



Dear Fellow Shareholder:

We are pleased to report significant improvement in our third quarter and year-to-date results as compared to 2020. As of 9/30/20 our loss was \$0.27 per share and for 2021 our year-to-date loss has been reduced to \$0.02 per share. Here is the summary of our year-to-date results for 2021 and 2020:

US Alliance Corporation

	Nine Months Ended September 30,	
	2021	2020
(unaudited)		
Income:		
Premium income	\$ 9,212,137	\$ 7,631,621
Net investment income	4,143,127	2,322,169
Net investment gains (losses)	(202,742)	(437,085)
Other income	237,901	48,232
Total income	13,390,423	9,564,937
Expenses:		
Increase in policyholder reserves	3,310,238	2,574,776
Other policy-related expenses*	8,014,357	6,575,069
Operating expenses	2,254,193	2,472,680
Total expense	13,578,788	11,622,525
Net Income (loss)	\$ (188,365)	\$ (2,057,588)
Net income (loss) per common share, basic and diluted	\$ (0.02)	\$ (0.27)

* Other policy-related expenses include death benefits, other benefits paid to policyholders commissions and amortization of deferred acquisition expenses

You may access our full financial results by clicking on the "Securities and Exchange Commission Filings" link on our web-site

Please click [here](#) for a more detailed third quarter financial report.

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



We are pleased our assets have increased from January 1 to September 30, 2021 from \$115,387,096 to \$119,810,827 or an increase of \$4,453,731 or 4%.

We are pleased our year-to-date premium income has increased from \$7,631,621 to \$9,212,137 or 21% and our investment income has increased from \$2,322,169 to \$4,143,127 or an increase of 78%.

We are also pleased our third quarter premium income increased from \$2,547,843 in 2020 to \$2,860,039 in 2021 or 12%, and our third quarter investment income increased from \$1,066,158 to \$1,511,555 or 42%.

Year-to-date our operating expenses have decreased 9% from the prior year even as our third quarter operating expenses increased 20% from 2020.

Not unexpected, our death claims year to date have increased from \$1,316,831 to \$1,702,615 or an increase of 29%. Also not unexpected, third quarter death claims increased from \$394,175 to \$600,819 or 52% increase.

Our policyholder benefits year to date have increased from \$3,949,421 to \$4,783,193 or 21% while third quarter policyholder benefits increased 4%. This expense increase reflects our growth in premium.

In 2020, our net loss was \$0.27 per share. Our year-to-date loss per share at the end of the third quarter is \$0.02.

As I have mentioned in my second quarter update, we have developed an internet and phone-based product distribution capability, and, as we continue to evaluate this new "relationship" based strategy, we are hopeful this distribution method will be successful.

Our consultants are committed to build and maintain relationships with our 725 licensed, contracted producers, but it is a sea change in the way we have done business. We prefer the firm handshake, the warm smile, and being face-to-face. But that is not the reality of today.

While we are excited with organic premium growth of 21% over 2020, we are disappointed we have not been able to acquire a block of business or another life company. The cost has been too high for our conservative, relationship-based company.

We are laser focused on increasing premiums, acquiring assets, and building your company.

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Please know that we are not sitting still. For the first time in our company's history, we have contracted with an investment banking firm (Griffin Financial) to help us identify opportunities to resume our growth trajectory.

The struggle continues to be having investment returns to support our products profitability. Also, for the first time in our history, we have began a mortgage participation program to increase our investment earnings.

We are sad to report two of our founding directors have resigned for personal and health reasons. We are grateful for their wisdom, insight, and unwavering loyalty to US Alliance Corporation and all of our shareholders. We thank and honor Rochelle Chronister and Kurt Scott for their dedication and service.

Replacing Mr. Scott as audit chairman and a member of the Board of Directors, the board has appointed Mr. John R. Helms.


Mr. Helms is a graduate of Kansas State University and has been a practicing CPA for 44 years. He has served as audit manager of financial statement audits of Security Benefit Life, Missouri Farm Bureau, and American Home Life Insurance Company. John was an owner of the accounting firm Wendling, Nelson, Noe and Johnson for 32 years. He serves on the Kansas Board of Accountancy, including 3 terms as vice-chair and 3 terms as chairman. We welcome John to the US Alliance Team!

You can help us – please think of those whom you might know who might be interested in our suite of products. Please review the list of our products.

On behalf of our directors, service team and sales force, we thank you for your investment, your patience, and your support.

We are mindful we have so much for which to be thankful. Our team at US Alliance is largely safe and healthy and hope you are as well. The challenges are many but together we give thanks to you. May this holiday season shine brightly for you.

With every good wish.

Cordially,


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