US Alliance Corporation

Consolidated Financial Statements
December 31, 2021 and 2020
(With Independent Auditor's Report Thereon)

Contents

To the Board of Directors and
Shareholders of US Alliance Corporation

Opinion on the Financial Statements
We have audited the accompanying consolidated balance sheets of US Alliance Corporation and Subsidiaries (the Company) as of December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for each of the years in the two-year period ended December 31, 2021, and the related notes (collectively referred to as the financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2021, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion
These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. 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, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

We have served as the Company's auditor since 2016.

/s/ Kerber, Eck & Braeckel LLP
Springfield, Illinois
February 22, 2022

US Alliance Corporation
Consolidated Balance Sheets

	December 31, 2021	December 31, 2020
Assets		
Investments:		
Available for sale fixed maturity securities (amortized cost: $35,256,039 and $33,784,518 as of December 31, 2021 and December 31, 2020, respectively)	**$ 37,942,657**	$ 37,677,578
Equity securities, at fair value	**9,157,193**	9,221,574
Mortgage loans on real estate	**3,653,142**	3,166,136
Funds withheld under coinsurance agreement, at fair value	**49,018,974**	46,830,076
Policy loans	**173,341**	163,725
Real estate, net of depreciation	**1,403,137**	1,415,743
Total investments	**101,348,444**	98,474,832
Cash and cash equivalents	**7,955,348**	4,320,759
Investment income due and accrued	**698,504**	423,036
Reinsurance related assets	**3,438**	165,082
Deferred acquisition costs, net	**6,354,875**	7,105,890
Value of business acquired, net	**2,610,813**	2,703,233
Property, equipment and software, net	**92,785**	37,818
Goodwill	**277,542**	277,542
Deferred tax asset, net of valuation allowance	**1,560,767**	243,257
Other assets	**582,318**	1,635,647
Total assets	**$ 121,484,834**	$ 115,387,096
Liabilities and Shareholders' Equity		
Liabilities:		
Policy liabilities		
Deposit-type contracts	**$ 75,567,873**	$ 72,082,207
Policyholder benefit reserves	**25,204,578**	21,158,568
Dividend accumulation	**118,262**	116,127
Advance premiums	**136,229**	102,178
Total policy liabilities	**101,026,942**	93,459,080
Accounts payable and accrued expenses	**689,065**	1,507,756
Federal Home Loan Bank advance	**2,000,000**	2,000,000
Other liabilities	**187,071**	15,469
Total liabilities	**103,903,078**	96,982,305
Shareholders' Equity:		
Common stock, $0.10 par value. Authorized 20,000,000 shares; issued and outstanding 7,745,404 and 7,741,487 shares as of December 31, 2021 and December 31, 2020, respectively	**774,541**	774,150
Additional paid-in capital	**22,948,637**	23,063,273
Accumulated deficit	**(8,663,152)**	(8,997,507)
Accumulated other comprehensive income	**2,521,730**	3,564,875
Total shareholders' equity	**17,581,756**	18,404,791
Total liabilities and shareholders' equity	**$ 121,484,834**	$ 115,387,096

See Notes to Consolidated Financial Statements.

US Alliance Corporation
Consolidated Statements of Comprehensive Income

	Years Ended December 31, 2021	2020
Income:		
Premium income	$ **11,792,063**	$ 10,117,110
Net investment income	**5,336,048**	3,552,261
Net investment gains	**142,280**	1,967,014
Other income	**318,854**	635,520
Total income	**17,589,245**	16,271,905
Expenses:		
Death claims	**2,314,682**	1,943,563
Policyholder benefits	**6,238,032**	5,248,470
Increase in policyholder reserves	**4,063,488**	3,359,609
Commissions, net of deferrals	**772,053**	781,400
Amortization of deferred acquisition costs	**1,210,345**	970,386
Amortization of value of business acquired	**92,420**	20,302
Salaries & benefits	**1,350,851**	1,219,534
Other operating expenses	**1,893,561**	2,429,466
Total expense	**17,935,432**	15,972,730
Income (loss) before federal income tax	$ **(346,187)**	$ 299,175
Federal income tax benefit	**680,542**	140,274
Total federal income tax benefit	**680,542**	**140,274**
Net Income	$ **334,355**	$ **439,449**
Net income per common share, basic and diluted	$ **0.04**	$ **0.06**
Unrealized net holding gains (losses) arising during the period, net of tax	**(897,217)**	2,390,992
Reclassification adjustment for gains included in net loss	**(145,928)**	(1,155,612)
Other comprehensive income (loss)	**(1,043,145)**	1,235,380
Comprehensive income (loss)	$ **(708,790)**	$ 1,674.829

See Notes to Consolidated Financial Statements.

US Alliance Corporation
Consolidated Statements of Changes in Shareholders' Equity
Years Ended December 31, 2021 and 2020

	Number of Shares of Common Stock	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income / (Loss)	Accumulated Deficit	Total
Balance, December 31, 2019	**7,734,004**	**$ 773,401**	**$ 23,210,257**	**$ 2,329,495**	**$ (9,436,956)**	**$ 16,876,197**
Common stock issued, $7 per share	7,483	749	51,632	-	-	52,381
Costs associated with common stock issued	-	-	(198,616)	-	-	(198,616)
Other comprehensive income	-	-	-	1,235,380	-	1,235,380
Net income	-	-	-	-	439,449	439,449
Balance, December 31, 2020	**7,741,487**	**$ 774,150**	**$ 23,063,273**	**$ 3,564,875**	**$ (8,997,507)**	**$ 18,404,791**
Common stock issued, $7 per share	3,917	391	27,028	-	-	27,419
Costs associated with common stock issued	-	-	(141,664)	-	-	(141,664)
Other comprehensive loss	-	-	-	(1,043,145)	-	(1,043,145)
Net Income	-	-	-	-	334,355	334,355
Balance, December 31, 2021	**7,745,404**	**$ 774,541**	**$ 22,948,637**	**$ 2,521,730**	**$ (8,663,152)**	**$ 17,581,756**

See Notes to Consolidated Financial Statements.

US Alliance Corporation
Consolidated Statements of Cash Flows

	Years Ended December 31, 2021	2020
Cash Flows from operating activities:		
Net income	**$ 334,355**	$ 439,449
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**35,676**	34,425
Net (gains) losses realized on the sale of securities	**(229,992)**	(1,014,347)
Unrealized (gains) losses on equity securities	**(20,814)**	(299,373)
Change in fair value of funds withheld embedded derivative	**108,526**	(653,294)
Amortization of investment securities, net	**182,183**	129,970
Gain on recaptured reinsurance	**-**	(543,794)
Deferred acquisition costs capitalized	**(453,040)**	(678,510)
Deferred acquisition costs amortized	**1,210,345**	970,386
Value of business acquired amortized	**92,420**	20,302
Interest credited on deposit type contracts	**1,606,340**	1,099,483
(Increase) decrease in operating assets:		
Change in funds withheld	**(2,492,319)**	(911,599)
Investment income due and accrued	**(275,468)**	(101,674)
Reinsurance related assets	**(27,284)**	(3,740)
Deferred tax assets, net of valuation allowance	**(1,208,417)**	(140,274)
Other assets	**1,060,110**	(1,008,077)
Increase (decrease) in operating liabilities:		
Policyowner benefit reserves	**4,046,010**	3,358,452
Dividend Accumulation	**2,135**	(6,911)
Advance premiums	**34,051**	23,469
Other liabilities	**171,602**	283
Accounts payable and accrued expenses	**(764,546)**	1,384,775
Net cash provided by operating activities	**3,411,873**	2,099,401
Cash Flows from investing activities:		
Purchase of fixed income investments	**(2,751,482)**	(3,039,784)
Purchase of equity investments	**(1,252,485)**	(5,606,996)
Purchase of mortgage investments	**(2,591,328)**	(3,171,359)
Purchase of real estate and leasehold improvements	**-**	(1,415,743)
Proceeds from fixed income sales and repayments	**1,989,975**	2,234,085
Proceeds from equity sales	**675,534**	5,555,808
Proceeds from mortgage repayments	**2,104,322**	5,223
Transfers from (to) funds withheld	**200,000**	(4,391,824)
Interest on policy loans	**-**	(8,934)
Increase in policy loans	**(9,616)**	(35,861)
Purchase of property, equipment and software	**(78,037)**	(28,403)
Net cash used in investing activities	**(1,713,117)**	(9,903,788)
Cash Flows from financing activities:		
Receipts on deposit-type contracts	**3,987,535**	6,805,322
Withdrawals on deposit-type contracts	**(1,937,457)**	(2,212,746)
Proceeds from FHLB advance	**-**	1,000,000
Proceeds received from issuance of common stock, net of costs of issuance	**(114,245)**	(146,235)
Net cash provided by financing activities	**1,935,833**	5,446,341
Net increase (decrease) in cash and cash equivalents	**3,634,589**	(2,358,046)
Cash and Cash Equivalents:		
Beginning	**4,320,759**	6,678,805
Ending	**$ 7,955,348**	$ 4,320,759

See Notes to Consolidated Financial Statements.

US Alliance Corporation
Supplemental Cash Flow Information

	Years Ended December 31, 2021	2020
Supplemental Disclosure of Non-Cash Information		
Funds withheld assumed deposits on deposit-type contracts	**$ 1,371,325**	$ 47,078,703
Funds withheld assumed withdrawals on deposit-type contracts	**(1,542,077)**	85,169
Commissions and expense allowances deducted from funds withheld	**(942,548)**	6,820,167
Deferred acquisition costs released on reinsurance recapture	**-**	1,146,150
Deposit-type contract liabilities released on reinsurance recapture	**-**	6,893,561
Deposit-type contract liabilities acquired by DCLIC from ALSC	**-**	6,893,561
Value of business acquired by DCLIC from ALSC	**-**	2,163,541
Investments transferred out on reinsurance recapture	**-**	7,990,509
Investments received on assumption agreement	**-**	7,990,509

Note 1. Description of Business and Significant Accounting Policies

Description of business: US Alliance Corporation ("USAC") was formed as a Kansas corporation on April 24, 2009 to raise capital to form a new Kansas-based life insurance company. Our offices are located at 1303 SW First American Place, Suite 200, Topeka, Kansas 66604. Our telephone number is 785-228-0200 and our website address is www.usalliancecorporation.com.

USAC has five wholly-owned operating subsidiaries. US Alliance Life and Security Company ("USALSC") was formed June 9, 2011, to serve as our life insurance company. US Alliance Marketing Corporation ("USAMC") was formed April 23, 2012, to serve as a marketing resource. US Alliance Investment Corporation ("USAIC") was formed April 23, 2012 to serve as investment manager for USAC. Dakota Capital Life Insurance Company ("DCLIC"), was acquired on August 1, 2017 when USAC merged with Northern Plains Capital Corporation ("NPCC"). US Alliance Life and Security Company - Montana (USALSC-Montana), was acquired December 14, 2018. Both DCLIC and USALSC-Montana are wholly-owned subsidiaries of USALSC. Unless the context indicates otherwise, references herein to the "Company" refer to USAC and its consolidated subsidiaries.

The Company terminated its initial public offering on February 24, 2013. During the balance of 2013, the Company achieved approval of an array of life insurance and annuity products, began 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 and 2015. On February 24, 2015, the Company commenced a warrant exercise offering set to expire on February 24, 2016. On February 24, 2016, the Company extended the offering until February 24, 2017 and made additional shares available for purchase. All outstanding warrants expired on April 1, 2016. The Company further extended this offering to February 24, 2022. During the 4th quarter of 2017, the Company began a private placement offering to accredited investors in the state of North Dakota.

USALSC received a Certificate of Authority from the Kansas Insurance Department ("KID") effective January 2, 2012, and sold its first insurance product on May 1, 2013. DCLIC received a Certificate of Authority from the North Dakota Insurance Department ("NDID") effective January 24, 2012.

USALSC and DCLIC seek opportunities to develop and market additional products.

The Company's business model also anticipates the acquisition by USAC and/or USALSC of other insurance and insurance related companies, including third-party administrators, marketing organizations, and rights to other blocks of insurance business through reinsurance or other transactions.

Basis of presentation: The consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted ("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 states of Kansas, North Dakota, Missouri, Nebraska, Oklahoma, and Wyoming. DCLIC is authorized to operate in the states of North Dakota and South Dakota. USALSC-Montana is authorized to operate in the state of Montana.

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

Investments: Investments in available-for-sale securities are carried in the consolidated financial statements at fair value. Net unrealized holding gains (losses), net of applicable income taxes, on fixed maturity securities are included in accumulated other comprehensive income. Bond premiums and discounts are amortized using the scientific-yield method over the term of the bonds. Net unrealized holding gains (losses) on equity securities are included as a component of net investment gains (losses).

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

Management has a policy and process in place to identify securities that could potentially have an impairment that is other-than-temporary. The assessment of whether impairments have occurred is based on a case-by-case evaluation of underlying reasons for the decline in fair value. We consider severity of impairment, duration of impairment, forecasted recovery period, industry outlook, financial condition of the issuer, issuer credit ratings and whether we intend to sell a security or it is more likely than not that we would be required to sell a security prior to the recovery of the amortized cost.

The recognition of other-than-temporary impairment losses on debt securities is dependent on the facts and circumstances related to the specific security. If we intend to sell a security or it is more likely than not that we would be required to sell a security prior to recovery of the amortized cost, the difference between amortized cost and fair value is recognized in the income statement as an other-than-temporary impairment. As it relates to debt securities, if we do not expect to recover the amortized basis, do not plan to sell the security and if it is not more likely than not that we would be required to sell a security before the recovery of its amortized cost, the other-than-temporary impairment would be recognized. We would recognize the credit loss portion through earnings in the income statement and the noncredit loss portion in accumulated other comprehensive loss. As of December 31, 2021 and 2020, the Company had no investment securities that were evaluated to be other than temporarily impaired.

Mortgage Loans on Real Estate: Mortgage loans on real estate are carried at unpaid principal balances, net of any unamortized premium or discount and valuation allowances. Interest income is accrued on the principal amount of the mortgage loans based on its contractual interest rate. Amortization of premiums and discounts is recorded using the effective yield method. The Company accrues interest on loans until probable the Company will not receive interest or the loan is 90 days past due. Interest income, amortization of premiums, accretion of discounts and prepayment fees are reported in investment income, net of related expenses in the consolidated statements of comprehensive income (loss).

A mortgage loan is considered to be impaired when, based on the current information and events, it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the mortgage agreement.

Valuation allowances on mortgage loans are established based upon inherent losses expected by management to be realized in connection with future dispositions or settlement of mortgage loans, including foreclosures. The Company establishes valuation allowances for estimated impairments on an individual loan basis as of the balance sheet date. Such valuation allowances are based on the excess carrying value of the loan over the present value of expected future cash flows discounted at the loan's original effective interest rate, the value of the loan's collateral if the loan is in the process of foreclosure or is otherwise collateral-dependent, or the loan's market value if the loan is being sold. These evaluations are revised as conditions change and new information becomes available. In addition to historical experience, management considers qualitative factors that include the impact of changing macro-economic conditions, which may not be currently reflected in the loan portfolio performance, and the quality of the loan portfolio.

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

Any interest accrued or received on the net carrying amount of the impaired loan will be included in investment income or applied to the principal of the loan, depending on the assessment of the collectability of the loan. Mortgage loans deemed to be uncollectible or that have been foreclosed are charged off against the valuation allowances and subsequent recoveries, if any, are credited to the valuation allowances. Changes in valuation allowances are reported in investment related gains (losses), net on the consolidated statements of income (loss).

The Company evaluates whether a mortgage loan modification represents a troubled debt restructuring. In a troubled debt restructuring, the Company grants concessions related to the borrower's financial difficulties. Generally, the types of concessions include: reduction of the contractual interest rate, extension of the maturity date at an interest rate lower than current market interest rates and/or a reduction of accrued interest. The Company considers the amount, timing and extent of the concession granted in determining any impairment or changes in the specific valuation allowance recorded in connection with the troubled debt restructuring. Through the continuous monitoring process, the Company may have recorded a specific valuation allowance prior to when the mortgage loan is modified in a troubled debt restructuring. Accordingly, the carrying value (after specific valuation allowance) before and after modification through a troubled debt restructuring may not change significantly, or may increase if the expected recovery is higher than the pre-modification recovery assessment.

Funds Withheld under Coinsurance Agreement: Funds withheld under coinsurance agreement represent amounts contractually withheld by American Life and Security Corporation in accordance with a reinsurance agreement entered into in 2020. For agreements written on a coinsurance funds withheld basis, assets that support the net statutory reserves or as defined by the treaty, are withheld and legally owned by the ceding company. Interest is recorded in net investment income, net of related expenses in the consolidated statements of income (loss). Funds withheld under coinsurance agreement are presented net of the embedded derivative, discussed below.

Embedded Derivatives: The Company has entered into coinsurance funds withheld arrangement which contains an embedded derivative. Under ASC 815, the Company assesses whether the embedded derivative is clearly and closely related to the host contract. The Company bifurcates embedded derivatives from the host instrument for measurement purposes when the embedded derivative possesses economic characteristics that are not clearly and closely related to the economic characteristics of the host contract and a separate instrument with the same terms would qualify as a derivative instrument. Embedded derivatives, which are reported with the host instrument on the consolidated balance sheets in funds withheld under coinsurance agreement, are reported at fair value with changes in fair value recognized in the consolidated statements of comprehensive income (loss) in net investment gains (losses).

Policy loans: Policy loans are stated at aggregate unpaid principal balances.

Investment Real Estate: Real estate is stated at cost, less allowances for depreciation and, as appropriate, provisions for possible losses.

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, 2021. 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.

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

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, 2021 and 2020.

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, 2021 and 2020, respectively.

	Year ended December 31, 2021	Year ended December 31, 2020
Balance at beginning of period	**$ 7,105,890**	$ 2,652,674
DAC on reinsurance recapture	**-**	(1,146,150)
Capitalization of commissions, sales and issue expenses	**459,330**	6,569,752
Amortization net of interest	**(1,210,345)**	(970,386)
Balance at end of period	**$ 6,354,875**	$ 7,105,890

Value of business acquired: Value of business acquired (VOBA) represents the estimated value assigned to purchased companies or insurance in- force of the assumed policy obligations at the date of acquisition of a block of policies. At least annually, a review is performed of the models and the assumptions used to develop expected future profits, based upon management's current view of future events. VOBA is reviewed on an ongoing basis to determine that the unamortized portion does not exceed the expected recoverable amounts. Management's view primarily reflects our experience but can also reflect emerging trends within the industry. Short-term deviations in experience affect the amortization of VOBA in the period, but do not necessarily indicate that a change to the long-term assumptions of future experience is warranted. If it is determined that it is appropriate to change the assumptions related to future experience, then an unlocking adjustment is recognized for the block of business being evaluated. Certain assumptions, such as interest spreads and surrender rates, may be interrelated. As such, unlocking adjustments often reflect revisions to multiple assumptions. The VOBA balance is immediately impacted by any assumption changes, with the change reflected through the statements of comprehensive income as an unlocking adjustment in the amount of VOBA amortized. These adjustments can be positive or negative with adjustments reducing amortization limited to amounts previously deferred plus interest accrued through the date of the adjustment. VOBA is amortized on a straight-line method over 30 years.

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

In addition, we may consider refinements in estimates due to improved capabilities resulting from administrative or actuarial system upgrades. We consider such enhancements to determine whether and to what extent they are associated with prior periods or simply improvements in the projection of future expected gross profits due to improved functionality. To the extent they represent such improvements, these items are applied to the appropriate financial statement line items in a manner similar to unlocking adjustments.

Property, equipment and software: Property, equipment and software 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. Major categories of depreciable assets and the respective book values as of December 31, 2021 and 2020 are represented below.

	Year Ended December 31, 2021	Year Ended December 31, 2020
Computer	**$ 32,182**	$ 32,182
Furniture and equipment	**101,973**	39,679
Accumulated depreciation	**(41,370)**	(34,043)
Balance at end of period	**$ 92,785**	$ 37,818

Goodwill: Goodwill represents the excess of the amounts paid to acquire subsidiaries and other businesses over the fair value of their net assets at the date of acquisition. Goodwill is tested for impairment at least annually in the fourth quarter or more frequently if events or circumstances change that would indicate that a triggering event has occurred. We assess the recoverability of indefinite-lived intangible assets at least annually or whenever events or circumstances suggest that the carrying value of an identifiable indefinite-lived intangible asset may exceed the sum of the future discounted cash flows expected to result from its use and eventual disposition. If the asset is considered to be impaired, the amount of any impairment is measured as the difference between the carrying value and the fair value of the impaired asset.

Income taxes: The Company is subject to U.S. federal and 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.

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

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, 2021 and 2020. 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, 2018 through 2021.

Pre-paid expenses: The Company recognizes pre-paid expenses as the expenses are incurred. Pre-paid expenses consist of systems consulting hours, insurance, and pre-paid benefit expense. Systems consulting hours are charged as they are incurred on projects. Insurance expenses are charged straight line over the life of the contract. Benefit expenses are charged as they are incurred.

Deposit-type contracts: Deposit-type contracts consist of amounts on deposit associated with deferred annuity contracts and premium deposit funds. 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.

Liabilities for deferred annuity deposit-type contracts are included without reduction for potential surrender charges. This liability is equal to the accumulated account deposits, plus interest credited, and less policyholder withdrawals. The following table provides information about deferred annuity deposit-type contracts for the years ended December 31, 2021 and 2020.

	Year Ended December 31, 2021	**Year ended December 31, 2020**
Balance at beginning of period	**$ 71,843,283**	$ 19,063,141
Recaptured by American Life & Security Corp	**-**	(6,799,716)
Acquired from American Life & Security Corp	**-**	6,799,716
Deposits received	**5,345,302**	53,877,845
Interest credited	**1,601,155**	1,090,820
Withdrawals	**(3,379,401)**	(2,188,523)
Balance at end of period	**$ 75,410,339**	$ 71,843,283

The premium deposit funds credit interest based upon a fixed interest rate set by the Company. The Company has the ability to change this rate subject to minimums established by law or administrative regulation.

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

Liabilities for premium deposit fund deposit-type contracts are included without reduction for potential surrender charges. This liability is equal to the accumulated account deposits, plus interest credited, and less withdrawals. The following table provides information about premium deposit fund deposit-type contracts for the years ended December 31, 2021 and 2020.

	Year Ended December 31, 2021	Year ended December 31, 2020
Balance at beginning of period	$ 238,924	$ 333,473
Recaptured by American Life & Security Corp	-	(93,845)
Acquired from American Life & Security Corp	-	93,845
Deposits received	13,558	6,180
Interest credited	5,185	8,663
Withdrawals	(100,133)	(109,392)
Balance at end of period	$ 157,534	$ 238,924

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 as of December 31, 2021 and 2020 is $115,524 and $116,019 and is included as a part of policyholder benefit reserves.

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.

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.

Leases: The Company, as lessor, has entered into an operating lease agreement for office space. The Company recognizes lease income for operating leases on a straight-line basis over the lease term. At contract inception, the Company defers any initial direct costs and amortizes the costs over the life of the lease on the same basis as lease income.

Common stock and earnings (loss) per share: The par value for common stock is $0.10 per share with 20,000,000 shares authorized. As of December 31, 2021 and 2020 the company had 7,745,404 and 7,741,487 common shares issued and outstanding, respectively.

Earnings per share attributable to the Company's common stockholders were computed based on the net income and the weighted average number of shares outstanding during each year. The weighted average number of shares outstanding during the years ended December 31, 2021 and 2020 were 7,743,273 and 7,738,693 shares, respectively. Potential common shares are excluded from the computation when their effect is anti-dilutive. Basic and diluted net gain per common share is the same for the years ended December 31, 2021 and 2020.

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

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

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.

Use of Estimates: The preparation of consolidated financial statements in conformity with US GAAP, generally accepted accounting principles in the United States, 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: The insurance laws of Kansas, North Dakota, and Montana give insurance regulators 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.

  The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Reform Act") reshapes financial regulations in the United States by creating new regulators, regulating new markets and firms, and providing new enforcement powers to regulators. Virtually all major areas of the Reform Act continue to be subject to regulatory interpretation and implementation rules requiring rulemaking that may take several years to complete. The ultimate outcome of the regulatory rulemaking proceedings cannot be predicted with certainty. The regulations promulgated could have a material impact on consolidated financial results or financial condition.

- Reinsurance: In order to manage the risk of financial exposure to adverse underwriting results, the Company reinsures a portion of its individual and group life risks with other insurance companies. The Company retains $35,000 on its Whole Life products and $25,000 on its term life products. The Company also reinsures 100% of the risk on its individual accidental death benefit rider. The Company retains 25% of the risk for each covered life on its group life product to a maximum of $100,000 on any individual person. The Company retains 25% of the risk for each covered life on its group accidental death and dismemberment product to a maximum of $25,000 on any individual person. The Company also has catastrophic reinsurance coverage to protect against three or more group life deaths resulting from a single event. The Company also reinsures 90% of the risk on its group disability products. The Company reinsurers 66% of the risk on its critical illness product. Optimum Re Insurance Company (a subsidiary of Optimum Group), General Reinsurance Corporation (a subsidiary of Berkshire Hathaway), Reliance Standard Life Insurance Company (a subsidiary of Tokio Marine Holdings), Hartford Life and Accident Company, and Unified Life Insurance Company provide reinsurance for USALSC and DCLIC. 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.

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

- Interest Rate Risk: Interest rate fluctuations could impair an insurance company's ability to pay policyholder benefits with operating and investment cash flows, cash on hand and other cash sources. Annuity products expose the risk that changes in interest rates will reduce any spread, or the difference between the amounts that the insurance company is required to pay under the contracts and the amounts the insurance subsidiary is able to earn on its investments intended to support its obligations under the contracts. Spread is a key component of revenues.

  To the extent that interest rates credited are less than those generally available in the marketplace, policyholder lapses, policy loans and surrenders, and withdrawals of life insurance policies and annuity contracts may increase as contract holders seek to purchase products with perceived higher returns. This process may result in cash outflows requiring that an insurance subsidiary sell investments at a time when the prices of those investments are adversely affected by the increase in market interest rates, which may result in realized investment losses.

  Increases in market interest rates may also negatively affect profitability in periods of increasing interest rates. The ability to replace invested assets with higher yielding assets needed to fund the higher crediting rates that may be necessary to keep interest sensitive products competitive. If interest rates were to increase by 1%, the market value of our fixed income securities would decrease by 8.3% as of December 31, 2021. The Company therefore may have to accept a lower spread and thus lower profitability or face a decline in sales and greater loss of existing contracts.

  Conversely, in a period of prolonged low interest rates it is difficult to invest assets and earn the rate of return necessary to support insurance products. Some central banks currently have negative interest rates which contributes to the current low interest rate environment.

  Policy lapses in excess of those actuarially anticipated would have a negative impact on our financial performance.

  Profitability could be reduced if lapse and surrender rates exceed the assumptions upon which the insurance policies were priced. Policy sales costs are deferred and recognized over the life of a policy. Excess policy lapses, however, cause the immediate expensing or amortizing of deferred policy sales costs.

- Investment Risk: Our invested assets are subject to customary risks of defaults and changes in market values. Factors that may affect the overall default rate on, and market value of, the invested assets include interest rate levels, financial market performance, and general economic conditions.

- Assumptions Risk: In the life insurance business, assumptions as to expected mortality, lapse rates and other factors in developing the pricing and other terms of life insurance products are made. These assumptions are based on industry experience and are reviewed and revised regularly by an outside actuary to reflect actual experience on a current basis. However, variation of actual experience from that assumed in developing such terms may affect a product's profitability or sales volume and in turn adversely impact our revenues.

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

Reclassifications: Certain reclassifications of a minor nature have been made to prior-year balances to conform to current-year presentation with no net impact to net loss/income or equity.

New accounting standards:

Leases

In February 2016, the FASB issued updated guidance to require lessees to recognize a right-to-use asset and a lease liability for leases with terms of more than 12 months. The updated guidance retains the two classifications of a lease as either an operating or finance lease (previously referred to as a capital lease). Both lease classifications require the lessee to record the right-to-use asset and the lease liability based upon the present value of cash flows. Finance leases will reflect the financial arrangement by recognizing interest expense on the lease liability separately from the amortization expense of the right-to-use asset. Operating leases will recognize lease expense (with no separate recognition of interest expense) on a straight-line basis over the term of the lease. The accounting by lessors is not significantly changed by the updated guidance. The updated guidance requires expanded qualitative and quantitative disclosures, including additional information about the amounts recorded in the financial statements.

The updated guidance is effective for reporting periods beginning after December 15, 2018, and will require that the earliest comparative period presented include the measurement and recognition of existing leases with an adjustment to equity as if the updated guidance had always been applied. Early adoption is permitted. As an emerging growth company, the Company has elected to defer implementation of this standard to fiscal years beginning after December 15, 2021. The adoption of this guidance is not expected to have a material effect on the Company's results of operations, financial position or liquidity.

Income Taxes - Simplifying the Accounting for Income Taxes

In December 2019, the FASB issued updated guidance (Accounting Standards Update 2019-12) for the accounting for income taxes. The updated guidance is intended to simplify the accounting for income taxes by removing several exceptions contained in existing guidance and amending other existing guidance to simplify several other income tax accounting matters. The updated guidance is effective for the quarters ending and after March 31, 2021. The adoption of this guidance did not have a material effect on the Company's results of operations, financial position or liquidity.

Measurement of Credit Losses on Financial Instruments

In June 2016, the FASB issued updated guidance for the accounting for credit losses for financial instruments. The updated guidance applies a new credit loss model (current expected credit losses or CECL) for determining credit-related impairments for financial instruments measured at amortized cost (e.g. reinsurance recoverables) and requires an entity to estimate the credit losses expected over the life of an exposure or pool of exposures. The estimate of expected credit losses should consider historical information, current information, as well as reasonable and supportable forecasts, including estimates of prepayments. The expected credit losses, and subsequent adjustments to such losses, will be recorded through an allowance account that is deducted from the amortized cost basis of the financial asset, with the net carrying value of the financial asset presented on the consolidated balance sheet at the amount expected to be collected.

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

The updated guidance also amends the current other-than-temporary impairment model for available-for-sale debt securities by requiring the recognition of impairments relating to credit losses through an allowance account and limits the amount of credit loss to the difference between a security's amortized cost basis and its fair value. In addition, the length of time a security has been in an unrealized loss position will no longer impact the determination of whether a credit loss exists.

The updated guidance is effective for reporting periods beginning after December 15, 2019. Early adoption is permitted for reporting periods beginning after December 15, 2018. As an emerging growth company, the Company has elected to defer implementation of this standard to fiscal years beginning after December 15, 2022. The Company will not be able to determine the impact that the updated guidance will have on its results of operations, financial position or liquidity until the updated guidance is adopted.

Targeted Improvements to the Accounting for Long-Duration Contracts

In August 2018, the FASB issued ASU 2018-12 "Targeted Improvements to the Accounting for Long-Duration Contracts." ASU 2018-12 requires periodic reassessment of actuarial and discount rate assumptions used in the valuation of policyholder liabilities and deferred acquisition costs arising from the issuance of long-duration insurance and reinsurance contracts, with the effects of the changes in cash flow assumptions reflected in earnings and the effects of changes in discount rate assumptions reflected in other comprehensive income. Under current accounting guidance, the actuarial and discount rate assumptions are set at the contract inception date and not subsequently changed, except in limited circumstances. ASU 2018-12 also requires new disclosures and is effective for fiscal years beginning after December 15, 2023, with early adoption permitted. We are evaluating the effect this standard will have on our Consolidated Financial Statements.

Fair Value Measurement

This guidance is part of the FASB's disclosure framework project and eliminates certain disclosure requirements for fair value measurement, requires entities to disclose new information and modifies existing disclosure requirements. This guidance is effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. The adoption of this guidance did not have a material effect on the Company's results of operations, financial position or liquidity.

All other new accounting standards and updates of existing standards issued through the date of this filing were considered by management and did not relate to accounting policies and procedures pertinent or material to the Company at this time.

Note 2. Acquisitions

On December 31, 2020, DCLIC entered into an assumption agreement with ALSC where it acquired a certain block of life insurance policies. Under an assumption agreement, DCLIC becomes directly liable to the policyholders of this block of business.

The acquisition was accounted for under the acquisition method of accounting, which requires the consideration transferred and all assets and liabilities assumed to be recorded at fair value. The following table summarizes the fair value of the assets acquired and liabilities assumed from ALSC:

Cash consideration paid to ALSC	**$**	**927,000**
Preliminary amounts of indentifiable assets acquired and liablities assumed		
Investment securities	**$**	**7,990,509**
Cash receivable		**2,117,591**
Policy loan assets		**101,736**
Value of business acquired		**2,163,541**
Policyholder reserves		**(4,552,816)**
Deposit type contracts		**(6,893,561)**
Total indentifiable net assets	**$**	**927,000**

Note 3. Investments

Fixed Maturity

The amortized cost and fair value of available for sale investments as of December 31 is as follows:

	December 31, 2021			
	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available for sale:				
Fixed maturities:				
US Treasury securities	$ 303,195	$ 144,570	$ -	$ 447,765
Corporate bonds	19,397,461	2,101,518	(177,700)	21,321,279
Municipal bonds	6,306,387	671,263	(14,292)	6,963,358
Redeemable preferred stock	3,612,625	29,995	(21,094)	3,621,526
Mortgage backed and asset backed securities	5,636,371	22,617	(70,259)	5,588,729
Total available for sale	$ 35,256,039	$ 2,969,963	$ (283,345)	$ 37,942,657

	December 31, 2020			
	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available for sale:				
Fixed maturities:				
US Treasury securities	$ 574,935	$ 127,981	$ -	$ 702,916
Corporate bonds	20,126,836	2,821,508	(533)	22,947,811
Municipal bonds	5,992,707	804,443	(496)	6,796,654
Redeemable preferred stock	2,900,330	90,085	(200)	2,990,215
Mortgage backed and asset backed securities	4,189,710	50,274	(2)	4,239,982
Total available for sale	$ 33,784,518	$ 3,894,291	$ (1,231)	$ 37,677,578

The amortized cost and fair value of debt securities as of December 31, 2021 and 2020, by contractual maturity, are shown on the following page. 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.

	As of December 31, 2021		As of December 31, 2020	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Amounts maturing in:				
One year or less	$ -	$ -	$ 373,590	$ 379,823
After one year through five years	1,987,421	2,087,132	1,540,931	1,641,749
After five years through ten years	2,540,089	2,865,020	2,887,066	3,379,930
More than 10 years	21,479,533	23,780,250	21,892,891	25,045,879
Redeemable preferred stocks	3,612,625	3,621,526	2,900,330	2,990,215
Mortgage backed and asset backed securities	5,636,371	5,588,729	4,189,710	4,239,982
Total amortized cost and fair value	$ 35,256,039	$ 37,942,657	$ 33,784,518	$ 37,677,578

Note 3. Investments (continued)

Proceeds from the sale of securities, maturities, and asset paydowns in 2021 and 2020 were $4,769,831 and $7,795,116, respectively. Realized gains and losses related to the sale of securities are summarized as follows:

	Years Ended December 31, 2021	2020
Gross gains	$ 248,891	$ 1,388,209
Gross losses	(18,899)	(373,862)
Realized gains	$ 229,992	$ 1,014,347

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, 2021						
Available for sale:						
Fixed maturities:						
Corporate bonds	$ 4,496,456	$ (177,700)	$ -	$ -	$ 4,496,456	$ (177,700)
Municipal bonds	927,122	(14,292)	-	-	927,122	(14,292)
Redeemable preferred stock	1,394,650	(21,094)	-	-	1,394,650	(21,094)
Mortgage backed and asset backed securities	4,386,306	(70,259)	-	-	4,386,306	(70,259)
Total fixed maturities	$ 11,204,534	$ (283,345)	$ -	$ -	$ 11,204,534	$ (283,345)

	Less than 12 months		Greater than 12 months		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
December 31, 2020						
Available for sale:						
Fixed maturities:						
Corporate bonds	$ 210,625	$ (2)	$ 49,438	$ (531)	$ 260,063	$ (533)
Municipal bonds	47,249	(496)	-	-	47,249	(496)
Redeemable preferred stock	77,918	(200)	-	-	77,918	(200)
Mortgage backed and asset backed securities	309,144	(2)	-	-	309,144	(2)
Total fixed maturities	$ 644,936	$ (700)	$ 49,438	$ (531)	$ 694,374	$ (1,231)

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 available for sale securities in the investment portfolio in an unrealized loss position as of December 31, 2021 was 76, which represented an unrealized loss of $283,345 of the aggregate carrying value of those securities. The 76 securities breakdown as follows: 29 bonds, 41 mortgage and asset backed securities, and 6 redeemable preferred stock. The Company determined that no securities were considered to be other-than-temporarily impaired as of December 31, 2021 and 2020.

Note 3. Investments (continued)

Mortgage Loans on Real Estate

The Company's mortgage loans by property type as of December 31, 2021 and December 31, 2020 are summarized as follows:

	December 31, 2021	December 31, 2020
Commercial mortgage loans by property type		
Student housing	$ -	$ 781,512
Condominium	1,960,547	1,874,445
Multi-property	1,157,950	332,195
Multi-family	534,645	177,984
Total commercial mortgages	$ 3,653,142	$ 3,166,136

The Company's mortgage loans by loan-to-value ratio as of December 31, 2021 and December 31, 2020 are summarized as follows:

	December 31, 2021	December 31, 2020
Loan to value ratio		
Over 60 to 70%	$ 1,960,547	$ 1,874,445
Over 40 to 50%	339,335	-
Over 30 to 40%	195,310	177,984
Over 10 to 20%	1,157,950	1,113,707
Total	$ 3,653,142	$ 3,166,136

The Company's mortgage loans by maturity date as of December 31, 2021 and December 31, 2020 are summarized as follows:

	December 31, 2021	December 31, 2020
Maturity Date		
One year or less	$ 2,155,857	$ 2,393,900
After one year through five years	1,497,285	772,236
Total	$ 3,653,142	$ 3,166,136

Note 3. Investments (continued)

Investment Income, Net of Expenses

The components of net investment income for the years ended December 31, 2021 and 2020 are as follows:

	Years Ended December 31, 2021	2020
Fixed maturities	**$ 1,121,170**	$ 1,178,055
Mortgages	**378,035**	129,621
Equity securities	**617,198**	669,147
Funds withheld	**3,421,796**	1,680,220
Cash and cash equivalents	**1,794**	12,501
	5,539,993	3,669,544
Less investment expenses	**(203,945)**	(117,283)
	$ 5,336,048	$ 3,552,261

Net Investment Gains

Accounting standards require that the unrealized gains and losses on equity securities be reported as income on the consolidated statements of comprehensive income (loss). For the year ended December 31, 2021, net investment gains is comprised of $20,814 of unrealized gains on our equity portfolio, net realized gains of $229,992, and a loss on the change in the fair value of our embedded derivative on funds withheld of $108,526. For the year ended December 31, 2020, net investment gains is comprised of $299,273 of unrealized gains on our equity portfolio, net realized gains of $1,014,347, and a gain on the change in the fair value of our embedded derivative on funds withheld of $653,294.

Note 4. Derivative Instruments

Accounting for Derivative Instruments

See Note 1 for a detailed description of the accounting treatment for derivative instruments, including embedded derivatives.

Types of Derivatives used by the Company

The Company's derivatives consists solely of embedded derivatives on funds withheld on coinsurance assets.

Summary of Derivative Positions

The fair value of the Company's derivative financial instruments on the consolidated balance sheets is as follows:

	December 31, 2021 Derivative		**December 31, 2020 Derivative**		
	Asset	**Liability**	**Asset**	**Liability**	**Balance Reported In**
Derivatives:					
Embedded derivatives:					
Funds withheld embedded derivative	**$ 544,768**	**$ -**	**$ 653,294**	$ -	Funds withheld

Note 4. Derivative Instruments (continued)

The following table shows the change in the fair value of the derivative financial instruments in the consolidated statements of comprehensive income:

	Year Ending December 31, 2021	Year Ending December 31, 2020	Balance Reported In
Derivatives:			
Embedded derivatives:			
Change in funds withheld embedded derivative	**$ (108,526)**	$ 653,294	Net investment gains

Note 5. 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. The Company uses 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: Fair values of available for sale fixed maturity securities are provided by a third party pricing service. The pricing service uses a variety of sources to determine fair value of securities. The Company's fixed maturity securities are highly liquid, which allows for a high percentage of the portfolio to be priced through pricing sources.

Equity securities: Fair values for equity securities are also provided by a third party pricing service and are derived from active trading on national market exchanges.

Embedded derivative: The fair value of embedded derivatives associated with funds withheld reinsurance treaty is determined upon a total return swap technique with reference to the fair value of the investments held by the ceding company that support the Company's fund withheld asset with an adjustment for a credit valuation adjustment. The fair value of the underlying assets is generally based upon market observable inputs with industry standard valuation techniques. The valuation also requires certain significant inputs, which are generally not observable and accordingly, the valuation is considered level 3 in the fair value hierarchy. The Company's utilization of a credit-valuation adjustment did not have a material effect on the change in fair value of the embedded derivative for the year ended December 31, 2021.

Note 5. Fair Value Measurements (continued)

The table below presents the amounts of assets measured at fair value on a recurring basis as of December 31, 2021 and 2020:

	December 31, 2021			
	Total	Level 1	Level 2	Level 3
Fixed maturities:				
US Treasury securities	$ 447,765	$ -	$ 447,765	$ -
Corporate bonds	21,321,279	-	21,139,679	181,600
Municipal bonds	6,963,358	-	6,963,358	-
Redeemable preferred stock	3,621,526	-	3,621,526	-
Mortgage backed and asset backed securities	5,588,729	-	5,588,729	-
Total fixed maturities	37,942,657	-	37,761,057	181,600
Equities:				
Common stock	7,319,584	7,226,584	93,000	-
Preferred stock	1,837,609	-	1,837,609	-
Total equities	9,157,193	7,226,584	1,930,609	-
Funds withheld embedded derivative	544,768	-	-	544,768
Total	$ 47,644,618	$ 7,226,584	$ 39,691,666	$ 726,368

	December 31, 2020			
	Total	Level 1	Level 2	Level 3
Fixed maturities:				
US Treasury securities	$ 702,916	$ 702,916	$ -	$ -
Corporate bonds	22,947,811	-	22,761,011	186,800
Municipal bonds	6,796,654	-	6,796,654	-
Redeemable preferred stock	2,990,215	-	2,990,215	-
Mortgage backed and asset backed securities	4,239,982	-	4,239,982	-
Total fixed maturities	37,677,578	702,916	36,787,862	186,800
Equities:				
Common stock	6,808,944	6,717,144	91,800	-
Preferred stock	2,412,630	-	2,412,630	-
Total equities	9,221,574	6,717,144	2,504,430	-
Funds withheld embedded derivative	653,294	-	-	653,294
Total	$ 47,552,446	$ 7,420,060	$ 39,292,292	$ 840,094

The reconciliations for all assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) are as follows:

For the Years Ended December 31, 2021	Corporate Bonds	Funds Withheld
Fair value, beginning of period	$ 186,800	$ 653,294
Principal payment	(5,200)	-
Investment related losses	-	(108,526)
Fair value, end of period	$ 181,600	$ 544,768

Note 5. Fair Value Measurements (continued)

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 on the previous page. The estimated fair value approximates carrying value for accrued interest. The methodologies for other financial assets and financial liabilities are discussed below:

Cash and cash equivalents: The carrying amounts approximate fair value because of the short maturity of these instruments.

Investment income due and accrued: The carrying amounts approximate fair value because of the short maturity of these instruments.

Mortgage loans on real estate: Mortgage loans are carried at their unpaid principal value as that is considered the fair market values for these loans.

Funds withheld: The carrying value of funds withheld at interest approximates fair value as funds are specifically identified in the agreement. The fair value of the specified funds is based on the fair value of the underlying assets that are held by the ceding company. The ceding company uses a variety of sources and pricing methodologies, which are not transparent to the Company and may include significant unobservable inputs to value the securities held in distinct portfolios, therefore the valuation of these funds withheld assets are considered Level 3 in the fair value hierarchy.

Policy loans: Policy loans are stated at unpaid principal balances. As these loans are fully collateralized by the cash surrender value of the underlying insurance policies, the carrying value of the policy loans approximates their fair value.

Federal Home Loan Bank Advances: FHLB advances are stated at the outstanding principal balances and the carrying value approximates fair value.

Policyholder deposits in deposit-type contracts: The fair value for policyholder deposits deposit-type insurance contracts (accumulation annuities) is calculated using a discounted cash flow approach. Cash flows are projected using actuarial assumptions and discounted to the valuation date using risk-free rates adjusted for credit risk and the nonperformance risk of the liabilities.

Note 5. Fair Value Measurements (continued)

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

December 31, 2021

	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Financial Assets:					
Cash and cash equivalents	$ 7,955,348	$ 7,955,348	$ 7,955,348	$ -	$ -
Mortgage loans on real estate	3,653,142	3,653,142	-	-	3,653,142
Investment income due and accrued	698,504	698,504	-	-	698,504
Funds withheld	48,474,206	48,474,206	-	-	48,474,206
Policy loans	173,341	173,341	-	-	173,341
Total Financial Assets (excluding available for sale investments)	$ 60,954,541	$ 60,954,438	$ 7,955,348	$ -	$ 52,999,193
Financial Liabilities:					
Federal Home Loan Bank advance	$ 2,000,000	$ 2,000,000	$ -	$ -	$ 2,000,000
Policyholder deposits in deposit-type contracts	75,567,873	78,359,733	-	-	78,359,733
Total Financial Liabilities	$ 77,567,873	$ 80,359,733	$ -	$ -	$ 80,359,733

December 31, 2020

	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Financial Assets:					
Cash and cash equivalents	$ 4,320,759	$ 4,320,759	$ 4,320,759	$ -	$ -
Mortgage loans on real estate	3,166,136	3,166,136	-	-	3,166,136
Investment income due and accrued	423,036	423,036	-	-	423,036
Funds withheld	46,176,782	46,176,782	-	-	46,176,782
Policy loans	163,725	163,725	-	-	163,725
Total Financial Assets (excluding available for sale investments)	$ 54,250,438	$ 54,250,438	$ 4,320,759	$ -	$ 49,929,679
Financial Liabilities:					
Federal Home Loan Bank advance	$ 2,000,000	$ 2,000,000	$ -	$ -	$ 2,000,000
Policyholder deposits in deposit-type contracts	72,082,207	74,351,806	-	-	74,351,806
Total Financial Liabilities	$ 74,082,207	$ 76,351,806	$ -	$ -	$ 76,351,806

Note 6. Income Tax Provision

USAC files federal income tax returns based on the type of return. USAC files a consolidated corporate federal income tax return with USAMC and USAIC. USASLC, DCLIC, and USALSC-MT file a consolidated life insurance federal income tax return. Certain items included in income reported for financial statement purposes are not included in taxable income for the current period, resulting in deferred income taxes.

A reconciliation of federal income tax expense computed by applying the federal income tax rate of 21% to income before federal income tax expense for the years ended December 31, 2021 and 2020, respectively, is summarized as follows:

	2021	2020
Income before total federal income tax	$ (346,187)	$ 299,175
Tax rate	21%	21%
Expected income tax expense (benefit)	(72,700)	62,827
Effect of tax-exempt income	(19,588)	(32,318)
Disallowed deductions	1,181	1,012
Change in unrealized - valuation allowance and unrealized gains (losses)	56,601	148,778
Other GAAP to tax differences	-	4,043
Return-to-Provision adjustments	20,471	-
Prior period estimate adjustments	107,906	-
Change in valuation allowance	(774,413)	(324,616)
Total	$ (680,542)	$ (140,274)

For the year ended December 31, 2021, the Company recognized total tax benefit of $(680,542). This benefit is comprised of current tax expense of $473,730 and a deferred tax benefit of $(1,154,272). The Company recognized a deferred tax benefit of $774,413 related to the decrease of its deferred tax asset valuation allowance associated with net operating losses. For the year ended December 31, 2020, the Company recognized a total tax benefit of $140,274.

Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for income tax purposes. Significant components of the Company's deferred tax liabilities and assets as of December 31, 2021 and 2020 are summarized as follows:

Deferred Tax Assets	2021	2020
Net operating and capital loss carryforwards	$ 2,271,246	$ 2,111,431
Unamortized start-up costs	126,603	147,703
Policyowner benefit reserves	2,806,586	2,389,259
Goodwill	-	194,670
Tax DAC	753,983	775,734
Deferred tax asset valuation allowance	(1,324,409)	(2,098,822)
	4,634,009	3,519,975
Deferred Tax Liabilities		
GAAP DAC	1,334,524	1,488,265
Fixed assets	21,703	8,821
8 Year Spread	155,620	194,524
Value of business acquired	548,271	567,679
Other GAAP to Tax Differences	233,953	-
Unrealized gains	779,171	1,017,429
	3,073,242	3,276,718
Net Deferred Tax	$ 1,560,767	$ 243,257

The Company has federal net operating loss ("NOL") and capital loss carryforwards of $9,198,976 and $10,054,432 as of December 31, 2021 and 2020, respectively. The federal NOLs generated in the years ended December 31, 2009 through 2017 will begin to expire in 2027 for federal income tax purposes. NOLs originating before January 1, 2018 are eligible to offset taxable income, if not otherwise limited under Internal Revenue Code ("IRC") section 382 limitations. NOLs generated after December 31, 2017, have an indefinite carryforward period and are subject to 80% deduction limitations based upon pre-NOL taxable income.

Note 7. Reinsurance

A summary of significant reinsurance amounts affecting the accompanying consolidated financial statements as of December 31, 2021 and 2020 and for the years ended December 31, 2021 and 2020 is listed in the following table.

	December 31, 2021	December 31, 2020
Balance Sheet		
Benefits and claim reserves ceded	**$ 86,777**	$ 105,621
Amounts due (to) from ceding company	**(235,629)**	59,462
Benefits and claim reserves assumed	**53,774,832**	53,069,522

	Years ended	
Statements of Comprehensive Income (Loss)	December 31, 2021	December 31, 2020
Ceded premium	**$ 1,075,837**	$ 923,527
Assumed premium	**4,301,496**	4,682,634
Allowances on ceded premium	**23,649**	24,077
Allowances paid on assumed premium	**554,388**	6,765,030
Assumed benefits and policyholder reserve increases	**5,291,774**	5,243,836

The company currently reinsures business in excess of its retention with General Re Life Corporation, Reliance Standard Life Insurance Company, Unified Life Insurance Company, Hartford Life and Accident Company, and Optimum Re Insurance Company. The Company also currently assumes business under agreements with Unified Life Insurance Company and American Life and Security Corporation.

Note 8. Lease Commitments

Total rent expense was $7,546 and $48,146 for the years ended December 31, 2021 and 2020, respectively. The Company terminated its lease on its former Topeka headquarters effective December 31, 2020 and has no future rent obligations for this location. The Company maintained an office in Bismarck, ND with a lease that expired on September 30, 2021.

Note 9. Related Party Transactions

Brier Development Company, Inc. is owned solely by Jack Brier, President and CEO of the Company. Brier Development Company, Inc. owns 20,000 shares of stock in USAC which are in escrow until 5 years after the termination of the public offering. The Company makes reimbursements to Brier Development Company, Inc. on behalf of Jack H. Brier for single coverage for long-term care, Medicare coverage, and an allowance for vehicle expenses. Reimbursements for these items were $25,813 and $21,019 for years ended December 31, 2021 and 2020, respectively.

Note 10. Federal Home Loan Bank Advances

One of the Company's subsidiaries, USALSC, is a member of the Federal Home Loan Bank of Topeka (FHLB), which provides access to collateralized borrowings. Any borrowings from FHLB requires the purchase of FHLB common stock in an amount equal to 4.5% of the borrowing. On October 31, 2019, USALSC received an advance of $ 1,000,000 based on USALSC purchasing $ 45,000 of FHLB common stock. This regular fixed convertible advance has a 10 year term with an FHLB option to convert to an adjustable rate on the 5th anniversary. The interest rate at issue was 1.66%. On April 23, 2020 and June 22, 2020 the company took two additional advances with two year terms. The interest rate at issue was 0.37% and 0.28% respectively. As of December 31, 2021 and 2020, the Company had outstanding advances of $2,000,000.

As of December 31, 2021, USALSC had pledged $2,554,993 of mortgage backed securities, US treasuries and overnight deposits to FHLB in support of its outstanding advance.

Note 11. Restricted Funds

As required by Kansas law, US Alliance Life and Security Company maintains a trust account at Capitol Federal Savings Bank which is jointly owned by the Kansas Insurance Department. The life insurance company is required by the State of Kansas to hold $400,000 of asset book value in this account. The Company placed additional assets into this trust account in 2015 to meet the minimum deposit requirement for the State of Missouri. These assets were held in bonds and other invested assets with a statement value of $625,000 as of December 31, 2021 and 2020. Additionally, the Company has a special deposit with the State of Missouri with asset book value of $300,000. Dakota Capital Life Insurance Company has $1,030,000 of funds on deposit jointly owned with the North Dakota Insurance Department at the Bank of North Dakota. US Alliance Life and Security Company – Montana has $550,000 of funds on deposit jointly owned by the Montana Department of Insurance at Capitol Federal Savings Bank.

Note 12. 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 Insurance Department. Dakota Capital Life Insurance Company is required to prepare statutory financial statements in accordance with statutory accounting practices prescribed or permitted by the North Dakota Insurance Department. US Alliance Life and Security Company - Montana is required to prepare statutory financial statements in accordance with statutory accounting practices prescribed or permitted by the Montana Insurance Department. 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 income (loss) and statutory capital and surplus of US Alliance Life and Security Company, Dakota Capital Life Insurance Company, and US Alliance Life and Security Company - Montana for the years ended December 31, 2021 and 2020.

Note 12. Statutory Net Income and Surplus (continued)

	Statutory Capital and Surplus as of	
	December 31, 2021	December 31, 2020
US Alliance Life and Security Company	$ 7,293,547	$ 6,242,080
Dakota Capital Life Insurance Company	3,862,372	3,700,272
US Alliance Life and Security Company - Montana	1,709,322	1,709,032

	Statutory Net Income (loss) for the years ended December 31,	
	2021	2020
US Alliance Life and Security Company	$ 792,738	$ (1,960,666)
Dakota Capital Life Insurance Company	73,955	(31,734)
US Alliance Life and Security Company - Montana	(1,179)	39,410

The payment of dividends to US Alliance Corporation by US Alliance Life and Security Company is subject to limitations imposed by applicable insurance laws. For example, “extraordinary” dividends may not be paid without permission of the Kansas Insurance Department. An “extraordinary” dividend is defined, in general, as any dividend or distribution of cash or other property whose fair market value, compared with that of other dividends or distributions made within the preceding 12 months, exceeds the greater of (i) 10% of the policyholders’ surplus (total statutory capital stock and surplus) as of December 31 of the preceding year or (ii) the statutory net gain from operations excluding realized gains on investments) of the insurer for the 12 month period ending December 31 of the preceding year.

The payment of dividends to US Alliance Life and Security Company by Dakota Capital Life Insurance Company and US Alliance Life and Security Company – Montana is subject to similar limitations.

Note 13. 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 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 22, 2022, the date on which the consolidated financial statements were issued.

Exhibit 21.1

US Alliance Corporation

Subsidiary	Jurisdiction	Percentage Ownership
US Alliance Life and Security Company	Kansas	100%
US Alliance Marketing Corporation	Kansas	100%
US Alliance Investment Corporation	Kansas	100%
Dakota Capital Life Insurance Corporation	North Dakota	100%
US Alliance Life and Security Company - Montana	Montana	100%

Exhibit 31.1

PRINCIPAL EXECUTIVE OFFICER'S CERTIFICATION
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jack H. Brier, certify that:

1. I have reviewed this annual report on Form 10-K of US Alliance Corporation (the “registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Jack H. Brier
Jack H. Brier
President and Chief Executive Officer

Date: February 22, 2022

Exhibit 31.2

PRINCIPAL FINANCIAL OFFICER'S CERTIFICATION

PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jeff Brown, certify that:

1. I have reviewed this annual report on Form 10-K of US Alliance Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Jeff Brown

Jeff Brown
Vice-President and Principal Financial Officer

Date: February 22, 2022

Exhibit 32.1

PRINCIPAL EXECUTIVE OFFICER'S CERTIFICATION

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of US Alliance Corporation (the "Company") on Form 10-K for the year ended December 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jack H. Brier, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jack H. Brier
Jack H. Brier
President and Chief Executive Officer

Date: February 22, 2022

Exhibit 32.2

PRINCIPAL FINANCIAL OFFICER'S CERTIFICATION

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of US Alliance Corporation (the "Company") on Form 10-K for the year ended December 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jeff Brown, Vice-President and Principal Financial Officer of US Alliance Life and Security Company, a wholly-owned subsidiary of US Alliance Corporation, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jeff Brown
Jeff Brown
Vice-President and Principal Financial Officer

Date: February 22, 2022