



Dear Fellow Shareholder:

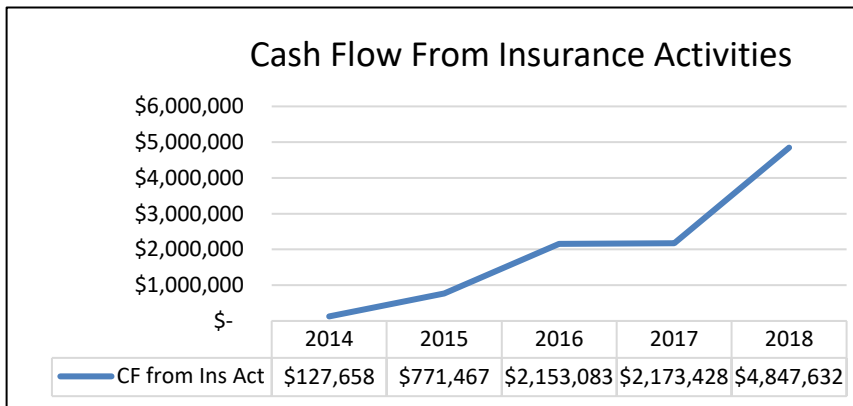
Thank you to all who contacted me with questions about my shareholder letter.

I intended for the letter to transparently explain our results, our path to profitability, and how the accounting rules confused our progress. Suffice it to say, I completely missed the mark. I am sorry.

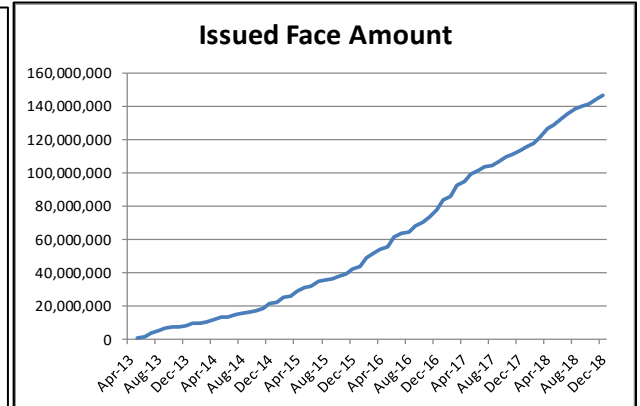
So let me try again! This time I'll try to explain with graphs.

As you can see on graph 1 and graph 2, the cash flow from insurance activities and the issued face amount of insurance are at all-time highs. This is good news!

Graph 1

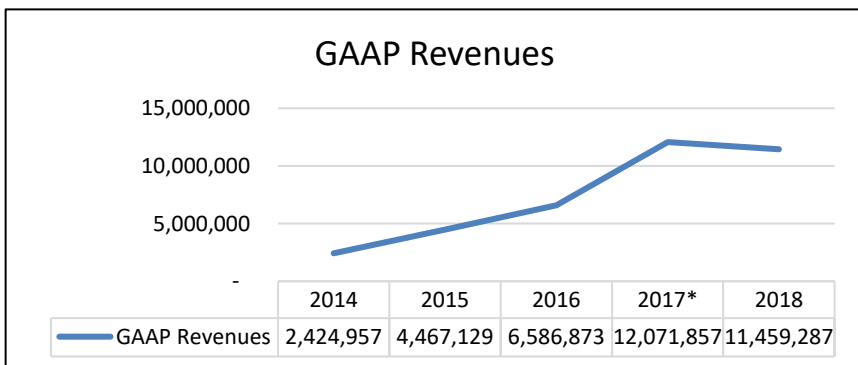


Graph 2

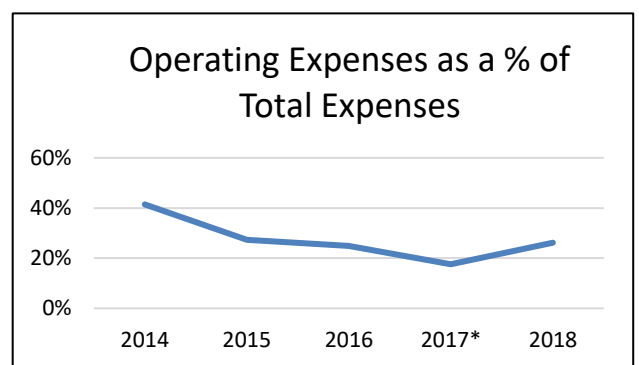


The GAAP revenues and operating expenses as a percentage of the total expenses show the 2017 block of business we purchased, which gave us a bump in revenue and as a percentage of total expenses a decline in operating expenses in 2017. So, in both graphs 3 and 4 the trend line is distorted (in a good way) by that transaction.

Graph 3



Graph 4



* 2017 revenue and total expenses includes one-time revenue and increase in reserve expenses of \$3.9 million from the ALSA transaction.

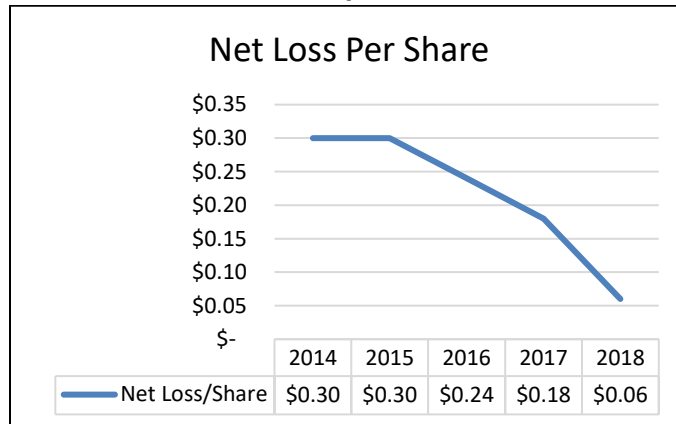
PO Box 4026 Topeka, Kansas 66604 Office: 785.228.0200 Toll-free: 866.953.4675 Fax: 785.228.0202
 Email: info@usalliancecorporation.com Website: usalliancecorporation.com Find us on Facebook, Instagram, and LinkedIn!

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



As you look at the net loss per share on graph 5, you can see it is the lowest it has been since we have been in the insurance business. That is our path to profitability.

Graph 5



All of these graphs illustrate we are building your company as we told you we would when you invested.

We have many opportunities with our organic sales strategy and our acquisition strategy. Our suite of group products are gaining traction in the market and we continue to add producers.

2018 was a very good year.

With your help and thanks to your investment, we expect 2019 to also be a good year on our journey to profitability.

As always, you are welcome to contact me by emailing jack.brier@usalliancecorporation.com or calling our toll-free number (866) 953-4675.

Again, I am sorry for the confusion I caused. We are working every day for you!

With every good wish.

Cordially,

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

Our Kansas Products

Term Life Insurance or Whole Life Insurance?

What's the difference?

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

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

Group Life & Disability

Products designed for companies with as few as 3 employees! Custom plan designs and simple application process make this a great fringe benefit for your employees. Short Term Disability (STD) has a 13 – 26 week benefit period while Long Term Disability (LTD) features a simple application process with benefits paid after an elimination period.

Critical Illness (Cancer, Heart Attack, Stroke)

Features issue ages from 18 – 80. Plans are available for cancer, heart attack, stroke, kidney failure, major organ transplant, blindness, coma, deafness, paralysis, severe burn, and more!

Legacy Juvenile Series®

Our Legacy Juvenile Product features a simple application process, a one-time premium, and can be issued from birth up to age 16.

American Annuity Series®

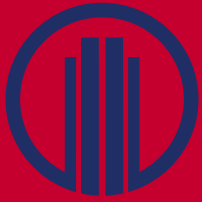
We also offer our American Annuity Product which features a guaranteed minimum interest rate, a 5-year rate guarantee, with an annual 10% free withdrawal provision.

Pre-Need Series

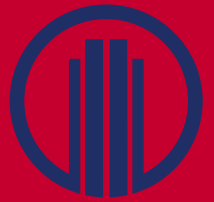
We also offer specialized Pre-Need funeral products which are offered by funeral directors to facilitate prepayment of funeral expenses.

Firehouse Series

To show our gratitude for our firefighters, relief associations are able to purchase low cost and high value plans for their members. These products feature custom plan designs and a simple application process.



Our North Dakota Products



Term Life Insurance or Whole Life Insurance?

What's the difference?

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

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



Group Life & Disability

Products designed for companies with as few as 3 employees! Custom plan designs and simple application process make this a great fringe benefit for your employees. Short Term Disability (STD) has a 13 – 26 week benefit period while Long Term Disability (LTD) features a simple application process with benefits paid after an elimination period.

Critical Illness (Cancer, Heart Attack, Stroke)

Features issue ages from 18 – 70. Plans are available for cancer, heart attack, stroke, kidney failure, major organ transplant, blindness, coma, deafness, paralysis, severe burn, and more!

Little Missouri Juvenile Series®

Our Little Missouri Juvenile Product features a simple application process, a one-time premium, and can be issued from birth up to age 16.

Badlands Annuity Series®

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

Peace Garden Pre-Need Series®

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