



# 2020 SHAREHOLDER UPDATE

## DEAR FELLOW SHAREHOLDER:

We are so proud to report to you our first profitable year in our company's history!

As you can see from the chart below, our march to profitability has been long:

2017, 2018 & 2019					
Year-End Results					
12/31	Assets	Revenues	Shareholders' Equity	Organic Premium Reserves & Benefits	Net Income Per Share
2017	\$38,988,337	\$12,071,857	\$13,935,702	\$3,167,654	-0.18
2018	\$44,528,989	\$11,459,287	\$12,632,666	\$4,573,748	-0.06
2019	\$54,939,249	\$11,966,286	\$16,876,197	\$4,970,208	0.08

Each day, each week, each month we strive to build products for today and to build value for you.

As I write this letter, our nation faces the COVID-19 headwind. Our responsibility is to keep our team safe, protect our policyholders and grow your company. We are a relationship-based company and quarantines, business closures and other safety measures have made our work extremely difficult.

During this time, please remember our investments are managed by NEAM (a company owned by Warren Buffett) and our reinsurance is with Optimum Re and with the highest-rated reinsurer in the world, Gen Re.

Frankly, we expect a decline in the market value of our assets, which we believe will not be permanent and we are reassured our asset manager's skill and knowledge of markets all over the world will sustain us through this period.

We need your help in identifying those investors who might wish to own stock in USAC and help us identify businesses who could benefit their employees with our group products in life, short term and long term disability.

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

While 2020 does not look like a time of great growth or great opportunity, please know we are working hard for you. We will find opportunity - we will continue to build your company.

Thank you for your investment, your confidence and your patience. We are working for you.

With every good wish.

Cordially,



**Jack H. Brier**  
President & Founder



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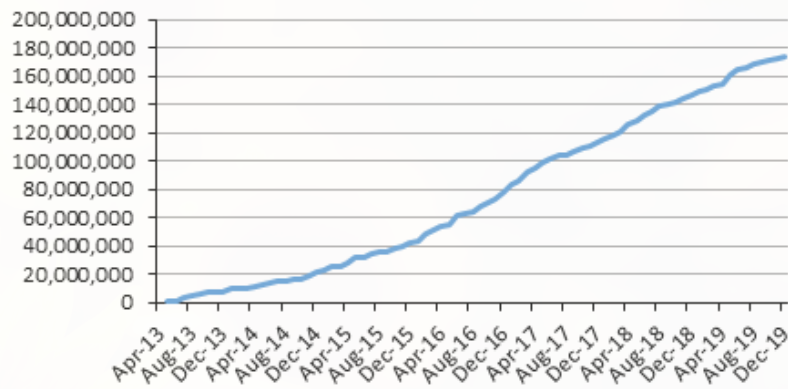
Email: [info@usalliancecorporation.com](mailto:info@usalliancecorporation.com) | Website: [usalliancecorporation.com](http://usalliancecorporation.com)

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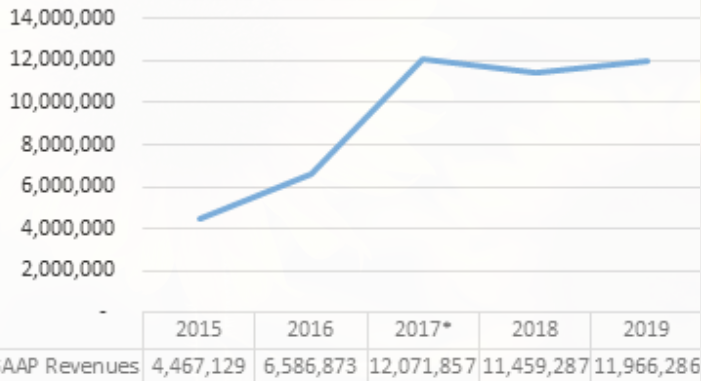
### Cash Flow From Insurance Activities



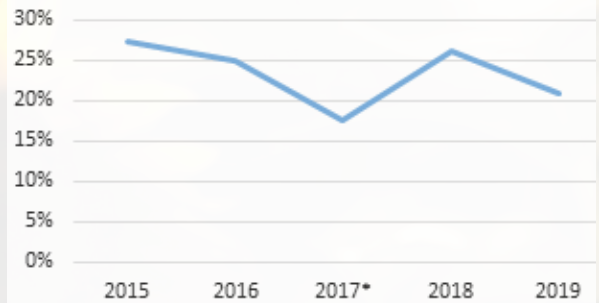
### Issued Face Amount



### GAAP Revenues



### Operating Expenses as a % of Total Expenses



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

### Net Income Per Share



# OUR PRODUCTS

## Term Life Insurance

Term life insurance is temporary. It is available for 10, 15, 20, or 30-year terms. We offer both fully underwritten and simplified issue. For a limited time, due to COVID-19, we will offer a no exam life product up to age 65 and coverage amounts up to \$250,000\*.

\* Certain Restrictions Apply

## Whole Life Insurance

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

## Juvenile Series

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

## Annuity Series

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

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

## Pre-Need Series

We also offer specialized Pre-Need funeral products which are offered by funeral directors to help families with planning and prepayment of funeral expenses.

## Group Life & Disability

Our Group Life & Disability Products are 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 or 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)

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

## Firehouse Series

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