



RISK ADMINISTRATION SERVICES, INC.

2023 Annual Report

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Dear valued partners and stakeholders,

As we reflect on the accomplishments and challenges of the past year, I am pleased to share with you the highlights of our performance and achievements.

The year 2023 was another positive year overall for the workers' compensation line of insurance, but it was again another year where the Dakota Group® stood apart and above the rest of our peers. Despite the ongoing challenges posed by the evolving landscape of remote work, we stayed steadfast in our commitment to serving our customers and agents. Through increased collaboration and adaptability, we navigated these challenges together, creating new opportunities for engagement both remotely and in person.

Our dedication to enhancing customer and agent experiences has been unwavering. We implemented tools to simplify processes, reduce friction, and deliver our team's ability more efficiently. This dedication to customer satisfaction also delivers the financial results that have been recognized with an upgraded "A" rating from AM Best and our fourth consecutive inclusion in Ward's List of Top 50 P/C Carriers, highlighting our safety, consistency, and performance.

I want to extend my sincere gratitude to each of you for your continued support and partnership. Together, we have kept our promise to our insureds, providing innovative injury management solutions to help injured employees return to health and work.

As we look forward to 2024, which will mark our 35th year in business, our dedication to our values of innovation, collaboration, and excellence remain steadfast and stronger than ever. We are excited about the opportunities that lie ahead and look forward to continuing our journey together.

Thank you for your continued trust and partnership.

A handwritten signature in black ink, reading "Richard E. Johnson". The signature is fluid and cursive, with a large initial "R" and "J".

RICHARD E. JOHNSON
President and CEO



NAMED TO WARD'S TOP 50 FOR FOURTH CONSECUTIVE YEAR

RAS – The Dakota Group® were named to Ward's Top 50 performing insurance companies for 2023.

"This award recognizes our consistent results and performance as compared to other insurers, and is a direct result of excellent efforts and a focused commitment on partnership by our employees. This focused partnership helps our customers achieve their objectives to prevent and manage workplace injuries," said Rick Johnson, President & CEO.

About Ward: Ward is the trusted leader of benchmarking and best practices services for the insurance industry. For the past 30 years, Ward has analyzed the financial performance of nearly 3,000 property-casualty companies and nearly 700 life-health companies, identifying the top performers per segment.

"We recognize RAS – The Dakota Group for outstanding financial results in the areas of safety, consistency, and performance over a five-year period," said Jeff Rieder, partner and head of Ward Group. "In selecting the Ward's 50, we analyze the financial performance of nearly 3,000 property-casualty insurance companies, identifying the 50 companies that pass financial stability requirements and demonstrate the ability to grow while maintaining strong capital positions and underwriting results."



PURPOSE AND PEOPLE

“To become the leading workers’ compensation provider delivering innovative solutions that promote a safe, healthy, and productive workforce.”

We are driven every day to deliver innovative solutions that promote a safe, healthy, and productive workforce. We rise each day to the challenge of effecting safe workplaces and restoring injured workers to optimum health and productivity. We are your partner in keeping employees safe at work so they can go home in the same condition as when they arrived.

Fueled by decades of expertise and disciplined growth, our success is reflected in our long-term relationships and business referrals from satisfied clients. It is based on the solid foundation of positive relationships and outstanding service with each interaction.

Core Values



Passion for the Customer

Build positive relationships through outstanding service with each interaction.



Integrity

Uphold the highest ethical standards and promote trust and respect.



Excellence

Exceed expectations and take intense pride in everything you do every day.



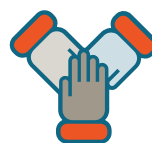
Leadership

Have the courage to rise above challenges to work through adversity and inspire others.



Innovation

Imagine what is possible. Foster creativity that challenges constraints and drives progress.



Teamwork

Consistently demonstrate an unselfish commitment to working with others to create a collaborative culture.

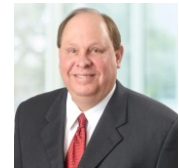
Executive Leadership



RICHARD JOHNSON
President and CEO



ED JOHNSON
COO



LARRY KLAHSEN
Executive Vice President



BOB SOBOCINSKI
Executive Vice President
Production



KELLI THOMAS
Chief of Staff



ROBERT J. HOLLAN
SVP, Secretary &
General Counsel



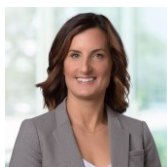
TED BRANDNER
Senior Vice President
Finance



CHIRAG SHUKLA
Chief Information and
Technology Officer



EDDIE RIVEIRO
Senior Vice President
Business Development



JENNIFER HERTZFELD
Senior Vice President
Claims



JULIE WAAGE
Vice President
Human Resources

Dakota Truck Underwriters Advisory Committee

- RICHARD JOHNSON**, President & CEO, RAS
- LARRY KLAHSEN**, Executive Vice President, RAS
- MICHELLE SCHIPPER**, President, K & J Trucking, Inc.
- MATTHEW PARKER**, President, Parker Transfer & Storage
- CHRISTINE ERICKSON**, President, SD Auto Dealers Association
- PAUL SOVA**, Chairman of the Board, Showplace Wood Products, Inc.
- DAVID MICKELSON**, President & CEO, Graham Tire Company
- STEVE WATKINS**, CEO, LifeScape
- PEGGY LESLIE-SMITH**, Director, Avera Employee Health
- MICHELLE LAVALLEE**, CEO, Children's Home Society
- BRIAN NASH**, CFO, Vern Eide, Mitchell

First Dakota Indemnity Board of Directors

- RICHARD JOHNSON**, President & CEO, RAS
- LARRY KLAHSEN**, Executive Vice President, RAS
- ED JOHNSON**, COO, RAS
- ROBERT J. HOLLAN**, SVP, Secretary & General Counsel, RAS
- TED BRANDNER**, SVP Finance, RAS
- MICHELLE SCHIPPER**, President, K & J Trucking, Inc.
- CHRISTINE ERICKSON**, President, SD Auto Dealers Association
- PAUL SOVA**, Chairman of the Board, Showplace Wood Products, Inc.
- DAVID MICKELSON**, President & CEO, Graham Tire Company
- PEGGY LESLIE-SMITH**, Director, Avera Employee Health

Employee Base

average tenure

6.38
years

tenure 10+ years

24
percent



Great ideas are born from collaboration and an open exchange of ideas. By encouraging this behavior, we stimulate the creation of new and better ways of serving our insureds, supporting our agents, and empowering our employees.

RAS TIMELINE



AM Best upgrades
DTU & FDI to A rating

2023



RAS – The Dakota Group®
named to Ward's Top 50 for
4th consecutive year



AM Best upgrades
DTU & FDI to A- rating
Celebrated 25 years
in business

2020



RAS – The Dakota Group®
named to Ward's Top 50
for performing insurance
companies for the first time

2014

2007

RAS moves into **new corporate headquarters** at Cherapa Place,
LEED: Gold

First RAS Branch Office opens

2003

2002

Precision Bill Review, LLC (PBR)
formed as a bill review company

First Dakota Indemnity Company (FDI)
established forming The Dakota Group®

1995

TLC Advantage, LLC, formed
in partnership as SD's first
preferred provider organization
(PPO)

1994

OHARA, LLC, formed in
partnership to provide managed
care services

Insurance Alternatives, LLC,
created to offer other lines of
insurance to the subscribers of DTU

1990

DTU reached \$5,000,000 in
written premiums and received its
first AM Best rating of B++

Risk Administration Services, Inc. (RAS)
was formed with 8 employees to become
the attorney-in-fact for DTU

1989

Dakota Truck Underwriters (DTU)
formed as a reciprocal insurer and direct
writer serving workers' compensation
needs for much of the trucking industry
of South Dakota

FINANCIALS

Combined Dakota Group Through 4Q 2023		2023	2022
	Long Term Invested Assets	259,815,904	243,276,701
	Cash and Cash Equivalents	16,602,869	10,314,250
	Cash and Invested Assets	276,418,773	253,590,951
	Premium Receivables	40,805,813	40,744,438
	Reinsurance Recoverable	1,832,798	2,202,447
	Other Assets	7,944,741	7,019,359
	Total Assets	327,002,125	303,557,194
	Loss and Loss Expense Reserves	120,378,636	114,946,906
	Unearned Premiums	54,965,739	51,891,280
	Ceded Reinsurance Payables	7,717,126	5,134,004
	Other Liabilities	11,371,917	11,323,005
	Total Liabilities	194,433,418	183,295,196
	Policyholders Surplus	132,568,706	120,261,998

Financial Position

(Prior Years as of 12/31)

	Direct Premiums Written	144,841,256	138,262,159
	Assumed Premiums Written	1,414,692	2,622,932
	Gross Premiums Written	146,255,948	140,885,091
	Net Reinsurance Ceded	(18,655,029)	(18,644,932)
	Net Premiums Written	127,600,919	122,240,160
	Change in Unearned Premium	(3,074,459)	(9,075,612)
	Net Premiums Earned	124,526,460	113,164,548
	Loss and Loss Expenses Incurred	(82,614,438)	(75,930,959)
	Underwriting Expenses	(30,643,435)	(25,080,541)
	Underwriting Gain/(Loss)	11,268,587	12,153,049
	Net Gain/(Loss) on Investments	8,359,106	5,980,611
	Other Income/(Expense)	(4,699)	8,485
	Policyholder Dividends	(5,215,075)	(4,818,397)
	Pre-Tax Income/(Loss)	14,407,919	13,323,747
	Federal Income Tax	1,794,832	2,211,082
	Net Income	12,613,087	11,112,665

Operating Results

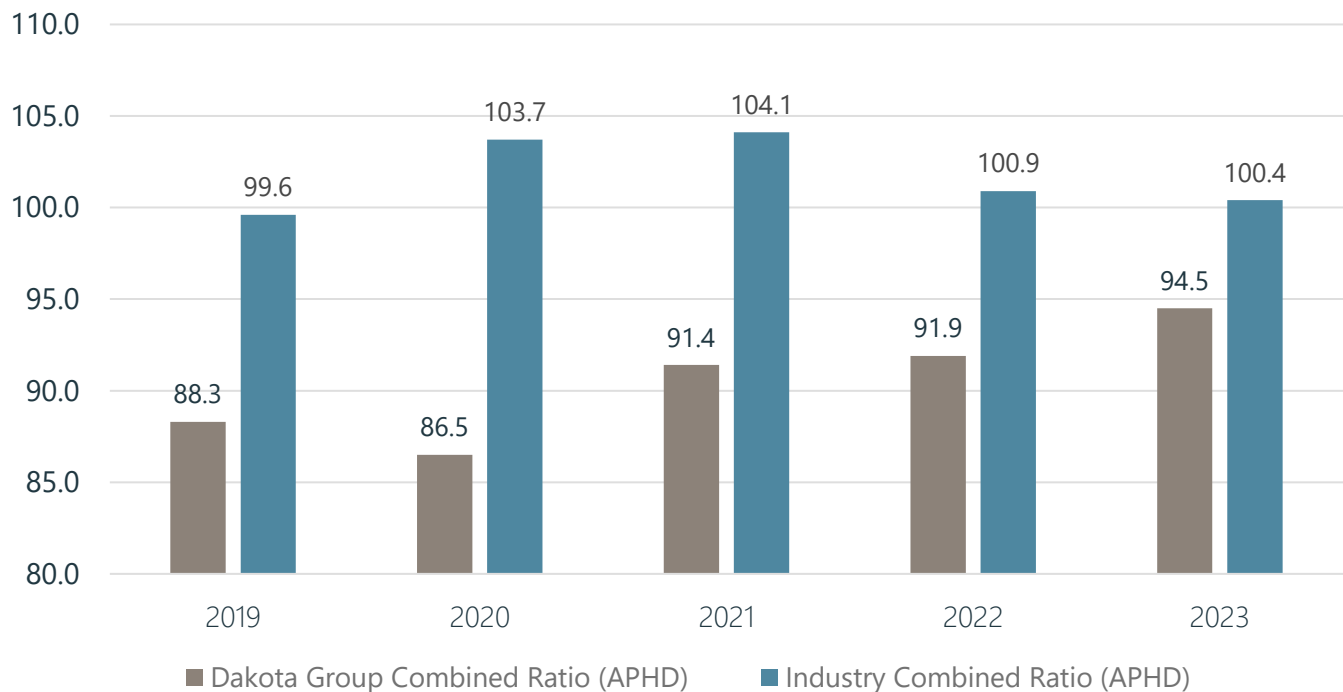
(Prior Years as of quarter-ending)

	Net Loss and Loss Expense Ratio	66.34	67.10
	Underwriting Expense Ratio	24.02	20.52
	Combined Ratio	90.36	87.62
	Dividend Ratio	4.19	4.26
	Combined Ratio APHD	94.55	91.87

Underwriting Statistics

PERFORMANCE

5 Year Performance



Industry AM Best

Work Comp Composite Group 5 Year Trends

88.9%

Change in Policyholders' Surplus

21.6% - Industry

22.6%

Underwriting Expense Ratio

28.1% - Industry

12.2%

Total Return on Surplus

6.5% - Industry

64.6%

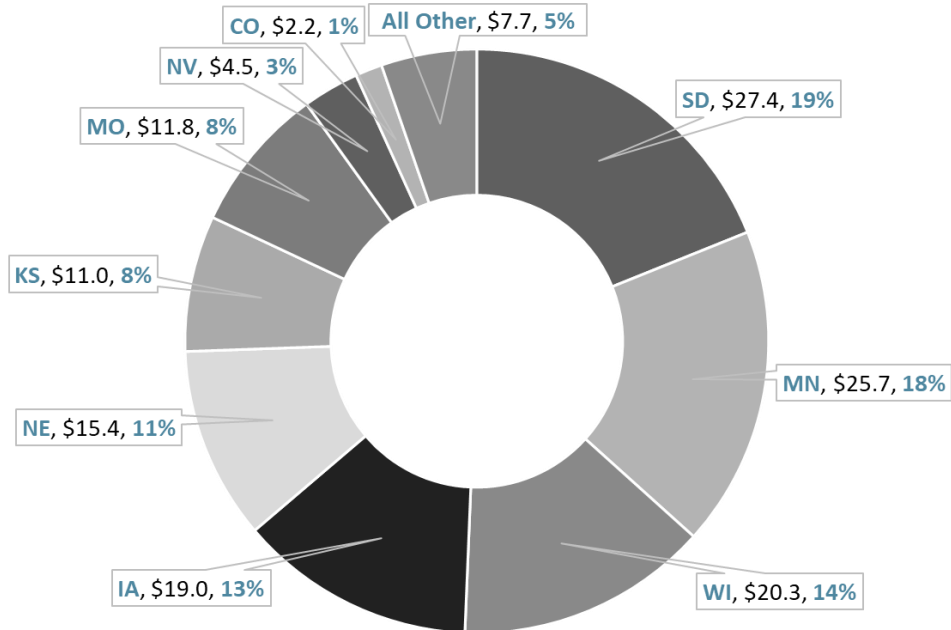
Net Loss Ratio and LAE

66.9% - Industry

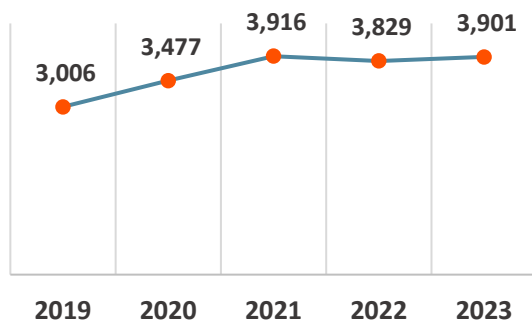
The Dakota Group® consistently performs better than the AM Best WC Composite peers in key operational areas. Best's ratings are a recognized indicator of an insurer's financial strength and creditworthiness.

KEY METRICS

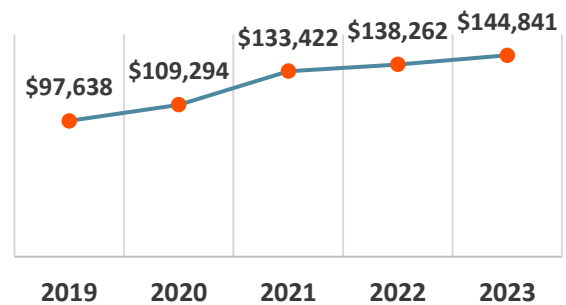
2023 DWP by State (\$MM'S)



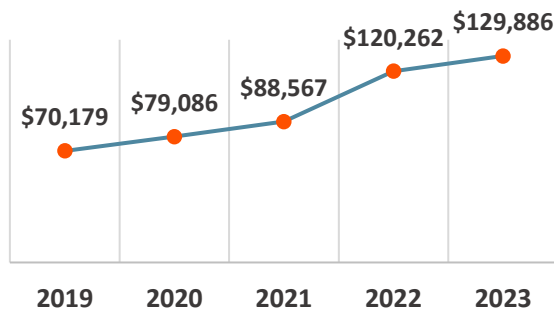
Policies In Force



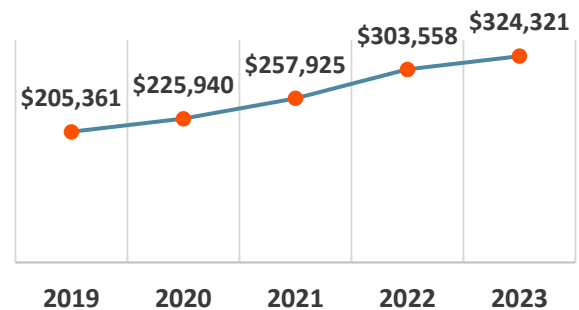
Direct Premiums Written (\$000's)



Total Surplus (\$000's)



Total Assets (\$000's)



OUR PROMISE

Most importantly, we kept our promise to our insureds with innovative injury management, returning injured employees back to health and work.

GIVING BACK

Community Donations:

- The Banquet
- State Theatre
- Feeding South Dakota
- Leukemia & Lymphoma Society
- Health Connect of SD
- El Riad Shrine
- 437 Project
- No Coast Junior Derby LLC



Kids' Chance
of South Dakota

Educating Children of Injured Workers



3rd Annual RAS Golf Classic Benefitting Kids' Chance of SD Surpasses Fundraising Goal!



\$51,000

DONATED TO KIDS' CHANCE
OF SOUTH DAKOTA 2023
\$45,000 RAISED IN 2022



132

GOLFERS PARTICIPATED
FROM CT, GA, IA, IL, MD, MN, MO, NC,
NE, OH, SD, VA, WI

Kids' Chance of South Dakota is proud to provide post-secondary and trade school scholarships to the children of South Dakota workers who have been severely or fatally injured in a workplace accident. The children of these workers often lose opportunities for secondary education.



Sioux Empire United Way

\$85,989.55

RAISED BY OUR TEAM IN 2023

71.7%

EMPLOYEE
PARTICIPATION

47

HEART CLUB
MEMBERS





RISK ADMINISTRATION SERVICES, INC.

Workers' Compensation.

It's what we do. It's who we are.

CORPORATE OFFICE IN SIOUX FALLS, SD

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RASCompanies.com



2020-2023

