

2024 ANNUAL REPORT



35
YEARS

1989-2024



RISK ADMINISTRATION SERVICES, INC.

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Dear valued partners and stakeholders,

As we reflect on the accomplishments and challenges of the past year, I am proud to share highlights of our performance and extend sincere thanks for your continued trust and partnership.

In 2024, The Dakota Group® celebrated 35 years of purpose-driven service. What began in 1989 as a focused effort to meet the needs of an underserved market has grown into the leading provider of workers' compensation coverage across our core states. Reaching this milestone is both a professional achievement and a personal one—what started in part, as a family endeavor has become something much larger, and I am deeply proud of what we've built together.

Over the past three and a half decades, we have remained dedicated to delivering service, safety, and performance at the highest level. That dedication has earned us the trust of thousands of policyholders, a surplus exceeding \$100 million, and the distinction of being the largest voluntary writer of workers' compensation in South Dakota for the last three decades. In 2024, we maintained our "A" rating from AM Best and were named to Ward's Top 50 list of top-performing P/C carriers for the fifth consecutive year—reflecting our financial strength, operating consistency, and long-standing commitment to excellence.

We continue to invest in the tools, processes, and people that allow us to deliver exceptional results. Our approach to risk management and governance ensures we remain resilient and forward-focused, even as market conditions evolve.

As we marked this meaningful anniversary, I'm filled with appreciation for the team that brought us here—and for the agents, customers, and partners who continue to place their trust in us. The values that shaped our foundation in 1989 remain just as relevant today: integrity, innovation, and service that puts people first. Thank you for being an essential part of our journey.

A handwritten signature in black ink, reading "Richard E. Johnson". The signature is written in a cursive, flowing style.

RICHARD E. JOHNSON
President and CEO



NAMED TO WARD'S TOP 50 FOR FIFTH CONSECUTIVE YEAR

RAS – The Dakota Group® were named to
Ward's Top 50 performing insurance companies for 2024.

"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.

"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, Head of Performance Benchmarking. "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."

About Aon's Ward's Top 50: Aon is the trusted leader of benchmarking and best practices services for the insurance industry. For the past 34 years, they have analyzed the financial performance of nearly 3,000 property-casualty companies domiciled in the United States. The analysis is based on publicly available data which is used to determine the companies' financial performance over a five-year period. This serves as a benchmark to compare the performance of the Top 50 as a group with the rest of the industry.



Purpose

“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.

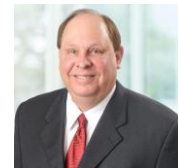
Executive Leadership



RICHARD JOHNSON
President and CEO



ED JOHNSON
COO



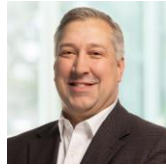
LARRY KLAHSEN
Executive Vice President



KELLI THOMAS
Chief of Staff



ROBERT J. HOLLAN
SVP, Secretary &
General Counsel



LES SMITH
Senior Vice President
Finance



EDDIE RIVEIRO
Executive Vice President
Production



BOB SOBOCINSKI
Executive Vice President
Underwriting & Portfolio Mgmt



CHIRAG SHUKLA
Chief Information and
Technology Officer



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
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

6.64
years

tenure 10+ years

23
percent



Our Legacy. Our Leadership. Our Future.

Celebrating 35 Years of Purpose-Driven Progress

In 2024, RAS marked a milestone—35 years of delivering exceptional workers' compensation coverage with integrity, innovation, and service that puts people first.

A Legacy of Strength and Excellence

With a surplus exceeding \$100 million, an "A" rating from AM Best, and a fifth consecutive year on Ward's Top 50 list, RAS continues to lead with financial strength and operational excellence.

Built to Lead, Ready for What's Next

Grounded in resilient risk management and driven by forward-thinking strategy, we remain committed to helping businesses thrive—today and for decades to come.

RAS Timeline

2024

Celebrated 35 years
in business



RAS – The Dakota Group®
named to Ward's Top 50 for
5th consecutive year

2023



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

2020



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

2014



AM Best upgrades
DTU & FDI to A- rating

Celebrated 25 years
in business

2007

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

2003

First RAS Branch
Office opens

2002

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

1995

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

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

1990

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

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

1989

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

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 2024	2024	2023
Long Term Invested Assets	283,860,950	259,815,904
Cash and Cash Equivalents	13,002,728	16,602,869
Cash and Invested Assets	296,863,679	276,418,773
Premium Receivables	43,184,110	40,805,813
Reinsurance Recoverable	2,414,657	1,832,798
Other Assets	8,349,779	7,944,741
Total Assets	350,812,225	327,002,125
Loss and Loss Expense Reserves	124,324,161	120,378,636
Unearned Premiums	61,105,584	54,965,739
Ceded Reinsurance Payables	8,581,873	7,717,126
Other Liabilities	12,733,047	11,371,917
Total Liabilities	206,744,664	194,433,418
Policyholders Surplus	144,067,561	132,568,706

Financial Position

(Prior Years as of 12/31)

Direct Premiums Written	161,855,489	144,841,256
Assumed Premiums Written	2,102,725	1,414,692
Gross Premiums Written	163,958,214	146,255,948
Net Reinsurance Ceded	(21,671,031)	(18,655,029)
Net Premiums Written	142,287,182	127,600,919
Change in Unearned Premium	(6,139,845)	(3,074,459)
Net Premiums Earned	136,147,338	124,526,460
Loss and Loss Expenses Incurred	(87,369,818)	(82,614,438)
Underwriting Expenses	(34,473,054)	(30,643,435)
Underwriting Gain/(Loss)	14,304,466	11,268,587
Net Gain/(Loss) on Investments	9,697,086	8,359,106
Other Income/(Expense)	(428,326)	(4,699)
Policyholder Dividends	(5,250,948)	(5,215,075)
Pre-Tax Income/(Loss)	18,322,278	14,407,919
Federal Income Tax	2,720,297	1,794,832
Net Income	15,601,981	12,613,087

Operating Results

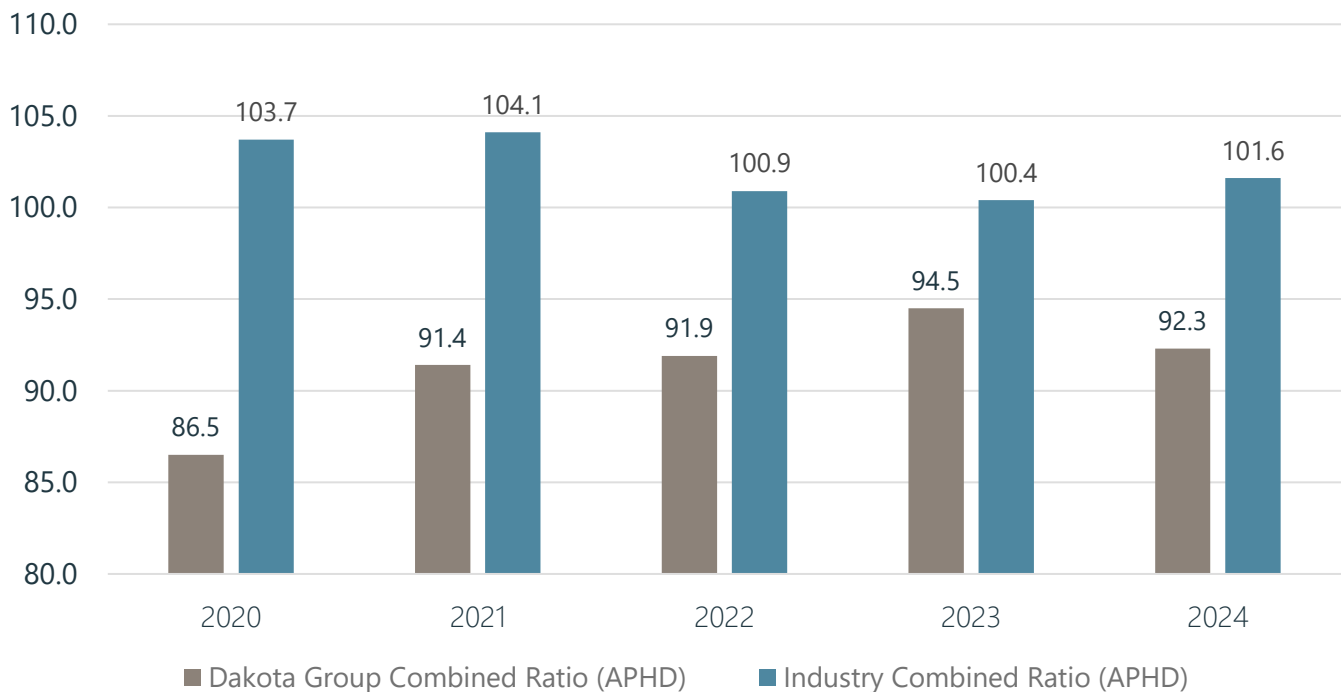
(Prior Years as of quarter-ending)

Net Loss and Loss Expense Ratio	64.17	66.34
Underwriting Expense Ratio	24.23	24.02
Combined Ratio	88.40	90.36
Dividend Ratio	3.86	4.19
Combined Ratio APHD	92.26	94.55

Underwriting Statistics

Performance

5 Year Performance



Industry AM Best

Work Comp Composite Group 5 Year Trends

105.3%

Change in
Policyholders'
Surplus

21.6% - Industry

23.1%

Underwriting
Expense Ratio

30.2% - Industry

11.9%

Total Return
on Surplus

5.9% - Industry

64.7%

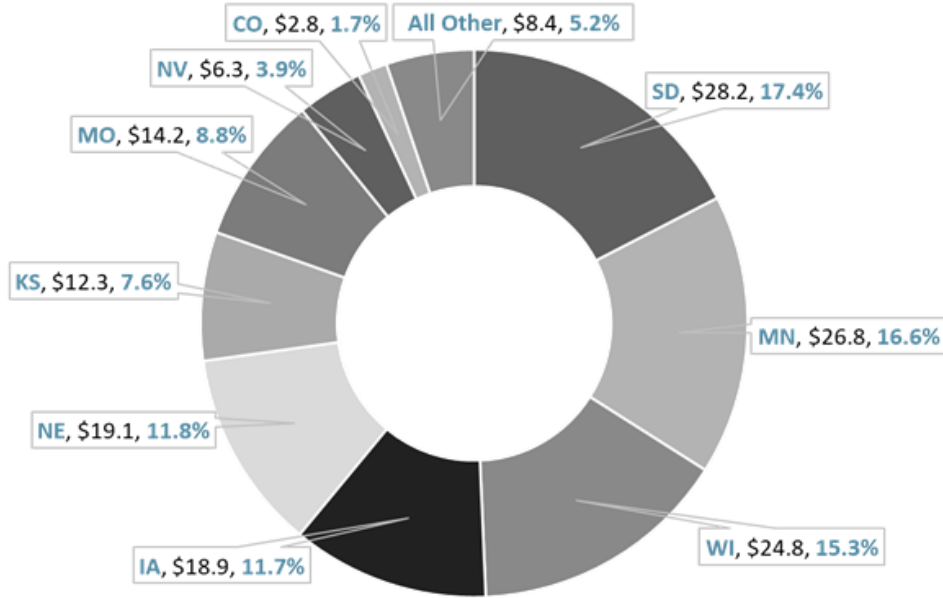
Net Loss Ratio
and LAE

66.2% - Industry

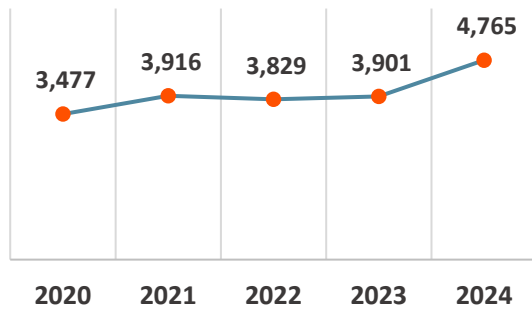
The Dakota Group® consistently performs better than the AM Best WC Composite peers in key operational areas. Best's ratings are a recognized indicator of an insurer's financial strength and creditworthiness.

Key Metrics

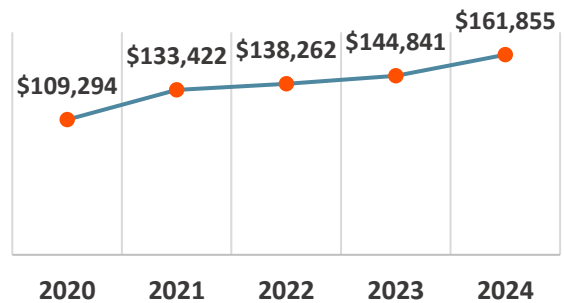
2024 DWP by State (\$MM'S)



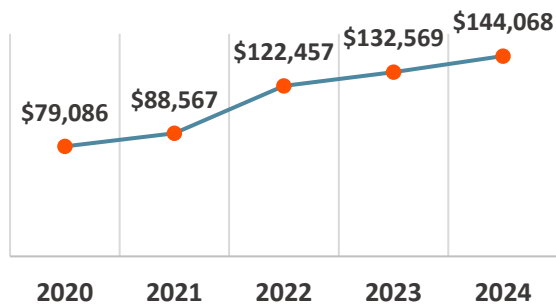
Policies In Force



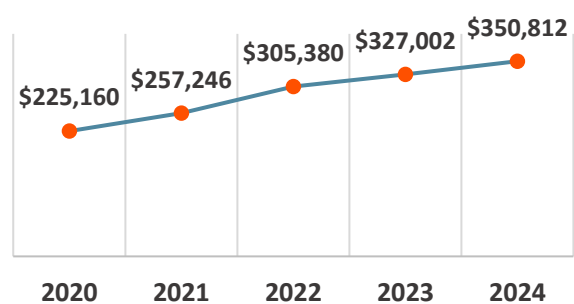
Direct Premium Written (\$000's)



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



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.



4th Annual RAS Golf Classic Benefitting Kids' Chance of SD Surpasses Fundraising Goal!

\$82,700

DONATED TO KIDS' CHANCE
OF SOUTH DAKOTA 2024

14th IN PARTICIPATION RANK

5th IN AVERAGE GIFT
PER EMPLOYEE

14th IN AVERAGE CORPORATE GIVE
PER EMPLOYEE

20th IN TOTAL EMPLOYEE GIVING

21st IN CORPORATE GIFT TOTAL



Other Charitable Contributions:

- DakotAbilities
- YWCA of Minneapolis
- Iowa Hospital Association
- McCrossan Boys Ranch
- Northern Lights Foundation
- Winner Regional Foundation
- HelpLine Center
- Leukemia & Lymphoma Society
- Feeding South Dakota
- Freeman Teammates
- El Riad Shrine Temple
- Tea Area Parents for Prom Safety
- Jackrabbit Track and Field Association

- 7 bikes were built and donated to Center of Hope and the Boys & Girls Club of the Sioux Empire to enrich the lives of children and promote healthy lifestyles.
- 120 comfort bags for children and 60 hospital care packages for adults undergoing chemotherapy or dialysis treatment to offer comfort and support.
- Dozens of letters were written to our older adult population to let them know someone is thinking of them.
- Dozens of beautiful rocks with words of encouragement and positivity were painted and placed in our communities to help brighten someone's day.
- 100 letters were written to thank our Veterans and will be sent to our South Dakota Air Guard members who were recently deployed to serve our country.





Cherapa Place



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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P. 605.361.4142 F. 605.361.4121
RASCompanies.com



2020-2024

