

## 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

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### CREATED, SPONSORED, AND ENDORSED BY

South Dakota Municipal League  
David Reiss, Executive Director  
800-658-3633

### ENDORSED BY

South Dakota Association of  
County Commissioners  
Kris Jacobsen, 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

# 2022

# Annual Financial Report

SDML Workers' Compensation Fund

# To the Membership



## SDML Workers' Compensation Fund

### Selected Financial Data

Assets	As of December 31,				
	2022	2021	2020	2019	2018
Cash and cash equivalents	\$ 3,160,020	\$ 2,743,937	\$ 3,227,724	\$ 2,927,988	\$ 4,418,344
Investments	31,861,833	33,460,159	32,969,906	32,518,939	29,431,409
Receivables	948,603	1,024,931	712,239	553,445	659,456
Prepaid expenses	17,850	17,850	1,000	1,000	-
Contributed surplus and member equity in NLC Mutual	2,368,813	2,328,873	2,180,585	2,106,846	2,029,717
<b>Total assets</b>	<b>\$ 38,357,119</b>	<b>\$ 39,575,750</b>	<b>\$ 39,091,454</b>	<b>\$ 38,108,218</b>	<b>\$ 36,538,926</b>
<b>Liabilities and Net Position</b>					
Liabilities					
Estimated liability for reported and unreported claims and claims adjustment expenses	\$ 8,979,872	\$ 8,771,857	\$ 8,668,233	\$ 9,173,790	\$ 9,655,594
Other liabilities, primarily advance member contributions	3,220,623	3,408,331	3,347,423	3,125,733	3,131,159
<b>Total liabilities</b>	<b>12,200,495</b>	<b>12,180,188</b>	<b>12,015,656</b>	<b>12,299,523</b>	<b>12,786,753</b>
Net position	26,156,624	27,395,562	27,075,798	25,808,695	23,752,173
<b>Total liabilities and net position</b>	<b>\$ 38,357,119</b>	<b>\$ 39,575,750</b>	<b>\$ 39,091,454</b>	<b>\$ 38,108,218</b>	<b>\$ 36,538,926</b>
<b>Income</b>					
As of December 31,					
Operating revenues:					
Member contributions earned, net of renewal and loss control credits and reinsurance *	\$ 7,121,074	\$ 7,130,524	\$ 7,131,986	\$ 7,200,709	\$ 7,094,033
Operating expenses:					
Claims and claims adjustment expenses incurred, net	5,789,290	5,342,043	5,013,357	4,393,127	5,715,189
General and administrative expenses	1,282,347	1,166,496	1,137,473	1,122,608	1,088,769
Dividends to members, return on equity credits	783,512	734,043	677,054	624,467	598,330
<b>Total operating expenses</b>	<b>7,855,149</b>	<b>7,242,582</b>	<b>6,827,884</b>	<b>6,140,202</b>	<b>7,402,288</b>
<b>Operating income (loss)</b>	<b>(734,075)</b>	<b>(112,058)</b>	<b>304,102</b>	<b>1,060,507</b>	<b>(308,255)</b>
Nonoperating revenues:					
Net investment income	(544,803)	283,534	889,262	918,886	512,460
Earned member equity, NLC Mutual	39,940	148,288	73,739	77,129	69,585
<b>Total nonoperating revenues</b>	<b>(504,863)</b>	<b>431,822</b>	<b>963,001</b>	<b>996,015</b>	<b>582,045</b>
<b>Change in net position</b>	<b>\$ (1,238,938)</b>	<b>\$ 319,764</b>	<b>\$ 1,267,103</b>	<b>\$ 2,056,522</b>	<b>\$ 273,790</b>
* Renewal and loss control credits	\$ 3,481,226	\$ 2,886,984	\$ 2,507,580	\$ 2,166,598	\$ 2,118,792