

**SOUTH DAKOTA TRUST COMPANY RECEIVERSHIP AND
LIQUIDATION CAPTIVE INSURANCE COMPANY, LLC**

AUDIT REPORT

For the Year Ended December 31, 2023



**State of South Dakota
Department of Legislative Audit
427 South Chapelle
% 500 East Capitol
Pierre, SD 57501-5070**

SOUTH DAKOTA TRUST COMPANY RECEIVERSHIP AND LIQUIDATION CAPTIVE INSURANCE
COMPANY, LLC
OFFICIALS
December 31, 2023

Board of Managers:

Board President, Bret Afdahl
Vice President, Marcia Hultman
Secretary/Treasurer, Matt Schlechter

Manager South Dakota Captive Insurance Companies:

Megan Mercer

Director, Division of Administrative Services, DLR:

Emily Ward

SOUTH DAKOTA TRUST COMPANY RECEIVERSHIP AND LIQUIDATION CAPTIVE INSURANCE
COMPANY, LLC
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427 SOUTH CHAPELLE
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PIERRE, SD 57501-5070
(605) 773-3595

RUSSELL A. OLSON
AUDITOR GENERAL

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Kristi Noem
Governor of South Dakota

and

Board of Managers
South Dakota Trust Company Receivership and Liquidation Captive Insurance Company, LLC

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the South Dakota Trust Company Receivership and Liquidation Captive Insurance Company, a component unit of the State of South Dakota, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the South Dakota Trust Company Receivership and Liquidation Captive Insurance Company's basic financial statements, and have issued our report thereon dated June 5, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the South Dakota Trust Company Receivership and Liquidation Captive Insurance Company's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the South Dakota Trust Company Receivership and Liquidation Captive Insurance Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the South Dakota Trust Company Receivership and Liquidation Captive Insurance Company's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the South Dakota Trust Company Receivership and Liquidation Captive Insurance Company's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. As required by South Dakota Codified Law 4-11-11, this report is a matter of public record and its distribution is not limited.



Russell A. Olson, Auditor General
Pierre, South Dakota

June 5, 2024



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(605) 773-3595

RUSSELL A. OLSON
AUDITOR GENERAL

INDEPENDENT AUDITOR'S REPORT

The Honorable Kristi Noem
Governor of South Dakota

and

Board of Managers
South Dakota Trust Company Receivership and Liquidation Captive Insurance Company, LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the South Dakota Trust Company Receivership and Liquidation Captive Insurance Company, a component unit of the State of South Dakota, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the South Dakota Trust Company Receivership and Liquidation Captive Insurance Company's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the South Dakota Trust Company Receivership and Liquidation Captive Insurance Company as of December 31, 2023, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the South Dakota Trust Company Receivership and Liquidation Captive Insurance Company, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the South Dakota Trust Company Receivership and Liquidation Captive Insurance Company's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the South Dakota Trust Company Receivership and Liquidation Captive Insurance Company's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the South Dakota Trust Company Receivership and Liquidation Captive Insurance Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require management's discussion and analysis on page 6 and the Ten-Year Claims Development Information on page 15 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2024 on our consideration of the South Dakota Trust Company Receivership and Liquidation Captive Insurance Company's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the South Dakota Trust Company Receivership and Liquidation Captive Insurance Company's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the South Dakota Trust Company Receivership and Liquidation Captive Insurance Company's internal control over financial reporting and compliance.



Russell A. Olson, Auditor General
Pierre, South Dakota

June 5, 2024

**SOUTH DAKOTA TRUST COMPANY RECEIVERSHIP AND LIQUIDATION CAPTIVE INSURANCE
COMPANY, LLC
MANAGEMENT’S DISCUSSION AND ANALYSIS**

This section of the South Dakota Trust Company Receivership and Liquidation Captive Insurance Company, LLC (Captive) financial report presents a narrative overview and analysis of the financial activities of the Captive for the fiscal year ended December 31, 2023. This analysis should be read in conjunction with the Independent Auditor’s Report, financial statements, and notes to the financial statements.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Captive’s basic financial statements for fiscal year ended December 31, 2023. The Captive’s basic financial statements include: 1) Statement of Net Position, 2) Statement of Revenues, Expenses, and Changes in Net Position, 3) Statement of Cash Flows, and 4) Notes to the Financial Statements. The report also contains Required Supplementary Information in addition to the basic financial statements.

The Statement of Net Position presents information on the Captive’s assets and liabilities with the difference being reported as net position. The Statement of Revenues, Expenses, and Changes in Net Position presents information showing how the Captive’s net position changed during the year. The Statement of Cash Flows provides information about the Captive’s cash receipts and payments during the year. The Notes to the Financial Statements are an integral part of the financial statements and provide additional information that is essential to a full understanding of the data provided in the financial statements.

	<u>Net Position</u>			
	<u>2023</u>	<u>2022</u>	<u>Change</u>	<u>% Change</u>
Assets:				
Cash and Cash Equivalents	\$ 2,130,593	\$ 2,044,232	\$ 86,361	4.2%
Interest & Dividends Receivable	<u>14,090</u>	<u>5,302</u>	<u>8,788</u>	<u>165.7%</u>
Total Assets	<u>2,144,683</u>	<u>2,049,534</u>	<u>95,149</u>	<u>4.7%</u>
Liabilities:				
Accounts Payable	11,704	11,644	60	0.5%
Reserve for Claims and Claim Adjustment Expense	-	-	-	0.0%
Noncurrent Reserve for Claims and Claim Adj. Exp.	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.0%</u>
Total Liabilities	<u>11,704</u>	<u>11,644</u>	<u>60</u>	<u>1.1%</u>
Net Position:				
Unrestricted	<u>2,132,979</u>	<u>2,037,890</u>	<u>95,089</u>	<u>4.7%</u>
Total Net Position	<u>\$ 2,132,979</u>	<u>\$ 2,037,890</u>	<u>\$ 95,089</u>	<u>4.7%</u>

**SOUTH DAKOTA TRUST COMPANY RECEIVERSHIP AND LIQUIDATION CAPTIVE INSURANCE
COMPANY, LLC
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Total assets of the Captive increased 4.7%. Both cash and interest receivable increased in 2023 when compared to 2022. Cash increased primarily due to an increase in interest income earned. Interest income was 577% higher than the previous year due to more favorable interest rates.

Total liabilities of the Captive remained relatively the same in 2023 as in 2022.

Changes in Net Position

	<u>2023</u>	<u>2022</u>	<u>Change</u>	<u>% Change</u>
Revenues:				
Net Earned Premiums	\$ 51,443	\$ 50,235	\$ 1,208	2.4%
Interest Income	<u>75,961</u>	<u>(15,924)</u>	<u>91,885</u>	<u>577.0%</u>
Total Revenues	<u>127,404</u>	<u>34,311</u>	<u>93,093</u>	<u>271.3%</u>
Expenses:				
Claims and Claim Adjustment Expense	-	-	-	0.0%
Management Fees	6,503	4,208	2,295	54.5%
Audit Fees	5,889	4,688	1,201	25.6%
Accounting Fees	890	861	29	3.4%
Legal Fees	908	335	573	171.0%
Actuarial Fees	12,800	12,800	-	0.0%
Supervision Fee	5,000	5,000	-	0.0%
Investment Expense	<u>324</u>	<u>362</u>	<u>(38)</u>	<u>-10.5%</u>
Total Expenses	<u>32,314</u>	<u>28,254</u>	<u>4,060</u>	<u>14.4%</u>
Change in Net Position	<u>\$ 95,090</u>	<u>\$ 6,058</u>	<u>\$ 89,032</u>	<u>1469.7%</u>

Total revenues increased 271.3%. This is due to a net increase in interest income instead of a net decrease. As previously noted, interest rates are higher than in the previous year. Net premiums earned also increased by 2.4%.

Total expenses increased 14.4%. The largest increase was in management fees as the managers spent an above average amount of time renegotiating reinsurance rates in 2023. No claims were incurred or paid in 2023, resulting in little activity for the Captive in 2023.

SOUTH DAKOTA TRUST COMPANY RECEIVERSHIP AND LIQUIDATION CAPTIVE INSURANCE COMPANY, LLC
STATEMENT OF NET POSITION
December 31, 2023

Assets

Current Assets

Cash and Cash Equivalents	\$ 2,130,593
Interest & Dividends Receivable	14,090

Total Assets	\$ 2,144,683
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Liabilities

Current Liabilities

Accounts Payable	\$ 11,704
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Total Current Liabilities	11,704
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Total Liabilities	11,704
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Net Position

Unrestricted	2,132,979
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Total Net Position	2,132,979
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Total Liabilities and Net Position	\$ 2,144,683
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The notes to the financial statements are an integral part of this statement.

SOUTH DAKOTA TRUST COMPANY RECEIVERSHIP AND LIQUIDATION CAPTIVE INSURANCE COMPANY, LLC
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Year Ended December 31, 2023

Operating Revenue	
Gross Earned Premiums	\$ 217,388
Reinsurance Premiums Ceded	(165,945)
Net Earned Premiums	51,443
 Operating Expense	
Management Fees	6,503
Audit Fees	5,889
Accounting Fees	890
Legal Fees	908
Supervision Fee	5,000
Actuarial Fees	12,800
Total Operating Expenses	31,991
 Operating Income (Loss)	 19,452
 Nonoperating Revenue (Expenses)	
Interest Income	75,961
Other expense	(324)
Total Nonoperating Revenue (Expenses)	75,637
 Change in Net Position	 95,089
Net Position at Beginning of Year	2,037,890
Net Position at End of Year	\$ 2,132,979

The notes to the financial statements are an integral part of this statement.

SOUTH DAKOTA TRUST COMPANY RECEIVERSHIP AND LIQUIDATION CAPTIVE INSURANCE COMPANY, LLC
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2023

Cash Flows from Operating Activities	
Cash Receipts from Premiums	\$ 217,388
Cash Payments for Management Fees	(6,747)
Cash Payments for Professional Services	(20,184)
Cash Payments for Supervision Fees	(5,000)
Cash Payments for Reinsurance Premiums	(165,945)
Net Cash Provided (Used) by Operating Activities	<u>19,512</u>
 Cash Flows from Investing Activities	
Investment Income	67,173
Investment Expense	(324)
Net Cash Provided (Used) by Investing Activities	<u>66,849</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	
During the Fiscal Year	86,361
 Cash and Cash Equivalents at Beginning of Year	
	<u>2,044,232</u>
Cash and Cash Equivalents at End of Year	<u>\$ 2,130,593</u>
 Reconciliation of Operating Income (Loss) to Net Cash	
Provided (Used) by Operating Activities	
Operating Income (Loss)	\$ 19,452
Increase/(Decrease) in Liabilities	
Accounts Payable	<u>60</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 19,512</u>

The notes to the financial statements are an integral part of this statement.

**SOUTH DAKOTA TRUST COMPANY RECEIVERSHIP AND LIQUIDATION CAPTIVE INSURANCE
COMPANY, LLC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

Note 1 – Organization

The South Dakota Trust Company Receivership and Liquidation Captive Insurance Company, LLC (Captive), a nonprofit limited liability company, was established December 31, 2016. The Captive provides insurance to pay for losses if the Director of the South Dakota Department of Labor and Regulation, Division of Banking (Division) must take over a trust company chartered and regulated by the Division. This includes administrative and reinsurance costs. The Captive is a pure captive.

The Captive is governed by a three-member Board of Managers who serve as the officers of the Captive. The Captive Board of Managers holds regularly scheduled meetings in June and November each year. Special meetings of the Board may be called by the Board or by the President of the Board. The State of South Dakota Office of Risk Management serves as the manager and performs necessary functions such as underwriting, billing and collecting premiums, investigating and settling claims, and reporting.

The Captive is a business type component unit of the State of South Dakota. As such, the accompanying financial statements are included in the Annual Comprehensive Financial Report of the State of South Dakota.

Note 2 – Summary of Significant Accounting Policies

Fund Accounting

The Captive is accounted for as a proprietary type enterprise fund. Enterprise funds are used to account for activities financed and operated in a manner similar to private business enterprises.

Basis of Accounting

The accompanying financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of related cash flows.

Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services, and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition, such as investment earnings, are reported as nonoperating.

**SOUTH DAKOTA TRUST COMPANY RECEIVERSHIP AND LIQUIDATION CAPTIVE INSURANCE
COMPANY, LLC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

Note 2 – Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

Cash and cash equivalents represent the Captive's participating interest in the State's internal investment pool held by the State Treasurer. The amount held in the State's internal investment pool is reported at fair value. The estimated investment income is based on the average daily cash balance and the projected investment earnings rate. Management of the State's internal investment pool is the statutory responsibility of the South Dakota Investment Council (SDIC). The investment policy and required risk disclosures for the State's internal investment pool are presented in the SDIC's audit report which can be obtained by contacting the Department of Legislative Audit, 427 South Chapelle, c/o 500 East Capitol, Pierre, SD 57501.

Reserve for Claims and Claim Adjustment Expenses

The Captive established the reserve for claims and claim adjustment expenses based on the estimated ultimate cost of settling the claims. This includes claims that have been reported but not settled, and claims incurred but not reported. Costs of claims include losses, allocated claim adjustment expenses, and unallocated claim adjustment expenses. Estimated amounts of reinsurance recoverable on unpaid claims are deducted from the unpaid claims liability. No trusts are identified for which take-over proceedings are anticipated for the year ended December 31, 2023.

Premium Revenue

Premiums billed are recognized as revenue over the term of the insurance policies. The Captive billed \$217,388 in gross premiums from January 1, 2023 through December 31, 2023. The Captive does not consider anticipated investment income in determining if a premium deficiency exists.

Grant Agreement

HB1042 approved by the 2016 Legislature created the trust company receivership and liquidation captive insurance company fund, and deposited a \$2,220,000 appropriation into it. This fund pays for trust company receivership and liquidation costs for trust companies chartered and regulated by the Division as well as administrative and reinsurance costs. Section 13.2 of the Captive's Company Agreement states that upon dissolution, any remaining assets of the Board shall be distributed to the State of South Dakota, less the reasonable and necessary expenses of completing the Captive's affairs and less any amounts required to be maintained on account of claims or potential claims or otherwise required by the South Dakota Division of Insurance or any successor regulatory entity. If a regulatory body with jurisdiction determines no further claims reserves are required to be held, any remaining balance of the grant shall be paid to the State of South Dakota.

**SOUTH DAKOTA TRUST COMPANY RECEIVERSHIP AND LIQUIDATION CAPTIVE INSURANCE
COMPANY, LLC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

Note 2 – Summary of Significant Accounting Policies (Continued)

Reinsurance Premiums

Reinsurance premiums are netted against gross premiums over the terms of the insurance policies. Prepaid reinsurance premium is established to reflect premiums paid applicable to future accounting periods.

Note 3 – Insurance Activity

Premiums written for the year ended December 31, 2023, were as follows:

	<u>2023</u>
Premiums Written	\$ 217,388
Premiums Ceded	<u>(165,945)</u>
Net Premiums Written	<u>\$ 51,443</u>

The Captive provides coverage for trust company administration and examination wind-down expenses for trust companies regulated by the Division of which it takes charge or possession. The Captive only pays losses in excess of recoveries from trust company assets. The Captive will retain the first one hundred thousand dollars of losses and has entered into a reinsurance agreement to cover claims exceeding \$100,000 with a limit of \$2,000,000. The Captive started writing coverage December 31, 2016. The first policy covers the period December 31, 2016 to December 31, 2017. Thereafter, the Captive's and reinsurer's policies are written on a calendar year basis.

The amount of claims is projected by an actuarial firm. The premium is based on estimated claims plus administrative costs. Billings are prepared and sent to the Division on an annual basis.

Note 4 – Regulatory Requirements

The South Dakota Trust Company Receivership and Liquidation Captive Insurance Company, LLC is formed as a non-profit LLC under the laws of the State of South Dakota. As the registered agent for the Captive, the State of South Dakota Office of Risk Management is responsible for filing an annual report with the South Dakota Secretary of State. The annual report is due at the beginning of the month in which the company was formed. The annual report for the Captive is due each year by November 1.

**SOUTH DAKOTA TRUST COMPANY RECEIVERSHIP AND LIQUIDATION CAPTIVE INSURANCE
COMPANY, LLC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

Note 4 – Regulatory Requirements (Continued)

The Captive is required to submit audited financial statements to the South Dakota Division of Insurance by June 30 each year. An actuarial report is required to accompany the financial statements.

Note 5 – Subsequent Events

Management has evaluated subsequent events for disclosure through the report date, which is the date the financial statements were available to be issued. Management believes no subsequent events exist having an impact on the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**SOUTH DAKOTA TRUST COMPANY RECEIVERSHIP AND LIQUIDATION
CAPTIVE INSURANCE COMPANY, LLC
Ten-Year Claims Development Information
For the Fiscal and Policy Year Ended December 31, 2023**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
1. Required contribution and investment revenue:								
Earned	\$	\$ 162,000	\$ 35,728	\$ 66,822	\$ 69,793	\$ 71,485	\$ 193,235	\$ 217,388
Ceded	(314)	(114,686)	(126,900)	(130,878)	(122,549)	(135,000)	(143,000)	(165,945)
Net earned	(314)	47,314	(91,172)	(64,056)	(52,756)	(63,515)	50,235	51,443
Investment revenue	8,114	15,386	28,195	108,031	68,192	(33,365)	(16,285)	75,637
2. Unallocated expenses	5,000	36,301	32,834	30,318	26,830	26,514	27,892	31,991
3. Estimated claims and expenses, end of policy year:								
Incurred	-	-	-	-	-	-	-	-
Ceded	-	-	-	-	-	-	-	-
Net incurred	-	-	-	-	-	-	-	-
4. Net Paid (cumulative) as of:								
End of policy year	-	-	-	-	-	-	-	-
One year later	-	-	-	-	-	-	-	-
Two Years Later	-	-	-	-	-	-	-	-
Three Years Later	-	-	-	-	-	-	-	-
Four Years Later	-	-	-	-	-	-	-	-
Five Years Later	-	-	-	-	-	-	-	-
Six Years Later	-	-	-	-	-	-	-	-
Seven Years Later	-	-	-	-	-	-	-	-
5. Reestimated ceded claims and expenses	-	-	-	-	-	-	-	-
6. Reestimated net incurred claims and expenses:								
End of policy year	-	-	-	-	-	-	-	-
One year later	-	-	-	-	-	-	-	-
Two Years later	-	-	-	-	-	-	-	-
Three Years later	-	-	-	-	-	-	-	-
Four Years later	-	-	-	-	-	-	-	-
Five Years Later	-	-	-	-	-	-	-	-
Six Years Later	-	-	-	-	-	-	-	-
Seven Years Later	-	-	-	-	-	-	-	-
7. Increase (decrease) in estimated net incurred claims and expenses from end of policy year	-	-	-	-	-	-	-	-

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information will be presented for the years in which it is available.