

Private Placement Insurance Products, LLC
Report Pursuant to Rule 17a-5 (d)
Financial Statements
For the Year Ended December 31, 2020

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

| |
|---|
| OMB APPROVAL |
| OMB Number: 3235-0123 |
| Expires: October 31, 2023 |
| Estimated average burden hours per response... 12.00 |

| |
|-----------------|
| SEC FILE NUMBER |
| 8-67284 |

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/20 AND ENDING 12/31/20
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Private Placements Insurance Products, LLC
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
2754 Brandt Drive S., Suite 200
(No. and Street)
Fargo ND 58104
(City) (State) (Zip Code)

| |
|-------------------|
| OFFICIAL USE ONLY |
| FIRM I.D. NO. |

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Ronald Borio (619)246-9428
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Brian W. Anson, CPA

(Name - if individual, state last, first, middle name)

18401 Burbank Blvd., #120 Tarzana CA 91356
(Address) (City) (State) (Zip Code)

CHECK ONE:



Certified Public Accountant



Public Accountant



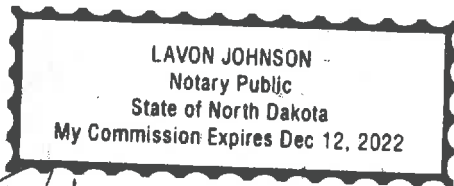
Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

OATH OR AFFIRMATION

I, Turner Fixen, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Private Placements Insurance Products, LLC, as of December 31, 2020, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:



Lavon Johnson
Notary Public

Turner Fixen
Signature
Registered Principal - Compliance
Title

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss) or, if there is other comprehensive income in the period(s) presented, a Statement of Comprehensive Income (as defined in §210.1-02 of Regulation S-X).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

BRIAN W. ANSON

Certified Public Accountant

18455 Burbank Blvd., Suite 404, Tarzana, CA 91356 • Tel. (818) 636-5660 • Fax (818) 881-2605

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders' and Board of Members of Private Placement Insurance Products, LLC

Opinion on the Financial Statements

I have audited the accompanying statement of financial condition of Private Placement Insurance Products, LLC as of December 31, 2020, the related statements of income, changes in members' equity, and cash flows for the year then ended, and the related notes (collectively referred to as the financial statements). In my opinion, the financial statements present fairly, in all material respects, the financial position of Private Placement Insurance Products, LLC as of December 31, 2020, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

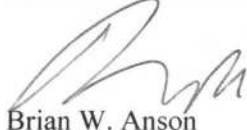
Basis for Opinion

These financial statements are the responsibility of Private Placement Insurance Products, LLC's management. My responsibility is to express an opinion on Private Placement Insurance Products, LLC's financial statements based on my audit. I am a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and am required to be independent with respect to Private Placement Insurance Products, LLC in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

I conducted my audit in accordance with the standards of the PCAOB. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. My audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. My audit also included evaluating the accounting principles used and significant estimates made by management, as evaluating the overall presentation of the financial statements. I believe that my audit provides a reasonable basis for my opinion.

Auditor's Report on Supplemental Information

The information contained in Schedule I, II, and III ("Supplemental Information") has been subjected to audit procedures performed in conjunction with the audit of the Private Placement Insurance Products, LLC's financial statements. The Supplemental Information is the responsibility of the Private Placement Insurance Products, LLC's management. My audit procedures included determining whether the Supplemental Information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the Supplemental Information. In forming my opinion on the Supplemental Information, I evaluated whether the Supplemental Information, including its form and content is presented in conformity with 17 C.F.R. § 240.17a-5. In my opinion, Schedules I, II, and III are fairly stated, in all material respects, in relation to the financial statements taken as a whole.



Brian W. Anson

Certified Public Accountant

I have served as Private Placement Insurance Products, LLC's auditor since 2017.

Tarzana, California

February 2, 2021

Private Placement Insurance Products, LLC

**Statement of Financial Condition
December 31, 2020**

Assets

| | |
|------------------------|--------------------------|
| Cash | \$ 69,486 |
| Accounts receivable | 18,086 |
| Due from related party | 67,622 |
| CRD Deposit | <u>2,000</u> |
| Total assets | <u><u>\$ 157,194</u></u> |

Liabilities and Member's Equity

Liabilities

| | |
|--------------------------|---------------|
| Commissions payable | \$ 30,486 |
| Due to related party | <u>20,954</u> |
| Total liabilities | <u>51,440</u> |

Member's equity

| | |
|--|--------------------------|
| Member's equity | <u>105,754</u> |
| Total member's equity | <u>105,754</u> |
| Total liabilities and member's equity | <u><u>\$ 157,194</u></u> |

The accompanying notes are an integral part of these financial statements.

Private Placement Insurance Products, LLC
Statement of Income
For the Year Ended December 31, 2020

Revenues

| | |
|--|----------------|
| Revenues from the Sale of Insurance Based Products | \$ 967,933 |
| Total revenues | <u>967,933</u> |

Expenses

| | |
|--|----------------|
| Employee compensation and benefits | 138,339 |
| Commission | 572,206 |
| Professional fees | 24,194 |
| Insurance expense | 40,599 |
| Occupancy expense | 33,394 |
| Other operating expenses | <u>80,799</u> |
| Total expenses | <u>889,531</u> |
| Net income (loss) before income tax provision | 78,402 |

| | |
|-----------------------------|-------------------------|
| Income tax provision | <u>3,300</u> |
| Net income (loss) | <u><u>\$ 75,102</u></u> |

The accompanying notes are an integral part of these financial statements.

Private Placement Insurance Products, LLC
Statement of Changes in Member's Equity
For the Year Ended December 31, 2020

| | Member's Equity |
|---|------------------------------|
| | <hr/> |
| Balance at December 31, 2019 | \$ 114,652 |
| Member's distributions | (84,000) |
| Net income (loss) | <hr/> 75,102 |
| Balance at December 31, 2020 | <u><u>\$ 105,754</u></u> |

The accompanying notes are an integral part of these financial statements.

Private Placement Insurance Products, LLC
Statement of Cash Flows
For the Year Ended December 31, 2020

Cash flow from operating activities:

| | | |
|--|--|-----------|
| Net income (loss) | | \$ 75,102 |
| Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities: | | |

(Increase) decrease in assets:

Accounts receivable

Due from related party

\$ (2,499)

Increase (decrease) in liabilities:

Commissions payable

7,252

Due to related party

971

Total adjustments

5,724

Net cash provided by (used in) operating activities

80,826

Net cash provided by (used in) in investing activities

-

Cash flow from financing activities:

Member distributions

(84,000)

Net cash provided by (used in) financing activities

(84,000)

Net increase (decrease) in cash

(3,174)

Cash at beginning of year

72,660

Cash at end of year

\$ 69,486

Supplemental disclosure of cash flow information:

Cash paid during the year for:

Interest

\$ -

Income taxes

\$ 3,300

The accompanying notes are an integral part of these financial statements.

Private Placement Insurance Products, LLC
Notes to Financial Statements
December 31, 2020

Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Private Placement Insurance Products, LLC (the "Company"), was originally organized in the State of Delaware on March 14, 2005, and was approved to conduct business in California on February 22, 2006 and in North Dakota on August 23, 2011. The Company is a single member limited liability company operating as a registered broker/dealer in securities under the Securities and Exchange Act of 1934, and is a member of the Financial Industry Regulatory Authority ("FINRA").

The Company is authorized to sell variable life insurance or annuities, and private placement of variable life insurance or annuities on a best efforts basis. The Company assists in the placement of and due diligence for Bank Owned Life Insurance (BOLI) and Corporate Owned Life Insurance (COLI) plans.

Summary of Significant Accounting Policies

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Accounts receivable are stated at face amount with no allowance for doubtful accounts. An allowance for doubtful accounts is not considered necessary because probable uncollectible accounts are immaterial.

Rent expense for the year ended December 31, 2020, was \$33,394 included in occupancy expense. The amount of rent is determined annually by the expense sharing agreement.

Private Placement Insurance Products, LLC

Notes to Financial Statements

December 31, 2020

**Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

All tax effects of the Company's income or loss are passed through to the member. Therefore, no provision or liability for Federal Income Taxes is included in these financial statements.

The Company has evaluated events subsequent to the balance sheet date for items requiring recording or disclosure in the financial statements. The evaluation was performed through February 2, 2021, the date the financial statements were available to be issued. Based upon this review, the Company has determined that there were no events which took place that would have a material impact on its financial statements.

Revenue

Significant accounting policy

Revenue is measured based on a consideration specified in a contract with a customer, and excludes any sales incentives and amounts collected on behalf of third parties. The Company recognizes revenue when it satisfied a performance obligation by transferring control over a product or service to a customer.

Taxes and regulatory fees assessed by a government authority or agency that are both imposed on and concurrent with a specified revenue-producing transaction, that are collected by the Company from a customer, are from revenue.

Nature of services

The following is a description of activities – separated by reportable segments, per FINRA Form “Supplemental Statement of Income (SSOI)” ; from which the Company generates its revenue. For more detailed information about reportable segments.

Revenue from the sale of Investment Company Shares: This includes concessions earned from the sale of open-end mutual funds that contain a load. Included are commissions charged on transactions on no load funds and UIT’s to the extent they are open end companies.

Private Placement Insurance Products, LLC

Notes to Financial Statements

December 31, 2020

Note 2: INCOME TAXES

The Company is treated as a disregarded entity for federal income tax purposes, in accordance with single member limited liability company rules. All tax effects of the Company's income or loss are passed through to the member. Therefore, no provision or liability for Federal Income Taxes is included in these financial statements.

The Company is subject to audit by the taxing agencies for the years of 2017, 2018, and 2019.

The Company is subject to a limited liability company gross receipts tax, with a minimum franchise tax. As of December 31, 2020, the income tax provision consists of the following:

| | |
|----------------------------|-----------------|
| Franchise tax | \$ 800 |
| Gross receipts tax | <u>2,500</u> |
| Total income tax provision | <u>\$ 3,300</u> |

Note 3: RELATED PARTY TRANSACTIONS

The sole member in the Company is also a member in a related entity - MB Schoen & Associates, Inc. (MBSA). The Company has an expense sharing agreement with the related entity. As outlined in the agreement, rent, salaries, and other operating expenses will be shared. For the year ending December 31, 2020 \$248,537, of operating costs were allocated from the related entity to the Company. At December 31, 2020, \$67,622 was due from MBSA. In addition, \$20,954 was due to MBSA as of December 31, 2020.

For the year ended December 31, 2020, 62% of the Company's revenue passed through the related entity. This revenue represents trail commissions earned by the sole member, but earmarked for the Company to fund its operations. In addition, \$394,577 in commissions expense was redirected commissions paid to MBSA.

It is possible that the terms of certain of the related party transactions are not the same as those that would result for transactions among wholly unrelated parties.

Private Placement Insurance Products, LLC
Notes to Financial Statements
December 31, 2020

Note 3: RELATED PARTY TRANSACTIONS
(Continued)

In February 2016 the FASB issued ASU 2016-02 on Leases. Under the new guidance lessees are required to recognize a lease liability and a right-to-use asset for all leases at the commencement date, with the exception of short-term leases. ASU 2016-02 is effective for annual and interim periods beginning after December 15, 2018 and early adoption is permitted. The company is not subjected to this requirement inasmuch as it has an expense sharing agreement with its Parent.

Note 4: CONCENTRATION OF CREDIT RISKS

For the year ended December 31, 2020, 72% of the commissions were earned from three clients.

Note 5: NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. Net capital and aggregate indebtedness change day to day, but on December 31, 2020, the Company had net capital of \$46,389 which was \$41,389 in excess of its required net capital of \$5,000 or 6-2/3 of A.I.; and the Company's ratio of aggregate indebtedness (\$51,440) to net capital was 1.11 to 1, which is less than the 15 to 1 maximum allowed.

Note 6: RECONCILIATION OF AUDITED NET CAPITAL TO UNAUDITED FOCUS

There was no difference between the computation of net capital under net capital SEC Rule 15c3-1 and the corresponding unaudited FOCUS part IIA.

Private Placement Insurance Products, LLC
Notes to Financial Statements
December 31, 2020

Note 7: COMMITMENTS AND CONTINGENCIES

The Company is required to file income tax returns in state tax jurisdictions. The Company's tax returns are subject to examination by taxing authorities in the jurisdictions in which it operates in accordance with the normal statutes of limitations in the applicable jurisdiction. The statute of limitations for state purposes is generally three years, but may exceed this limitation depending upon the jurisdiction involved. Returns that were filed within the applicable statute remain subject to examination. As of December 31, 2020, no jurisdiction has proposed any adjustment to the Company's tax position.

Note 8: GUARANTEES

FASB ASC 460, Guarantees, requires the Company to disclose information about its obligations under certain guarantee arrangements. FASB ASC 460 defines guarantees as contracts and indemnification agreements that contingently require a guarantor to make payments to the guaranteed party based on changes in an underlying factor (such as an interest or foreign exchange rate, security or commodity price, an index or the occurrence or nonoccurrence of a specified event) related to an asset, liability or equity security of a guaranteed party. This guidance also defines guarantees as contracts that contingently require the guarantor to make payments to the guaranteed party based on another entity's failure to perform under an agreement as well as indirect guarantees of indebtedness of others.

The Company has issued no guarantees at December 31, 2020 or during the year then ended.

Note 9: COVID-19

The worldwide outbreak of coronavirus (COVID-19) may lead to an adverse impact on the financial markets and the overall economy. In the event such an impact were to occur and last for a sustained period of time, the operations and financial performance of the Company may be adversely affected. At this point, however, the severity of such an event is highly uncertain and cannot be predicted.

Private Placement Insurance Products, LLC
Schedule I - Computation of Net Capital Requirements
Pursuant to Rule 15c3-1
As of December 31, 2020

Computation of net capital

| | | |
|--|-----------------|-------------------------|
| Member's equity | \$ 105,754 | |
| Total member's equity | | \$ 105,754 |
| Less: Non-allowable assets | | |
| Due from related party | (57,365) | |
| CRD Deposit | <u>(2,000)</u> | |
| Total non-allowable assets | | <u>(59,365)</u> |
| Net capital | | 46,389 |
| Computation of net capital requirements | | |
| Minimum net capital requirements | | |
| 6 2/3 percent of net aggregate indebtedness | \$ 3,431 | |
| Minimum dollar net capital required | <u>\$ 5,000</u> | |
| Net capital required (greater of above) | | <u>(5,000)</u> |
| Excess net capital | | <u><u>\$ 41,389</u></u> |
| Ratio of aggregate indebtedness to net capital | 1.11: 1 | |

There was no difference in net capital computation shown here and the net capital computation shown on the Company's unaudited Form X-17A-5 report dated December 31, 2020 (See Note 6).

See independent auditor's report

Private Placement Insurance Products, LLC
**Schedule II- Computation for Determining of Reserve
Requirements Pursuant to Rule 15c3-3
As of December 31, 2020**

Private Placement Insurance Products, LLC has no reserve deposit obligations under SEC Rule 15c3-3(e) because it is a “non-covered” firm pursuant to Footnote 74 to SEC Release 34-70073 and therefore is not subject to the Rule.

See independent auditor's report

Private Placement Insurance Products, LLC
Schedule III - Information Relating to Possession or Control
Requirements Pursuant to Rule 15c3-3
As of December 31, 2020

Private Placement Insurance Products, LLC has no possession or control obligations under SEC Rule 15c3-3(b) because it is a “non-covered” firm pursuant to Footnote 74 to SEC Release 34-70073 and therefore is not subject to the Rule.

See independent auditor's report

BRIAN W. ANSON

Certified Public Accountant

18455 Burbank Blvd., Suite 404, Tarzana, CA 91356 • Tel. (818) 636-5660 • Fax (818) 881-2605

**REPORT OF INDEPENDENT REGISTERED PUBLIC
ACCOUNTING FIRM**

Board of Members

Private Placement Insurance Products, LLC

Fargo, North Dakota

I have reviewed management's statements, included in the accompanying SEC Rule 15c3-3 Exemption Report in which Private Placement Insurance Products, LLC, stated that Private Placement Insurance Products, LLC's, business activities are limited to broker or dealer selling variable life insurance or annuities and private placements of variable life insurance or annuities on a best efforts basis, and that it has not held customer funds or securities and that Private Placement Insurance Products, LLC is classified as "non-covered" pursuant to footnote 74 to SEC Release 34-70073, dated July 30, 2013, and as discussed in Q & A 6 of the related FAQ issued by SEC state on April 4, 2014. Private Placement Insurance Products, LLC also stated that it had maintained compliance with the above declaration throughout the most recent fiscal year ended December 31, 2020, without exception. Private Placement Insurance Products, LLC's management is responsible for compliance and is not subject to the provisions set forth in Rule 15c3-3 under the Securities and Exchange Act of 1934 and its statements.

My review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and accordingly, included inquiries and other required procedures to obtain evidence about Private Placement Insurance Products, LLC's declaration concerning the provisions set forth in Rule 15c3-3 under the Securities Exchange Act of 1934. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in Footnote 74 to SEC Release 34-70073.



Brian W. Anson

Certified Public Accountant

Tarzana, California

February 2, 2021


Private Placement Insurance Products, LLC Exemption Report

We, as members of the management of Private Placement Insurance Products, LLC. (the "Company") are responsible for compliance with the annual reporting requirements under Rule 17a-5 of the Securities Exchange Act of 1934. Those requirements compel a broker or dealer to file annual reports with the SEC and the broker's or dealer's designated examining authority. One of the reports to be included in the annual filing is an exemption report prepared by an independent registered public accounting firm, based upon a review of assertions provided by the broker or dealer. Pursuant to that requirement, the management of the Company hereby makes the following assertions.

The Company is a "non-covered" firm pursuant to Footnote 74 to SEC Release 34-70073 and is therefore not subject to SEA Rule 15c3-3 for the most recent fiscal year ended December 31, 2020. The Company represents that it has not held customer funds or securities, did not carry accounts of or for customers and did not carry broker-dealer proprietary accounts as defined in Exchange Act Rule 15c3-3. The Company limits its business activities to the placement of and due diligence for Bank Owned Life Insurance (BOLI) and Corporate Owned Life Insurance (COLI) plans.

The Company has maintained compliance with the above throughout the fiscal year ended December 31, 2020, without exception.

Private Placement Insurance Products, LLC.

A handwritten signature in blue ink, appearing to read 'R. Borio', is written over a horizontal line.

Ronald Borio, FINOP

February 2, 2021

BRIAN W. ANSON

Certified Public Accountant

18455 Burbank Blvd., Suite 404, Tarzana, CA 91356 • Tel. (818) 636-5660 • Fax (818) 881-2605

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON APPLYING
AGREED-UPON PROCEDURES RELATED TO AN ENTITY'S CLAIM FOR EXCLUSION FROM
MEMBERSHIP IN SIPC**

To the Board of Members of Private Placement Insurance Products, LLC

In accordance with Rule 17a-5(e)(4) of the Securities and Exchange Commission Act of 1934 and with the SIPC Series 600 Rules, I have performed the procedures enumerated below with respect to the accompanying Schedule of Form SIPC-3 Revenues of Private Placement Insurance Products, LLC for the year ended December 31, 2020, which were agreed to by Private Placement Insurance Products, LLC and the Securities Investor Protection Corporation (SIPC), solely to assist you and SIPC in evaluating Private Placement Insurance Products, LLC's compliance with the exclusion requirements from membership in SIPC under section 78ccc(a)(2)(A) of the Securities Investor Protection Act of 1970 during the year ended December 31, 2020 as noted on the accompanying Certification of Exclusion from Membership (Form SIPC-3). Private Placement Insurance Products, LLC's management is responsible for Private Placement Insurance Products, LLC's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the Public Company Accounting Oversight Board (United States). The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures I performed and my findings are as follows:

- 1) Compared the Total amount included in the accompanying Schedule of Form SIPC-3 Revenues prepared by Private Placement Insurance Products, LLC for the year ended December 31, 2020 to the total revenues in Private Placement Insurance Products, LLC's audited financial statements included on Annual Audited Report Form X-17A-5 Part III for the year ended December 31, 2020, noting no differences;
- 2) Compared the amount in each revenue classification reported in the Schedule of Form SIPC-3 Revenues prepared by Private Placement Insurance Products, LLC for the year ended December 31, 2020 to supporting schedules and workpapers, noting no differences;
- 3) Recalculated the arithmetical accuracy of the Total Revenues amount reflected in the Schedule of Form SIPC-3 Revenues prepared by Private Placement Insurance Products, LLC for the year ended December 31, 2020 and in the related schedules and workpapers, noting no differences.

I was not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on Private Placement Insurance Products, LLC's claim for exclusion from membership in SIPC. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.



Brian W. Anson, CPA

Tarzana, California

February 2, 2021

SIPC-3 2020

Securities Investor Protection Corporation
1667 K Street NW, Ste 1000
Washington, DC 20006-1620

Forwarding and Address Correction Requested

8-

8-67284 FINRA DEC 08/16/2006
PRIVATE PLACEMENT INSURANCE PRODUCTS LLC
2754 BRANDT DR SO STE 200
FARGO, ND 58104

| | |
|---|---|
| Check appropriate boxes. | |
| <input type="checkbox"/> (i) | its principal business, in the determination of SIPC, taking into account business of affiliated entities, is conducted outside the United States and its territories and possessions;* |
| <input type="checkbox"/> (ii) | its business as a broker-dealer is expected to consist exclusively of: |
| <input checked="" type="checkbox"/> (I) | the distribution of shares of registered open end investment companies or unit investment trusts; |
| <input checked="" type="checkbox"/> (II) | the sale of variable annuities; |
| <input checked="" type="checkbox"/> (III) | the business of insurance; |
| <input type="checkbox"/> (IV) | the business of rendering investment advisory services to one or more registered investment companies or insurance company separate accounts; |
| <input type="checkbox"/> (iii) | it is registered pursuant to 15 U.S.C. 78o(b)(11)(A) as a broker-dealer with respect to transactions in securities futures products; |
| Pursuant to the terms of this form (detailed below). | |
| x | <u>James J. J. J.</u> <u>12-19-2019</u> |
| | Authorized Signature/Title Date |

Securities Investor Protection Corporation
1667 K Street NW, Ste 1000
Washington, DC 20006-1620

Form SIPC-3

FY 2020

Certification of Exclusion From Membership.

TO BE FILED BY A BROKER-DEALER WHO CLAIMS EXCLUSION FROM MEMBERSHIP IN THE SECURITIES INVESTOR PROTECTION CORPORATION ("SIPC") UNDER SECTION 78ccc(a)(2)(A) OF THE SECURITIES INVESTOR PROTECTION ACT OF 1970 ("SIPA").

The above broker-dealer certifies that during the fiscal year ending 12/31/2020 its business as a broker-dealer is expected to consist exclusively of one or more of the following (check appropriate boxes):

- ☐ (i) its principal business, in the determination of SIPC, taking into account business of affiliated entities, is conducted outside the United States and its territories and possessions;*
- ☐ (ii) its business as a broker-dealer is expected to consist exclusively of:
- ☒ (I) the distribution of shares of registered open end investment companies or unit investment trusts;
- ☒ (II) the sale of variable annuities;
- ☒ (III) the business of insurance;
- ☐ (IV) the business of rendering investment advisory services to one or more registered investment companies or insurance company separate accounts;
- ☐ (iii) it is registered pursuant to 15 U.S.C. 78o(b)(11)(A) as a broker-dealer with respect to transactions in securities futures products;

and that, therefore, under section 78ccc(a)(2)(A) of SIPA it is excluded from membership in SIPC.

*If you have any questions concerning the foreign exclusion provision please contact SIPC via telephone at 202-371-8300 or e-mail at asksipc@sipc.org to request a foreign exclusion questionnaire.

The following bylaw was adopted by the Board of Directors:

Interest on Assessments.

... If any broker or dealer has incorrectly filed a claim for exclusion from membership in the Corporation, such broker or dealer shall pay, in addition to all assessments due, interest at the rate of 20% per annum of the unpaid assessment for each day it has not been paid since the date on which it should have been paid.

In the event of any subsequent change in the business of the undersigned broker-dealer that would terminate such broker-dealer's exclusion from membership in SIPC pursuant to section 78ccc(a)(2)(A) of the SIPA, the undersigned broker-dealer will immediately give SIPC written notice thereof and make payment of all assessments thereafter required under section 78ddd(c) of the SIPA.

Sign, date and return this form no later than 30 days after the beginning of the fiscal year, using the enclosed return envelope.

Retain a copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.