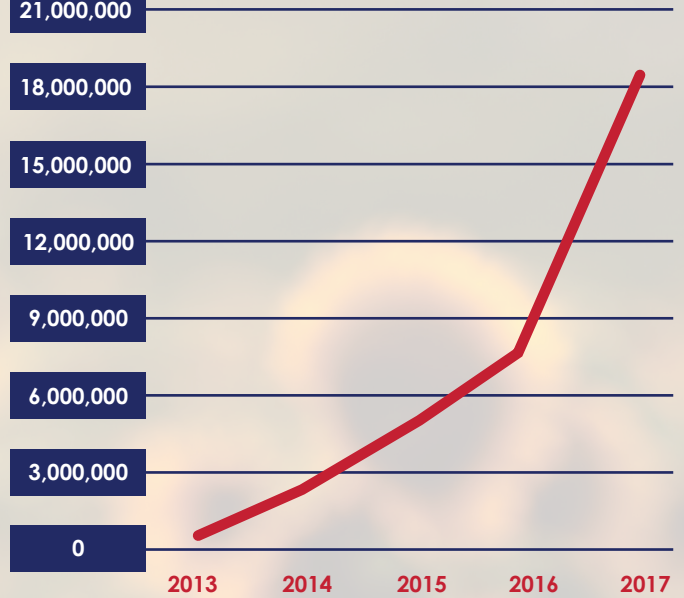
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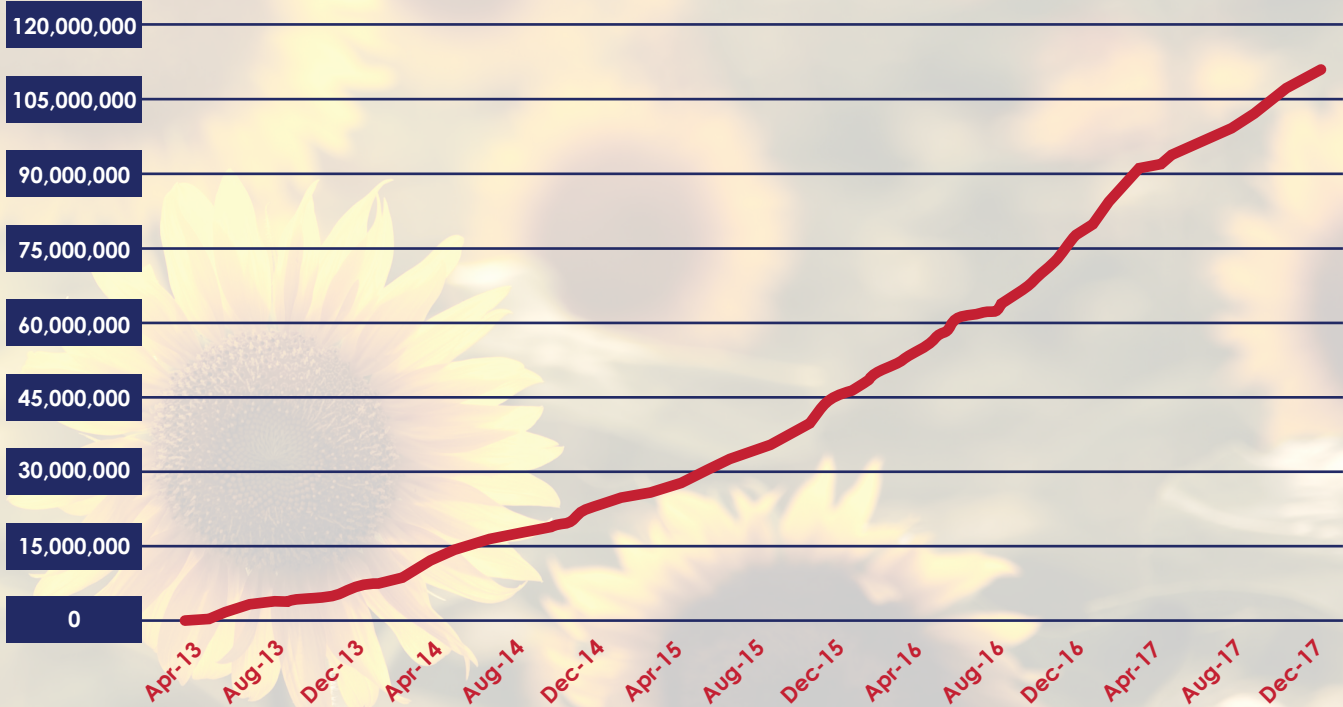
## GAAP REVENUES



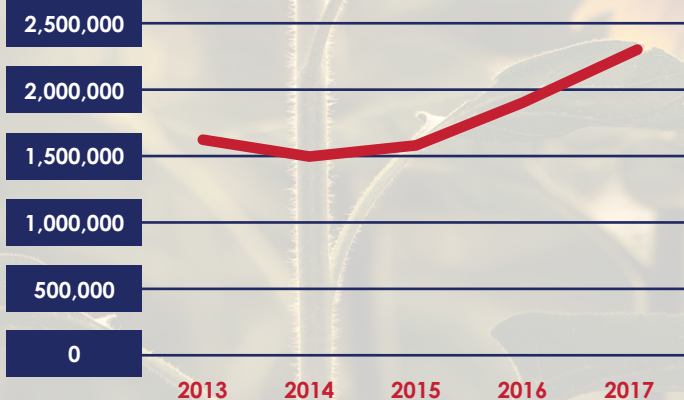
## STATUTORY PREMIUMS



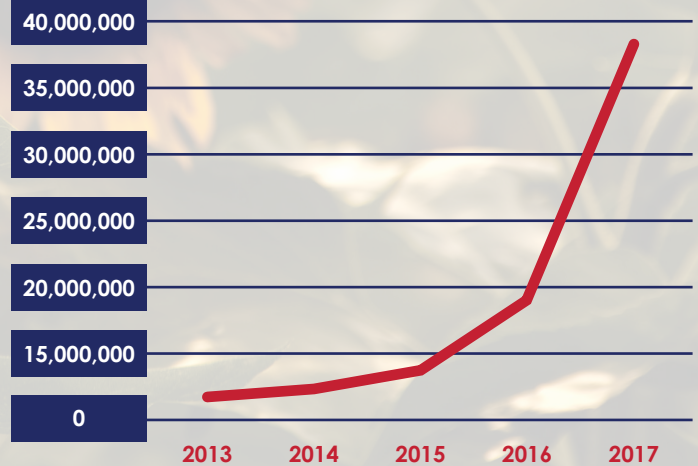
## ISSUED FACE AMOUNT



## OPERATING EXPENSES



## CONSOLIDATED ASSETS



2017 numbers include a full year of Dakota Capital Life.

More detailed financial information, including our audit, is available on our website: [www.usalliancecorporation.com](http://www.usalliancecorporation.com)

## OUR PRODUCTS

### **Term Life Insurance**

Term life insurance is temporary. It is available for 10, 15, 20, 25, or 30-year terms. We offer both fully underwritten and simplified issue.

### **Whole Life Insurance**

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

### **Juvenile Series**

Our Juvenile Product features a simple application process, a one-time premium, and can be issued from birth to age 15.

### **Annuity Series**

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

\*The 5-year initial rate guarantee is by company practice.

### **Pre-Need Series**

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

### **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 – 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 – 80 in Kansas and issue ages from 18 – 70 in North Dakota. Plans are available for cancer, heart attack, stroke, kidney failure, major organ transplant, blindness, coma, deafness, paralysis, severe burn, and more!

### **Firehouse Series**

To show our gratitude for our firefighters in Kansas, 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.