PROSPECTUS

February 24, 2015

US ALLIANCE CORPORATION
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Shares of Common Stock Issuable Upon Exercise of Warrants
at an Exercise Price of $6.00 per share

Price: $6.00 per Share
Minimum Offering Amount - None
Maximum Offering Amount – 2,532,400 Shares ($15,194,400)

This Prospectus describes an offer (the "2015 Offering") by US Alliance Corporation, a Kansas corporation ("USAC" or the "Company"), to sell 2,532,400 shares (the "Shares") of its common stock ("Common Stock") to be issued to holders ("Warrantholders") of the Company's warrants ("Warrants") issued in connection with the Company's previously completed offering of units consisting of 200 shares and Warrants to purchase additional Shares, which offering commenced in February, 2010 (the "2010 Offering"). The 2015 Offering will terminate on the earlier of the sale of all Shares or February 24, 2016 unless sooner terminated or extended by the Company for up to two additional years.

The Shares have not been registered with the Securities and Exchange Commission (the "SEC") under the Securities Act of 1933 (the "Securities Act"), in reliance on an exemption from registration for the offer and sale of securities on a wholly intrastate basis. The Shares and this 2015 Offering have been registered with the Office of the Kansas Securities Commission as of the date of this Prospectus. **Accordingly, the Shares will only be offered and sold to bona fide Warrantholders who are residents of the State of Kansas.** There is currently no existing public or other market for the Shares and no such market will develop as a result of this 2015 Offering. The Company has no obligation to register the Shares with the SEC and no assurance can be given that the Shares will be registered with the SEC in the future. The Shares are also subject to restrictions on transfer, as described in more detail in this prospectus. Consequently, Warrantholders purchasing the Shares offered hereby may not be able to sell such Shares for an extended period of time, if ever.

YOU SHOULD MAKE YOUR OWN DECISION WHETHER THIS 2015 OFFERING MEETS YOUR INVESTMENT OBJECTIVES AND RISK TOLERANCE LEVEL BASED UPON INFORMATION IN THIS PROSPECTUS AND YOUR OWN EXAMINATION OF THE COMPANY AND TERMS OF THE 2015 OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

NEITHER THE OFFICE OF THE KANSAS SECURITIES COMMISSIONER, THE SEC NOR ANY OTHER SECURITIES REGULATOR HAS APPROVED, DISAPPROVED, ENDORSED, OR RECOMMENDED THIS 2015 OFFERING. NO INDEPENDENT PERSON HAS CONFIRMED THE ACCURACY OR TRUTHFULNESS OF THIS PROSPECTUS, NOR WHETHER IT IS COMPLETE. ANY CONTRARY REPRESENTATION IS ILLEGAL.

	Price to Warrantholders	Selling Commissions[1] (not to exceed)	Proceeds to Company
Per Share:	$6.00 (and surrender of warrant)	$0.60	$5.40
Minimum Offering:	None	-0-	-0-
Maximum Offering:	$15,194,400.00	$1,519,440.00	$13,674,960.00[2]

Terms of 2015 Offering. The price for exercise of the Warrants for the purchase of Shares will be $6.00 per Share.

THE SHARES ARE SPECULATIVE AND INVOLVE A HIGH DEGREE OF RISK AND IMMEDIATE DILUTION. PROSPECTIVE PURCHASERS SHOULD BE PREPARED TO SUSTAIN A LOSS OF THEIR ENTIRE INVESTMENT.

NO DEALER, SALESMAN OR OTHER PERSON IS AUTHORIZED TO MAKE ANY REPRESENTATION ON BEHALF OF THE COMPANY OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS AND, IF GIVEN OR MADE, ANY SUCH REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED.

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OR SOLICITATION TO ANYONE IN ANY STATE OR JURISDICTION OTHER THAN THE STATE OF KANSAS.

The Shares being offered hereunder will have the same rights and privileges applicable to the Company's existing shares of Common Stock. The Shares will not be transferable for a period of nine (9) months following the termination of this 2015 Offering.

[1] The Shares will be sold on a "best efforts" basis on behalf of the Company through agents registered with the Office of the Kansas Securities Commissioner to sell only the Company's securities. The sales agents will receive a direct sales commission for their services in connection with the sale of the Shares not to exceed 10%.

[2] Before payment of estimated expenses of $500,000 related to the 2015 Offering payable by the Company.

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PROSPECTUS SUMMARY

The following summary is qualified in its entirety by the more detailed information and financial statements included as Appendix I to this Prospectus and provided on our website at www.usalliancecorporation.com.

The Company

US Alliance Corporation (the “Company” or “USAC”) was incorporated on April 22, 2009 for the purpose of forming, owning, and managing life insurance companies and insurance-related companies. The Company currently owns three subsidiaries: US Alliance Life and Security Company, a life insurance company (“USALSC”), US Alliance Marketing Corporation, an insurance marketing corporation (“USAMC”), and US Alliance Investment Corporation, an investment management corporation (“USAIC”).

USAC sold 1,200,000 shares (the “Promotional Shares”) of its common stock (“Common Stock”) at $0.20 per share to its organizing shareholders in April and May 2009, for total proceeds of $240,000.00. No underwriter was involved in this private placement.

On June 30, 2009, USAC began a second private placement of 500,000 shares of common stock at $1.50 per share for gross proceeds of $750,000. The private placement was concluded on August 13, 2009. No underwriter was involved in this private placement.

In both private placements, USAC relied on exemptions from the Securities Act.

On February 24, 2010, USAC registered an offering (the “2010 Offering”) of 10,000 units (“Units”) with the Kansas Securities Commissioner. Each Unit consisted of 200 shares of Common Stock and a warrant (“Warrant”) allowing the Unit purchaser to purchase an additional 200 shares for $6.00 per share. Each Unit sold for $1,000.

On February 24, 2011, the 2010 Offering was extended one year and on February 24, 2012, the 2010 Offering size was increased to 13,000 units and extended to February 24, 2013. These extensions and the increase in the 2010 Offering size were registered with the Kansas Securities Commissioner. The registration was terminated February 24, 2013. The 2010 Offering was self-underwritten and sold through agents of the Company. Proceeds of $12,662,000 were raised in the 2010 Offering. The Warrants issued as part of the Units are scheduled to expire three years after the close of the 2010 Offering, which was completed on February 24, 2013.

The Company is delivering this Prospectus in connection with the registration and sale of 2,532,400 shares (the "Shares") of Common Stock to be issued to holders ("Warrantholders") of the Warrants issued in the 2010 Offering.

The Offering

Stock offered by the Company.	A maximum of 2,532,400 Shares at an exercise price of $6.00 per share and surrender of Warrant.
Common Stock outstanding before Offering	4,232,400 shares
Common Stock outstanding after 2015 Offering (assuming maximum offering amount)……………………..	6,764,800 shares
Plan of Distribution	Shares will be sold to Warrantholders who are residents of the state of Kansas through registered agents of the Company on a "best efforts" basis. The agents will receive a direct commission based upon such sales not to exceed 10%.
Term of 2015 Offering	The 2015 Offering will continue until the earlier of the sale of all of the Shares or February 24, 2016, subject to the right of the Company to extend the 2015 Offering for an additional two years.
Use of Proceeds	To finance the growth of USALSC and provide working capital for USAC.

RISK FACTORS

The purchase of the Shares offered hereby entails a degree of risk. In analyzing this offer, Warrantholders should carefully consider, among other things, including the information contained elsewhere in this Prospectus, the following:

Company Formed in 2009. The Company has a relatively short history of operations. Accordingly, the Company is subject to the risks common to a newer company, including under-capitalization, cash shortages, and limitations with respect to personnel, finance and other resources. The Company had consolidated revenues of $3,229,727 and an accumulated deficit of $4,809,086 from inception through December 31, 2014. There is no assurance that the Company's activities will be successful or result in profits to the Company and the likelihood of this success should be considered.

Best Efforts Offering. The 2015 Offering is being made by the Company on a best efforts basis through its registered agents. These agents, although recruited, hired and trained to sell the Company's securities, may not be experienced securities salespersons. This lack of experience may have a negative impact on the Company's ability to complete the 2015 Offering. Accordingly, there can be no assurance that all or any portion of the 2015 Offering will be sold. If less than all of the offered Shares are sold prior to the termination of the 2015 Offering, the Company will have less funds available for its business purposes.

Risk of Loss of Investment. Warrantholders purchasing Shares should be willing to risk the entire loss of their capital. No assurance or guarantee can be given that any of the potential benefits described in this Prospectus will prove to be accurate or available, nor can any assurance or guarantee be given as to the actual amount of financial return, if any, which may result from an investment in this 2015 Offering.

No Minimum Offering Amount. The Company has set a Maximum Offering Amount of $15,194,400. There is no minimum amount that must be committed by Warrantholders before the Company may utilize proceeds from the exercise of Warrants. To the extent that all Warrants are not exercised and the Shares being offered hereunder are not sold, the Company will be limited in the implementation of its business plan. The Company will not allow a Warrantholder to withdraw the exercise of their Warrants for any reason, unless there is a rescission offer tendered by the Company. The Company does not anticipate such a rescission offer. This means that after the date of a Warrantholder's exercise of his or her Warrants, such Warrantholder will have no right to a return of any funds.

Risk of Dependence Upon Key Personnel. The ability of the Company and its subsidiaries to continue their operations successfully will be dependent primarily upon the efforts of Jack H. Brier, Chairman of the Board and President; Kurt Scott, Treasurer; Bob

Boaldin, Director, James Concannon, Director, William Graves, Director, Rochelle Chronister, Director, Rebecca Kinsinger, Corporate Secretary, Don Schepker, Vice Chairman of the Board of USAlliance Life and Security Company, and Jeffrey Brown, Executive Vice President and Chief Operating Officer of USAlliance Life and Security Company. The Company has not entered into more than an "at will" employment agreement with Mr. Brier, Mr. Brown, and Ms. Kinsinger and does not have any "key man" life insurance on the lives of any of these persons. The loss of the services of any of these officers or directors could have a material adverse effect on the success of the Company's and its subsidiaries' operations.

Risk Associated with Failure to Comply with Intrastate Offering Exemption. The Company has not registered the Shares under the federal Securities Act, in reliance on Rule 147 under the Securities Act of 1933, as amended (the "Securities Act") which exempts the offering of securities on a wholly intrastate basis. The conditions that must be satisfied to permit the Company to rely on the exemption, including the requirement that each offeree and purchaser must be a resident of the state of Kansas, and that purchasers of the Shares must not resell the securities to non-residents of Kansas for at least nine months after the completion or termination of the 2015 Offering, are precise. If challenged, the Company will have the burden of proving that it has satisfied the conditions of the exemption. If the Company is unable to sustain this burden, it could be exposed to civil liability to each of the purchasers in the 2015 Offering for return of their investment plus interest.

To assure compliance with the exemption, the Company will take the following steps:

1. Obtain the written representation in the Warrant Exercise Agreement of each Warrantholder intending to exercise its Warrants that such Warrantholder is a bona fide resident of the State of Kansas;

2. Obtain an undertaking in the Warrant Exercise Agreement of each Warrantholder that such Warrantholder will not transfer the Shares outside the state of Kansas until nine months after the completion or termination of the Offering;

3. Place the following legend on each certificate evidencing the Securities underlying the Stock.

> "THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY. NO TRANSFERS, SALES, OR ASSIGNMENTS OF THE SECURITIES OUTSIDE THE STATE OF KANSAS OR ANY INTEREST THEREIN SHALL OCCUR PRIOR TO NINE MONTHS

FROM THE DATE OF THE LAST SALE OF SECURITIES OF THE ISSUE OF WHICH THIS SECURITY WAS A PART."

4. Make notation in the Company's transfer records prohibiting any transfers of securities during the period specified in paragraph 2, above.

Risk of Use of Proceeds. While a substantial portion of the proceeds of the 2015 Offering are intended to be generally utilized to continue to implement the business plan and growth of the Company and its subsidiaries, consistent with the uses described in this Prospectus, a portion of the proceeds have also been designated for use as working capital. Shareholders, including Warrantholders purchasing Shares through the exercise of their Warrants, are dependent on the judgment of management and Directors of the Company in connection with the allocation of the funds. There is no assurance that determinations ultimately made by such persons relating to the specific allocation of the net proceeds of the 2015 Offering will permit the Company to achieve its business objectives

Risk of Regulation. As a life insurance company, USALSC is subject to regulation and supervision by the Kansas Insurance Department ("KID"). The insurance laws of Kansas give KID broad regulatory authority, including powers to: (i) grant and revoke licenses to transact business; (ii) regulate and supervise trade practices and market conduct; (iii) establish guaranty associations; (iv) license agents; (v) approve policy forms; (vi) approve premium rates for some lines of business; (vii) establish reserve requirements; (viii) prescribe the form and content of required financial statements and reports; (ix) determine the reasonableness and adequacy of statutory capital and surplus; and (x) regulate the type and amount of permitted investments.

Kansas law also regulates insurance holding company systems, including acquisitions, extraordinary dividends, the terms of affiliate transactions, and other related matters. Currently, the Company and USALSC are registered as a holding company system pursuant to the laws of Kansas.

Certain factors particular to the life insurance business may have an adverse effect on the statutory accounting operating results of USALSC. One such factor is that the cost of putting a new policy in force could be greater than the first year's policy premium, and, accordingly, in the early years of a new life insurance company, these initial costs and the required provisions for reserves often have an adverse effect on statutory accounting operating results.

The duration of the period during which the losses may be sustained as a result of this factor will be prolonged, if among other events, policies lapse before acquisition costs are recovered, the return on investments is lower than anticipated, mortality experience is unfavorable, or if too much insurance is placed upon the books of the life insurance company.

Because of the relatively limited capital and absence of broad diversification of risk, a newly-organized life insurance company may be more susceptible to losses than older, more established companies.

Risk of Risk-Based Standards. During the past several years, increased scrutiny has been placed upon the insurance regulatory framework, and certain state legislatures have considered or enacted laws that alter, and in many cases increase, state authority to regulate insurance companies and insurance holding company systems. The National Association of Insurance Commissioners ("NAIC") and state insurance regulators continually reexamine existing laws and regulations, specifically focusing on investments, solvency issues, risk-based capital guidelines, interpretations of existing laws, the development of new laws, the implementation of non-statutory guidelines and the circumstances under which dividends may be paid. The NAIC has approved risk-based capital ("RBC") standards and a model investment law. The NAIC's RBC standards apply to USALSC, the Company's insurance subsidiary. Current NAIC initiatives could have a material adverse impact on the Company; however, the Company cannot predict the form of future proposals or regulation.

Individual state guaranty associations assess insurance companies to pay benefits to policyholders of insolvent or failed insurance companies. The impact of such assessments may be partly offset by credits against future state premium taxes. The Company cannot predict the amount of any future assessments, nor has it attempted to estimate the amount of assessments to be made from known insolvencies.

SEC Registration Risk. It is anticipated that USAC will be required to become an SEC registered company at the end of 2015. SEC registration will increase accounting and legal fees (expenses) beginning in 2016. These increased expenses can affect profitability.

Risk of Potential Tax Legislation. United States Congress from time to time considers possible legislation that would eliminate the deferral of taxation on the accretion of value within certain annuities and life insurance products. This and similar legislation, including a simplified "flat tax" income tax structure with an exemption from taxation for investment income, could adversely affect the sale of life insurance products compared with other financial products if such legislation were to be enacted. There can be no assurance as to whether such legislation will be enacted or, if enacted, whether such legislation would contain provisions with possible adverse effects on the Company's annuity and life insurance products.

Risk of Insurance Marketing. The Company markets its insurance products through the services of producers, who are licensed as insurance agents. Some of these producers may have had no prior insurance product selling experience and accordingly, this lack of experience may have a negative impact on the amount of premium volume written by the Company. The extent of this negative impact on the premium volume written will depend on management's ability to timely and adequately train these producers to market its insurance products and to develop profitable products.

Risk of Interest Rate Fluctuations; Risk of Impact of Forced Liquidation of Investment Portfolio. Fluctuations in market interest rates could have an impact on the Company's business and policyholder behavior. Annuities and certain life insurance policies are interest-sensitive products. If prevailing market interest rates decline and the interest rates credited by the Company are higher than those generally available in the marketplace, the value to the policyholder of the Company's existing interest sensitive products will increase and policyholders will be less likely to surrender or let their policies lapse. However, marketing of new products at lower interest rates may become more difficult.

If prevailing market interest rates increase and are higher than the interest rates credited by the Company on its interest sensitive products, policyholders may be more likely to surrender their policies, and increased policyholder lapses may be experienced. If this occurs additional revenue will be generated by surrender charges from annuity contracts. Surrender charges are designed to discourage early policyholder surrenders.

The investment portfolio typically used by an insurance company to fund its obligations to policyholders consists of interest sensitive investments. If market interest rates rise, the value of these investments will decline creating unrealized losses. If market interest rates decline the value of these investments will increase creating unrealized gains. The forced liquidation of these investments during a time of interest rate fluctuations will cause the Company to recognize these inherent capital gains or losses as the case may be.

The effect of these interest rate fluctuations on the Company's financial statements will vary depending on the use of generally accepted accounting principles ("GAAP") versus Statutory Accounting Practices ("SAP"). Under SAP, the costs of selling the Company's products are expensed up-front, which results in the Company showing a loss in the year a product is sold. Under GAAP these costs are deferred and amortized over the life of the product income stream. Thus, under SAP the surrender charge associated with early termination would be recognized as profit, whereas under GAAP these charges would simply offset the write off of deferred costs and less profit would be shown.

Risk of Product Assumptions. In conjunction with outside actuaries, the Company makes certain assumptions as to expected mortality, lapse rates and other factors in developing the pricing and other terms of its life insurance products. The Company will review and revise its assumptions regularly so as to reflect actual experience on a current basis. Variation of actual experience from that assumed by the Company in developing such terms may affect such product’s profitability. The Company relies on qualified actuaries to routinely evaluate its product assumptions. There can be no assurance however, that such assumptions are correct or will prove accurate.

Risk from No Independent Review. The Company is offering the stock directly through its agents and employees who are registered with the Securities Commissioner, and will be sold without the use of an investment banker. Consequently, there has been no independent review of the Offering.

Risk of Noncompliance with Federal "Broker" and "Dealer" Registration Requirements. The Company plans to offer the Shares through certain agents and employees of the Company that have been registered as agents of the issuer with the Office of the Kansas Securities Commissioner. In this context, neither the Company nor any of its agents have registered with the SEC as a "broker" or a "dealer" in reliance on a statutory exemption for a broker or dealer whose business is exclusively within a single state and who does not make use of any facility of a national securities exchange. Should a determination be made that any of the individual agents hired to sell the Shares was acting in violation of the statutory exemption, due, for example, to an agent having had prior securities interstate experience, the Company could be subject to the voidability of contract provisions of Section 29 of the Securities Act of 1934 (the "Exchange Act") for any transactions made in violation of the Exchange Act. If a significant number of Warrant Exercise Agreements received by the Company are voidable for this reason, the financial condition of the Company would be materially adversely affected.

Risk of Competition. USALSC, the Company's insurance subsidiary, operates in a highly competitive industry. There are thousands of chartered life insurance companies in the United States, nineteen domestic Kansas chartered insurance companies and approximately 560 other companies incorporated in other jurisdictions authorized to sell life insurance in Kansas. The operating results of companies in the insurance industry have been historically subject to significant fluctuations due to competition, economic conditions, interest rates, investment performance, maintenance of insurance ratings from rating agencies such as A.M. Best and other factors. Management believes the Company's ability to compete with other insurance companies is dependent upon, among other things, its ability to develop profitable products, create successful distribution networks, and attract and retain agents to market its profitable products. In connection with the development and sale of its products, USALSC encounters competition from other insurance companies, many of whom have financial resources substantially greater than those of the Company, as well as from other investment alternatives available to its customers.

No Market for Securities; Transfer Restrictions. There is currently no existing public or other market for the Company's Common Stock. Consequently, purchasers of the Shares may not be able to sell the Shares for an extended period of time, if ever. In addition, the Shares are subject to restrictions on transfer imposed under federal and state securities laws which provide, among other things, that the Shares may not be transferred outside the state of Kansas for a period of nine months following the completion of the 2015 Offering.

No Rating. Ratings are an important factor in establishing the competitive position of insurance companies. Ratings reflect the rating agencies' opinion of an insurance company's financial strength, operating performance and ability to meet its obligations to policyholders. USALSC received its Certificate of Authority effective January 2, 2012, and cannot receive a rating any sooner than when it has maintained operations for a minimum of five years. There can be no assurance that USALSC will be rated by a rating agency or that any rating, if and when received, will be favorable to USALSC. Absent a rating, another measure of solvency often used is the "solvency ratio," which is calculated by dividing the insurance company's assets by its liabilities. A solvency ratio of "1" indicates that a company has an equal amount of assets and liabilities.

As of December 31, 2014 USALSC's solvency ratio was 1.7, and the solvency ratio of the Company and its subsidiaries, on a consolidated basis, was 4.5.

Dividends and Restrictions on Ability to Pay Dividends. The Company has not paid cash dividends on its Common Stock and does not anticipate paying such dividends in the foreseeable future. The Company intends to retain available funds to be used in the expansion of the Company's operations. Future dividend policy will depend on the Company's earnings, capital requirements, financial condition and other relevant factors. The Company's primary source of cash is, and is expected to continue to be, income from investments and from the operations of its subsidiaries, USAIC, USAMC and USALSC.

In the future, the Company also expects dividends on the stock of USALSC, its insurance subsidiary, to be a primary source of cash. The payment of dividends to the Company by USALSC is subject to limitations imposed by applicable insurance laws, including in some circumstances, the approval of the Kansas Insurance Commissioner. Kansas insurance laws also require that dividends on capital stock of an insurance company must be paid out of earned surplus.

No dividends have been paid by USALSC and it is not contemplated any dividends will be paid by USALSC to USAC in the foreseeable future. With this Offering (assuming all Warrants are exercised), USAC will have sufficient earnings and working capital to sustain itself.

Future Policy Benefits. The liability established by the Company for future life insurance policy benefits is based upon a number of factors, including certain assumptions. If the Company underestimates future policy benefits, additional expenses would be incurred by the Company at the time of payment.

Determination of Offering Price. The exercise price for the purchase of Shares offered hereby was determined by the Company at the time of the original Unit sale and it does not necessarily bear any relation to the market or book value of the assets or prospects of the

Company, the valuation of other companies in the industry or any other accepted criterion of value.

DILUTION - ACCRETION

As of December 31, 2014, the Company had an aggregate of 4,232,400 shares of Common Stock outstanding and a net book value, as reflected on its balance sheet, of $7,280,068 or approximately $1.72 per share. "Net book value per share" represents the Company's total assets less its liabilities, divided by the number of shares of Common Stock outstanding.

After giving pro forma effect to the 2015 Offering, and assuming all Warrants are exercised for the purchase of 2,532,400 Shares resulting in net proceeds of $13,174,960, the Company will have 6,764,800 shares of Common Stock outstanding, and a net book value of $3.02 per share. New shares will experience an immediate dilution in net book value per share of $2.98. Such dilution represents the difference between the 2015 Offering Warrant exercise price per share and the net book value per share immediately after completion of the 2015 Offering. The increase in book value per share of Common Stock held by the stockholders immediately prior to the 2015 Offering would be solely attributable to the cash paid by Warrantholders to exercise their Warrants.

However, because Warrantholders, in most cases, are also existing shareholders, there will, following the completion of this Offering, be an immediate accretion.

The following table, which incorporates the preceding assumptions, illustrates such dilution per share in net book value to Warrantholders exercising their Warrants to purchase Shares in the 2015 Offering:

	If maximum offering amount are sold
Price per share of Shares	$6.00
Net book value per share before 2015 Offering	$1.72
Increase attributable to sale of Shares	$1.30
Pro forma net book value after 2015 Offering	$3.02
Dilution to exercising Warrantholder	$2.98
Accretion to existing shareholder	$1.30

PURPOSE OF THE OFFERING AND USE OF PROCEEDS

The following table summarizes the anticipated use of the gross proceeds from the sale of the Shares, assuming that all Shares offered are sold. It should be noted, however, that these figures are only estimates and are subject to change, particularly if less than all of the Shares being offered are sold. There can be no assurance that actual experience will approach this anticipated use of proceeds.

	Maximum Offering Amount	(%) of Proceeds
Gross Offering Proceeds (excludes effect of oversale)	$15,194,400	100%
Less Offering Expenses:		
Selling Commissions[1]	$1,519,440	10%
Other Offering Expenses[2]	$500,000	3.3%
Net Offering Proceeds [3]	$13,174,960	86.7%
Use of Net Offering Proceeds		
(1) Reserve for Capital Contributions to USALSC	$10,000,000	73.1%
OR		
(a) acquire existing life insurance company; and (b) acquire block of existing business		
(2) Working Capital	$3,174,960	26.9%
Total Uses	$13,174,960	

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(1) The table assumes that total commissions will be 10%.

(2) Includes legal, accounting, registration fees, printing and mailing costs in connection with the 2015 Offering. Also includes agent recruiting, training and registration expenses, as well as amounts paid for prizes and bonuses to sales personnel in connection with their sales efforts. In no event will sales commissions and other offering expenses exceed 15% of the gross proceeds.

(3) Net proceeds pending use will be invested in accordance with the Company's investment policy. The Company's investments are managed by GR-NEAM, a wholly owned subsidiary of Berkshire Hathaway.

THE COMPANY

The net proceeds of the previous offerings were used to form and capitalize a life insurance company (USALSC), a life insurance marketing corporation (USAMC), and a life insurance investment corporation (USAIC), as described previously, as well as to provide working capital.

Subsidiaries. The Company formed USALSC, its life insurance subsidiary, on June 9, 2011. On December 7, 2011, USALSC received a Certificate of Authority from the Kansas Commissioner of Insurance, effective January 2, 2012. The marketing of insurance products began on April 29, 2013. USALSC is wholly owned by USAC and was capitalized with $3,000,000 in capital and surplus.

USALSC has used the actuarial firm of Miller & Newberg to provide valuation and illustration actuarial services under the terms of their administrative services agreement.

USALSC has retained Strohm Ballweg LLC to provide statutory accounting support. USAC has retained McGladrey LLP for audit services.

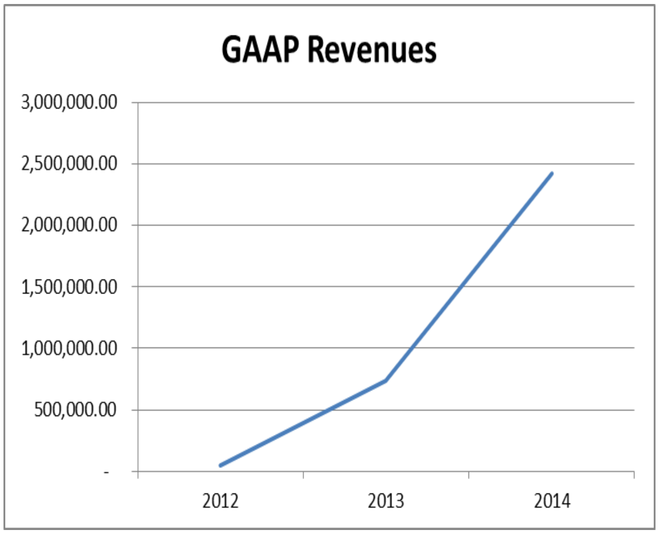
Following the completion of the 2010 Offering and USALSC's receipt of the Certificate of Authority from the Kansas Insurance Department, the Company formed two additional subsidiaries: (1) USAMC, which was incorporated on April 23, 2012 to provide marketing services for USALSC, USAC, and our producers and distribution networks, and (2) USAIC) was incorporated on April 23, 2012 to provide investment services to USALSC and USAC.

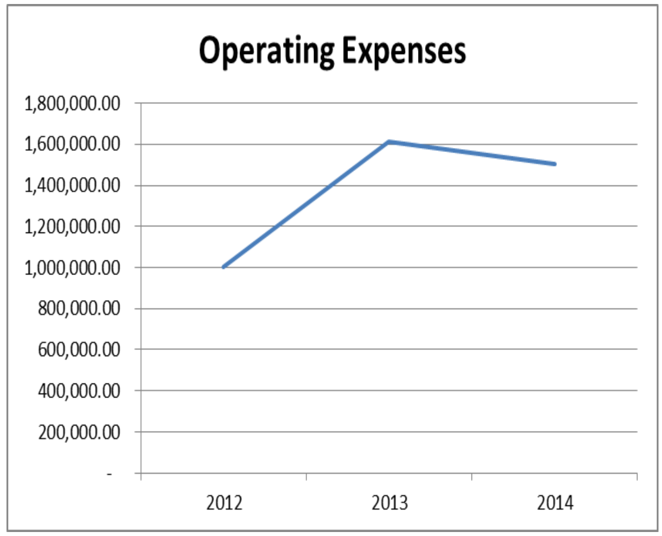
Human Resources. The Company currently has four full-time employees, seven directors of company development (independent contractors), and other independent consultants who provide services as needed. The ability of the Company to meet its objectives depends to a large extent upon satisfying its personnel requirements.

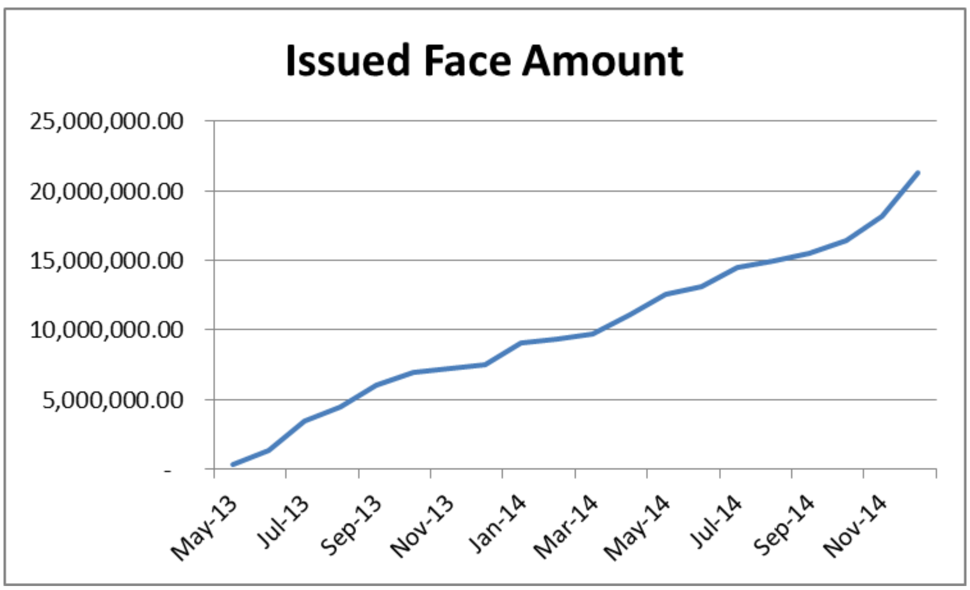
Facilities. The Company is currently located in leased office space at 4123 SW Gage Center Dr., Suite 240 Topeka, Kansas, 66604. This lease commenced on October 11, 2011 and expires December 31, 2017, with the option to extend for one (1) year starting 01/01/18 – 12/31/18. Annual rent is $27,000. The Company does not own any real estate.

Legal Proceedings. The Company is not involved in any pending legal proceedings.

PRODUCTS, THE BUSINESS and MARKETING PLAN







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Revenues.

	2013	2014	Inception thru 2014
Revenues:			
Premium income	$ 510,702	$2,097,925	$2,608,627
Net investment income	205,108	242,480	529,474
Net realized gain on sale of securities	13,720	40,130	36,648
Commission income	-	20,743	20,743
Other reinsurance related income	10,556	23,679	34,235
Total Revenues	740,086	2,424,957	3,229,727

See Appendix I audited financials for additional details.

Currently, USALSC has the following suite of products:

1. Solid Solutions Term®. This simplified issue term life insurance product provides coverage with a face value of $250,000 or less.
2. Sound Solutions Term®. This is a fully underwritten term life insurance product to provide coverage for higher face amounts.
3. Pioneer Whole Life. This is a traditional whole life insurance product to provide permanent coverage with a limited premium paying period.
4. Legacy Juvenile Series®. This product is term life insurance to age 25 available for purchase on children up to the age of 16 in an amount of $10,000 or $20,000 with a one-time premium payment.
5. American Annuity Series®. This product is a flexible premium deferred annuity with a minimum initial deposit of $10,000.
6. Thoughtful Pre-Need®. This series of products includes a single or multiple pay premium pre-need whole life insurance policy sold by funeral directors in conjunction with a pre-arranged funeral.
7. Group Products. This is a series of group non-medical life insurance products including short term and long term disability for the small group marketplace.

Currently, USALSC has the following strategic alliances:

1. GR-NEAM, a wholly owned subsidiary of Berkshire Hathaway, serves as the investment manager for USALSC and USAC and the proceeds of this public offering.
2. Optimum Re, an A- rated company, provides reinsurance for USALSC on the following products:

   Solid Solutions Term and Pioneer Whole Life
3. Gen Re Life Corporation, wholly owned subsidiary of Berkshire Hathaway, an A++ rated company, provides reinsurance for USALSC on the following products:

Sound Solutions Term and Group Life

4. Custom Disability Solutions (CDS), a division of Reliance Standard Life Insurance Company, an A- rated insurance company who is providing reinsurance for USALSC on our short term and long term group disability products.

5. Unified Life Insurance Company, a B++ rated life insurance company from whom we assume business under a coinsurance treaty. This transaction provides an additional revenue opportunity for the company.

6. McGladrey LLP, the 5th largest accounting firm in the US who provides audit services for USAC and its subsidiaries.

7. Strohm Ballweg, LLP who provides statutory accounting functions for USALSC.

8. United Systems and Software Inc. (USSI) who provides USALSC a fully integrated insurance administrative system of policy administration, agency administration, imaging, customer and agent portals, integrated ledger, unique customer ID and in 2015 an online application system.

9 Miller & Newberg, Inc. who provides actuarial services for USALSC.

10. Dynamic Computer Solutions who provides IT solutions for USAC and its subsidiaries.

Using our suite of products and strategic relationships, our plan has the initiatives described below for 2015 and beyond.

1. Additional distribution channels planned:
    a. (2015) Latino
    b. (2015) First Responder
    c. (2015) Associations
2. Increased contact with our 267 producers
3. Graphic arts design for our producers for print and electronic use
4. Social media including Facebook, LinkedIn, websites, and regular contact

Goals outlined in our business plan in 2015 include:

a. Develop fully integrated online system for applications;

b. Finalize a distribution reinsurance agreement and TPA agreement with a small life insurance company outside of Kansas, subject to further due diligence;

c. Provide a pre-need product for Kansas Funeral Directors Association Trust (KFDAT) to serve the needs of Kansas funeral directors;

d. Create and develop an opportunity to assist producers with the administrative aspects of a sale;

e. Develop relationships with associations whose members could utilize our suite of products;

f. Establish relationships with fee-based financial managers as an additional product distribution channel;

g. Identify additional distribution channel opportunities career based or based on other characteristics;

h. Determine scalability of our products and distribution channels with a goal of expanding to other states; and

i. Membership in the Federal Home Loan Bank.

Our producers are divided into the following categories: funeral directors, independent insurance agents, tax preparers, accountants and bankers, group life and disability.

In addition, we expect that 2,500 goodwill calls will be made to producers in 2015. In 2014, our consultants made 1,703 goodwill calls to producers.

The Company also expects that 500 presentations will be made in 2015 announcing the new group life, short term, and long term disability products. Among all the other divisions, we expect 400 presentations will be made. In 2014, presentations numbered 355.

There is no assurance USAC will successfully and timely implement this strategy and if other opportunities arise, management may elect to alter this strategy. Proceeds realized from the exercise of the Warrants, however, increases the probability USAC can execute, and/or alter its business plan, successfully.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

USAC is the holding company for USALSC, USAIC, and USAMC. The principal subsidiary is USALSC. The activities of the other subsidiaries are more fully described beginning on page 19 of this Prospectus.

USALSC is an insurance company emphasizing life insurance and life insurance products as described beginning on page 14.

As an insurance provider, we collect premiums in the current period to pay future benefits to our policyholders.

We also realize revenues from our investment portfolio. The revenues we collect as premiums from policyholders are invested to ensure future payments under the policy contracts. We earn on the investment spread, which reflects the investment income earned on the premiums paid to the insurer between the time of receipt and the time benefits are paid out under policies. Changes in interest rates, changes in economic conditions and volatility in the capital markets can all impact the amount of earnings that we realize from our investment portfolio.

The discussion and analysis of our financial condition, results of operations and liquidity and capital resources is based on our consolidated financial statements that have been prepared in accordance with accounting principles generally accepted in the United States. Preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. We evaluate our estimates and assumptions continually, including those related to investments, deferred acquisition costs, value of insurance business acquired and policy liabilities. We base our estimates on historical experience and on various other factors and assumptions that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. We believe the following accounting policies, judgments and estimates are the most critical to the preparation of our consolidated financial statements. Please review Appendix I for the consolidated financial statements and accompanying footnotes.

We hold fixed maturities and equity interest in a variety of companies. We continuously evaluate all of our investments based on current economic conditions, credit loss experience and other developments with our investment manager, GR-NEAM, a wholly owned subsidiary of Berkshire Hathaway. We evaluate the difference between the cost/amortized cost and estimated fair value of our investments to determine whether any decline in fair value is other-than-temporary in nature. This determination involves a degree of uncertainty. If a decline in the fair value of a security is determined to be temporary, the decline is recognized in other comprehensive income (loss) within shareholders' equity. If a decline in a security's fair value is considered to be other-than-temporary, we then determine the proper treatment for the other-than-temporary impairment.

For fixed maturities, the amount of any other-than-temporary impairment related to a credit loss is recognized in earnings and reflected as a reduction in the cost basis of the security. The amount of any other-than-temporary impairment related to other factors is recognized in other comprehensive income (loss) with no change to the cost basis of the security. For equity securities, the amount of any other-than-temporary impairment is recognized in earnings and reflected as a reduction in the cost basis of the security.

The assessment of whether a decline in fair value is considered temporary or other-than-temporary includes management's judgment as to the financial position and future prospects of the entity issuing the security. We consider an investment impaired when its value is 20% lower than our cost for twelve months, absent special circumstances. Future adverse changes in market conditions, poor operating results of underlying investments and defaults on interest and principal payments could result in losses or an inability to recover the current carrying value of the investments, thereby possibly requiring an impairment charge in the future. In addition, if a change occurs in our intent to sell temporarily impaired securities prior to maturity or recovery of value, or if it becomes more likely than not that we will be required to sell such securities prior to recovery in value or maturity, a future impairment charge could result. If an other-than-temporary impairment related to a credit loss occurs with respect to a bond, we amortize the reduced book value back to the security's expected recovery value over the remaining term of the bond. We continue to review the security for further impairment that would prompt another write-down in the book value.

Commissions and other acquisition costs which vary with and are primarily related to the successful production of new and renewal insurance contracts are deferred and amortized in systematic manner based on the related contract revenues or gross profits as appropriate. The recovery of deferred acquisition costs is dependent on the future profitability of the underlying business for which acquisition costs were incurred. Each reporting period, we evaluate the recoverability of the unamortized balance of deferred acquisition costs. We consider estimated future gross profits on future premiums; expected mortality or morbidity; interest earned and credited rates; persistency and expenses in determining whether the balance if recoverable.

If we determine a portion of the unamortized balance is not recoverable, it is immediately charged to amortization expense. The assumptions we use to amortize and evaluate the recoverability of the deferred acquisition costs involve significant judgment. A revision to these assumptions may impact future financial results. Acquisition costs related to the successful production of new and renewal insurance business for traditional life insurance contracts are deferred to the extent deemed recoverable and amortized over the premium paying period of the related policies using assumptions consistent with those used in computing future policy benefit liabilities.

Deferred acquisition costs related to the successful production of the new and renewal insurance and annuity products that subject us to mortality or morbidity risk over a period that extends beyond the period or periods in which premiums are collected and that have terms that are fixed and guaranteed are deferred to the extent deemed recoverable and amortized in relation to the present value of actual and expected gross profits on the policies. To the extent that realized gains and losses on securities result in adjustments to deferred acquisition costs related to insurance and annuity products, such adjustments are reflected as a component of the amortization of deferred acquisition costs.

US Alliance Corporation

Because the first sale of an insurance product occurred May 1, 2013, the 2012 results are omitted from this analysis of income below. All audits since inception are available on our website, www.usalliancecorporation.com, and 2014, 2013, and 2012 are attached as Appendix I.

Analysis of Income (Loss)
Years Ended December 31, 2014 and 2013

	2014	2013	Change
Income:			
Premium income	$ 2,097,925	$ 510,702	$ 1,587,223
Net investment income	242,480	205,108	37,372
Net realized gain on sale of securities	40,130	13,720	26,410
Commission income	20,743	-	20,743
Other reinsurance related income	23,679	10,556	13,123
Total income	2,424,957	740,086	1,684,871
Expenses:			
Death claims	215,509	17,151	198,358
Policyholder benefits	727,637	-	727,637
Increase in policyholder reserves and benefits	928,483	441,673	486,810
Total Policyholder expenses	1,871,629	458,824	1,412,805
Commissions, net of deferrals	226,233	7,840	218,393
Amortization of deferred acquisition costs	61,495	30,452	31,043
Premium tax	16,028	10,437	5,591
Selling & marketing	425,912	410,562	15,350
Total Selling Expenses	729,668	459,291	270,377
Net Margin from Operations before Overhead and General Expenses	(176,340)	(178,029)	1,689
Management salaries & benefits	593,673	559,985	33,688
Office and general administration	273,836	406,987	(133,151)
Professional fees	209,467	236,056	(26,589)
Depreciation and amortization	21,254	21,190	64
Total Overhead and General Expenses	1,098,230	1,224,218	(125,988)
Net Loss before income taxes	$(1,274,570)	$(1,402,247)	$127,677

Additional Capital. The Company recognizes the continuing need for additional capital and may undertake future additional public and private offerings to accommodate those needs. While there can be no assurance, the Company hopes any successive offerings will be at higher per share prices than $6.00 per share. There is no assurance these offerings will occur or at what price such offerings might occur. At this time the Company does not plan any successive public offerings. However, it may do so should conditions warrant.

SUBSIDIARY OPERATIONS

US Alliance Life and Security Company

Underwriting Guidelines: USALSC has established underwriting guidelines consistent with its product's pricing structure. The independent consulting actuaries, along with our reinsurance companies, Optimum Re Insurance Company and General Re Life Corporation, assist us in establishing underwriting standards.

Operating Results: The life insurance industry, by the nature of its business, is endowed with fiduciary responsibility to its contract holders and, therefore, is generally subject to a high level of regulation in the accounting and reporting of its financial condition. All life insurance entities are required by state insurance regulations to prepare financial statements in accordance with statutory accounting practices ("SAP"). All life insurance entities are required to maintain records in accordance with SAP prescribed or permitted by the insurance department of their state of domicile, and in some instances, by other states in which they are licensed to write business. SAP attempts to determine an entity's ability to satisfy its obligations to its contract holders and creditors at all times. Because of the focus on solvency, the statutory balance sheet represents assets and liabilities that generally are valued on a conservative basis. Accordingly, certain nonliquid assets, such as furniture and fixtures are assigned no value (referred to as *nonadmitted assets*). In addition, policy acquisition costs must be expensed as incurred under SAP. With respect to liabilities, SAP generally requires formula driven reserves relating to invested assets and benefit reserve liabilities using statutory tables or other conservative assumptions.

USAC reports operating results to stockholders in accordance with generally accepted accounting principles ("GAAP"). Under the GAAP method of reporting, certain costs, which are expensed immediately under the SAP basis of accounting explained above, will be charged to operations over the period in which premiums are earned, thereby reducing the adverse effect of these costs on operating results. In addition, under the GAAP method of reporting, assumptions used in calculating reserves are less conservative than those used under the SAP basis, thereby further reducing adverse effects on operating results.

Administration: The daily administration of policies written is from USALSC's home office located in the Topeka, Kansas. Policy administration includes the issuance of policies, billing, preparation of commission and production statements, posting of premium payments and servicing of policyholders.

Reinsurance: USALSC reinsures with other companies portions of the life insurance risks it underwrites. USALSC reinsures products using Optimum Re Insurance Company, General Re Life Corporation, and Custom Disability Solutions. The primary purpose of reinsurance is to allow a company to reduce the amount of its risk on any particular policy. The effect of reinsurance is to transfer a portion of the risk to the reinsurers. However, USALSC will remain contingently liable for the risk in the event the reinsurer is not able to meet its obligations under the reinsurance agreement. Further, when life insurance risks are ceded to another insurer, the ceding company pays a reinsurance premium to the reinsurance company as consideration for the risk being transferred. The payment of this reinsurance premium to the reinsurer represents a reduction of the premium income received by USALSC.

Investments: USALSC has adopted an investment policy in compliance with the insurance laws of the State of Kansas. The type and amount of investments which can be made by a life insurance company domiciled in the State of Kansas are specifically controlled by Article 2b of Kansas Statutes Annotated ("K.S.A."), Chapter 40. The Company has contracted with GR-NEAM to manage the fixed income portfolio of USAC and USALSC.

In addition, Article 2b also requires a majority of the insurer's board of directors or authorized committee thereof to approve all investments.

It is critical that an insurer invest its assets wisely and conservatively because investment income ultimately (as a new company grows, investment income will increase as a percent of total income due to investment of policy reserves) will be a significant component of total revenue. Our investment policy is designed to minimize investment risk while meeting its obligations to policyholders.

Reserves: USALSC has set up as liabilities actuarially computed reserves to meet the obligations on the policies it writes, in accordance with the insurance laws and the regulations of the Department of Insurance for statutory accounting and GAAP for financial reporting to stockholders. These reserves are the amounts which, with additions from premiums to be received and with interest on such reserves, compounded annually at certain assumed rates, will be calculated to be sufficient according to accepted actuarial principles to meet the proposed life insurance subsidiary's policy obligations as they mature. The various actuarial factors are determined from mortality tables and interest rates in effect when the policies are issued.

USALSC retains Miller & Newberg, an independent consulting actuary, to make the computations required to establish its reserves and to perform other duties required by law to be performed by certified actuaries in the conduct of a general life insurance business.

US Alliance Investment Corporation

USAIC provides the selection and management of those companies who serve as our investment manager(s). Revenues and expenses are consolidated in the audited financial statements, Appendix I to this Prospectus.

US Alliance Marketing Corporation

USAMC provides marketing services for USAC, USALSC, and our producers. Revenues and expenses are consolidated in the audited financial statements attached as Appendix I to this Prospectus and provided on our website at www.usalliancecorporation.com..

Acquisition of Other Companies

The Company may use a portion of the 2015 Offering proceeds to acquire other life insurance or insurance-related companies and assets. The acquisition strategy of the Company is to identify established insurance companies which have developed viable marketing networks for their products and which are or could be managed from a Topeka, Kansas home office. In selecting target insurance companies which constitute suitable acquisition candidates, we will consider factors such as, but not limited to, the target company's financial statements and operating history (including loss ratios, surplus adequacy, and underwriting standards); the price and features of insurance products sold and the markets served; the competency and loyalty of its agents; income tax considerations; and the purchase price thereof.

The Company also may seek to acquire insurance-related companies such as: (1.) reinsurance brokerage companies; (2.) third-party administrators; (3.) life and health insurance data processing services; and (4.) existing marketing agencies.

The primary reasons the Company may acquire an existing life insurance company or insurance-related company are: (1.) provide additional revenue streams to the Company through additional marketing expansion or ancillary services; (2.) provide additional profits through more effective cost management for the existing company, as many companies within the insurance industry have excessive administrative cost levels relative to premium income; and (3.) the placement of administrative, accounting and data processing systems that would allow the Company to expand.

There are no existing arrangements to consider any specific candidates.

FINANCIAL STATEMENTS

The Company's consolidated financial statements, comprised of its consolidated balance sheets as of December 31, 2014, 2013 and 2012, and the related consolidated statements of comprehensive loss, changes in shareholders' equity and cash flows for the years ended and the related notes to the consolidated financial statements are attached as Appendix I. Audited consolidated financial statements for the Company since inception are available on our website at www.usalliancecorporation.com.

DESCRIPTION OF SECURITIES

The Company is presently authorized to issue 9,000,000 shares of Common Stock, $.10 par value, and 1,000,000 shares of Preferred Stock, $5.00 par value. As of December 31, 2014 there were a total of 4,232,400 shares of Common Stock issued and outstanding. As of the same date, no shares of Preferred Stock were outstanding. The Company intends to issue an additional 2,532,400 shares of Common Stock in this Offering if the maximum number of Warrants are exercised and the Shares issuable upon the exercise of such Warrants are sold. There will be 6,764,800 shares of Common Stock issued and outstanding after the Offering if the maximum number of Shares are sold.

Description of Common Stock. The holders of Common Stock, including Warrantholders who acquire Shares through the exercise of their Warrants, are entitled to one vote for each share of Common Stock held of record in each matter submitted to a vote of stockholders. Cumulative voting in the election of directors is allowed. A majority of the outstanding shares of Common Stock entitled to vote constitutes a quorum at any stockholder meeting. There are no preemptive or other subscription rights, conversion rights, registration or redemption provisions with respect to any shares of Common Stock.

Holders of Common Stock are entitled, subject to the prior rights of holders of any Preferred Stock then outstanding, to such dividends as the Board of Directors, in its discretion, may declare out of legally available funds. In the event of liquidation, holders of Common Stock are entitled, subject to the prior rights of holders of any Preferred Stock then outstanding, to participate pro rata in all assets, if any, of the Company remaining after the payment of all liabilities.

Description of Preferred Stock. The Board of Directors of the Company, without further action by the stockholders, may issue shares of Preferred Stock and may fix or alter the voting rights, redemption provisions (including sinking fund provisions), dividend rights, dividend rates, liquidation preferences, conversion rights, and the designation of a number of shares constituting any wholly unissued series of preferred stock.

No shares of Preferred Stock have been issued and it is not contemplated any shares will be issued during the 2015 offering as described herein.

MANAGEMENT

The Officers and Directors of the Company are as follows:

Name	Age	Position
Jack H. Brier	68	Chairman of the Board, President, CEO, and Director, USAC, USALSC, USAMC, & USAIC

Kurt Scott	54	Treasurer and Director, USAC, USALSC, USAMC, & USAIC
Bob Boaldin	75	Director, USAC, USALSC, USAMC, & USAIC
James M. Concannon	67	Director, USAC, USALSC, USAMC, & USAIC
Rochelle Chronister	75	Director, USAC, USALSC, USAMC, & USAIC
William Graves	61	Director, USAC, USALSC, USAMC, & USAIC
Rebecca Kinsinger	56	Secretary, USAC, USALSC, USAMC, & USAIC
Don Schepker	66	Vice Chairman of the Board, USALSC
Jeffrey Brown	43	Executive Vice President and Chief Operating Officer, USALSC

The Directors are elected at the annual meeting of shareholders held on the first Monday in June each year and serve in this capacity until the next annual meeting of shareholders, or until their successors are duly elected and qualified. The President serves at the direction of the Board of Directors and was elected June 2, 2014. The following is a brief description of the previous business background of the executive officers and directors.

Jack H. Brier currently serves as the Chairman of the Board of Directors, President, and Chief Executive Officer of the Company. Mr. Brier is the Chairman of Brier Development Co. Inc. He served Kansas as Secretary of State from 1978 through 1987, and as President of Kansas Development Finance Authority from 2000 to 2003. Brier attended Shawnee Mission public schools. He has a degree in Business Administration from Washburn University and has done graduate study in public administration at the University of Kansas. Mr. Brier is on the Board of Directors of Financial Institution Technologies. Mr. Brier brings to the Board his extensive experience as a founder, the Chief Executive Officer and Chairman of the Board of the Company. He has in-depth knowledge of the Company's business, strategy and management team. Mr. Brier also has extensive community relations experience with his involvement in civic, business, and philanthropic organizations in the Topeka area.

Bob Boaldin serves as a Director of the Company. He is President of Epic Touch Company of Kansas, a telecommunications, voice, video and data provider and internet services provider in rural areas of southwest Kansas and Oklahoma. A veteran of 52 years in the telecommunications management and construction business, Mr. Boaldin has long been a state and national leader in the promotion of telephone and cable television service to America's rural communities. His activities have taken him to remote rural areas of America and to the halls of Congress in Washington D.C., as well as the offices of the Federal Communications Commission and the National Security Telecommunications Advisory Committee. As a Morton County Commissioner for 28 years, Mr. Boaldin is deeply involved in his local community. Mr. Boaldin brings us valuable business, strategic and operational expertise through his years of leadership in his community and a regulated environment.

Rochelle Chronister serves as a Director of the Company. She served in the Kansas House of Representatives from 1979 to 1995, where she was Chair of the House Appropriations Committee, the House Education Committee, and the Joint House and Senate Committee for Economic Development. From May of 1995 to October of 1999, Ms. Chronister served as the Secretary of the Kansas Department of Social and Rehabilitation Services ("SRS"). She was responsible for the formation of a public-private partnership for reorganization of child protective services making Kansas the first state in the country to contract for services to children-in-need of care for family preservation, adoption and foster care. Ms. Chronister formed an organization with four other Cabinet Secretaries, Connect Kansas, to encourage community coordination for services to children. She received her Bachelor of Arts in Microbiology from University of Kansas in 1961. At the University of Kansas she was a member of the Mortar Board honorary society and President of Sellards Scholarship Hall. The Board believes that Mrs. Chronister should serve as a director because of her knowledge and expertise in economic development, and extensive community relations experience with her involvement in civic and community organizations in Kansas.

James Concannon serves as a Director of the Company. Professor Concannon served as Dean of Washburn University School of Law from 1988-2001. Since he stepped down as Dean, he has continued to serve as a Professor of Law at Washburn and holds the title of Senator Robert J. Dole Distinguished Professor of Law. He is licensed to practice in state courts in Kansas, the U.S. District Court for Kansas, the U.S. Court of Appeals for the Tenth Circuit and the Supreme Court of the United States. Mr. Concannon received the 2012 Justice Award from the Kansas Supreme Court. He served as Research Attorney for the Kansas Supreme Court and was a Visiting Professor at Washington University School of Law in St. Louis. He was a Senior Contributing Editor of *Evidence in America: The Federal Rules in the States* and serves on the National Conference of Commissioners on Uniform State Laws. Mr. Concannon received his Bachelor of Science from the University of Kansas in 1968 and his Juris Doctorate from the University of Kansas School of Law in 1971. He currently serves as an Independent Trustee of the Waddell & Reed Advisors Funds, the Ivy Funds Variable Insurance Portfolios and the InvestEd 529 Funds. Professor Concannon's board experience as well as his extensive legal background are benefits he brings to our Board.

William Graves serves as a Director and has served in that position since 2014. He is President and CEO of American Trucking Associations, the national trade and safety organization of the United States trucking industry. Through its 50 affiliated state trucking associations, conferences, and other organizations, it represents an industry that delivers nearly 70% of the nation's freight before all branches and levels of government. Under his leadership, ATA is advancing several safety initiatives. In addition to his duties at ATA, Mr. Graves serves on the board of the International Speedway Corp., the leading promoter of motorsport racing in America, where he serves on the audit, compensation, nominating, and corporate governance committees. In January 2003, Mr. Graves completed his second term as governor of Kansas, capping 22 years of service to the state. As governor, he enacted the largest tax cut in state history but also signed into law an historic 10-year, $13 billion comprehensive transportation program improving highways, railroad infrastructure, airports, and public transit service in Kansas, financed by higher user fees. Mr. Graves earned a degree in business administration from Kansas Wesleyan University in his hometown of Salina and attended graduate school at the University of Kansas. Mr. Graves brings us business, strategic, and operational expertise through his years of public sector leadership and private sector experience.

Kurt Scott serves as a Director and as Treasurer of the Company. From 1989 to the present he has been an officer of Kansas Medical Mutual Insurance Company, first serving as Chief Financial Officer, and since 2011 as Chief Executive Officer. He currently serves on the Board of Directors of the Physicians Insurance Association of America. From 1983 to 1989, Mr. Scott served as Chief Examiner with the Kansas Department of Insurance. He currently serves on the Board of Directors of the Greater Topeka Chamber of Commerce and the Board of Directors of Fidelity State Bank. He received a Bachelor of Science degree in Business Administration with a major in Accounting from Kansas State University in 1983. Mr. Scott's extensive insurance regulatory experience, financial experience, and insurance experience are benefits he brings to our Company.

Rebecca Kinsinger serves as Corporate Secretary. Ms. Kinsinger has served in that capacity since May 2011. From 2002 to 2011 she served as an administrative assistant at Hewlett Packard. From 1995 to 2001, Ms. Kinsinger worked as a life and health insurance agent in Kansas, Texas, and Florida.

Donald Schepker serves as Vice Chairman of the Board of US Alliance Life and Security Company. Mr. Schepker is a senior financial executive with more than 30 years of experience in a wide variety of financial disciplines. He previously served as president and executive director of the Stormont-Vail Foundation and as senior vice president and CFO of Security Benefit Group, both headquartered in Topeka, Kansas. During his time at Security Benefit Group, an international life and financial services company, Mr. Schepker grew the company's assets to $10 billion, an increase of over 600%. He is a former partner in the Accounting and Auditing Services division of Deloitte & Touche, LLP, and a member of the Financial Executives International group and the American Institute of Certified Public Accountants. Mr. Schepker holds a Bachelor of Science degree in Commerce with a major in Accounting.

Jeffrey Brown serves as Executive Vice President and Chief Operating Officer of US Alliance Life and Security Company. Mr. Brown has served in that capacity since November 2011. From 2001 to 2011 he served in various executive positions as AmerUs Annuity Group (Aviva USA) including Vice President and Actuary, Senior Vice President and Actuary, and Vice President of Finance Transformation. From 1995 to 2001, Mr. Brown worked in various actuarial positions including group life actuary at Fortis Benefits Insurance Company (Assurant Employee Benefits). He currently serves as President on the Board of Directors of Cair Paravel Latin School. He received his Bachelor of Arts degree in Mathematics (Actuarial Science Specialization) from Washburn University in 1995. He is a Fellow of the Society of Actuaries and a member of the American Academy of Actuaries.

As of the date of this prospectus, the following members of the Board of Directors serve on the following Board committees:

1. Executive Committee: Jack H. Brier; Chair, Kurt Scott; Jim Concannon; compensation $400 per month.

2. Audit Committee: Kurt Scott, Chair; Rochelle Chronister, William Graves; Jack H. Brier, ex-officio.

3. Compensation Committee: Jim Concannon, Chair; Kurt Scott; Bob Boaldin

4. Investment Committee: Jack H. Brier; Chair, Kurt Scott; Jim Concannon.

5. Nominating Committee: Jack H. Brier; Chair, Kurt Scott; Jim Concannon, Bob Boaldin, Rochelle Chronister.

REMUNERATION OF MANAGEMENT

Executive Compensation. The current compensation of management and executive officers is as follows:

Name	Title	Total Annual Compensation
Jack H. Brier	Chairman of the Board of Directors, President and Chief Executive Officer	$200,000

Mr. Brier's salary is determined by the Board of Directors, and he may also receive such performance-based bonus payments as the Board of Directors may approve. Mr. Brier receives an automobile allowance and reimbursement for health and disability insurance as set by the Board of Directors. The salary and other benefits paid to the Company's corporate secretary is determined by the President and Chief Executive Officer in accordance with general Company policies.

SECURITY OWNERSHIP and BOARD COMPENSATION

The following table sets forth information regarding the ownership and control of the outstanding shares of the Company's common stock, $0.10 par value, as of the date of this Offering, and as of the completion of this Offering, assuming all shares offered are sold, but not including the effects of an "over-sale".

Name of Beneficial Owner	Amount Beneficially Owned (prior to this Offering)	Percent of Class (prior to this Offering)	Percent Beneficially Owned After the Offering (Maximum)	2014 Board Compensation
Jack H. Brier Chairman of the Board of Directors & President	414,800[1]	9.8%	6.1%	$8,800
Rochelle Chronister, Director	50,000	1.2%	0.7%	$4,000
Bob Boaldin, Director	54,000	1.3%	0.8%	$3,000
James Concannon, Director	50,000	1.2%	0.7%	$8,800
Kurt Scott, Director	50,000	1.2%	0.7%	$8,800
William Graves, Director	60,000	1.4%	0.9%	$750
Officers and Directors as a group	678,800	16.1%	9.9%	$34,150
All other shareholders	3,553,600	83.9%	90.1%	
TOTALS	4,232,400	100.00%	100.0%	

(1) Includes 20,000 shares owned by Brier Development Company, Inc. of which Jack H. Brier is the sole owner.

INTEREST OF MANAGEMENT AND OTHERS IN CERTAIN TRANSACTIONS

For serving as an officer of the Company, the Company has agreed to pay Mr. Brier the compensation specified in "Remuneration of Management – Executive Compensation".

SHARES ELIGIBLE FOR FUTURE SALES

Prior to the 2015 Offering, there has been no market for the Common Stock of the Company, and it is anticipated that a market will not develop in the immediate future after the 2015 Offering. The effect, if any, of future public sales of the Common Stock described above on the market price of the Company's Common Stock cannot be predicted.

Share Escrow Agreement. All 1,200,000 Promotional Shares sold in the Company's initial private placement to Company founders at $.20 share were initially placed in escrow pursuant to the terms of a Promotional Shares Escrow Agreement (the "Share Escrow Agreement") pending completion of the Company's 2010 Offering and satisfaction of the release conditions described in the Share Escrow Agreement.

Under the terms of the Share Escrow Agreement, the Promotional Shares subject thereto may be released pro rata among the owners of the Promotional Shares beginning three years after the completion date of the 2010 Offering, in quarterly increments of two and one-half percent (2 1/2%). All remaining Promotional Shares will be released from escrow on the fifth anniversary of the completion date of the registered offering. In the event Promotional Shares in the escrow become "Covered Securities," as defined in Section 18(b)(1) of the Securities Act of 1933, the Escrow Agent must release all Promotional Shares held in escrow.

As of the date of this Prospectus, no Promotional Shares have been released from escrow.

During the term of the Share Escrow Agreement, the depositing shareholders retain all voting and dividend rights with respect to the Promotional Shares held in escrow. The Promotional Shares may not, however, be sold or otherwise disposed of for value prior to termination of the Share Escrow Agreement. All Promotional Shares will be released from escrow pursuant to the terms of the Share Escrow Agreement by February 24, 2018.

PLAN OF DISTRIBUTION

The Company is offering up to a maximum 2,532,400 Shares on a best efforts basis only through a network of agents, hired, trained and registered as agents of USAC with the Office of the Kansas Securities Commissioner.

Commission expense will not exceed 10% of the amount of the Shares sold. In addition, the agents may receive prizes and other incentives for their sales efforts.

The proposed market for the sale of Shares will be holders of the Warrants issued by the Company in its 2010 Offering.

The exercise price for the exercise of the Warrants and purchase of the Shares shall be payable in cash at the time of subscription.

Warrants are exercised by executing a Warrant Exercise Agreement and by payment of the Warrant exercise price by a check made payable to "US Alliance Corporation."

The 2015 Offering will continue until (i) all Warrants are exercised and all Shares offered are sold or (ii) February 24, 2016, whichever occurs first. The Company may, in its sole discretion, extend the 2015 Offering.

CAPITALIZATION

The following table sets forth the capitalization of the Company as of December 31, 2014, and as adjusted pro forma capitalization as of such date to give effect to the issuance of the maximum number of Shares offered hereby. This table should be read together with the balance sheet of the Company as of December 31, 2014, included herein.

	Actual at December 31, 2014	(Maximum Offering Amt) As Adjusted [(1)]
Stockholders' Equity: Common Stock, $.10 par value, 9,000,000 shares authorized, 4,232,400 shares outstanding (as adjusted, 6,764,800) Preferred Stock, $5.00 par value, 1,000,000 shares authorized	$423,240	$676,480
Additional Paid-in Capital	11,378,832	24,300,552
Accumulated Deficit	(4,809,086)	(4,809,086)
Accumulated OCI (Other Comprehensive Income)	287,082	287,082
Total Stockholders' Equity	$7,280,068	$20,455,028

(1) Assumes net proceeds from this Offering of $13,174,960.

LEGAL MATTERS

The validity of the Securities offered hereby will be passed upon for the Company by Law Offices of Lathrop & Gage LLC, Overland Park, KS.

INDEPENDENT AUDITORS

The financial statements of the Company as of and for the years ended December 31, 2014, 2013, and 2012 included in the Prospectus have been audited by McGladrey LLP, Omaha, Nebraska.

ANNUAL REPORTS TO STOCKHOLDERS

The Company supplies annual reports of its financial condition to all holders of its securities and such reports contain financial statements that will be examined and reported upon by an independent certified public accountant. Such financial statements are prepared in accordance with generally accepted accounting principles.

The Company will be required to register any class of equity securities pursuant to the Exchange Act, if on the last day of its most recent fiscal year the Company had total assets exceeding $10 million and 2,000 or more total investors, or 500 or more investors that are not considered “accredited investors” under securities regulations. Such registration would require the Company to make annual and quarterly reports with the Securities and Exchange Commission and adhere to the Commission’s rules and regulations governing proxy solicitations, including the distribution of an annual report to stockholders.

EXHIBIT A

Form of Warrant Exercise Agreement

Purchase Form

The undersigned hereby exercises its previously issued Warrant for the purchase of __________ shares of Common Stock (the "Shares") of US Alliance Corporation (the "Company") covered by such Warrant and in accordance with the terms and conditions thereof, and herewith makes payment of the exercise price of $6.00 per Shares in full. The Company is instructed to issue certificates for such Shares and any new Warrant to which the undersigned may be entitled on partial exercise hereof in the name of the undersigned and to deliver the same at the address indicated.

The undersigned hereby represents and warrants as follows (please separately initial each representation made below):

Primary Investor	Joint Investor	(a) The Shares acquired through the exercise of this Warrant may not be sold or otherwise transferred until at least nine (9) months after completion of the Company's 2015 Offering (as defined in the Prospectus dated February 24, 2015).
		(b) The foregoing Warrant exercise and purchase of Shares pursuant thereto is made for investment and not for resale or other distribution.
		(c) The undersigned understands the risks associated with an investment in the Shares and the meaning and legal consequences of the representations contained herein.
		(d) The undersigned is a resident of the state of Kansas and the address set forth below is his/her true and current address.

Please insert Social Security Number or other Identifying number

Signature of Subscriber

Subscriber Name Printed or Typed D.O.B.

Subscriber's Social Security or Taxpayer I.D. No. Subscriber's Kansas Driver's License No.

Street Address

City County State Zip

Home Phone No. Business Phone No.

Title and Occupation

Subscriber's e-mail address

Name in which certificates to be issued if other than subscriber:

Name

Street Address

City County State Zip

Social Security or Taxpayer I.D. No. D.O.B.

Email address

Issue Certificates as follows:

___ Individual ___ Joint Tenants
___ Tenants in Common ___ Uniform Gift to Minors

___ Other: ____________________

APPENDIX I

Financial Statements

[Attached]

US Alliance Corporation

Consolidated Financial Statements
December 31, 2014, 2013, and 2012
(With Independent Auditor's Report Thereon)

Contents

Independent Auditor's Report

To the Board of Directors
US Alliance Corporation
Topeka, Kansas

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of US Alliance Corporation and its subsidiaries which comprise the consolidated balance sheets as of December 31 , 2014, 2013 and 2012, and the related consolidated statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of US Alliance Corporation and its subsidiaries as of December 31, 2014, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

McGladrey LLP

Omaha, Nebraska
February 24, 2015

US Alliance Corporation

Consolidated Balance Sheets
December 31, 2014, 2013 and 2012

	2014	2013	2012
Assets			
Cash and cash equivalents	$ 575,005	$ 817,276	$ 6,735,561
Investments in available-for-sale securities, at fair value	8,390,867	6,925,100	722,568
Investments in held-to-maturity securities, at amortized cost	-	773,185	1,018,892
Investment income due and accrued	42,289	40,670	-
Restricted cash	-	-	400,000
Deferred acquisition costs, net	52,808	17,166	-
Reinsurance related assets	7,296	5,557	-
Other assets	50,761	9,672	11,493
Property, equipment and software, net	249,964	158,718	179,138
Total assets	$ 9,368,990	$ 8,747,344	$ 9,067,652
Liabilities and Shareholders' Equity			
Liabilities:			
Accounts payable and accrued expenses	$ 39,012	$ 17,591	$ 26,240
Policyholder benefit reserves	1,331,744	428,211	-
Deposit-type contracts	686,316	130,281	-
Advance premiums	30,532	18,482	-
Other liabilities	1,318	6,861	-
Total liabilities	2,088,922	601,426	26,240
Shareholders' Equity:			
Preferred stock, $5.00 par value. Authorized 1,000,000 shares; none issued or outstanding	-	-	-
Common stock, $0.10 par value. Authorized 9,000,000 shares; issued and outstanding 4,232,400 shares as of December 31, 2014 and 2013, respecitively	423,240	423,240	408,280
Outstanding warrants	25,324	25,324	-
Additional paid-in capital	11,353,508	11,353,508	10,733,402
Accumulated deficit	(4,809,086)	(3,534,516)	(2,132,269)
Accumulated other comprehensive income (loss)	287,082	(121,638)	31,999
Total shareholders' equity	7,280,068	8,145,918	9,041,412
Total liabilities and shareholders' equity	$ 9,368,990	$ 8,747,344	$ 9,067,652

See Notes to Consolidated Financial Statements.

US Alliance Corporation

Consolidated Statements of Comprehensive Loss
Years Ended December 31, 2014, 2013 and 2012

	2014	2013	2012
Income:			
Premium income	$ 2,097,925	$ 510,702	$ -
Net investment income	242,480	205,108	67,729
Net realized gain on sale of securities	40,130	13,720	(17,202)
Commission income	20,743	-	-
Other reinsurance related income	23,679	10,556	-
Total income	2,424,957	740,086	50,527
Expenses:			
Death claims	215,509	17,151	-
Policyholder benefits	727,637	-	-
Increase in policyholder reserves and benefits	928,483	441,673	-
Commisions, net of deferrals	226,233	7,840	-
Amortization of deferred acquistion costs	61,495	30,452	-
Management salaries & benefits	593,673	559,985	472,393
Selling & marketing	425,912	410,562	183,857
Office and general administration	273,836	406,987	247,375
Professional fees	209,467	236,056	97,284
Premium tax	16,028	10,437	-
Depreciation and amortization	21,254	21,190	7,247
Total expense	3,699,527	2,142,333	1,008,156
Loss before income taxes	(1,274,570)	(1,402,247)	(957,629)
Provision for income tax expense	-	-	-
Net loss	$ (1,274,570)	$ (1,402,247)	$ (957,629)
Unrealized net holding gains (losses) arising during the period	479,169	(139,917)	(1,843)
Unrealized loss on security transferred from held to maturity to available for sale	(30,319)	-	-
Reclassification adjustment for (gains) included in net loss	(40,130)	(13,720)	17,202
Other comprehensive income (loss)	408,720	(153,637)	15,359
Comprehensive loss	$ (865,850)	$ (1,555,884)	$ (942,270)

See Notes to Consolidated Financial Statements.

US Alliance Corporation

Consolidated Statements of Changes in Shareholders' Equity
Years Ended December 31, 2014, 2013 and 2012

	Number of Shares of Common Stock	Common Stock	Additional Paid-in Capital	Outstanding Warrants	Accumulated Other Comprehensive Income / (Loss)	Accumulated Deficit	Total
Balance, December 31, 2011	3,046,600	$ 304,660	$ 6,218,358	$ -	$ 16,640	$ (1,174,640)	$ 5,365,018
Public offering, $5.00 per share	1,036,200	103,620	5,077,380	-	-	-	5,181,000
Costs associated with public offering	-	-	(562,336)	-	-	-	(562,336)
Other comprehensive income	-	-	-	-	15,359	-	15,359
Net loss	-	-	-	-	-	(957,629)	(957,629)
Balance, December 31, 2012	4,082,800	$ 408,280	$ 10,733,402	$ -	$ 31,999	$ (2,132,269)	$ 9,041,412
Public offering, $5.00 per share	149,600	14,960	707,716	25,324	-	-	748,000
Costs associated with public offering	-	-	(87,610)	-	-	-	(87,610)
Other comprehensive loss	-	-	-	-	(153,637)	-	(153,637)
Net loss	-	-	-	-	-	(1,402,247)	(1,402,247)
Balance, December 31, 2013	4,232,400	$ 423,240	$ 11,353,508	$ 25,324	$ (121,638)	$ (3,534,516)	$ 8,145,918
Other comprehensive income	-	-	-	-	408,720	-	408,720
Net loss	-	-	-	-	-	(1,274,570)	(1,274,570)
Balance, Decemeber 31, 2014	**4,232,400**	**$ 423,240**	**$ 11,353,508**	**$ 25,324**	**$ 287,082**	**$ (4,809,086)**	**$ 7,280,068**

See Notes to Consolidated Financial Statements.

US Alliance Corporation

Consolidated Statements of Cash Flows
Years Ended December 31, 2014, 2013 and 2012

	2014	2013	2012
Cash Flows from Operating Activities:			
Net loss	**$ (1,274,570)**	$(1,402,247)	$ (957,629)
Adjustments to reconcile net loss to net cash and cash equivalents used in operating activities:			
Depreciation and amortization	**21,254**	21,190	7,247
Net realized (gains) on the sale of securities	**(40,130)**	(13,720)	17,202
Amortization of investment securities, net	**13,697**	8,884	(11,119)
Interest credited on deposit type contracts	**13,492**	537	-
(Increase) decrease in operating assets:			
Investment income due and accrued	**(1,619)**	(40,670)	-
Deferred acquisition costs capitalized	**(97,137)**	(47,618)	-
Deferred acquisition costs amortized	**61,495**	30,452	-
Reinsurance related assets	**(1,739)**	(5,557)	-
Other assets	**(41,089)**	1,821	5,747
Increase (decrease) in operating liabilities:			
Policyowner benefit reserves	**903,533**	428,211	-
Advance premiums	**12,050**	18,482	-
Other liabilities	**(5,543)**	6,861	-
Accounts payable and accrued expenses	**21,421**	(8,649)	(11,263)
Net cash (used in) operating activities	**(414,885)**	(1,002,023)	(949,815)
Cash Flows from Investing Activities:			
Available-for-sale securities			
Purchase of investments	**(1,636,667)**	(6,572,775)	(577,575)
Proceeds from sales and repayments	**1,129,238**	617,149	215,643
Held-to-maturity securities			
Purchase of investments	**-**	-	(248,664)
Proceeds from maturity	**250,000**	250,000	150,000
Purchase of property, equipment, and software	**(112,500)**	(770)	(89,792)
Net cash (used in) investing activities	**(369,929)**	(5,706,396)	(550,388)
Cash Flows from Financing Activities:			
Receipts on deposit-type contracts	**542,543**	129,744	-
Sale of common stock, net of costs of issuance	**-**	660,390	4,618,664
Net cash provided by financing activities	**542,543**	790,134	4,618,664
Net (decrease) in cash and cash equivalents	**(242,271)**	(5,918,285)	3,118,461
Cash and Cash Equivalents:			
Beginning	**817,276**	6,735,561	3,617,100
Ending	**$ 575,005**	$ 817,276	$ 6,735,561
Supplemental disclosure of cash flow information			
Transfer of securities from held to maturity to available for sale	**$ 227,280**	$ -	$ -

See Notes to Consolidated Financial Statements.

Note 1. Description of Business and Significant Accounting Policies

Description of business: US Alliance Corporation ("the Company") is a Kansas corporation located in Topeka, Kansas. The Company was incorporated April 24, 2009, as a holding company to form, own, operate and manage a life insurance company and its marketing and investment affiliates. On June 9, 2011, the wholly owned subsidiary, US Alliance Life and Security Company was incorporated. US Alliance Life and Security Company received its Certificate of Authority from the Kansas Insurance Department (KID) effective January 2, 2012. On April 23, 2012, US Alliance Investment Corporation and US Alliance Marketing Corporation were incorporated as wholly-owned subsidiaries of the Company to provide investment management and marketing services

The Company terminated its public offering on February 24, 2013. As of the end of the offering, the Company is no longer a development stage company. During the balance of 2013, the Company has achieved approval of an array of life insurance and annuity products, begun development of various distribution channels and commenced insurance operations and product sales. The Company sold its first insurance product on May 1, 2013. The Company continued to expand its product offerings and distribution channels throughout 2014.

Basis of presentation: The consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles ("GAAP") in the United States of America.

Principles of consolidation: The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated from the consolidated financial statements.

Area of Operation: US Alliance Life and Security Company is authorized to operate in the state of Kansas.

Cash and cash equivalents: For purposes of the statement of cash flows, the Company considers demand deposits and highly liquid investments with original maturities of three months or less when purchased to be cash and cash equivalents. The Company maintains its cash balances in one financial institution located in Topeka, Kansas. The FDIC insures aggregate balances, including interest-bearing and noninterest-bearing accounts, of $250,000 per depositor per insured institution. The Company's financial institution is a member of a network that participates in the Insured Cash Sweep (ICS) program. By participating in ICS, the Company's deposits in excess of the insured limit are apportioned and placed in demand deposit accounts at other financial institutions in amounts under the insured limit. As a result, the Company can access insurance coverage from multiple financial institutions while working directly with one. The Company had no amounts uninsured as of December 31, 2014. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Property and equipment: Property and equipment are stated at cost less accumulated depreciation. Expenditures for additions and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are charged to income currently. Upon disposition, the cost and related accumulated depreciation are removed from the accounts and any gain or loss is included in income.

Depreciation is computed by the straight-line method over the estimated useful lives of the assets. Computer equipment is depreciated over no longer than a 5-year period. Furniture and equipment are depreciated over no longer than a 10-year period. Software is depreciated over no longer than a 10-year period. Major categories of depreciable assets and the respective book values as of December 31, 2014 are represented below.

Note 1. Description of Business and Significant Accounting Policies (Continued)

Computer	$	7,658
Furniture and equipment		29,806
Software		212,500
Balance at end of period	$	249,964

Investments: Investments in available-for-sale securities are carried in the consolidated financial statements at fair value with the net unrealized holding gains (losses) included in accumulated other comprehensive income. Held-to-maturity securities are carried in the consolidated financial statements at amortized cost. Bond premiums and discounts are amortized using the scientific-yield method over the term of the bonds.

Realized gains and losses on securities sold during the year are determined using the specific identification method and included in investment income. Investment income is recognized as earned.

Management evaluates securities in a loss position for other-than-temporary impairment. Consideration is given to the length of time and extent to which the fair value has been less than cost, the financial condition and near-term prospects of the issuer, and whether we have the intent to sell the security and is it more likely than not we will have to sell the security before recovery of its cost basis.

Reinsurance: In the normal course of business, the Company seeks to limit aggregate and single exposure to losses on risks by purchasing reinsurance. The amounts reported in the consolidated balance sheets as reinsurance recoverable include amounts billed to reinsurers on losses paid as well as estimates of amounts expected to be recovered from reinsurers on insurance liabilities that have not yet been paid. Reinsurance recoverable on unpaid losses are estimated based upon assumptions consistent with those used in establishing the liabilities related to the underlying reinsured contracts. Insurance liabilities are reported gross of reinsurance recoverable. Management believes the recoverables are appropriately established. Reinsurance premiums are generally reflected in income in a manner consistent with the recognition of premiums on the reinsured contracts. Reinsurance does not extinguish the Company's primary liability under the policies written. Therefore, the Company regularly evaluates the financial condition of its reinsurers including their activities with respect to claim settlement practices and commutations, and establishes allowances for uncollectible reinsurance recoverable as appropriate. There were no allowances as of December 31, 2014, 2013 and 2012.

Benefit reserves: The Company establishes liabilities for amounts payable under insurance policies, including traditional life insurance and annuities. Generally, amounts are payable over an extended period of time. Liabilities for future policy benefits of traditional life insurance have been computed by a net level premium method based upon estimates at the time of issue for investment yields, mortality and withdrawals. These estimates include provisions for experience less favorable than initially expected. Mortality assumptions are based on industry experience expressed as a percentage of standard mortality tables.

Policy claims: Policy claims are based on reported claims plus estimated incurred but not reported claims developed from trends of historical data applied to current exposure. The Company's current estimate of incurred but not reported claims is $8,980.

Deposit-type contracts: Deposit-type contracts consist of amounts on deposit associated with deferred annuity contracts. The deferred annuity contracts credit interest based upon a fixed interest rate set by the Company. The Company has the ability to change this rate annually subject to minimums established by law or administrative regulation.

Revenue recognition and related expenses: Revenues on traditional life insurance products consist of direct premiums reported as earned when due. Premium income includes reinsurance assumed and is reduced by premiums ceded.

Note 1. Description of Business and Significant Accounting Policies (Continued)

Amounts received as payment for annuity contracts without life contingencies are recognized as deposits to policyholder account balances and included in future insurance policy benefits. Revenues from these contracts are comprised of fees earned for contract-holder services, which are recognized over the period of the contracts, and included in revenue. Deposits are shown as a financing activity in the Consolidated Statements of Cash Flows.

Liabilities for future policy benefits are provided and acquisition costs are amortized by associating benefits and expenses with earned premiums to recognize related profits over the life of the contracts.

Deferred acquisition costs: The company capitalizes and amortizes over the life of the premiums produced incremental direct costs that result directly from and are essential to the contract acquisition transaction and would not have been incurred by the Company had the contract acquisition not occurred. An entity may defer incremental direct costs of contract acquisition that are incurred in transactions with independent third parties or employees as well as the portion of employee compensation and other costs directly related to underwriting, policy issuance and processing, medical inspection, and contract selling for successfully negotiated contracts. Additionally, an entity may capitalize as a deferred acquisition cost only those advertising costs meeting the capitalization criteria for direct-response advertising. Acquisition costs are amortized over the premium paying period using the net level premium method. Traditional life insurance products are treated as long duration contracts, which generally remain in force for the lifetime of the insured.

The following table provides information about deferred acquisition costs for the years ended December 31, 2014 and 2013, respectively. There were no deferred acquisition costs in 2012.

		2014		2013
Balance at beginning of period	$	17,166	$	-
Capitalization of commissions, sales and issue expenses		97,137		47,618
Amortization net of interest		(61,495)		(30,452)
Balance at end of period	$	52,808	$	17,166

Comprehensive loss: Comprehensive loss is comprised of net loss and other comprehensive income (loss). Other comprehensive loss includes unrealized gains and losses from marketable securities classified as available for sale, net of applicable taxes.

Income taxes: The Company is subject to U.S. federal and Kansas state taxes. The provision for income taxes is based on income as reported in the consolidated financial statements. The income tax provision is calculated using the asset and liability method. Deferred income taxes are recorded based on the differences between the financial statement and tax basis of assets and liabilities at the enacted rates expected to apply to taxable income in the years in which the differences are expected to reverse. A valuation allowance is established for the amount of any deferred tax asset that exceeds the amount of the estimated future taxable income needed to utilize the future tax benefits.

All of the Company's tax returns are subject to U.S. federal, state and local income tax examinations by tax authorities. The Company had no known uncertain tax benefits included in its provision for income taxes as of December 31, 2014, 2013 and 2012. The Company's policy is to recognize interest and penalties (if applicable) as an element of the provision for income taxes in the consolidated statements of income. The tax years which remain subject to examination by taxing authorities are the years ended December 31, 2011 through 2014.

Risk and uncertainties: Certain risks and uncertainties are inherent in the Company's day-to-day operations and in the process of preparing its consolidated financial statements. The more significant of those risks and uncertainties, as well as the Company's method for mitigating the risks, are presented below and throughout the notes to the consolidated financial statements.

Note 1. Description of Business and Significant Accounting Policies (Continued)

- Use of Estimates: The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

- Regulatory Factors: US Alliance Life and Security Company is highly regulated by the state of Kansas. Such regulations, among other things, limit the amount of rate increases on policies and impose restrictions on the amount and type of investments and the minimum surplus required to conduct business in the state.

  Recently enacted and potential further financial regulatory reforms could have a significant impact on the Company's business. In July 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") was signed into law. The Dodd-Frank Act is expected to have a broad impact on the financial services industry, including significant regulatory and compliance changes. Many of the Dodd-Frank Act requirements will be implemented over time and most will be subject to implementing regulations over several years. Given the uncertainty associated with the manner in which the provisions of the Dodd-Frank Act will be implemented by the various regulatory agencies and through regulations, the full extent of the impact such requirements will have on our operations is unclear. The changes resulting from the Dodd-Frank Act may impact the profitability of business activities, require changes to certain business practices, impose more stringent capital, liquidity and leverage requirements or otherwise adversely affect the Company's business.

- Reinsurance: Reinsurance contracts do not relieve the Company from its obligations to insureds. Failure of reinsurers to honor their obligations could result in losses to the Company; consequently, allowances are established for amounts deemed uncollectible when necessary. The Company evaluates the financial condition of its reinsurers to minimize its exposure to losses from reinsurer insolvencies. Management believes that any liabilities arising from this contingency would not be material to the Company's financial position.

- Interest Rate Risk: Interest rate risk arises from the price sensitivity of investments to changes in interest rates. Interest and dividend income represent the greatest portion of an investment's return for most fixed maturity securities in stable interest rate environments. The changes in the fair value of such investments are inversely related to changes in market interest rates. As interest rates fall, the interest and dividend streams of existing fixed-rate investments become more valuable and fair values rise. As interest rates rise, the opposite effect occurs. The Company attempts to mitigate its exposure to adverse interest rate movements through staggering the maturities of the fixed maturity investments and through maintaining cash and other short term investments to assure sufficient liquidity to meet its obligations and to address reinvestment risk considerations. Due to the composition of the Company's book of insurance business, management believes it is unlikely that the Company would encounter large surrender activity due to an interest rate increase that would force the disposal of fixed maturities at a loss.

Note 1. Description of Business and Significant Accounting Policies (Continued)

- Investment Risk: The Company is exposed to risks that the issuers of the securities owned by the Company will default or that interest rates will change and cause a decrease in the value of its investments. As interest rates decline, the velocity at which these securities pay down the principal may increase. Management mitigates these risks by conservatively investing in investment grade securities and by matching maturities of the Company's investments with the anticipated payout of its liabilities.

- Credit Risk: The Company is exposed to credit risk through counterparties and within the investment portfolio. Credit risk relates to the uncertainty associated with an obligor's ability to make timely payments of principal and interest in accordance with the contractual terms of an instrument or contract. The Company manages its credit risk through established investment policies and guidelines which address the quality of creditors and counterparties, concentration limits, diversification practices and acceptable risk levels. These policies and guidelines are regularly reviewed and approved by senior management and the Company's board.

New accounting standards: Management reviewed new accounting standards and updates of existing standards issued through the date of this filing and determined they did not relate to accounting policies and procedures pertinent or material to the Company at this time.

Note 2. Investments

The amortized cost and fair value of available for sale and held to maturity investments as of December 31, 2014, 2013 and 2012 is as follows:

	2014			
	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available for sale:				
Fixed maturities:				
US Treasury securities	$ 261,581	$ -	$ (7,272)	$ 254,309
Corporate bonds	1,569,230	13,944	(8,904)	1,574,270
Municipal bonds	1,050,039	39,192	(963)	1,088,268
Mortgage backed and asset backed securities	2,790,774	34,990	(27,553)	2,798,211
Total fixed maturities	5,671,624	88,126	(44,692)	5,715,058
Equities:				
Equities	2,104,377	229,673	(44,909)	2,289,141
Other equity investments	302,910	74,357	(11,809)	365,458
Limited partnership interests	24,874	-	(3,664)	21,210
Total equities	2,432,161	304,030	(60,382)	2,675,809
Total available for sale	$ 8,103,785	$ 392,156	$ (105,074)	$ 8,390,867

Note 2. Investments (Continued)

	2013			
	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available for sale:				
Fixed maturities:				
US Treasury securities	$ 50,004	$ 22	$ -	$ 50,026
Non-guaranteed government agency bonds	49,975	35	-	50,010
Corporate bonds	1,582,202	4,693	(66,456)	1,520,439
Municipal bonds	790,709	-	(75,676)	715,033
Mortgage backed and asset backed securities	2,615,514	2,577	(138,552)	2,479,539
Total fixed maturities	5,088,404	7,327	(280,684)	4,815,047
Equities:				
Equities	1,722,258	129,454	(33,649)	1,818,063
Other equity investments	178,823	35,112	-	213,935
Limited partnership interests	57,253	20,802	-	78,055
Total equities	1,958,334	185,368	(33,649)	2,110,053
Total available for sale	$ 7,046,738	$ 192,695	$ (314,333)	$ 6,925,100
Held to maturity:				
US Treasury securities	$ 773,185	$ 4,664	$ (50,185)	$ 727,664
Total held to maturity	$ 773,185	$ 4,664	$ (50,185)	$ 727,664

	2012			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available for sale:				
Equities	$ 498,169	$ 27,902	$ (26,958)	$ 499,113
Other equity investments	94,542	10,533	-	105,075
Limited partnership interests	97,858	25,721	(5,199)	118,380
Total available for sale	$ 690,569	$ 64,156	$ (32,157)	$ 722,568
Held to maturity:				
US Treasury securities	$ 1,018,892	$ 39,219	$ -	$ 1,058,111
Total held to maturity	$ 1,018,892	$ 39,219	$ -	$ 1,058,111

The amortized cost and fair value of debt securities as of December 31, 2014, by contractual maturity, are shown below. Equity securities do not have stated maturity dates and therefore are not included in the following maturity summary. Actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Amortized Cost	Fair Value
Amounts maturing in:		
After one year through five years	**$ 454,085**	$ 451,934
After five years through ten years	**1,115,544**	1,121,434
More than 10 years	**1,311,221**	1,343,479
Mortgage backed and asset backed securities	**2,790,774**	2,798,211
	$ 5,671,624	$ 5,715,058

Note 2. Investments (Continued)

Proceeds from the sale of securities in 2014, 2013 and 2012 were $1,129,238, $617,149 and $215,643, respectively. Realized gains and losses related to the sale of securities are summarized as follows:

		2014		2013		2012
Gross gains	$	50,938	$	52,991	$	11,432
Gross losses		(10,808)		(39,271)		(28,634)
Net security gains (losses)	$	40,130	$	13,720	$	(17,202)

During 2014, the Company sold a security which had been classified as held to maturity. The carrying value of this security was $266,117 and the sale resulted in a capital gain of $7,349. The Company sold the security as it works to opportunistically move management of all fixed income securities to its outside asset manager. Simultaneous to the sale of this security, the company re-classified its remaining held to maturity security to available for sale. The amortized cost and fair value of the security as of the date of transfer was $257,599 and $227,280. There were no such transfers in 2013 or 2012.

Gross unrealized losses by duration are summarized as follows:

	Less than 12 months		Greater than 12 months		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
December 31, 2014						
Available for sale:						
US Treasury Securities	$ -	$ -	$ 254,309	$ (7,272)	$ 254,309	$ (7,272)
Corporate bonds	-	-	796,213	(8,904)	796,213	(8,904)
Municipal bonds	-	-	134,037	(963)	134,037	(963)
Mortgage backed and asset backed securities	-	-	1,947,845	(27,553)	1,947,845	(27,553)
Equities	243,794	(26,022)	917,466	(34,360)	1,161,260	(60,382)
	$ 243,794	$ (26,022)	$ 4,049,870	$ (79,052)	$ 4,293,664	$ (105,074)
December 31, 2013						
Available for sale:						
Corporate bonds	$ 1,307,744	$ (66,456)	$ -	$ -	$ 1,307,744	$ (66,456)
Municipal bonds	715,033	(75,676)	-	-	715,033	(75,676)
Mortgage backed and asset backed securities	2,079,276	(138,552)	-	-	2,079,276	(138,552)
Equities	725,917	(33,649)	-	-	725,917	(33,649)
	$ 4,827,970	$ (314,333)	$ -	$ -	$ 4,827,970	$ (314,333)
Held to maturity:						
US Treasury securities	$ 207,048	$ (50,185)	$ -	$ -	$ 207,048	$ (50,185)
	$ 207,048	$ (50,185)	$ -	$ -	$ 207,048	$ (50,185)
December 31, 2012						
Available for sale:						
Equities	$ 72,100	$ (26,958)	$ -	$ -	$ 72,100	$ (26,958)
Limited partnership interest	27,900	(5,199)	-	-	27,900	(5,199)
	$ 100,000	$ (32,157)	$ -	$ -	$ 100,000	$ (32,157)

Unrealized losses occur from market price declines that may be due to a number of factors, including economic downturns, changes in interest rates, competitive forces within an industry, issuer specific events, operational difficulties, lawsuits, and market pricing anomalies caused by factors such as temporary lack of liquidity.

The total number of securities in the investment portfolio in an unrealized loss position as of December 31, 2014 was 43, which represented an unrealized loss of $105,074 of the aggregate carrying value of those securities. The 43 securities breakdown as follows: 17 bonds, 16 mortgage and asset backed securities, 6 common stocks, 2 high yield corporate bond fund, 1 preferred stock index fund, and 1 senior loan fund. The Company determined that no securities were considered to be other-than-temporarily impaired as of December 31, 2014, 2013 and 2012. The unrealized gains on the remainder of the available for sale portfolio as of December 31, 2014 were $392,156.

Note 3. Fair Value Measurements

The fair value of an asset or liability is the price that would be received to sell that asset or paid to transfer that liability in an orderly transaction occurring in the principal market (or most advantageous market in the absence of a principal market) for such asset or liability. In estimating fair value, the Company utilizes valuation techniques that are consistent with the market approach, the income approach and/or the cost approach. Such valuation techniques are consistently applied. Inputs to valuation techniques include the assumptions that market participants would use in pricing an asset or liability. FASB ASC Topic 820 establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement rate.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 inputs are unobservable for the asset or liability and reflect an entity's own assumptions about the assumptions that market participants would use in pricing the assets or liabilities.

Investments, available for sale: Investments in securities that are classified as available for sale are recorded at fair value utilizing Level 1 and Level 2 measurements.

The table below presents the amounts of assets measured at fair value on a recurring basis as of December 31, 2014, 2013 and 2012:

	2014			
	Total	Level 1	Level 2	Level 3
Available for sale:				
Fixed maturities:				
US Treasury securities	$ 254,309	$ 254,309	$ -	$ -
Corporate bonds	1,574,270	-	1,574,270	-
Municipal bonds	1,088,268	-	1,088,268	-
Mortgage backed and asset backed securities	2,798,211	-	2,798,211	-
Total fixed maturities	5,715,058	254,309	5,460,749	-
Equities:				
Equities	2,289,141	2,289,141	-	-
Other equity investments	365,458	365,458	-	-
Limited partnership interests	21,210	21,210	-	-
Total equities	2,675,809	2,675,809	-	-
Total	$ 8,390,867	$ 2,930,118	$ 5,460,749	$ -

Note 3. Fair Value Measurements (Continued)

	2013			
	Total	Level 1	Level 2	Level 3
Available for sale:				
Fixed maturities:				
US Treasury securities	$ 50,026	$ 50,026	$ -	$ -
Non-guaranteed government agency bonds	50,010	-	50,010	-
Corporate bonds	1,520,439	-	1,520,439	-
Municipal bonds	715,033	-	715,033	-
Mortgage backed and asset backed securities	2,479,539	-	2,479,539	-
Total fixed maturities	4,815,047	50,026	4,765,021	-
Equities:				
Equities	1,818,063	1,818,063	-	-
Other equity investments	213,935	213,935	-	-
Limited partnership interests	78,055	78,055	-	-
Total equities	2,110,053	2,110,053	-	-
Total	$ 6,925,100	$ 2,160,079	$ 4,765,021	$ -

	2012			
	Total	Level 1	Level 2	Level 3
Available for sale:				
Equities	$ 499,113	$ 499,113	$ -	$ -
Other equity investments	105,075	105,075	-	-
Limited partnership interests	118,380	118,380	-	-
Total	$ 722,568	$ 722,568	$ -	$ -

The Company discloses the fair value of financial assets and financial liabilities, including those financial assets and financial liabilities that are not measured and reported at fair value on a recurring basis or non-recurring basis. The methodologies for estimating the fair value of financial assets and financial liabilities that are measured at fair value on a recurring or non-recurring basis are discussed above. The estimated fair value approximates carrying value for accrued interest. The methodologies for other financial assets and financial liabilities are discussed below:

<u>Cash, cash equivalents, and restricted cash</u>: The carrying amounts approximate fair value because of the short maturity of these instruments.

<u>Investments, held to maturity</u>: Investments in securities that are classified as held to maturity have fair value determined utilizing Level 1 measurements.

<u>Policyholder deposits in deposit-type contracts</u>: Policyholder deposits in investment type contracts have fair value estimated based upon the actuarial assumptions of the underlying product.

Note 3. Fair Value Measurements (Continued)

The estimated fair values of the Company's financial assets and liabilities at December 31 are as follows:

	2014		2013		2012	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets:						
Cash and cash equivalents	$ 575,005	$ 575,005	$ 817,276	$ 817,276	$ 6,735,561	$ 6,735,561
Investments, at fair value	8,390,867	8,390,867	6,925,100	6,925,100	722,568	722,568
Investments, at amortized cost	-	-	773,185	727,664	1,018,892	1,058,111
Restricted Cash	-	-	-	-	400,000	400,000
	$ 8,965,872	$ 8,965,872	$ 8,515,561	$ 8,470,040	$ 8,877,021	$ 8,916,240
Financial Liabilities:						
Policyholder deposits in deposit-type contracts	$ 686,316	$ 624,677	$ 130,281	$ 140,000	$ -	$ -
	$ 686,316	$ 624,677	$ 130,281	$ 140,000	$ -	$ -

Note 4. Income Tax Provision

No income tax expense or (benefit) has been reflected for the years ended December 31, 2014, 2013 and 2012 due to the lack of taxable net income generated by the Company and the 100% valuation allowance pertaining to the deferred tax asset. The difference between the reported amount of income tax expense and the amount expected based upon statutory rates is primarily due to the increase in the valuation allowance on deferred taxes.

The significant components of deferred tax assets and liabilities are as follows:

	2014	2013	2012
Deferred tax liability:			
Net unrealized gains	$ 97,608	$ -	$ 12,800
Fixed assets	20,017	-	-
Total deferred tax Liability	117,625	-	12,800
Deferred tax asset:			
Net operating loss carryforwards	1,746,578	1,313,224	836,460
Net unrealized losses	-	41,357	-
Policyowner benefit reserves	2,184	23,237	-
Deferred acquisition costs	48,835	-	-
Deferred tax asset valuation allowance	(1,679,972)	(1,377,818)	(849,260)
Total deferred tax asset	117,625	-	(12,800)
Net tax asset (liability)	$ -	$ -	$ -

The valuation allowance relating to the deferred tax asset was established due to the uncertainty relating to the use of the tax loss carryforwards in future years. The valuation allowance increased by $302,154 during 2014. The net operating loss carryforwards will begin to expire in 2024.

Note 5. Reinsurance

A summary of significant reinsurance amounts affecting the accompanying consolidated financial statements as of December 31, 2014 and 2013 and for the years ended December 31, 2014 and 2013 is listed in the following table. There was no such activity in 2012.

Note 5. Reinsurance (Continued)

	2014	2013
Balance Sheet		
Benefits and claim reserves ceded	$ 6,150	$ 10,766
Amounts due from ceding company	1,146	-
Statements of Comprehensive Loss		
Ceded premium	35,153	11,117
Assumed premium	921,320	-
Allowances on ceded premium	32,243	10,556
Allowances paid on assumed premium	184,879	-
Assumed benefits	727,637	-

The company currently reinsurers business in excess of its retention with General Re Life Corporation and Optimum Re Insurance Company. The Company currently assumes business under an agreement with Unified Life Insurance Company.

Note 6. Lease Commitments

Total rent expense was $24,000 for the years ended December 31, 2014, 2013 and 2012. The Company amended its lease on August 26, 2014 which extended its termination date until December 31, 2017 with an optional additional year. The future rent payments required under the lease are $27,000 in 2015, 2016, and 2017 and the option year 2018.

Note 7. Warrants

The Company conducted its public stock offering through the sale of units. Each unit was sold for $1,000 and consisted of 200 shares of common stock and a warrant to purchase an additional 200 shares of common stock at $6.00 per share. The warrants are scheduled to expire, if not exercised, February 24, 2016. As of December 31, 2014 and 2013, there were 12,662 warrants outstanding, representing 2,532,400 shares of common stock. As of December 31, 2012 there were 11,914 warrants outstanding, representing 2,382,8400 shares of common stock. Management engaged the services of an experienced valuation firm to value the warrants as of February 24, 2013. The valuation performed valued the warrants to be worth $0.01 per share of common stock and management has allocated this amount from additional paid-in capital to the warrants.

Note 8. Restricted Funds

As required by Kansas law, US Alliance Life and Security Company maintains a trust account at Capital City Bank which is jointly owned by the Kansas Insurance Department. The life insurance company is required to hold $400,000 of asset book value in this account. These assets were held in bonds and other invested assets with a statement value of $400,323 and $400,354 as of December 31, 2014 and 2013, respectively. On December 31, 2012 these assets were shown as $400,000 of restricted cash.

Note 9. Statutory Net Income and Surplus

US Alliance Life and Security Company is required to prepare statutory financial statements in accordance with statutory accounting practices prescribed or permitted by the Kansas Department of Insurance. Statutory practices primarily differ from GAAP by charging policy acquisition costs to expense as incurred, establishing future policy benefit liabilities using different actuarial assumptions as well as valuing investments and certain assets and accounting for deferred taxes on a different basis. The following table summarizes the statutory net loss and statutory capital and surplus of US Alliance Life and Security Company as of December 31, 2014, 2013 and 2012 and for the years ended December 31, 2014, 2013 and 2012.

Statutory Capital and Surplus as of December 31,					
	2014		2013		2012
$	1,817,640	$	2,939,887	$	2,378,908

Statutory Net Loss for the Years ended December 31,					
	2014		2013		2012
$	(1,099,822)	$	(1,101,570)	$	(621,485)

Note 10. Subsequent Events

All of the effects of subsequent events that provide additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the consolidated financial statements, are recognized in the consolidated financial statements. The Company does not recognize subsequent events that provide evidence about conditions that did not exist at the balance sheet date but arose after, but before the consolidated financial statements are available to be issued. In some cases, unrecognized subsequent events are disclosed to keep the consolidated financial statements from being misleading.

The Company has evaluated subsequent events through February 24, 2015, the date on which the consolidated financial statements were available to be issued.