POST-EFFECTIVE AMENDMENT NO. 7

to Registration Statements

February 24, 2022

US ALLIANCE CORPORATION
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Shares of Common Stock at a Purchase Price of $7.00 per share

Minimum Offering Amount - None
Maximum Offering of Additional Shares of Common Stock – 1,500,000 Shares ($10,500,000)

US Alliance Corporation, a Kansas corporation ("USAC" or the "Company"), is filing this Post-Effective Amendment No. 7 (this "Amendment") to our Registration Statement, effective as of February 24, 2015, extended by the Office of the Kansas Securities Commission for an additional effective period expiring on February 24, 2017 (the "Registration Statement"), and as further extended by Post-Effective Amendment No. 2 for an additional period expiring on February 24, 2018, and as further extended by Post-Effective Amendment No. 3 for an additional period expiring on February 24, 2019, and as further extended by Post-Effective Amendment No. 4 for an additional period expiring on February 24, 2020, and as further extended by this Post-Effective Amendment No. 5 for an additional period expiring on February 24, 2021, as further extended by this Post-Effective Amendment No. 6 for an additional period expiring on February 24, 2022, and as further extended by this Post-Effective Amendment No. 7 for an additional period expiring on February 24, 2023.

Positive response to the 2015 Offering from holders of warrants issued in a previous offering (the "2010 Offering") to exercise such warrants for the purchase of shares ("Warrant Shares") of our Common Stock, as well as inquiry from friends, neighbors, business partners and business acquaintances, contracted licensed producers, licensed insurance agents, and other bona fide residents of Kansas, indicated a demand for our Common Stock. Accordingly, we filed with the Kansas Securities Commission a Supplement to the Prospectus, dated January 19, 2016, to increase the amount of the 2015 Offering to offer an additional 1,500,000 shares of Common Stock at a purchase price of $7.00 per Additional Share. On February 24, 2016, we filed a Supplement to the Prospectus extending the offering period to February 24, 2017. During the warrant exercise period, which ended April 1, 2016, we accepted gross offering proceeds of $7,901,088 related to the sale of 1,316,848 Warrant Shares. As of December 31, 2021 there were a total of 7,745,404Shares of Common Stock issued and outstanding, representing the Shares sold. As extended, the 2015 Offering will terminate on the earlier of the sale of all Shares or February 24, 2023 unless sooner terminated or further extended by the Company. Subscriptions for the purchase of Shares by investors will be made by executing a Subscription Agreement in the form attached as Exhibit A to this Post-Effective Amendment.

The Shares and the 2015 Offering have been registered with the Office of the Kansas Securities Commission as of the date of this Post-Effective Amendment. **Accordingly, these Shares will only be offered and sold to Subscribers who are bona fide residents of the State of Kansas.** There is currently no existing public or other market for the Shares and no such market will develop as a result of this 2015 Offering. On May 2, 2016, we filed a Form 10 Registration Statement (the "Registration Statement") with the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934 (the "Exchange Act"), to register the Shares in accordance with Section 12(g) of the Exchange Act. We are subject to the reporting requirement of the Exchange Act and are obligated to file annual reports, quarterly and current reports with the SEC, as well as comply with the SEC's proxy solicitation rules, and management and significant stockholder ownership reporting requirements. However, our Shares will not be listed on any national exchange or over-the-counter market and will continue to be deemed "restricted" securities which may not be resold except in compliance with the rules of the SEC and Office of the Kansas Securities Commissioner. The Shares are also subject to restrictions on transfer, as described in more detail in this Post-Effective Amendment. Consequently, Subscribers for the Shares offered hereby may not be able to sell such Shares for an extended period of time, if ever. In addition to the other restrictions on transfer described herein, the Shares will not be transferable outside the state of Kansas for a period of nine (9) months following the termination of this 2015 Offering in accordance with Rule 147 of the Securities Act.

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

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

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

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

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

	Price to Purchasers of Additional Shares	Selling Commissions (not to exceed)	Proceeds to Company from Additional Shares
Per Share	$7.00	$0.70	$6.30
Minimum Offering	None	-0-	-0-
Completed/Maximum Offering	$10,500,000	$1,050,000	$9,450,000

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Post-Effective Amendment Summary

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

THE COMPANY

US Alliance Corporation ("USAC" or the "Company") 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.

Our five wholly-owned operating subsidiaries are: US Alliance Life and Security Company ("USALSC") formed June 9, 2011, to serve as our life insurance company; US Alliance Marketing Corporation ("USAMC") formed April 23, 2012, to serve as a marketing resource; US Alliance Investment Corporation ("USAIC") formed April 23, 2012 to serve as investment manager for USAC and its subsidiaries; Dakota Capital Life Insurance Company ("DCLIC"), acquired by the Company on August 1, 2017 in connection with USAC's merger with Northern Plains Capital Corporation ("NPCC"); and US Alliance Life and Security Company - Montana ("USALSC-Montana"), which was acquired December 14, 2018. Both DCLIC and USALSC-Montana are wholly-owned subsidiaries of USALSC. References in this registration statement to "we", "us", "our", or the "Company" refer collectively to USAC and its subsidiaries unless the context otherwise indicates.

We initially capitalized our subsidiaries with proceeds from intrastate public offering(s) registered by qualification with the office of Kansas Securities Commissioner.

The Offering

Additional Shares offered by the Company to residents of Kansas…………………………….	A maximum of 1,500,000 Additional Shares at a purchase price of $7.00 per Additional Share
Common Stock outstanding before Offering ……………………………………	4,232,400 Shares
Common Stock issued with our Merger with NPCC………………………………………..	1,644,458 Shares
Common Stock outstanding after 2015 Offering and maximum offering amount of Additional Shares…………………………………….	8,693,706 Shares
Plan of Distribution………………………………..	Shares will be sold to Subscribers who are residents of the state of Kansas through registered agents of the Company on a "best efforts" basis. The agents will receive a direct commission based upon such sales not to exceed 10%.
Term of 2015 Offering…………………………….	The 2015 Offering will continue until the earlier of the sale of all of the Shares or February 24, 2022 subject to the right of the Company to terminate or extend the 2015 Offering.
Use of Proceeds…………………………………	To finance the growth of USALSC and provide working capital for USAC.

Risk Factors

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

Risks Associated with an Investment in USAC Stock

We face many significant risks in the operating of our business and may face significant unforeseen risks as well. Our significant material risks are set forth below:

SHARE OWNERSHIP RISK - An investment in our voting common stock is speculative. Shares of our voting common stock constitute a high-risk investment in a developing business that has accumulated losses to date. No assurance or guaranty can be given that any of the potential benefits envisioned by our business plan will prove to be available to our stockholders, nor can any assurance or guaranty be given as to the actual amount of financial return, if any, which may result from ownership of our voting Common Stock. **The entire value of the shares of USAC Common Stock may be lost.**

OPERATING RISK - We face the risks inherent in establishing a business, including limited capital, challenging product markets, lack of significant revenues, as well as competition from better capitalized and more seasoned companies. We have no control over general economic conditions, competitors' products or their pricing, customer demand, costs of marketing or advertising and hacking of our administrative systems. There can be no assurance that our life insurance operations will be successful. The likelihood of any success must be considered in light of our history of operations with the accumulated operating losses to date. These risks make it difficult to accurately predict our future revenues or results of operations. Recent changes to accounting guidance have increased the volatility of our operating results. As a result, our financial results fluctuate. 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. Additional Operating Risks include:

BREACH OF INTERNAL CONTROLS/FRAUD – Internal controls are established on all aspects of the business. If internal controls are breached, fraud, incorrect payment of funds, incorrect claim processing, or other material issues within the Company could result. Fraud from internal or external sources will hurt profitability and strain and limit financial resources needed for company to grow.

CYBER ATTACK – A variety of cyber attacks can leave the Company vulnerable to loss or theft of data, systems shutdown and a large-scale timeframe of being unable to conduct business related activities.

DEFICIENCY OF INTERNAL CONTROLS OVER FINANCIAL REPORTING – A deficiency of internal controls could leave assets vulnerable from accidental loss or loss from fraud. The integrity of the information used to make accurate business decisions could be compromised and could lead to being not in compliance with many federal, state and local laws and regulations affecting the operation of the business.

STRUCTURAL RISK/SYSTEMS RISK – The loss of primary, secondary and back-up power systems at office or at cloud data facilities, failure of networking devices, file servers, server crashes or undiagnosed errors masked by automated failure detection systems can lead to catastrophic failure of core systems and large scale downtime events.

REINSURANCE RELATIONSHIP RISK – The Company relies upon its reinsurers to provide expertise, financial strength, and growth opportunities and they play a key role in the success of the Company. The loss of a key reinsurance relationship could impact the future success of the Company.

LIQUIDITY RISK – While USAC is considered a public company by the SEC, there is no public market for USAC Common Stock, and there is no assurance that one will develop or be sustained, or that USAC Common Stock will become publicly traded. As noted in the 2015 prospectus and subsequent post-effective amendments which have been filed with the office of the Security Commissioners in Kansas, it may be difficult to sell shares of USAC Common Stock. Our securities are not listed for trading on any national securities exchange nor are bid or asked quotations reported in any over-the-counter quotation service and we do not intend to seek any such listing in the foreseeable future.

PROFITABILITY - As is common among small life insurance companies, we have historically incurred significant losses. As of December 31, 2021 we had a consolidated accumulated deficit of $8.9 million. These losses were attributable primarily to costs of administration, the substantial nonrecurring costs of writing new life insurance (which are deferred and amortized in accordance with our deferred acquisition policy) and include first year commissions payable to insurance agents, medical and investigation expenses as well as other expenses incidental to the issuance of new policies as well as with the reserves required to be established for each policy. However, the Company has been profitable in 2019, 2020 and 2021.

DIVIDENDS - We have not paid a cash dividend on USAC Common Stock and we do not anticipate paying a cash dividend in the foreseeable future. We intend to retain available funds to be used in the expansion of operations. The success of any investment in USAC Common Stock will depend upon any future appreciation in its value which depends upon the success of our life insurance subsidiaries. We cannot guarantee that our common stock will appreciate in value or achieve or maintain a value equal to the price at which shares were purchased. Further, a market may never develop to sell shares of USAC Common Stock.

CAPITAL RISK - The law requires adequate capital and surplus calculated in accordance with statutory accounting principles prescribed by state insurance regulatory authorities to meet regulatory requirements. The amount of capital and surplus required is based on certain “risk-based capital” standards established by statute and regulation and administered by regulators. The “risk-based capital” system establishes a framework for evaluating the adequacy of the minimum amount of capital and surplus, calculated in accordance with statutory accounting principles, necessary for an insurance company to support its overall business operations. If we fail to maintain required capital levels, our ability to conduct business would be compromised.

DILUTION RISK - We continue to conduct additional offerings of our securities to raise additional capital to fund our growth. In February, 2010, we filed a prospectus with the Kansas Securities Commission to register shares of USAC Common Stock and warrants to purchase USAC Common Stock. In February 2015, we filed a Prospectus with the Kansas Securities Commission to register the common stock to be issued upon the exercise of the warrants, and in January 2016, filed a Supplement to the Prospectus to register an additional 1,500,000 shares of USAC Common Stock. This offering has been renewed annually by post-effective amendments to the original 2015 offering. We also commenced a private placement of USAC Common Stock in North Dakota in 2017. Any additional offerings of USAC securities that we may conduct in the future will reduce the ownership percentage of existing shareholders and be accretive to existing stockholder book value.

KEY EXECUTIVE RISK - The loss of services from a key executive could have a material adverse effect on our ability to execute our business plan. This could hamper profitability, response time, productivity, image, reputation and confidence.

SEC REGISTRATION - USAC is a public company as defined by the securities and exchange commission. As such, we incur significant legal, accounting and other expenses under the Exchange Act and the Sarbanes-Oxley Act of 2002, as well as rules subsequently implemented by the SEC. These rules impose various requirements on public companies, including requiring establishment and maintenance of effective disclosure and financial controls and appropriate corporate governance practices. Our management and other personnel are required to devote a substantial amount of time to these compliance requirements. Moreover, these rules and regulations increase our legal and financial compliance costs and are time-consuming and costly.

EMERGING GROWTH COMPANY - We are an “emerging growth company,” as defined in the JOBS Act. We will remain an “emerging growth company” until the end of fiscal year 2022. However, if our non-convertible debt issued within a three-year period or revenues exceeds $1 billion, or the market value of our ordinary shares that are held by non-affiliates exceeds $700 million on the last day of the second fiscal quarter of any given fiscal year, we would cease to be an emerging growth company as of the following fiscal year. As an emerging growth company, we are not being required to comply with the auditor attestation requirements of section 404 of the Sarbanes-Oxley Act, we have reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and we are exempt from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such an election to opt out is irrevocable. We have elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, will not adopt the new or revised standard until the time private companies are required to adopt the new or revised standard. This may make comparison of our financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult because of the potential differences in accounting standards used.

POTENTIAL ACQUISITION RISK - In addition to our organic growth, we pursue strategic acquisitions of insurance related companies that meet our acquisition criteria. However, suitable acquisition candidates may not be available on terms and conditions that are economically beneficial to us. In pursuing acquisitions, we compete with other companies, who may have greater financial and other resources than us. Further, if we succeed in consummating acquisitions, our business, financial condition and results of operations may be negatively affected.

- An acquired business may not achieve anticipated revenues, earnings or cash flows;
- We may assume liabilities that were not disclosed or exceed estimates;
- We may be unable to integrate acquired businesses successfully and realize anticipated economic, operational and other benefits in a timely manner;
- Acquisitions could disrupt our on-going business, distract our management and divert our financial and human resources;
- We may experience difficulties operating in markets in which we have no or only limited direct experience; and
- There is the potential for loss of customers and key employees of any acquired company.

MARKETING STRATEGY RISK - Premium written depends primarily on our products, product pricing and ability to choose and timely and adequately train and motivate agents, producers, and brokers to sell our products. Large life companies who have greater financial resources, longer business histories, and who may have more products present significant competition to smaller insurance companies. These larger companies also generally have large distribution opportunities which makes it difficult to build a small company.

Independent agents are not required to sell the Company’s products and are free to sell products from other licensed companies. We are committed to working to educate and incentivize independent agents to sell our products.

THE COMPANY’S INVESTMENTS ARE SUBJECT TO MARKET AND CREDIT RISKS - Our invested assets, are subject to customary risks of credit defaults and changes in fair value. Factors that may affect the overall default rate on and fair value of the Company’s invested assets include interest rate levels and changes, availability and cost of liquidity, financial market performance, and general economic conditions.

NO INSURANCE RATING RISK – USACSC, DCLIC, and USALSC-Montana have not been rated by a rating agency. The lack of a rating could result in loss of faith from producers, E&O carriers and consumers looking to get products from a rated company, as well as a negative impact on ability to compete with rated companies.

Insurance ratings reflect the rating agencies' opinion of an insurance company's history, financial strength, operating performance and ability to meet its obligations to policyholders. There can be no assurance that USALSC, DCLIC, or USALSC-Montana will be rated by a rating agency or that any rating, if and when received, will be favorable.

Risks Associated with Companies in the Life Insurance Industry, including USAC and its subsidiaries

GENERAL REGULATORY RISK -All insurance operations are subject to government regulation in each of the states in which they conduct business. Such regulatory authority is vested in state agencies having broad administrative power dealing with all aspects of the insurance business, including premium rates, policy forms, and capital adequacy, and is concerned with the protection of policyholders rather than stockholders. Among other matters, the regulations require prior approval of acquisitions of insurance companies, solvency standards, licensing of insurers and their agents, investment restrictions, deposits of securities for the benefit of policyholders, approval of policy forms and premium rates, periodic examinations, and reserves for unearned premiums, losses and other matters.

Compliance with insurance regulation is costly and time consuming, requiring the filing of detailed annual reports, and the business and accounts are subject to examination by the applicable state insurance regulator.

Increased scrutiny has been placed upon the insurance regulatory framework during the past several years, and certain state legislatures have considered or enacted laws that alter, and in many cases increase, state authority to regulate insurance companies and insurance holding company systems. The National Association of Insurance Commissioners ("NAIC") and state insurance regulators reexamine existing laws and regulations on an ongoing basis, and focus on insurance company investments and solvency issues, risk-based capital guidelines, interpretations of existing laws, the development of new laws, the implementation of non-statutory guidelines and the circumstances under which dividends may be paid. Future NAIC initiatives, and other regulatory changes, may have a material adverse impact on the insurance industry. There is no assurance the regulatory requirements of the departments of insurance of their respective state of domicile or a similar department in any other state in which they may wish to transact business can be satisfied.

Individual state guaranty associations assess insurance companies to pay benefits to policyholders of insolvent or failed insurance companies. The amount of any future assessments to be made from known insolvencies cannot be predicted.

REGULATORY FACTORS RISK – Broad insurance laws in the states we do business give insurance regulators broad regulatory authority. Combined with the Dodd-Frank Wall Street Reform and Consumer Protection Act, this authority can allow regulators to interpret and implement additional rules that may take several years to complete. The ultimate outcome of regulatory rulemaking proceedings cannot be predicted with certainty and the regulations promulgated could have a material impact on consolidated financial results or financial condition.

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

COMPETITION RISK - Large life companies who have greater financial resources, longer business histories, and who may have more products present significant competition to smaller insurance companies. These larger companies also generally have large distribution opportunities which makes product distribution difficult to build a small company.

ASSUMPTION 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. 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 revenues.

LIABILITY RISK - Underestimating future policy benefits results in incurring additional expenses at the time a company becomes aware of the inadequacy. As a result, the ability to achieve profits would suffer as a result of such underestimates.

INTEREST RATE RISK - Spread is the difference between the amounts that the insurance company is required to pay under the contracts and the amounts the insurance company is able to earn on its investments intended to support its obligations under the contracts. 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. Spread is a key component of net income.

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 higher returns. This process may result in cash outflows requiring that an insurance subsidiary sell investments as 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 negatively affect profitability in periods of increasing interest rates. The ability to replace invested assets with higher yielding assets needed to fund higher crediting rates that may be necessary to keep interest sensitive products competitive.

LAPSE AND WITHDRAWAL RISK - Policy lapses in excess of those actuarially anticipated would have a negative impact on 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. In addition, some of our policies allow holders to withdraw all or some of the policy's value, and withdrawals beyond those anticipated could impact our business.

OPERATIONAL RISK - In the insurance industry, successful incorporation and functionality of the internal audit function, the evolution of financial and administrative internal controls to safeguard human, facility and financial assets electronically including anti-fraud initiatives and compliance with anti-money laundering requirements as well as an effective disaster recovery program and effective business continuity programs are necessary.

TAX LAW RISK - Congress considers legislation that could adversely affect the sale of life insurance products compared with other financial products. There can be no assurance as to whether such adverse legislation will be enacted or, if enacted, whether such legislation would contain provisions with possible adverse effects on any annuity and life insurance products that we and our operating subsidiaries develop.

Under the Internal Revenue Code, income taxes payable by policyholders on investment earnings is deferred during the accumulation period of certain life insurance and annuity products. This favorable tax treatment may give certain insurance products a competitive advantage over other non-insurance products. To the extent that the Internal Revenue Code may be revised to reduce the tax-deferred status of life insurance and annuity products, or to increase the tax-deferred status of competing products, insurance companies would be adversely affected with respect to their ability to sell products. Also, depending on grandfathering provisions, the surrenders of existing annuity contracts and life insurance policies might increase. In addition, life insurance products are often used to fund estate tax obligations. We cannot predict what future tax initiatives may be proposed with respect to the estate tax or other taxes which may adversely affect us.

REINSURANCE RISK -In order to manage the risk of financial exposure to adverse underwriting results, reinsurers accept a portion of the risk of other insurance companies. However, the direct insurer remains liable with respect to ceded insurance should any reinsurer fail to meet the obligations assumed by the reinsurer.

COVID-19 RISK - The outbreak and world-wide spread of the COVID-19 pandemic has negatively impacted the global economy, disrupted global supply chains, and created significant volatility and disruption in financial market, and the prolonged impact of COVID-19 could affect various aspects of our business. Following the initial outbreak of the virus, virtually all of USAC's operations were for performed by employees working remotely. We have returned to in-office work, other than occasional temporary office closures due to exposures, and two employees who work remotely due to their geographic locations. While we have not experienced significant disruptions to our business, we have experienced higher claims on our life insurance products in 2021, which may be due in part to the COVID-19 pandemic. In addition, our investment portfolio may be adversely affected as a result of uncertainty surrounding the pandemic and its outcome. While we have taken precautionary measures we deem appropriate in response to the COVID-19 pandemic, the prolonged impact of COVID-19 could negatively affect our business.

Dilution-Accretion

As of December 31, 2021, the Company had an aggregate of 7,745,404 Shares of Common Stock outstanding and a net book value, as reflected on its balance sheet, of $17,581,756 or approximately $2.27 per Share. "Net book value per share" represents the Company's total assets less its liabilities, divided by the number of Shares of Common Stock outstanding.

After giving pro forma effect to the remaining 2015 Offering, and assuming all Additional Shares are purchased, for a total issuance of 948,302 Additional Shares, resulting in additional net proceeds of $5,642,397, the Company will have 8,693,706 Shares of Common Stock outstanding, and a net book value of $2.67 per Share. The Shares offered in the 2015 Offering to additional stockholders will experience an immediate dilution in net book value per Share of $4.33. Such dilution represents the difference between the (i) 2015 Offering Additional Share price per Share and (ii) the net book value per Share immediately after completion of the 2015 Offering (assuming fully subscribed). The increase in book value per Share of Common Stock held by the stockholders as of December 31, 2020 (the "Existing Stockholders") would be solely attributable to the cash paid by purchasers of the Additional Shares.

However, to the extent Subscribers for Additional Shares are Existing Stockholders, such Subscribers will, following the completion of the 2015 Offering, experience an immediate accretion in their Shares.

The following table, which incorporates the preceding assumptions, illustrates such dilution or accretion per Share in net book value upon completion of the 2015 Offering (assuming fully subscribed):

	If completed/maximum offering amount are sold
Price per share of Shares to Purchasers of Additional Shares	$7.00
Net book value per share as of December 31, 2020	$2.27
Increase attributable to additional sale of Shares	$0.40
Pro forma net book value after 2015 Offering	$2.67
Dilution to Additional Share Purchaser	$4.33

Purpose of the Offering and Use of Proceeds

The following table summarizes the anticipated use of the gross proceeds from the sale of the Additional Shares, excluding the actual amount of warrants exercised, and assuming that all Additional Shares offered in the 2015 Offering are sold. It should be noted, however, that these figures are only estimates and are subject to change, particularly if less than all of the Shares being offered are sold. There can be no assurance that actual experience will approach this anticipated use of proceeds.

	Maximum Offering Amount	(%) of Proceeds
Gross Offering Proceeds (excludes effect of oversale)	$10,500,000	100%
Less Offering Expenses:		
Selling Commissions [1]	$1,050,000	10%
Other Offering Expenses [2]	$500,000	4.8%
Net Offering Proceeds [3]	$8,950,000	85.2%
Use of Net Offering Proceeds		
(1) Reserve for Capital Contributions to USALSC	$7,500,000	83.8%
OR		
(a) acquire existing life insurance company; and (b) acquire block of existing business		
(2) Working Capital	$1,450,000	16.2%
Total Uses	$8,950,000	

[1] The table assumes that total commissions will be 10%.

[2] Includes legal, accounting, registration fees, printing and mailing costs in connection with the 2015 Offering. Also includes agent recruiting, training and registration expenses, as well as amounts paid for prizes and bonuses to sales personnel in connection with their sales efforts.

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

The Company

Material Agreements and Partners - Effective January 1, 2013, USALSC entered into a reinsurance agreement with Unified Life Insurance Company (“ULIC”) to assume 20% of a certain block of health insurance policies. This agreement renews annually unless either party provides written notice of its intent not to renew at least 120 days prior to the expiration of the then-current term. The agreement provides for monthly settlement. For the year ended December 31, 2021, USALSC assumed premiums of $4,103,194.

On September 1, 2015, USALSC entered into an agreement to provide certain insurance administrative functions, data processing systems, daily operational services, management consulting, and marketing development to Dakota Capital Life Insurance Company. This agreement has an initial term of 60 months (beginning on September 1, 2015), and requires 90-day advance written notice to terminate. In addition, the agreement requires that certain products will be exclusively administered by USALSC and administrative services with respect to such products may not be transferred without our consent. The agreement provides for monthly settlement. On August 1, 2017, DCLIC became a wholly-owned subsidiary of USALSC as described below. Subsequent to the acquisition of DCLIC, this agreement became an inter-company agreement and is eliminated as a part of the consolidation of the financial statements of the companies.

On August 1, 2017 the Company acquired NPCC pursuant to a Plan and Agreement of Merger dated May 23, 2017, under which Alliance Merger Sub, Inc. (“Acquisition”), a wholly owned subsidiary of the Company, merged with and into Northern Plains (“Merger”) with Acquisition being the surviving company. Pursuant to the agreement, the Company exchanged .5841 shares of the Company’s common stock for each share of Northern Plains common stock, or 1,644,458 shares. Subsequent to the merger, Acquisition was merged into the Company and DCLIC was contributed to USALSC.

On September 30, 2017, USALSC entered into a coinsurance agreement with American Life and Security Corporation (“ALSC”) to assume 100% of a certain block of life insurance policies (the “2017 ALSC Agreement”). USALSC is also the servicer of this block of policies. USALSC paid a ceding commission of $1,850,000 and received $7,153,663 from ALSC. The agreement will remain in effect until all liabilities associated with this block of policies have been satisfied.

On December 14, 2018, USALSC acquired Great Western Life Insurance Company (GWLIC) pursuant to Stock Purchase agreement entered into on October 11, 2018 with Great Western Insurance Company, a wholly-owned subsidiary of American Enterprise Group, Inc. USALSC paid $500,000 to acquire all outstanding shares of GWLIC. Subsequent to the acquisition, GWLIC was renamed US Alliance Life and Security Company – Montana.

On April 15, 2020, with an effective date of January 1, 2020, USALSC entered into a second coinsurance agreement with ALSC (the “2020 ALSC Agreement”) to assume a quota share percentage of a block of annuity policies. As of December 31, 2021, the Company had assumed $51.5 million in annuity deposits under the 2020 ALSC Agreement.

On December 31, 2020, USALSC and ALSC agreed to terminate a portion of the 2017 ALSC Agreement, pursuant to an amendment to the 2017 ALSC Agreement. USALSC transferred assets of $9,282,836 and received a ceding commission of $927,000.

On December 31, 2020, DCLIC entered into an assumption agreement with ALSC where it acquired a certain block of life insurance policies (the "ALSC Assumption Agreement"). Under the ALSC Assumption Agreement, DCLIC becomes directly liable to the policyholders of this block of business. DCLIC received assets equaling $9,282,836 and paid a ceding commission of $927,000 to ALSC.

USAC uses the actuarial firm of Miller & Newberg to provide valuation, pricing and illustration actuarial services for USALSC and DCLIC.

Investments - USAC and USAIC contracted in 2013 with New England Asset Management (NEAM), a Berkshire Hathaway subsidiary, to manage the investments of USALSC and a portion of the investments of USAC. USALSC, DCLIC and USALSC-Montana have investment management agreements with USAIC, who has a sub-advisory agreement with NEAM. DCLIC was added to this agreement on August 1, 2017 and USALSC-Montana was added to this agreement on December 14, 2018. The investment parameters are determined by Kansas law, the KID, the North Dakota Insurance Department, and the Montana Insurance Department, as well as the internal investment policies of USALSC, DCLIC, USALSC-Montana and USAC.

As a part of its 2020 ALSC Agreement, USALSC contracted with 1505 Capital LLC ("1505 Capital") to provide investment services on the assets, including mortgage loan participations, supporting this agreement.

USAC internally manages a portfolio of equities within its investment policy guidelines (as modified from time to time, "Investment Policy"), which consider type of investments and investment instruments, and establishes diversification benchmarks to help manage investment risk. USAC's investment in its subsidiaries is managed outside of its Investment Policy.

The USAC Investment Policy may be modified by USAC's Board of Directors (the "Board" or "Board of Directors") in compliance with applicable law.

The following summarizes USAC's Investment Policy, effective September 13, 2018 as amended:

Approved Investment Instruments. We may invest in the following approved investment classes in accordance with the restrictions and subject to the benchmark ranges set forth in our Investment Policy and described below:

- ♦ United States Government Securities - bonds or other evidences of indebtedness that are fully guaranteed or insured by the U.S. Government or any agency or instrumentality thereof.

- ♦ Securities of the District of Columbia, State, Insular or Territorial Possession Government of the United States - bonds or other evidences of indebtedness, without limitation, of the District of Columbia, State, or any political subdivision of such, or Insular or Territorial Possession of the United States.

- ♦ Canadian Government, Provincial and Municipal Obligations - bonds or other evidences of indebtedness issued by the Dominion of Canada, or by any Province thereof, or by any municipality, agency or instrumentality thereof.

- ♦ Interests - preferred stocks, common stocks, mutual funds, exchange traded funds, master limited partnerships and other securities representing equity ownership interests in a corporation, provided that we may not own more than 2% of any corporation, mutual fund, exchange traded fund, master limited partnership or other equity security.

- ♦ Real Estate - real estate for use in the operations of the Company, which we refer to as "Home Office Real Estate," or for the production of income. We may also invest in shares of beneficial interest in or obligations issued by a Real Estate Investment Trust qualified under pertinent sections of the United States Internal Revenue Code.

- ♦ Mortgage Loans - first-lien mortgage loans on commercial or residential property with loan to value of no greater than 80% at the time of purchase.

- ♦ Collateral Loans - loans secured by collateral consisting of a pledge of bonds, mortgages, securities, stock or evidence of indebtedness qualified in article 2b of chapter 40 of the Kansas Statutes Annotated, and amendments thereto. Except, the amount of the loan shall not exceed 80% of the market value of the asset securing the loan. In addition, all restrictions, limitations or conditions placed on any investment authorized within article 2b of chapter 40 of the Kansas Statutes Annotated, and amendments thereto, shall apply to the collateral pledged to the payment of loans authorized in this section.

♦ Mortgage - Backed Securities - mortgage-backed securities issued by the Federal Home Loan Mortgage Corporation (Freddie Mac), Federal National Mortgage Association (Fannie Mae), or a private entity. Any such securities must be rated investment grade by Moody's, S&P or Fitch.

♦ Asset-Backed Securities - asset-backed securities designated as investment grade by Moody's, S&P or Fitch or the equivalent rating by another nationally recognized statistical rating organization.

♦ Certificates of Deposit, Time Deposits, Overnight Bank Deposits, Banker's Acceptances and Repurchase Agreements - certificates of deposit, time deposits, overnight bank deposits, banker's acceptances issued by federally insured banks with maturities of 270 days or less from the date of acquisition, repurchase agreements with acceptable collateral and maturities of 270 days or less from date of acquisition.

♦ Commercial Paper - commercial paper of US corporations that are rated at least "A-2" by S&P or "P-2" by Moody's or the equivalent rating of another nationally recognized statistical rating organization if S&P or Moody's cease publishing ratings of these securities, and have maturities of 270 days or less from the date of acquisition.

♦ Money Market Accounts or Funds - money market accounts or funds that meet the following criteria:

- A substantial portion of the assets of the money market account or fund must be comprised of certain qualifying investments instruments;
- Issuers of the fund or account's investments must have a combined capital and surplus in excess of $500,000,000;
- Maturities of 270 days or less from the date of acquisition;
- Have net assets of not less than $500,000,000; and
- Have the highest rating available of S&P, Moody's, or Fitch, or carry an equivalent rating by a nationally recognized statistical rating organization if the named rating agencies cease publishing ratings of investments.

➢ *Diversification.* Our portfolio is constructed to diversify risk with respect to asset class, geographical location, quality, maturity, business sector and individual issuer and issue concentrations.

➢ *Benchmarks.* We benchmark the allocation of our investments based on the criteria set forth in the table below to help assure our investments are appropriately diversified. The benchmarks may change to respond to market conditions. Based on market conditions and other considerations, investments in the approved investment instruments described are maintained in the following ranges:

% of Portfolio Cost Value

Asset Class	**Minimum**	**Maximum**
Cash/Short Term	0%	100%
Investment Grade Fixed Income	20%	100%
High Yield Fixed Income	0%	15%
Equity	0%	50%
Mortgage and Mortgage related	0%	50%
Real Estate (including REITs)	0%	20%

The Executive Committee of our Board of Directors may modify the above benchmark ranges at any time deemed appropriate based on current conditions. Any such modifications will be subject to approval by the full Board of Directors at its next regularly scheduled meeting. USALSC's, DCLIC's, and USALSC-Montana's investment policy, as a regulated insurance entity, contains additional investment limitations as required by law.

- *Reporting.* The President, CEO, or their respective designees provide monthly reports to the Board of Directors reflecting the securities purchased and sold during the month, securities held at the end of the month, current benchmarks and an overall evaluation of the portfolio's investment performance.

- *Compliance Measurement*. The limits shall be based on the total invested assets of US Alliance Corporation and all its subsidiaries.

Marketing and Distribution - USALSC and DCLIC use independent consultants and referrals to market its products and build distribution channels among funeral homes, banks, accountants, independent insurance agencies, agents, insurance brokerage firms, business owners and other distribution channels as opportunities arise. USALSC and DCLIC works with other insurance companies who have captive or non-captive agents to broaden their product offerings.

Employees - As of December 31, 2021, USAC and its subsidiaries have twelve full-time employees and one part-time employee.

Reports to Security Holders - We provide reports to our stockholders, along with our audited year-end financial statements. In addition, all periodic reports and other information we file with the U.S. Securities and Exchange Commission (the "SEC") are available for inspection and copying at the public reference facilities of the Securities and Exchange Commission located at 100 F Street N E, Washington, D C 20549.

Copies of such material may be obtained by mail from the Public Reference Section of the Securities and Exchange Commission, 100 F Street, N E, Washington, D.C. 20549, at prescribed rates.

Information on the operation of the Public Reference Room may be obtained by calling the SEC at l-800-SEC-0330. In addition, the Commission maintains a World Wide Website on the Internet at: http://www.sec.gov that contains reports, proxy and information statements and other information regarding registrants, including USAC, that file electronically with the SEC. You may also find this information on our website (http://www.usalliancecorporation.com).

Legal Proceedings - Neither the Company nor any of its principals are presently engaged in any material pending litigation which might have an adverse impact on its net assets.

Products, the Business and Marketing Plan

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. USALSC currently offers the following eight product categories:

- Solid Solutions Term Life Series®, Registered Trademark No. 4,740,828. This simplified issue term life insurance product is designed to provide coverage with a face value of $250,000 or less. This product features limited underwriting and is offered with 10, 20, 25, and 30 year terms.

- Sound Solutions Term Life Series®, Registered Trademark No. 4,740,827. This is a fully underwritten term life insurance product designed to provide coverage for higher face amounts. This product features multiple risk classifications and is offered with 15, 20, 25 and 30 year terms.

- Pioneer Whole Life. This is a traditional whole life insurance product designed to provide permanent coverage with a limited premium paying period. This product is sold with death benefits typically ranging from $25,000 to $100,000.

- Legacy Juvenile Series®, Registered Trademark No. 4,577,835. This product is term life insurance to age 25 available for purchase on children up to the age of 16 in an amount of $10,000 or $20,000 with a one-time premium payment.

- American Annuity Series®, Registered Trademark No. 4,582,074. This product is a flexible premium deferred annuity with initial rates guaranteed for five years by company practice.

- Thoughtful Pre-Need Series®, Registered Trademark No. 4,620,073. This series of products includes a single or multiple pay premium pre-need whole life insurance policy sold by funeral directors who are licensed by the KID in conjunction with a preplanned funeral. This product is typically sold with smaller death benefits than our traditional Pioneer Whole Life.

- Group Products. This is a series of group non-medical insurance products developed for the small group marketplace. These products are sold to employers and provide benefits for their employees. Our group suite of products includes group term life insurance, group long term disability, and group short term disability.

- Critical Illness. This individual policy provides cash benefits to the insured should certain defined illnesses or injuries occur.

Our single pay life products (which include our Juvenile and Pre-Need products) accounted for 62% of 2021 direct premium revenue. Our individual life and Critical Illness products (which include Term Life and Whole Life products) accounted for 23% of 2021 direct premium revenue. Our group products accounted for 15% of 2021 direct written premiums.

USALSC seeks opportunities to develop and market additional products.

Our business model also seeks the acquisition by USAC and/or its subsidiaries of other insurance and insurance related companies, including third-party administrators, marketing organizations, and rights to blocks of insurance business through reinsurance or other transactions.

Currently, USALSC has the following strategic alliances:

1. NEAM, a wholly-owned subsidiary of Berkshire Hathaway, serves as the investment manager for USALSC, DCLIC, USALSC-Montana, and USAC and the proceeds of this public offering;

2. Optimum Re, an A- rated company, provides reinsurance for USALSC and DCLIC on Solid Solutions Term and Pioneer Whole Life products;

3. Gen Re Life Corporation, wholly-owned subsidiary of Berkshire Hathaway, an A++ rated company, provides reinsurance for USALSC and DCLIC on the Sound Solutions Term and Group Life products;

4. Hartford Group Reinsurance Plus, an A rated insurance company, provides reinsurance for USALSC and DCLIC on our short term and long term group disability products;

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

6. Kerber, Eck & Braeckel LLP provides audit services for USAC and its subsidiaries;

7. MarksNelson, provides statutory and GAAP accounting support for USALSC, DCLIC and USALSC-Montana;

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

9. USALSC provides certain insurance administrative functions, data processing systems, daily operation services, management consulting, and marketing development services for Dakota Capital Life Insurance Company. As of December 31, 2019, we are providing administrative services on over 700 policies;

10. Miller & Newberg, Inc. provides actuarial services for USALSC, DCLIC and USALSC - Montana; and

11. Century Dynamic Technology Solutions provides IT solutions for USAC and its subsidiaries.

We are authorized in Kansas, North Dakota, South Dakota, Missouri, Nebraska, Montana, Oklahoma, and Wyoming. Our distribution channel base consists of over 750 producers in seven states in which we have operating authority.

We continue to develop our fully integrated online systems for applications and enrollments.

We intend to aggressively pursue distribution reinsurance agreements with other small life insurance companies. Currently we have those relationships with Unified Life Insurance Company (Texas) and Dakota Capital Life Insurance Company (North Dakota).

We intend to continue our relationship with the Kansas Funeral Directors Trust and look for expansion opportunities therein.

Goals outlined in our business plan for 2022 include:

A. Maintain Risk Based Capital No Less Than 350%

B. Increase Organic Sales
   1. Enhance current distribution network opportunities
   2. Attract 1099 independent producers
   3. Contactless Transactions
   4. Develop Relationship Based Producers
   5. Use nimbleness (As a small company, our ability to be nimble and make quick decisions is an advantage. We seek to use this advantage to seek opportunities that we might not otherwise be able to entertain.)
   6. Increase distribution
      a. Joint venture/TPA/distribution
      - Product distribution
        - Rated companies
        - Nationwide authority
      - Critical illness joint venture with
        - Unified Life
        - GenRe

C. Technology
   1. Significant & User-Friendly Access
   2. Update Agent Portals
   3. Use Data to mine for opportunities

D. Third Party Administration
   1. Continue Fraternal Strategy
   2. Offer products in exchange for TPA

E. Blocks of Business – Repeat American Life and Security Corp. Transaction
    1. Accretive
    2. Manageable
    3. Fit Our Conservation Strategy
    4. Reinsurance Contracts
    5. Joint ventures with rated companies

F. Life Company Acquisition

G. Maintain & Grow Our Relationship with Kansas Insurance Dept.
    1. Maintain & Grow Our Relationship with North Dakota Insurance Dept. (DCLIC)
    2. Maintain & Grow Our Relationship with Montana Insurance Dept. (USALSC-Montana)

H. Develop, Manage Relationships in States with Certificate of Authority
    1. Missouri
    2. Nebraska
    3. Oklahoma
    4. South Dakota (DCLIC)

I. Expand authority to 25 states

J. Utilize Membership in Federal Home Loan Bank
    1. Capital & Surplus Strategy
    2. Mortgage Strategy
    3. Leverage Strategy

K. Independent Insurance Agents

Our producers fall into the following categories: funeral directors, independent insurance agents, tax preparers, accountants, bankers, and group insurance brokers.

There is no assurance USAC will successfully and timely implement these strategies and if other opportunities arise, management may elect to alter this strategy. Proceeds realized from this offering increase the probability USAC can execute, and/or alter its business plan, successfully.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our condensed consolidated financial statements and notes thereto included in this Form 10-K. In connection with, and because we desire to take advantage of, the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, we caution readers regarding certain forward looking statements in the following discussion and elsewhere in this report and in any other statement made by, or on our behalf, whether or not in future filings with the Securities and Exchange Commission. Forward looking statements are statements not based on historical information and which relate to future operations, strategies, financial results or other developments. Forward looking statements are necessarily based upon estimates and assumptions that are inherently subject to significant business, economic and competitive uncertainties and contingencies, including those relating to the Covid-19 pandemic, many of which are beyond our control and many of which, with respect to future business decisions, are subject to change. These uncertainties and contingencies can affect actual results and could cause actual results to differ materially from those expressed in any forward looking statements made by, or on our behalf. We disclaim any obligation to update forward looking statements.

Overview

USAC was formed as a Kansas corporation on April 24, 2009 for the purpose of raising capital to form a new Kansas-based life insurance company. We presently conduct our business through our five wholly-owned subsidiaries: USALSC, a life insurance corporation; DCLIC, a life insurance corporation; USALSC-Montana, a life insurance corporation; USAMC, an insurance marketing corporation; and USAIC, an investment management corporation

On January 2, 2012, USALSC was issued a Certificate of Authority to conduct life insurance business in the State of Kansas. We began third party administrative services in 2015.

On August 1, 2017, the Company merged with Northern Plains Capital Corporation with the Company being the ultimate surviving entity. As a result of this merger, the Company acquired Dakota Capital Life Insurance Company which became a wholly owned subsidiary of USALSC.

On December 14, 2018, the Company acquired Great Western Life Insurance Company. Great Western Life Insurance Company was renamed US Alliance Life and Security Company – Montana and is a subsidiary of USALSC.

The Company assumes business under three reinsurance treaties. On January 1, 2013, the Company entered into an agreement to assume 20% of a certain block of health insurance policies from Unified Life Insurance Company. On September 30, 2017, the Company entered into the 2017 ALSC Agreement to assume 100% of a certain block of life insurance policies from ALSC. On April 15, 2020, with an effective date of January 1, 2020, the Company entered into the 2020 ALSC Agreement to assume a quota share percentage of a block of annuity policies. As of December 31, 2021, the Company had assumed $51.5 million in annuity deposits under the 2020 ALSC Agreement. Effective December 31, 2020 USALSC entered into an agreement with ALSC, which provided for ALSC to recapture all reserves previously ceded to USALSC with respect to a portion of the 2017 ALSC Agreement. USALSC and ASLC agreed that the commuted business shall be discharged by USALSC’s transfer of invested assets and cash in the amount of $9,181,100. As part of the transaction the Company released $10,972,785 in reserve liabilities and $1,146,156 of deferred acquisition costs, resulting in a commutation gain of $543,794, which is recorded in other income for the year ended December 31, 2020.

Critical Accounting Policies and Estimates

Our accounting and reporting policies are in accordance with GAAP. Preparation of the consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. The following is an explanation of our accounting policies and the estimates considered most significant by management. These accounting policies inherently require significant judgment and assumptions and actual operating results could differ significantly from management’s estimates determined using these policies. We believe the following accounting policies, judgments and estimates are the most critical to the understanding of our results of operations and financial position. A detailed discussion of significant accounting policies is provided in this report in the Notes to Consolidated Financial Statements included with this annual report.

Valuation of Investments

The Company's principal investments are in fixed maturity, mortgages, and equity securities. Fixed maturity and equity securities, classified as available for sale, are carried at their fair value in the consolidated balance sheets, with unrealized gains or losses recorded in comprehensive income (loss). Our fixed income investment manager utilizes external independent third-party pricing services to determine the fair values of investment securities available for sale.

We have 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. NEAM and 1505 Capital, our investment managers, provide support to the Company in making these determinations.

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. Our membership in the Federal Home Loan Bank ("FHLB") provides additional liquidity which further reduces the likelihood that we would be required to sell a security prior to recovery. 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.

Deferred Acquisition Costs

Incremental direct costs, net of amounts ceded to reinsurers, that result directly from and are essential to a product sale and would not have been incurred by us had the sale not occurred, are capitalized, to the extent recoverable, and amortized over the life of the premiums produced. Recoverability of deferred acquisition costs is evaluated periodically by comparing the current estimate of the present value of expected pretax future profits to the unamortized asset balance. If this current estimate is less than the existing balance, the difference is charged to expense.

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.

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.

VOBA is also reviewed on an ongoing basis to determine that the unamortized portion does not exceed the expected recoverable amounts. If it is determined from emerging experience that the premium margins or gross profits are less than the unamortized value of business acquired, then the asset will be adjusted downward with the adjustment recorded as an expense in the current period.

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.

Reinsurance

In the normal course of business, we seek to limit aggregate and single exposure to losses on risk 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. We diversify our credit risks related to reinsurance ceded. Reinsurance premiums are generally reflected in income in a manner consistent with the recognition of premiums on the reinsured contracts. Reinsurance does not extinguish our primary liability under the policies written. We regularly evaluate the financial condition of our reinsurers including their activities with respect to claim settlement practices and commutations, and establish allowances for uncollectible reinsurance recoverable as appropriate.

Future Policy Benefits

We establish 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 using 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. Such liabilities are reviewed quarterly by an independent consulting actuary.

Income Taxes

Deferred tax assets are recorded based on the differences between the financial statement and tax basis of assets and liabilities at the enacted tax rates. The principal assets and liabilities giving rise to such differences are investments, insurance reserves, and deferred acquisition costs. A deferred tax asset valuation allowance is established when there is uncertainty that such assets would be realized. We have no uncertain tax positions we believe are more-likely-than-not that the benefit will not to be realized.

Recognition of Revenues

Revenues on traditional life insurance products consist of direct and assumed premiums reported as earned when due.

Amounts received as payment for annuities are recognized as deposits to policyholder account balances and included in future insurance policy benefits. Revenues from these contracts are comprised of investment earnings of the deposits, 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.

Embedded Derivatives

The Company has entered into coinsurance funds withheld arrangement with ALSC 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).

Funds Withheld under Coinsurance Agreement

Funds withheld under coinsurance agreement represent amounts contractually withheld by a ceding company in accordance with the 2020 ALSC Agreement. 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 above. Under the terms of the 2020 ALSC Agreement the Company may assume custody of the assets in the funds withheld account once the Company attains its "Qualified Institutional Buyer" designation (as that term is defined in Rule 144A under the Securities Act of 1933, as amended, which is anticipated to be achieved in the first quarter of 2022. The Company will record the funds withheld assets at fair value on the date of transfer, which will eliminate the embedded derivative component associated with the 2020 ALSC Agreement.

Mortgage Loans on Real Estate

Mortgage loans on real estate, including mortgage loan participations, 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.

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 collectibility 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 net investment gains (losses) 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.

Mergers and Acquisitions

On May 23, 2017 the Company entered into a definitive merger agreement with Northern Plains Capital Corporation. The merger transaction closed onAugust 1, 2017. NPCC shareholders received .5841 shares of US Alliance Corporation stock for each share of NPCC stock owned. USAC issued 1,644,458 shares of common stock to holders of NPCC shares.

On October 11, 2018 the Company entered into a stock purchase agreement with Great Western Insurance Company to acquire Great Western Life Insurance Company. The transaction closed on December 14, 2018. USALSC paid $500,000 to acquire all of the outstanding shares of GWLIC.

Effective December 31, 2020, DCLIC acquired a block of life insurance policies according to the terms of an assumption agreement with ALSC. The Company acquired fixed maturity securities and cash of $9,181,100, assumed liabilities of $10,972,785 and recorded VOBA of $2,163,542.

New Accounting Standards

A detailed discussion of new accounting standards is provided in the Notes to Consolidated Financial Statements beginning on p. F-7 of this annual report.

Discussion of Consolidated Results of Operations

Total Income. Insurance revenues are primarily generated from premium revenues and investment income. Insurance revenues for the years ended December 31, 2021 and 2020 are summarized in the table below.

	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**

Our 2021 total income increased to $17,589,245, an increase of $1,317,340 or 8% from the 2020 total income of $16,271,905. The increase is driven by increases in our premium income and net investment income. The Company was required to implement a new accounting standard in 2019 which results in unrealized gains and losses on equity securities being included in total income. This standard continues to result in increased volatility in total income.

The following graph summarizes our four-year trend of total income:

Premium income: Premium income for 2021 was $11,792,063 compared to $10,117,110 in 2020, an increase of $1,674,953 or 17%. The increase was driven by an increase in direct single and recurring premiums. Even though it is a reduction in revenue, ceded premium increases reflect the growth of our group policy premiums as we focused on small companies to assist them with their employee benefits.

Direct, assumed and ceded premiums for the years ended December 31, 2021 and 2020 are summarized in the following table.

	Years Ended December 31,	
	2021	**2020**
Direct	**$ 8,566,404**	$ 6,358,043
Assumed	**4,301,496**	4,682,634
Ceded	**(1,075,837)**	(923,567)
Total	**$ 11,792,063**	$ 10,117,110

The Company continuously searches for new product and distribution opportunities to continue to increase premium production on both a direct and assumed basis.

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 income for 2021 was $5,336,048, compared to $3,552,261 in 2020, an increase of $1,783,787 or 50%. This increase in investment income is primarily a result of increased invested assets as a result of our premium income, annuity deposits, and the 2020 ALSC Agreement.

Net investment gains (losses): Net investment gains for 2021 were $142,280, compared to gains of $1,967,014 for 2020, a decrease of $1,824,734. The decrease in net investment gains is attributable to strong 2020 investment gains. Net investment gains for 2021 were comprised of $87,712 of unrealized losses in our equity portfolio and funds withheld asset and realized gains of $229,992. Net investment gains for 2020 were comprised of $952,667 of unrealized gains in our equity portfolio and funds withheld asset and realized gains of $1,014,347. Realized gains and losses related to the sale of securities for the years ended December 31, 2021 and 2020 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

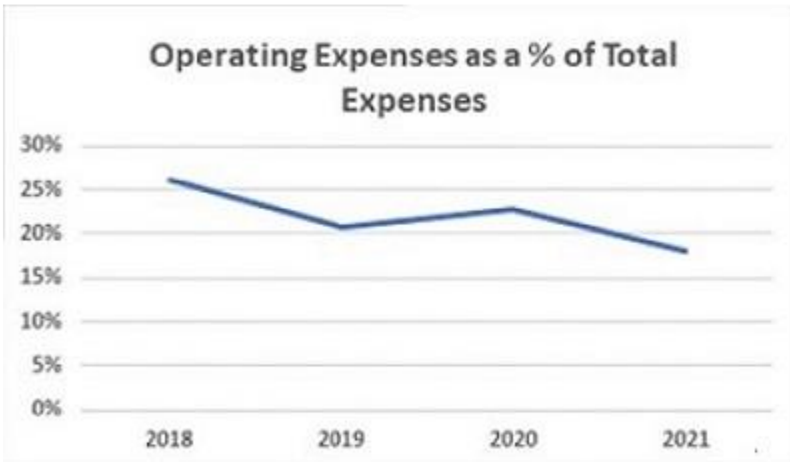
Other income: Other income for the year ended December 31, 2021 was $318,854 compared to $635,520 in 2020, a decrease of $316,666. The decrease in other income is the result of a gain in 2020 related to the partial recapture of our 2017 ALSC Agreement partially offset by rent collected from a building acquired in late 2020.

<u>Expenses</u>. Expenses for the year ended December 31, 2021 and 2020 are summarized in the table below.

	Years Ended December 31, 2021	2020
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

The following chart and graph summarizes our four-year expense trend:

Year	Increase in Policyholder Reserves	Other Policy-related Expenses	Operating Expenses	Total Expenses	% of Operating Expense to Total Expense
2018	2,766,169	6,028,730	3,120,524	11,915,423	**26%**
2019	2,599,575	6,737,672	2,460,989	11,798,236	**21%**
2020	3,359,609	8,964,121	3,649,000	15,972,730	**23%**
2021	4,063,488	10,627,532	3,244,412	17,935,432	**18%**



Increases in policyholder reserves represents funds that we maintain and invest for the future benefit of our policyholders. Other policy-related expenses represent the other expenses associated with fulfilling our obligations to our policyholders and producers. Operating expenses represent the costs to operate the company.

Death claims: Death benefits were $2,314,682 in the year ended December 31, 2021 compared to $1,943,563 for 2020, an increase of $371,119 or 19%. This increase is attributable to our growing block of in-force pre-need life insurance policies. We expect these claims to grow as we continue to increase the size of our in-force business. The COVID-19 pandemic has increased mortality rates for the entire United States population.

Policyholder benefits: Policyholder benefits were $6,238,032 in the year ended December 31, 2021 compared to $5,248,470 in 2020, an increase of $989,562 or 19%. The primary driver of this increase is the growth of interest credited on our direct and assumed annuities.

Increase in policyholder reserves: Policyholder reserves increased to $4,063,488 in the year ended December 31, 2021, compared to $3,359,609 in 2020, an increase of $703,879 or 21%. The growth in reserves is the result of increased pre-need premiums.

Commissions, net of deferrals: The Company pays commissions to the ceding company on a block of assumed policies as well as commissions to agents on directly written business. Commissions, net of deferrals, were $772,053 in the year ended December 31, 2021, compared to $781,400 in 2020, a decrease of $9,347. This decrease is due to a changing mix of premiums.

Amortization of deferred acquisition costs: The amortization of deferred acquisition costs ("DAC") was $1,210,345 in the year ended December 31, 2021, compared to $970,386 in 2020, an increase of $239,859 or 25%. The increase is driven by the amortization of costs deferred in conjunction with the 2020 ALSC Agreement.

The increase in single pay pre-need policies, where commissions are deferred and immediately amortized, also contributed to this increase.

Amortization of value of business acquired: The amortization of value of business acquired ("VOBA") was $92,420 in the year ended December 31, 2021 compared to $20,302 in 2020. In 2021, we began to amortize VOBA associated with DCLIC's acquisition of policies from ALSC. VOBA is being amortized straight-line over 30 years.

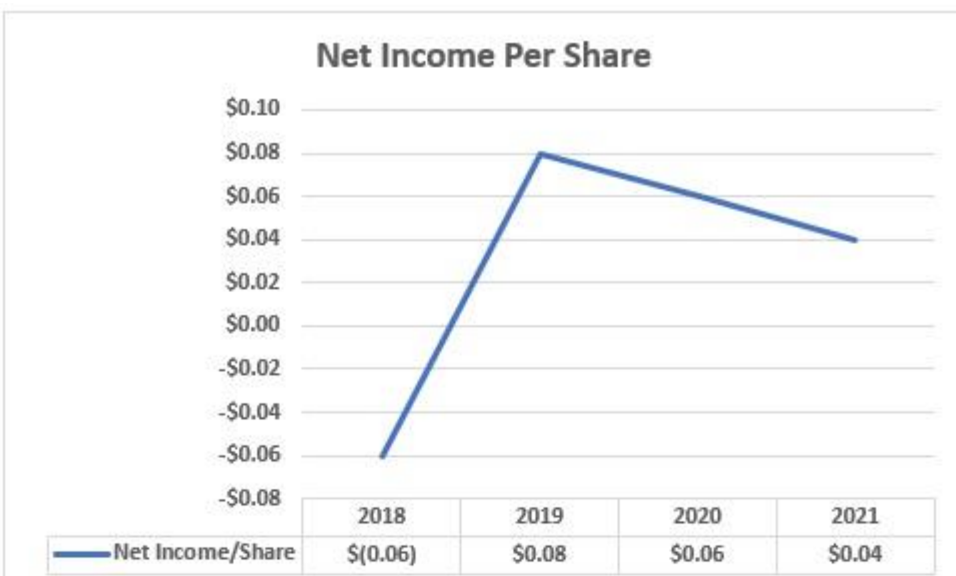
Salaries and benefits: Salaries and benefits were $1,350,851 for the year ended December 31, 2021, compared to $1,219,534 in 2020, an increase of $131,317 or 11%. The increase was driven by increased employee compensation costs and additional team members.

Other expenses: Other operating expenses were $1,893,561 in the year ended December 31, 2021, compared to $2,429,466 in 2020, a decrease of $535,905 or 22%. Operating costs were driven lower due primarily to the non-recurrence of two large 2020 expenditures (our pre-paid software asset being recognized as an expense of $250,000 and expenses associated with implementing a new disability reinsurance program totaling $50,000) as well as reduced operating costs in 2021.

Federal income tax benefit: In the year ended December 31, 2021, the Company recognized a deferred income tax benefit of $680,542. In the year ended December 31, 2020, the Company recognized a deferred income tax benefit of $140,274. These benefits are the result of reductions in the deferred tax asset valuation allowance.

Net Income: Our net income was $334,355 in the year ended December 31, 2021 compared to net income of $439,449 in 2020, a decrease of $105,094. Our net income per share was $0.04 compared to net income per share of $0.06 in 2020, basic and diluted.

The following graph illustrates our four-year trend of net income per share:



Discussion of Consolidated Balance Sheet

Assets. Assets have increased to $121,484,834 as of December 31, 2021, an increase of $6,097,738 or 5% from December 31, 2020 assets of $115m574,997. This is primarily the result of growth in our funds withheld asset and cash and cash equivalents.

Available for sale fixed maturity securities: As of December 31, 2021, we had available for sale fixed maturity assets of $37,942,657, an increase of $265,079 or 1% from the December 31, 2020 balance of $37,677,578. The increase is driven by purchases of additional fixed maturity securities partially offset by a decrease in the market value of these securities. If we hold our fixed maturity securities to maturity any change in market value is temporary.

Equity securities, at fair value: As of December 31, 2021, we had equity assets of $9,157,193, a decrease of $64,381 or 1% from the December 31, 2020 balance of $9,221,574. This decrease is the result of normal investment activity.

Mortgage loans on real estate: As of December 31, 2021, we had mortgage loans on real estate of $3,653,142 an increase of $487,006 or 15% from the December 31, 2020 balance of $3,166,136. The increase is the result of acquiring additional mortgage loan participations.

Funds withheld under coinsurance agreement, at fair value: As of December 31, 2021, we had funds withheld assets of $49,018,974, an increase of $2,188,898 or 5% from the December 31, 2020 balance of $46,830,076. The growth represents investment returns in the funds withheld account.

Policy loans: As of December 31, 2021, our policy loans were $173,341, an increase of $9,616 or 6% from the December 31, 2020 balance of $163,725. The increase is a result of normal policy loan activity.

Real estate, net of depreciation: As of December 31, 2021, we had real estate assets of $1,403,137 related to the purchase of our home office building, a decrease of $12,606 from the December 31, 2020 balance of $1,415,743. The decrease is the result of depreciation.

Cash and cash equivalents: As of December 31, 2021, we had cash and cash equivalent assets of $7,955,348, an increase of $3,634,589 or 84% from the December 31, 2020 balance of $4,320,759. This increase was the result of cash being prepared for deployment into invested assets.

Investment income due and accrued: As of December 31, 2021, our investment income due and accrued was $698,504 compared to $423,036 as of December 31, 2020, an increase of $275,468 or 65%. This increase is attributable to investment activity.

Reinsurance related assets: As of December 31, 2021, our reinsurance related assets were $3,438 compared to $165,082 as of December 31, 2020, a decrease of $161,644. This decrease is the result of changes in the net settlement due to/from ALSC under our 2020 ALSC Agreement.

Deferred acquisition costs, net: As of December 31, 2021, our deferred acquisition costs were $6,354,875 compared to $7,105,890 as of December 31, 2020, a decrease of $751,015 or 11%. The decrease is the amortization of DAC related to our 2020 ALSC Agreement.

Value of business acquired, net: As of December 31, 2021 our value of business acquired asset was $2,610,813 compared to $2,703,233 as of December 31, 2020, a decrease of $92,420 or 3%. The decrease is the result of amortization of VOBA.

Property, equipment and software, net: As of December 31, 2021 our property, equipment and software assets were $92,785, an increase of $54,967 from the December 31, 2020 balance of $37,818. This increase is the result of renovation of our home office.

Goodwill: As of December 31, 2021 and December 31, 2020, our goodwill was $277,542. Goodwill was established as a result of our merger with NPCC. We have determined that there has been no impairment to our goodwill balance.

Deferred tax asset, net of valuation allowance: The Company had a net deferred tax asset of $1,560,767 as of December 31, 2021. The Company had a net deferred tax asset of $243,257 as of December 31, 2020 and the resulting change in deferred tax asset was recorded as a deferred tax benefit and as a reduction in other comprehensive income.

Other assets: As of December 31, 2021, our other assets were $582,318, a decrease of $1,053,329 or 65% from the December 31, 2020 balance of $1,635,647. This decrease was driven by a receivable balance due to DCLIC paid in 2021.

Liabilities. Our total liabilities were $103,903,078 as of December 31, 2021, an increase of $6,920,773 or 7% from our December 31, 2020 liabilities of $96,982,305. This increase is driven by growth in our policy liabilities.

Policy liabilities: Our total policy liabilities as of December 31, 2021 were $101,026,942 compared to $93,459,080 as of December 31, 2020, an increase of $7,567,862 or 8%. This increase is the result of the growth of our in-force business.

Accounts payable and accrued expenses: As of December 31, 2021, our accounts payable and accrued expenses were $689,065 compared to $1,507,756 as of December 31, 2020, a decrease of $818,691 or 54%. The decrease is driven by the settlement in the first quarter of a payable to ALSC related to the partial termination of our 2017 ALSC Agreement offset by income tax payable.

Federal Home Loan Bank advance: As of December 31, 2021 and December 31, 2020, the Company has outstanding advances of $2,000,000 with the Federal Home Loan Bank of Topeka. The advances were taken to create liquidity and investment opportunities.

Shareholders' Equity. Our shareholders' equity was $17,581,756 as of December 31, 2021, a decrease of $823,035 from our December 31, 2020 shareholders' equity of $18,404,791. The reduction in shareholders' equity was driven by a decrease in other comprehensive income offset by our net income. Other comprehensive income consists of the unrealized gains and losses on our fixed maturity portfolio. The decrease in other comprehensive income is the result of higher interest rates which decreases the market value of our fixed maturity securities.

Investments

Our investment philosophy is reflected by the allocation of our investments. We emphasize investment grade debt securities with smaller holdings in equity securities, mortgages and other investments as well as a significant funds withheld investment as a result of the 2020 ALSC Agreement. The following table shows the carrying value of our investments by investment category and cash and cash equivalents, and the percentage of each to total invested assets as of December 31, 2021 and December 31, 2020.

	December 31, 2021		December 31, 2020	
	Fair Value	Percent of Total	Fair Value	Percent of Total
Fixed maturities:				
US Treasury securities	$ 447,765	0.4%	$ 702,916	0.7%
Corporate bonds	21,321,279	19.6%	22,947,811	22.4%
Municipal bonds	6,963,358	6.4%	6,796,654	6.6%
Redeemable preferred stocks	3,621,526	3.3%	2,990,215	2.9%
Mortgage backed and asset backed securities	5,588,729	5.1%	4,239,982	4.1%
Total fixed maturities	37,942,657	34.8%	37,677,578	36.7%
Mortgage loans	3,653,142	3.3%	3,166,136	3.1%
Equities:				
Common stock	7,319,584	6.7%	6,808,944	6.6%
Preferred stock	1,837,609	1.7%	2,412,630	2.4%
Total equities	9,157,193	8.4%	9,221,574	9.0%
Funds withheld	49,018,974	44.9%	46,830,076	45.6%
Real estate, net of depreciation	1,403,137	1.3%	1,415,743	1.4%
Cash and cash equivalents	7,955,348	7.3%	4,320,759	4.2%
Total	$109,130,451	100.0%	$102,631,866	100.0%

The total value of our investments and cash and cash equivalents increased to $109,130,451 as of December 31, 2021 from $102,631,866 at December 31, 2020, an increase of $6,498,585 or 6%. Increases in investments are primarily attributable to growth in our cash and cash equivalents and in our funds withheld asset.

The following table shows the distribution of the credit ratings of our portfolio of fixed maturity securities by carrying value as of December 31, 2021 and 2020.

	December 31, 2021		December 31, 2020	
	Fair Value	Percent of Total	Fair Value	Percent of Total
AAA and U.S. Government	$ 914,862	2.4%	$ 1,160,359	3.1%
AA	9,999,588	26.4%	8,219,481	21.8%
A	8,140,616	21.5%	8,587,743	22.8%
BBB	15,719,874	41.3%	16,060,510	42.6%
BB	2,986,117	7.9%	3,462,685	9.2%
Not Rated - Private Placement	181,600	0.5%	186,800	0.5%
Total	$37,942,657	100.0%	$37,677,578	100.0%

The amortized cost and fair value of debt securities as of December 31, 2021 and 2020, by contractual maturity, are shown below. Equity securities do not have stated maturity dates and therefore are not included in the following maturity summary. Actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	As of December 31, 2021 Amortized Cost	As of December 31, 2021 Fair Value	As of December 31, 2020 Amortized Cost	As of December 31, 2020 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

Market Risk of Financial Instruments

We hold a diversified portfolio of investments that primarily includes cash, bonds, equity securities, mortgage loans, and funds withheld under the 2020 ALSC Agreement. Each of these investments is subject to market risks that can affect their return and their fair value. A significant percentage of the investments are fixed maturity securities including debt issuances of corporations, US Treasury securities, or securities issued by government agencies. The primary market risks affecting the investment portfolio are interest rate risk, credit risk, and equity risk. The Company's investment portfolio, including the creditworthiness and valuation of investment assets, as well as availability of new investments may be adversely affected as a result of market developments related to the COVID-19 pandemic and uncertainty regarding its ultimate severity and duration.

Interest Rate Risk

Interest rate risk arises from the price sensitivity of investments to changes in interest rates. Interest represents the greatest portion of an investment's return for most fixed maturity securities in stable interest rate environments. The changes in the fair value of such investments are inversely related to changes in market interest rates. As interest rates fall, the interest and dividend streams of existing fixed-rate investments become more valuable and fair values rise. As interest rates rise, the opposite effect occurs.

We work to mitigate our exposure to adverse interest rate movements through laddering the maturities of the fixed maturity investments and through maintaining cash and other short term investments to assure sufficient liquidity to meet our obligations and to address reinvestment risk considerations. Due to the composition of our book of insurance business, we believe it is unlikely that we would encounter large surrender activity due to an interest rate increase that would force the disposal of fixed maturities at a loss.

Additionally, USALSC is a member of the FHLB of Topeka, which provides access to liquidity and further reduces the likelihood of disposing of fixed maturities at a loss.

Credit Risk

We are exposed to credit risk through counterparties and within the investment portfolio. Credit risk relates to the uncertainty associated with an obligor's ability to make timely payments of principal and interest in accordance with the contractual terms of an instrument or contract. We manage our credit risk through established investment policies and guidelines which address the quality of creditors and counterparties, concentration limits, diversification practices and acceptable risk levels. These policies and guidelines are regularly reviewed and approved by senior management and USAC's Board of Directors.

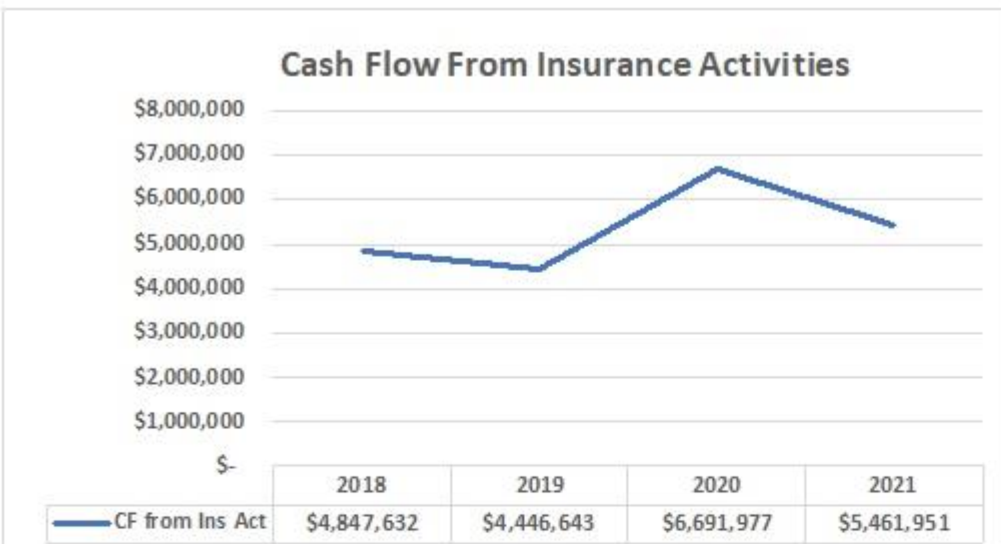
Liquidity and Capital Resources

The impact of COVID-19 on the Company is evolving, and its future effects are not yet quantified. The Company continues to monitor the effects and risks of COVID-19 to assess its impact on the Company's business, sales, financial condition, results of operations, liquidity and capital position.

Premium income, deposits to policyholder account balances, investment income, and capital raising are the primary sources of funds while withdrawals of policyholder account balances, investment purchases, policy benefits in the form of claims, and operating expenses are the primary uses of funds. To ensure we will be able to pay future commitments, the funds received as premium payments and deposits are invested in primarily fixed income securities. Funds are invested with the intent that the income from investments, plus proceeds from maturities, will in the future meet our ongoing cash flow needs. The approach of matching asset and liability durations and yields requires an appropriate mix of investments. Our investments consist primarily of marketable debt securities that could be readily converted to cash for liquidity needs. Cash flow projections and cash flow tests under various market interest scenarios are also performed annually to assist in evaluating liquidity needs and adequacy. As a member of the Federal Home Loan Bank, USALSC has immediate access to additional cash liquidity, if needed.

Net cash provided by operating activities was $3,411,873 for the year ended December 31, 2021. The primary sources of cash from operating activities were premiums received from policyholders as well as investment income. The primary uses of cash for operating activities were for payments of commissions to agents and settlement of policy liabilities. Net cash used in investing activities was $1,713,117. The primary use of cash was the purchase of fixed maturity and equity investments. Cash provided by financing activities was $1,935,833. The primary sources of cash were receipts on deposit-type contracts.

The following chart and graph illustrate our four-year trend of cash flow from insurance activities:



Cash flow from insurance activities is a non-GAAP financial measure. Cash flow from insurance activities combines cash flow from operations with the net cash received from deposit type contracts to show the impact of our insurance operations on our cash flows. Cash flow from deposit type contracts is primarily made up of funds received into our annuity products. The following table reconciles cash flow from operations to cash flow from insurance activities:

Year	Cash Flow From Operations	Net Cash Flow From Deposit Type Contracts	Cash Flow from Insurance Activities
2018	2,249,068	2,598,564	$ 4,847,632
2019	2,270,041	2,176,602	$ 4,446,643
2020	2,099,401	4,592,576	$ 6,691,977
2021	3,411,873	2,050,078	$ 5,461,951

At December 31, 2021, we had cash and cash equivalents totaling $7,955,348. We believe that our existing cash and cash equivalents are sufficient to fund the anticipated operating expenses and capital expenditures for the foreseeable future. We have based this estimate upon assumptions that may prove to be wrong and we could use our capital resources sooner than we currently expect. The growth of USALSC and DCLIC, our insurance subsidiaries, is uncertain and may require additional capital as they continue to grow.

Impact of Inflation

Insurance premiums are established before the amount of losses, or the extent to which inflation may affect such losses and expenses, are known. We attempt, in establishing premiums, to anticipate the potential impact of inflation. If, for competitive reasons, premiums cannot be increased to anticipate inflation, this cost would be absorbed by us. Inflation also affects the rate of investment return on the investment portfolio with a corresponding effect on investment income.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Financial Statements

The Company's consolidated financial statements, comprised of its consolidated balance sheets as of December 31, 2021 and 2020, and the related consolidated statements of comprehensive loss, changes in stockholders' equity and cash flows for the years ended and the related notes to the consolidated financial statements are attached as Appendix I. Audited consolidated financial statements for the Company since inception are available on our website at www.usalliancecorporation.com.

Description of Securities

The Company is presently authorized to issue 20,000,000 shares of Common Stock, $.10 par value, and 1,000,000 shares of Preferred Stock, $5.00 par value. As of February 8, 2022, there were a total of 7,746,672 shares of Common Stock issued and outstanding. As of the same date, no shares of Preferred Stock were outstanding. The Company intends to issue 948,320 Additional Shares of Common Stock in this Offering if this Offering is fully subscribed. There will be 8,693,706 shares of Common Stock issued and outstanding after the Offering if the maximum number of Additional Shares are sold.

Description of Common Stock. The holders of Common Stock are entitled to one vote for each share of Common Stock held of record in each matter submitted to a vote of stockholders. Cumulative voting in the election of directors is not permitted. One-third (1/3) of the outstanding shares of Common Stock entitled to vote constitutes a quorum at any stockholder meeting. There are no preemptive or other subscription rights, conversion rights, registration or redemption provisions with respect to any shares of Common Stock.

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

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

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

Management

The Officers and Directors of the Company are as follows:

Name	Age	Position
Jack H. Brier	76	Chairman of the Board, President, CEO, and Director, USAC, USALSC, USAMC, & USAIC; Chairman of the Board, Treasurer, Secretary, and Director, DCLIC; Chairman of the Board, Director, and Secretary, USALSC – Montana
James M. Concannon	75	Director, USAC, USALSC, USAMC, USAIC, DCLIC, and USALSC - Montana
William Graves	69	Director, USAC, USALSC, USAMC, USAIC, and USALSC - Montana
John Helms		Director, USAC, USALSC, DCLIC, and USALSC-Montana
Don Schepker	73	Vice Chairman of the Board, USALSC
Jeffrey Brown	49	Vice President, Secretary Treasurer, USAC Executive Vice President, Chief Operating Officer, Secretary, and Treasurer USALSC; President, Chief Operating Officer, and Director, DCLIC; President, Treasurer, and Director, USALSC – Montana
James Poolman	52	Director, USAC Vice Chairman of the Board, DCLIC
Danton Rice	62	Director, USALSC – Montana
Katherine Pendergast	37	Secretary, DCLIC

The Directors are elected at the annual meeting of stockholders held on the first Monday in June each year and serve in this capacity until the next annual meeting of stockholders, or until their successors are duly elected and qualified. The President serves at the direction of the Board of Directors and was elected June1,2020. The following is a brief description of the previous business background of the executive officers and directors.

Jack H. Brier currently serves as the Chairman of the Board of Directors, President, and Chief Executive Officer of the Company and has served in those positions since 2009. He has served as Chairman of the Board of Directors, President, and Chief Executive Officer of US Alliance Life and Security Company since 2011, and US Alliance Investment Corporation and US Alliance Marketing Corporation since 2012. Mr. Brier has served as Chairman of the Board of Directors of Dakota Capital Life Insurance Company since August 2017 and also became Treasurer in June 2018. He has also served as Chairman of the Board of Directors of US Alliance Life and Security

Company – Montana since December 2018. Mr. Brier is the Chairman of Brier Development Co. Inc. He served Kansas as Secretary of State from 1978 through 1987, and as President of Kansas Development Finance Authority from 2000 to 2003. Mr. Brier attended Shawnee Mission public schools. He has a degree in Business Administration from Washburn University and has done graduate study in public administration at the University of Kansas. Mr. Brier is on the Board of Directors of Financial Institution Technologies. Mr. Brier brings to the Board his extensive experience as a founder, the Chief Executive Officer and Chairman of the Board of the Company. He has in-depth knowledge of the Company's business, strategy and management team. Mr. Brier also has extensive community relations experience with his involvement in civic, business, and philanthropic organizations in the Topeka area.

James M. Concannon III serves as a Director of the Company and has served in that position since 2009. He also has served as a Director of US Alliance Life and Security Company since 2011, US Alliance Investment Corporation and US Alliance Marketing Corporation since 2012, Dakota Capital Life Insurance Company since August 2017, and US Alliance Life and Security Company – Montana since December 2018. Professor Concannon served as Dean of Washburn University School of Law from 1988-2001. After he stepped down as Dean, he was Senator Robert J. Dole Distinguished Professor of Law and now holds the title of Distinguished Professor of Law Emeritus at Washburn. He is licensed to practice in state courts in Kansas, the U.S. District Court for Kansas, the U.S. Court of Appeals for the Tenth Circuit and the Supreme Court of the United States. Mr. Concannon received the 2012 Justice Award from the Kansas Supreme Court. He served as Research Attorney for the Kansas Supreme Court and was a Visiting Professor at Washington University School of Law in St. Louis. He was a Senior Contributing Editor of *Evidence in America: The Federal Rules in the States* and serves on the National Conference of Commissioners on Uniform State Laws. Mr. Concannon received his Bachelor of Science from the University of Kansas in 1968 and his Juris Doctorate from the University of Kansas School of Law in 1971. He served for more than 23 years as an Independent Trustee of the Ivy Funds, the Ivy Funds Variable Insurance Portfolios and the Ivy InvestEd 529 Funds. Professor Concannon's board experience as well as his extensive legal background are benefits he brings to our Board.

William P. Graves serves as a Director and has served in that position since 2014. He has served as a Director of US Alliance Life and Security Company, US Alliance Investment Corporation, and US Alliance Marketing Corporation since 2014. Mr. Graves has also served as a Director of US Alliance Life and Security Company – Montana since December 2018. He served as President and CEO of the American Trucking Associations from 2003 through 2016. Mr. Graves currently serves on the board of OpenForce, a Phoenix, Arizona transportation technology firm. Mr. Graves served on the board of the International Speedway Corp from 2003 until November 2019. He had served on the audit, compensation, nominating and corporate governance committees. He was a member of the special committee which represented stockholders during merger negotiations which resulted in its sale to NASCAR. In January 2003, Mr. Graves completed his second term as governor of Kansas, capping 22 years of service to the state. As governor, he enacted significant business and individual tax cuts, re-structured governance of higher education, privatized many social service programs and signed into law an historic 10-year, $13 billion comprehensive transportation program improving highways, railroad infrastructure, airports, and public transit service. Mr. Graves earned a degree in Business Administration from Kansas Wesleyan University in his hometown of Salina and attended graduate school at the University of Kansas. Mr. Graves brings us business, strategic, and operational expertise through his years of public sector leadership and private sector experience.

John R. Helms serves as a director and has served in that position since 2021. He also serves as a directors US Alliance Life and Security Company, Dakota Capital Life Insurance Company, and US Alliance Life and Security Company – Montana. He earned his B.S degree in Business Administration from Kansas State University. He has been a practicing CPA for the past 44 years. During his career he was previously one of the owners of Wendling Noe Nelson & Johnson LLC for 32 years, specializing in reimbursement, audit, as well as consulting services for hospitals in several states. He also served as supervisor and later the manager of the financial statement audits of Security Benefit Life, Missouri Farm Bureau, and American Home Life Insurance Company for several years. Mr. Helms is a current member of the Kansas Board of Accountancy and has been since 2012 and has held three terms as the vice-chair in addition to three years as chair of the board. He has been a member of the Enforcement Resources Committee of the National Association of State Boards of Accountancy since 2018 and has been elected to the Nominating Committee. John is involved in the board of the directors for the Kansas Chapter of the Healthcare Financial Management Association for the past six years, as well as a member of the Chapter's program committee and has been active within the program for more than ten years. Previously, he was a member of the board of directors for Cair Paravel Latin School for nine years and rejoined the board in 2021 as its treasurer.

Donald Schepker serves as Vice Chairman of the Board of US Alliance Life and Security Company and has served in that position since 2011. Mr. Schepker is a senior financial executive with more than 30 years of experience in a wide variety of financial disciplines. He previously served as president and executive director of the Stormont-Vail Foundation and as senior vice president and CFO of Security Benefit Group, both headquartered in Topeka, Kansas. During his time at Security Benefit Group, an international life and financial services company, Mr. Schepker grew the company's assets to $10 billion, an increase of over 600%. He is a former partner in the Accounting and Auditing Services division of Deloitte & Touche, LLP. Mr. Schepker holds a Bachelor of Science degree in Commerce with a major in Accounting.

Jeffrey Brown serves as Executive Vice President and Chief Operating Officer of US Alliance Life and Security Company. Mr. Brown has served in that capacity since November 2011. He has also served as President and Chief Operating Officer of Dakota Capital Life Insurance Company since August 2017, President and Treasurer of US Alliance Life and Security Company – Montana since December 2018, and Vice President of US Alliance Corporation since June 2019. In December 2020, Mr. Brown was appointed Corporate Secretary of US Alliance Corporation and US Alliance Life and Security Company. From 2001 to 2011 he served in various executive positions as AmerUs Annuity Group (Aviva USA) including Vice President and Actuary, Senior Vice President and Actuary, and Vice President of Finance Transformation. From 1995 to 2001, Mr. Brown worked in various actuarial positions including group life actuary at Fortis Benefits Insurance Company (Assurant Employee Benefits). He served on the Board of Directors of Cair Paravel Latin School. Mr. Brown received his Bachelor of Arts degree in Mathematics (Actuarial Science Specialization) from Washburn University in 1995. He is a Fellow of the Society of Actuaries and a member of the American Academy of Actuaries.

James A. Poolman serves as a Director of the Company and has served in that position since June 2019. He also serves as Vice Chairman of the Board of Dakota Capital Life Insurance Company. He has served in that capacity since June 2018. Mr. Poolman has also served as a Director of Dakota Capital Life Insurance Company since inception of DCLIC and Chairman of the Board of Directors from March 31, 2013 to August 2017. Mr. Poolman also serves on other corporate boards including the First International Bank & Trust Board of Directors, and Brokers International, a life insurance and annuities distribution company. He was elected North Dakota Insurance Commissioner in 2000 and reelected in 2004. While Insurance Commissioner, Mr. Poolman held the post of Vice President for the National Association of Insurance Commissioners from December 2003 to September 2004. In August 2007, Mr. Poolman resigned his post in North Dakota to start an independent insurance consulting practice based in Bismarck, North Dakota. Mr. Poolman received his Bachelor of Business Administration degree from the University of North Dakota in 1992. He also served four terms in the North Dakota House or Representatives before being elected Insurance Commissioner. Mr. Poolman resides in Bismarck. Mr. Poolman's service as Insurance Commissioner in North Dakota and the consulting he has provided to insurance companies and insurance agencies throughout the country are benefits he brings to the Board.

Danton Rice serves as Director of US Alliance Life and Security Company – Montana. He has served in that capacity since December 2018. Mr. Rice is currently Director of Global Business Units, Strategic Deals & Operations for Oracle and resides in Bozeman, Montana. In his current role, he negotiates contracts on a global basis within regulated industries with financial institutions, insurance and utility companies. Mr. Rice has extensive sales, operations, human resources, financial, technical and legal background. He is experienced in the facilitation and negotiation of all levels of business transactions from start-ups to Fortune 500 companies. Mr. Rice holds a Bachelor of Arts degree from Wichita State University and a Juris Doctorate from Washburn University. His business experience and legal background are benefits he brings to our Company.

Katherine Pendergast serves as Corporate Secretary for Dakota Capital Life Insurance Company. Ms. Pendergast has been with DCL serving various roles since 2012. She received a Bachelor of Business

Administration degree from North Dakota State University in 2006. After graduation, she worked in hospital administration, and later moved into a career in higher education working with students from around the world. Ms. Pendergast received her Master of Business Administration from the University of Mary in 2014.

As of the date of this Post-Effective Amendment, the following members of the USAC Board of Directors serve on the following Board committees:

Committee	Members	Compensation
Executive Committee	Jack Brier (Chair) James Concannon – Independent William Graves - Independent John Helms - Independent	$400/month
Audit Committee	John Helms (Chair) - Independent James Concannon - Independent William Graves – Independent James Poolman - Independent Jack Brier (ex officio)	-
Compensation Committee	William Graves (Chair) - Independent Jim Poolman - Independent John Helms – Independent	-
Investment Committee	Jack Brier (Chair) James Concannon - Independent John Helms - Independent	-
Nominating Committee	Jack Brier (Chair) John Helms - Independent James Concannon - Independent William Graves - Independent James Poolman - Independent	-

Remuneration of Management

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

Name	Title	Total Compensation 2021	2020
Jack H. Brier	Chairman of the Board of Directors, President and Chief Executive Officer	$316,776[1]	$321,365
Jeffrey Brown	Vice President	$300,000[2]	$311,000

[1] Consists of base salary of $250,000, and bonus and additional compensation of $66,776.
[2] Consists of base salary of $210,000, and bonus of $90,000.

Mr. Brier's compensation is determined by the employment agreement entered into on September 28, 2021 and filed with the SEC as exhibit 10.1 of the October 1, 2021 8-K.

Mr. Brown's compensation is determined by the employment agreement entered into on March 15, 2018 and filed with the SEC as exhibit 10.1 of the March 18, 2021 8-K.

Security Ownership and Board Compensation

The following table sets forth information regarding the ownership and control of the outstanding shares of the Company's common stock, $0.10 par value, as of December 31, 2021, and as of the completion of this Offering, assuming all Additional Shares offered are sold, but not including the effects of an "over-sale".

Name of Beneficial Owner	Amount Beneficially Owned (as of 12/31/2021)	Percent of Class (as of 12/31/2021)	Percent Beneficially Owned after the Offer (Maximum)	2021 USAC Board Compensation
Jack H. Brier, Chairman of the Board of Directors & President	446,800[1]	5.77%	5.14%	$7,800
James Concannon, Director	55,000	.71%	.63%	$7,800
John Helms, Director	0	.00%	.00%	$900
William Graves, Director	60,000	.77%	.69%	$7.550
James Poolman, Director	35,055	.45%	.40%	$2,750
Jeffrey Brown, Vice President	70,000	.90%	.81%	-
Officers and Directors as a group	666,855	8.61%	7.67%	
All other stockholders	7,078,549	91.39%	92.33%	
TOTALS	7,745,404	100.0%	100.0%	

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

Interest of Management and Others in Certain Transactions

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

Shares Eligible for Future Sales

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

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

Under the terms of the Share Escrow Agreement, the Promotional Shares subject thereto may be released pro rata among the owners of the Promotional Shares beginning three years after the completion date of the 2010

Offering, in quarterly increments of two and one-half percent (2½%). All remaining Promotional Shares will be released from escrow on the fifth anniversary of the completion date of the registered offering. In the event Promotional Shares in the escrow become "Covered Securities," as defined in Section 18(b)(1) of the Securities Act, the Escrow Agent must release all Promotional Shares held in escrow.

As of the date of this Post-Effective Amendment No. 6, no Promotional Shares have been released from escrow. Notwithstanding the Share Escrow Agreement, the Board of Directors approved a resolution as follows:

“Be it Resolved that the Promotional Share Escrow Agreement dated February 24, 2010 remains in effect with respect to the warrant offering in the prospectus dated February 24, 2015 and that the release of promotional shares under that agreement will commence three years after the later of the termination or expiration of the last post-effective amendments filed in conjunction with the February 2015 registration statement.”

During the term of the Share Escrow Agreement, the depositing stockholders retain all voting and dividend rights with respect to the Promotional Shares held in escrow. The Promotional Shares may not, however, be sold or otherwise disposed of for value prior to termination of the Share Escrow Agreement. All Promotional Shares will be released from escrow pursuant to the terms of the Share Escrow Agreement three years after the termination of this offering.

Plan of Distribution

The Company is offering up to a maximum 1,500,000 Additional Shares on a best efforts basis only through a network of agents, hired, trained and registered as agents of USAC with the Office of the Kansas Securities Commissioner.

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

The purchase price shall be payable in cash prior to the issuance of Shares.

This Offering will continue until all Shares offered are sold or until February 24, 2023, whichever occurs first. The Company, in its discretion, may extend the Offering by filing an amendment extending the 2015 Offering with, and subject to the approval by, the office of Kansas Securities Commissioner.

Capitalization

The following table sets forth the capitalization of the Company as of December 31, 2021, and as adjusted pro forma capitalization as of such date to give effect to maximum Additional Shares offered hereby. This table should be read together with the balance sheet of the Company as of December 31, 2021, included herein.

	Actual at December 31, 2021	(Maximum Offering Amt) As Adjusted (1)
Stockholders' Equity: Common Stock, $.10 par value, 20,000,000 shares authorized, 7,745,404 shares outstanding (as adjusted, 8,693,706) Preferred Stock, $5.00 par value, 1,000,000 shares authorized, none issued	$774,541	$869,371
Additional Paid-in Capital	22,948,637	28,496,204
Accumulated Deficit	(8,663,152)	(8,663,152)
Accumulated OCI (Other Comprehensive Income)	2,521,730	2,521,7305
Total Stockholders' Equity	$17,581,756	$23,224,153

(1) Assumes net proceeds from the 2015 Offering of $5,642,397.

Legal Matters

The validity of the Securities offered hereby has been passed upon for the Company by Law Offices of Lathrop & Gage LLC, Kansas City, MO.

Independent Auditors

The financial statements of the Company as of and for the year ended December 31, 2021 and 2020 included in the Post-Effective Amendment were audited by Kerber, Eck & Braeckel LLP, Springfield, IL.

Annual Reports to Stockholders

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

On May 2, 2016, we filed a Form 10 Registration Statement (the "Registration Statement") with the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934 (the "Exchange Act"), to register the Shares in accordance with Section 12(g) of the Exchange Act, which requires registration of any class of securities issued by a company with more than $10 million in total assets and held by 2,000 or more persons, or 500 persons who do not quality as "accredited investors." Upon effectiveness of the Registration Statement, we became subject to the reporting requirement of the Exchange Act and are obligated to file annual reports, quarterly and current reports with the SEC, as well as comply with the SEC's proxy solicitation rules, and management and significant stockholder ownership reporting requirements.

Form of Subscription Agreement – Exhibit A

4123 SW Gage Center Dr., Suite 240
Topeka, KS 66604

Purchase Form

Subscription Agreement

The undersigned hereby acknowledges receipt of the Post-Effective Amendment 7 dated February 24, 2021, relating to the offering of 1,500,000 shares of the Common Stock (the “Shares”) of US Alliance Corporation, a Kansas corporation (“USAC” or the “Company”), under the terms and conditions in the Post-Effective Amendment 6. The undersigned agrees to the purchase of __________ Shares of the Company, and herewith makes payment in full of the purchase price of $7.00 per Share.

The Company is instructed to issue certificates for such Shares and to deliver the same at the address indicated.

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

	Yes	No	
1.			(a) At the time of the purchase of your shares in the Company, does your individual net worth or joint net worth with your spouse exceed $1,000,000 (this does not include the value of the individual’s primary residence or debt secured by the primary residence)?
2.			(b) In each of the two years preceding the purchase of your Shares in the Company, did your individual income exceed $200,000 or did joint income with your spouse exceed $300,000 and do you have a reasonable expectation of reaching the same income level in the year in which you are purchasing the Shares?

	Primary Investor	Joint Investor	
3.			(a) The undersigned agrees and acknowledges that the Shares acquired may not be sold or otherwise transferred until at least nine (9) months after completion of the Company’s 2015 Offering (as defined in the Post-Effective Amendment 6).
4.			(b) The purchase of Shares pursuant thereto is made for investment and not for resale or other distribution.
5.			(c) The undersigned has carefully reviewed the Post-Effective Amendment 6 and relied solely on the Post-Effective Amendment 6 and any related information otherwise provided to it in writing by the Company in deciding to subscribe for the Shares.
6.			(d) The undersigned understands the risks associated with an investment in the Shares and the meaning and legal consequences of the representations contained herein.
7.			(e) The undersigned is a resident of the state of Kansas and the address set forth below is his/her true and current address.

If you answer “Yes” to #1 or #2 above, you do <u>not</u> need to answer #10 or #11 below.

Subscriber Acknowledgement. Please separately initial each of the statements/representations below. Except in the case of fiduciary accounts, you may not grant any person a power of attorney to make such statements/representations. In order to induce the Corporation to accept this subscription, I/we hereby represent and warrant to you as follows:

	Primary Investor	Joint Investor	
8.			(a) **I/WE MAY CANCEL OR RESCIND THIS SUBSCRIPTION WITHIN 5 BUSINESS DAYS OF THE DATE OF THE SUBSCRIPTION.**
9.			(b) I/we understand my/our subscription agreement copy will serve as my/our receipt for my/our stock and that under the law I/we will not receive my/our stock until 120 days.
10.			(c) I/we have a minimum annual gross income of $70,000 and minimum net worth of $70,000 exclusive of automobiles, home and home furnishings, OR I/we have a minimum net worth of $250,000, exclusive of automobiles, home and home furnishings.
11.			(d) I/we represent that my/our investment in US Alliance Corporation is 10% or less of my/our liquid net worth. For these purposes, liquid net worth is defined as that portion of total net worth (total assets minus total liabilities) that is comprised of cash, cash equivalents, and readily marketable securities.
12.			(e) The foregoing subscription is made subject to all of the terms set out in the Post-Effective Amendment 6.

Subject to the terms and conditions of this Subscription Agreement and the Post-Effective Amendment 6, the undersigned hereby irrevocably subscribes for and agrees to purchase _________ Shares and tenders herewith a check (check no. _______) in the amount of $ ____________ payable to "**US Alliance Corporation**". This amount represents a total payment of the subscription price for the Shares.

Subscriber	Name in which certificates to be issued if other than Subscriber:
Subscriber Name Printed or Typed ______ D.O.B ______	
Subscriber's Social Security or Taxpayer I.D. No. ______ Subscriber's Kansas Driver's License No. ______	Name ______
Street Address ______	Street Address ______
City, State, Zip ______ County ______	City, State, Zip ______ County ______
Home Phone No. ______ Business Phone No. ______	Social Security or Taxpayer I.D. No. ______ D.O.B ______
Title and Occupation ______	Email Address ______
Subscriber's Email Address ______ Name Goes By ______	**Issue Certificate as follows:**
	___ Individual ___ Joint Tenants WROS
I authorize the Company to disclose my name as a subscriber. ____ Yes ____ No	___ Tenants in Common ___ Uniform Gift to Minors
	___ Other _____________

Signatures

Signature of Subscriber ______________________ Printed Name of Subscriber ______________________

Signature of Joint Subscriber ______________________ Printed Name of Joint Subscriber ______________________

US Alliance Corporation

Subscription Date: ________________________ By: ______________________________
Registered Agent Agent #

Signed at City: _____________________, Kansas By: ______________________________
Split Registered Agent Name and/or Agent #

__ Tax Preparer __ Insurance Agent __ Funeral Home __ Firefighter __ Financial Advisor __ Bank __ Group

I/We acknowledge that I/we will receive one stock certificate for my/our total purchase of shares within 120 days AFTER all future bank drafts have been collected. ___________________________ ___________________________

Signature of Subscriber Signature of Joint Subscriber

NOTES:

USAC Privacy Pledge

I/We acknowledge that I/we have received a copy of the USAC Privacy Pledge.

☐ Yes ☐ No

I/We consent to receive future copies of the USAC Privacy Pledge by electronic mailing (email).

☐ Yes ☐ No

Signature of Subscriber

Signature of Joint Subscriber

Authorization for Electronic Fund Transfer

When you provide a check as payment, you authorize US Alliance Corporation to either use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. For inquiries, please call 1-866-953-4675.

/ /

Authorized Signature

Date

Financial Statements – Appendix I