

## Mission Statement

The SDML Workers' Compensation Fund has a strong commitment to providing a competitive workers' compensation program for the public entities in South Dakota through administrative, loss control and technical services.

As a risk-sharing pool the SDML Workers' Compensation Fund was created for its Members and is controlled by its Members.

## Board of Trustees

Karl Alberts

Chairman

Finance Officer, Aberdeen

Bob Wilcox

Vice Chairman

SDACC Executive Director, Pierre

Yvonne Taylor

Secretary

SDML Executive Director, Ft. Pierre

Laurie Gronlund

Human Resources Director, Pierre

Jodi Mathis

Human Resource Officer, Spearfish

Brittany Smith

City Administrator, Philip

Brenda Bode

Davison County Commissioner, Mt. Vernon

Jim Schmidt

Lincoln County Commissioner,

Sioux Falls

Mike Grosek

Mayor, Webster

### CREATED, SPONSORED, AND ENDORSED BY

South Dakota Municipal League

Yvonne Taylor, Executive Director

800-658-3633

### ENDORSED BY

South Dakota Association of

County Commissioners

Bob Wilcox, Executive Director

605-224-4554

## Service Providers

### Administration & Marketing

Insurance Benefits, Inc.

4901 Isabel Place, Suite 210

Sioux Falls, SD 57108

800-233-9073

### Actuarial Services

AON Risk Solutions

17875 Von Karman Avenue, Suite 300

Irvine, CA 92614

949-608-6332

### Claims Administration

Claims Associates, Inc.

4901 Isabel Place, Suite 100

Sioux Falls, SD 57108

888-654-6495

### Claims Audit

Northshore International Insurance

Services

76 Lafayette Street

Salem, MA 01970

### Financial Audit

RSM US LLP

110 S. Phillips Avenue, Suite 300

Sioux Falls, SD 57104

605-336-0753

### Investment Manager

Bankwest Trust

PO Box 998

Pierre, SD 57501

605-224-7392

### Loss Control

Safety Benefits, Inc.

PO Box 522

Plankinton, SD 57368

888-313-0839

### Re-Insurance

Safety National Casualty Corporation

2043 Woodland Parkway

St. Louis, MO 63146

# 2019 Annual Financial Report

SDML Workers' Compensation Fund

## To the Membership



**SDML Workers' Compensation Fund**  
**Selected Financial Data**

<b>Assets</b>	As of December 31,				
	2019	2018	2017	2016	2015
Cash and cash equivalents	\$ 2,927,988	\$ 4,418,344	\$ 3,185,786	\$ 3,150,780	\$ 4,522,614
Investments	32,518,939	29,431,409	29,471,002	28,133,408	26,608,996
Receivables	553,445	659,456	561,643	502,957	511,719
Prepaid expenses	1,000	-	3,795	588,341	-
Contributed surplus and member equity in NLC Mutual	2,106,846	2,029,717	1,960,132	1,893,847	1,834,234
<b>Total assets</b>	<b>\$ 38,108,218</b>	<b>\$ 36,538,926</b>	<b>\$ 35,182,358</b>	<b>\$ 34,269,333</b>	<b>\$ 33,477,563</b>
<b>Liabilities and Net Position</b>					
Liabilities					
Estimated liability for reported and unreported claims and claims adjustment expenses	\$ 9,173,790	\$ 9,655,594	\$ 8,516,916	\$ 8,918,230	\$ 8,574,055
Other liabilities, primarily advance member contributions	3,125,733	3,131,159	3,187,059	2,978,989	3,384,798
<b>Total liabilities</b>	<b>12,299,523</b>	<b>12,786,753</b>	<b>11,703,975</b>	<b>11,897,219</b>	<b>11,958,853</b>
Net position	25,808,695	23,752,173	23,478,383	22,372,114	21,518,710
<b>Total liabilities and net position</b>	<b>\$ 38,108,218</b>	<b>\$ 36,538,926</b>	<b>\$ 35,182,358</b>	<b>\$ 34,269,333</b>	<b>\$ 33,477,563</b>
<b>Income</b>					
As of December 31,					
Operating revenues:					
Member contributions earned, net of renewal and loss control credits and reinsurance *	\$ 7,200,709	\$ 7,094,033	\$ 6,723,867	\$ 6,473,606	\$ 6,154,602
Operating expenses:					
Claims and claims adjustment expenses incurred, net	4,393,127	5,715,189	4,471,036	4,473,007	4,544,786
General and administrative expenses	1,122,608	1,088,769	1,062,642	1,026,790	1,034,326
Dividends to members, return on equity credits	624,467	598,330	546,040	493,382	439,398
<b>Total operating expenses</b>	<b>6,140,202</b>	<b>7,402,288</b>	<b>6,079,718</b>	<b>5,993,179</b>	<b>6,018,510</b>
<b>Operating income (loss)</b>	<b>1,060,507</b>	<b>(308,255)</b>	<b>644,149</b>	<b>480,427</b>	<b>136,092</b>
Nonoperating revenues:					
Net investment income	918,886	512,460	395,835	313,364	320,713
Earned member equity, NLC Mutual	77,129	69,585	66,285	59,613	57,735
<b>Total nonoperating revenues</b>	<b>996,015</b>	<b>582,045</b>	<b>462,120</b>	<b>372,977</b>	<b>378,448</b>
<b>Change in net position</b>	<b>\$ 2,056,522</b>	<b>\$ 273,790</b>	<b>\$ 1,106,269</b>	<b>\$ 853,404</b>	<b>\$ 514,540</b>
* Renewal and loss control credits	\$ 2,166,598	\$ 2,118,792	\$ 2,025,552	\$ 2,041,657	\$ 1,694,408