

THE IOWA COMMUNITIES ASSURANCE POOL

Comprehensive Annual Financial Report

Year Ended December 31, 2008

Prepared by:

American Risk Pooling Consultants, Inc.
29200 Northwestern Highway
Southfield, Michigan 48034
(248) 204-5150

THE IOWA COMMUNITIES ASSURANCE POOL

Comprehensive Annual Financial Report

Year ended December 31, 2008

Table of Contents

	Page
Introductory Section	
Letter of Transmittal	1
Certificate of Achievement	9
Board of Directors	10
Organizational Chart	11
Financial Section	
Independent Auditor's Report	12
Management's Discussion and Analysis	14
Basic Financial Statements:	
Statement of Net Assets	20
Statements of Revenue, Expenses, and Changes in Net Assets	21
Statements of Cash Flows	22
Notes to Basic Financial Statements	24
Required Supplementary Information:	
Schedule 1 – Casualty Claims Development Information	35
Schedule 2 – Property Claims Development Information	36
Statistical Section – (Unaudited)	
Financial Trends:	
Net Assets by Components	37
Combined Schedules of Revenues, Expenses, and Changes in Net Assets	38
Schedule of Cash and Investments	39
Revenue Capacity:	
Total Insured Values and Member Contributions	46
Principal Member Contributions	47

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Year ended December 31, 2008

Table of Contents

	Page
Demographics and Economic Information:	
Membership List	48
Statistics	60
Excess Insurance Charts	61
Claims Frequency Graphs	62
Operating Information	
Total Casualty and Property Paid Losses, Case Reserves, Reported Losses, Reported Claim Counts	65
All Property Lines Paid Losses, Case Reserves, Reported Losses, Reported Claim Counts	69
Property Paid Losses, Case Reserves, Reported Losses, Reported Claim Counts	73
Auto Physical Damage – Property Paid Losses, Case Reserves, Reported Losses, Reported Claim Counts	77
All Casualty Lines Paid Losses, Case Reserves, Reported Losses, Reported Claim Counts	81
Auto Liability Paid Losses, Case Reserves, Reported Losses, Reported Claim Counts	85
Auto Physical Damage – Casualty Paid Losses, Case Reserves, Reported Losses, Reported Claim Counts	89
General Liability Paid Losses, Case Reserves, Reported Losses, Reported Claim Counts	93
Police Professional Paid Losses, Case Reserves, Reported Losses, Reported Claim Counts	97
Public Officials Liability Paid Losses, Case Reserves, Reported Losses, Reported Claim Counts	101

INTRODUCTORY SECTION



Iowa Communities Assurance Pool

June 24, 2009

Members and the Board of Directors
Iowa Communities Assurance Pool

Ladies and Gentlemen:

The following sections and pages represent the Iowa Communities Assurance Pool's (the "Pool" or ICAP) Comprehensive Annual Financial Report for the fiscal year ended December 31, 2008. This report was prepared by American Risk Pooling Consultants, Inc. (ARPCO), the administrator for ICAP. Responsibility for the accuracy of the presented data and all disclosures rests with the administrator on behalf of the ICAP Board of Directors. We believe that the data presented are accurate in all material respects and are reported in a way designed to fairly present the financial position and results of ICAP's operations. We have included all disclosures necessary to enable the reader to gain an understanding of ICAP's operations and financial activities.

Iowa Communities Assurance Pool

ICAP is an organization created by an Iowa Risk Management Agreement (IRMA), which is signed by the participating governmental entities. The IRMA serves as a substitute for organizational bylaws, which include the Board composition, powers of the Board and rights, duties, and obligations of the participating members. The contracting entities create a group casualty self-insurance pool. The IRMA contains an amendment known as Amendment 1-A/Property Rider. The rider establishes property coverage that is normal for a governmental authority. The enabling legislation can be found under Iowa Revised Code 670.7, *Insurance*. The Pool has been in operation since 1986.

ICAP has a nine-member Board of Directors, seven that are elected by the membership. These seven members represent two directors from counties, three directors from cities, and two at-large directors. The seven Directors serve a four-year term. In addition, there are two permanent exofficio directors, one representing the Iowa League of Cities, and the other representing the Iowa State Association of Counties.

The IRMA requires the Board to have a casualty budgetary fund for annual operating expenditures. The administrator is required to prepare and present the annual casualty budget for the upcoming fiscal year to the Board of Directors for approval. The budget includes all expected casualty contributions and operating expenditures, including claims and claim expenses, reinsurance expenses, as well as all other operating expenditures. The approved casualty budget is then compared to actual casualty contributions that are calculated using standard industry exposure rating bases, as well as the claims, claim expenses, and other operating expenditures for the quarter just ended.

A member is required to continue membership for a period of no less than one year. Additionally, the members make a contribution to the Cumulative Reserve Fund (CRF), or members' equity fund, for the first six years of membership. The terms of the CRF allow the members to earn a vested interest in their equity fund. The termination provision of the IRMA provides the terms and conditions for a member to voluntarily leave ICAP. A withdrawing member becomes responsible for all outstanding casualty claims during its membership with the Pool. The withdrawing member is required to make a casualty budgetary contribution for the year following withdrawal. This contribution represents that member's share of the following year's budget. This amount is subtracted from the member's vested CRF. At the withdrawing members' request, ICAP will continue to handle all outstanding casualty claims. ICAP continues to handle all reported property claims of the withdrawing member.

The Amendment 1-A/Property Rider to the IRMA also establishes an annual contribution to annually produce the sum of money reasonably necessary to fund the general and administrative expenses for property risks. A member agrees to continue such property coverage for a period of no less than a year. At the conclusion of such period, or anniversary thereof, a member may end the coverage by giving 30 days' notice to ICAP. A member's election to cease participation in the Pool for property coverage does not constitute a withdrawal under any other terms and conditions of the IRMA. In addition, the member is not responsible for unresolved property claims. The property coverage is reinsured by American Public Entities Excess Pool and The Travelers Insurance Company.

The IRMA provides property and casualty coverage, including:

- General Liability
- Police Professional Liability
- Property Building, Contents and Crime
- Automobile Physical Damage
- Boiler and Machinery (Equipment Coverage)
- Automobile Liability
- Public Officials Liability

Administration

The administration of the Pool is under contract with ARPCO, which provides accounting, claims administration, and management services. This includes oversight of the local claims servicing company, Public Entity Risk Services of Iowa (PERSI). PERSI is an affiliate of ARPCO and Bilbrey Insurance Services, Inc. (BISI) through common ownership. PERSI also provides loss control services to ICAP. The marketing activities are under contract with ARPCO and conducted by BISI, an Iowa independent insurance agency. ARPCO has delegated underwriting as well as the issuance of the coverage certificates to BISI. This arrangement allows for evidence of coverage to be delivered to the members on a timely basis. The administration contract requires the administrator to provide timely reporting of all administrative functions to the ICAP Board of Directors. This is accomplished through quarterly meetings with the ICAP Board. Though subject to Board approval, the administration agreement also provides for contractual arrangements with other service providers.

Board Initiatives

For a number of years, through an open election process, the members of ICAP have generally re-elected the same Board of Directors. This has provided consistency in the establishment of the day-to-day pool management policies that the Board of Directors believes to be essential to ICAP's success. The Board of Directors has made a commitment to ensure that all services are running smoothly and delivered on a timely basis. The Board requires detailed reports on all aspects of the operation from each of the service providers, with special emphasis on claims and loss control. The board policy places an emphasis on adherence to its written investment policy.

Economic Condition and Outlook

Since the Pool's inception, membership has grown to 577 members as of December 31, 2008. Member operating contributions in 2008 exceeded \$24.8 million, of which approximately 55 percent is for casualty coverage and 45 percent is for property coverage. Member retention is excellent, with over 99 percent of the members continuing to participate in ICAP from year to year.

Iowa's population grew by about 76,000 since the 2000 census, a growth rate of about 2.6 percent, while the national average for the same period was approximately 8 percent. Much more dramatic, though, was the population shift within the state. The majority of Iowa's growth was in five of its counties, with only twelve counties seeing an excess of 1,000 in population added since the 2000 census. Seventy-five counties have actually lost population since 2000. This presents a challenge to most of Iowa's local governments, as they must cope with stagnant growth or even decline, leaving a small number of entities to face significant growth.

There are also a substantially higher number of older individuals residing in Iowa. Almost 15 percent of the state's population is made up of people 65 years old or older. This proportion is higher than both the Midwest states and the national average. Census data also indicate that Iowans between ages 65 and 70 are leaving the state at somewhat higher rates than the national average. Together, these trends indicate that a significant segment of Iowa's population is age 70 or older. With an older population comes a set of challenges for local government that is different in many respects from the challenges faced when a local population has a more equal age distribution.

Often times the Iowa economy has mirrored the national economy's performance, although not to the same degree. While Iowa's economic performance in 2001 and 2002 did not drop as precipitously as the nation's, recovery in the middle part of the decade was not as robust. Most recently, as the nation has experienced an economic downturn, Iowa's rate of unemployment has been well below the national average as the citizens in urban areas have been buffeted by job growth in a number of service and business industries; likewise income in rural areas of the state has been sustained by an increased demand, and price, of crops needed for the biofuels industry.

Economic difficulties, to date, have had little impact on ICAP's competitive environment. For the past several years, less than five standard carriers have actively marketed to cities and counties in Iowa, and only two consistently market across the entire state. It can be anticipated that, as economic conditions improve nationally, there may be increased interest within the standard industry to more actively compete in the Iowa local government market. ICAP is well positioned to continue its high retention level and effectively compete to attract new entities to join the program.

Marketing and Member Services

BISI has developed excellent marketing relationships with the independent agents in Iowa. BISI has provided continuing education workshops, which are Iowa insurance licensing requirements for independent agents. This effort has been very well received by the agents and has allowed BISI to promote ICAP throughout Iowa.

BISI has provided an Internet-based electronic communication system by creating and maintaining a secure ICAP web site at www.ICAPiowa.com. The site, with proper identification, can be accessed by independent agents as well as ICAP membership. BISI has introduced the bi-monthly newsletter available to all agents through the site. ICAP members and their agents can access coverage certificate information using the site. It has also been expanded to allow members to vote electronically in Board elections.

ICAP members have access to thousands of loss control and risk management videos and other materials either by mail or online. These materials include documents and suggested policies on a wide variety of subjects and operations specific to governmental entities. Members have the capability to download sample policies and procedure documents for most risk management issues. Online training is also available on a variety of topics, including sexual harassment in the workplace, among others. In addition, the Board of Directors supports loss control workshops and risk management training at various locations throughout the state. A hotline is provided for members to call with questions concerning employment-related issues.

Loss Control

ICAP provides on-site loss control services to members. A representative from PERSI visits the member's location and reviews the various operations of the member. Through an exit interview process, recommendations for improvement are made. The recommendations are made after discussion with the appropriate contact representative. Recommendations may include improvements to the condition of premises, accident investigation by the member, establishment of policies and procedures, or inspection programs for automobiles, recreation areas, or other public access areas. These suggested improvements are analyzed for severity potential and categorized as to their relative importance. The frequency of these visits are determined by the size and complexity of the member's operations, and frequency and severity of claim or loss history. Proprietary activities like concert or exhibition stadiums and halls are also looked at by the PERSI loss control representative. The ICAP member is provided a copy of a loss control video directory as well as sample policies and procedures. PERSI staff conducts loss control workshops and group training presentations. Marketing representatives attend and support the sessions for marketing opportunities.

Investments

In 1992, the Board of Directors approved an investment policy that is updated periodically as necessary, including an update in 2007. This policy states the kind of investments the Pool may purchase and the degree of risk which may be taken with the invested funds. As of December 31, 2008, approximately 45 percent of the Pool's investments consist of fixed income securities. Approximately 33 percent of the portfolio is invested in equity securities; all equity securities that ICAP holds have been issued by stable, publicly traded companies. 22 percent of the portfolio is invested in alternative investments. The Pool's investment portfolio is in compliance with the investment policy at December 31, 2008. The investment policy is constantly being reviewed to ensure the Pool is taking advantage of the opportunity offered by changing financial markets.

The fair value of ICAP's cash and investment portfolio decreased from \$38.36 million at the end of 2007 to \$30.71 million at December 31, 2008. As a result of very challenging market conditions over the past year, the Pool's total investment income (including realized and unrealized gains and losses on investments) decreased by \$8,125,133 for the year ended December 31, 2008 as compared to the prior year. During the year ended December 31, 2008, the Pool experienced an investment loss totaling \$6,508,056 compared to a gain of \$1,617,077 during the year ended December 31, 2007. Of the 2008 investment loss, \$4,413,631 consisted of unrealized losses. The Pool's policy of structuring the investment portfolio so that securities mature to meet cash requirements of ongoing operations minimizes the need to sell securities in a volatile market. Interest and dividend income, excluding changes in fair value, decreased 16.4 percent, or \$203,985 during 2008 to \$1,040,024 compared to \$1,244,009 in 2007. The overall average rating of the fixed income portfolio was A with an average coupon of 5.88 percent and average yield to maturity of 7.10 percent. The portfolio's average maturity was 5.07 years and average duration was 4.40 years. Duration typically indicates the change in value of the underlying portfolio, not including income, which will result from a 1 percent change in interest rates.

Financial Management and Control

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America and therefore include amounts based upon estimates and judgments.

In 1997, ICAP adopted GASB's Statement of Governmental Accounting Standards No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and GASB's Interpretation No. 4, *Accounting and Financial Reporting for Capitalization Contributions to Public Entity Risk Pools*. This Statement and Interpretation require that accounting changes adopted to conform to the provisions of this Statement and Interpretation be applied retroactively by restating financial statements for all periods presented in the audited financial statements. Because historical accounting records were not maintained in accordance with these standards, periods prior to 1997 have not been restated and are not comparable. A summary of significant accounting policies is discussed in more detail in the notes to the basic financial statements found in the financial section.

Effective January 1, 2002, the Pool implemented the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (GASB Statement No. 34), as amended by GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus* (GASB Statement No. 37), and GASB Statement No. 38, *Certain Financial Statement Note Disclosures* (GASB Statement No. 38).

GASB Statement No. 34 requires as supplementary financial information Management's Discussion and Analysis, which includes an analytical overview of the Pool's financial activities. GASB Statement No. 34 also required the Pool to change from the indirect to the direct method of presenting its statements of cash flows. As a result of the implementation of GASB Statement No. 34, members' equity has been relabeled as "net assets – unrestricted."

GASB Statement No. 38 requires certain disclosures to be made in the notes to the financial statements concurrent with the implementation of GASB Statement No. 34. This Statement did not affect amounts reported in the accompanying financial statements of the Pool.

Effective January 1, 2005, the Pool implemented the provisions of GASB Statement No. 40, *Deposit and Investment Risk Disclosures* (GASB Statement No. 40), which modifies and expands existing disclosure requirements for deposits and investments.

Internal Accounting Structure

ARPCO is responsible for administering the Pool's operations and is therefore responsible for establishing and maintaining internal controls. These internal controls are designed to (1) protect assets from loss, theft, or misuse, and (2) ensure that accounting data compiled are adequate to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America.

Internal accounting controls are designed to provide reasonable assurance, but are not expected to provide absolute assurance, that these objectives are met. The concept of "reasonable assurance" recognizes that the cost of a control should not exceed the benefits likely to be derived, and that the evaluation of costs and benefits requires estimates and judgments by management. Creating internal controls which provide absolute assurance is, in many cases, either impossible to do economically or impossible to do at all. All internal controls are designed with the above standards in mind. Management believes the Pool's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Control

An annual casualty budget is prepared by ARPCO approximately 90 days prior to the beginning of each fiscal year and approved by the Board. The budget calculates the amount of investment income, claims-related expenses, reinsurance, and general expenses that the Pool expects to earn or incur during the following year; however, it is not legally binding. The IRMA requires any surplus in a given year to be carried forward and any deficit to be made up in future periods. Throughout the year, ARPCO prepares interim financial statements that compare the projected revenue and expense figures with the Pool's actual experience. The decrease in actual revenues over the budgeted amount resulted from significant investment losses, slightly offset by greater than budgeted member contributions. The expenses were \$276,561, or 2.2 percent, greater than the budgeted amount.

General Functions

Revenue

Revenue (excluding contributions that will be billed in the future to pay unpaid claims) totaled \$13,887,844 for the year ended December 31, 2008. Of this amount, \$20,395,900 represented operating and capitalization contributions net of reinsurance, which was offset by \$(6,508,056) in net investment losses. The amount of revenue earned from operating contributions increased from last year's amount. The increase in contributions is primarily attributable to new business and increased contributions. The decrease in interest and dividend income was primarily due to the general decline in financial markets during 2008, which was also the primary cause of the decrease in net realized and unrealized gains and losses on investments during 2008.

Item	Revenue comparison, 2008 and 2007					
	2008 figure	% Total	2007 figure	% Total	2008 vs. 2007 inc/(dec)	% change inc/(dec)
Net contributions	\$ 20,395,900	146.9%	\$ 19,166,400	92.2%	\$ 1,229,500	6.4%
Net investment income attributable to:						
Net realized and unrealized gains and losses on investments	(7,548,080)	(54.4)	373,068	1.8	(7,921,148)	(2,123.2)
Interest and dividends	1,040,024	7.5	1,244,009	6.0	(203,985)	(16.4)
Total	<u>\$ 13,887,844</u>	<u>100.0%</u>	<u>\$ 20,783,477</u>	<u>100.0%</u>	<u>\$ (6,895,633)</u>	<u>(33.2)%</u>

Expenses

In 2008, expenses (excluding member distribution) increased from 2007 by \$1,730,369.

Item	Expenses comparison, 2008 and 2007					
	2008 figure	% Total	2007 figure	% Total	2008 vs. 2007 inc/(dec)	% change inc/(dec)
Claim and claim adjustment expenses paid, net of recoveries	\$ 9,349,785	49.1%	\$ 8,850,267	51.1%	\$ 499,518	5.6%
Increase (decrease) in claims and claims adjustment expense reserves, net of reinsurance applicable to unpaid claims	1,791,332	9.4	867,418	5.0	923,914	106.5
Marketing and administrator's fee	6,799,418	35.7	6,497,317	37.5	302,101	4.6
Other expenses	1,102,260	5.8	1,097,424	6.3	4,836	0.4
Total	\$ 19,042,795	100.0%	\$ 17,312,426	100.0%	\$ 1,730,369	10.0%

Cash Management

The purpose of ICAP's cash management program is to ensure the safety, liquidity, and maximum return on the funds entrusted to the Pool. The investment portfolio is designed to attain at least a market average rate of return throughout budgetary and economic cycles, taking into account ICAP's investment risk constraints and the cash flow characteristics of the portfolio. As noted in the Investment section, the Board continually reviews the policy and makes changes as necessary. The policy appoints a professional investment firm to manage the Pool's assets and establishes stringent risk and return standards for all transactions.

Other Information

Independent Audit

Plante & Moran, PLLC, independent auditors, has audited ICAP's 2008 basic financial statements. The audit includes the auditing procedures that Plante & Moran, PLLC deemed necessary to express an opinion as to the fairness of the December 31, 2008 basic financial statements in accordance with accounting principles generally accepted in the United States of America. The unqualified opinion, dated June 1, 2009, is included in the financial section of this report

Demotech, Inc. (Demotech) provides a broad set of management consulting services related to financial stability analysis. The Demotech, Inc. Financial Stability Ratings are accepted by the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac). Demotech analyzed ICAP's financial stability, loss reserves, administration, and overall performance for the 2008 fiscal year and rated each area AAA (Excellent), Demotech's highest rating.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to ICAP for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2007. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial report.

In order to be awarded a Certificate of Achievement, ICAP published an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. The CAFR satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. ICAP has received a Certificate of Achievement for the last twelve consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA for their review.

Acknowledgments

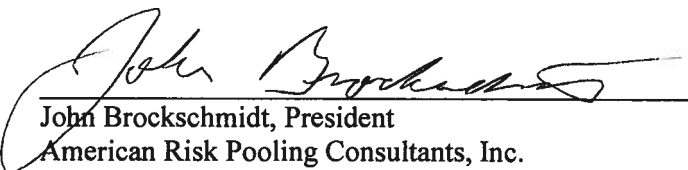
This report could not have been produced without the assistance of the ICAP Board of Directors, American Risk Pooling Consultants, Inc., Bilbrey Insurance Services, Inc., Public Entity Risk Services of Iowa, and Plante & Moran, PLLC. We also wish to thank the members of ICAP for their continued commitment to pooling and efforts to control claims. Without their participation, ICAP could have not achieved the financial strength that it has.

Submitted by:

IOWA COMMUNITIES ASSURANCE POOL



Jody E. Smith, Chairman of the Board of Directors,
Iowa Communities Assurance Pool



John Brockschmidt, President
American Risk Pooling Consultants, Inc.

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Iowa Communities Assurance Pool

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

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THE IOWA COMMUNITIES ASSURANCE POOL

Board of Directors

December 31, 2008

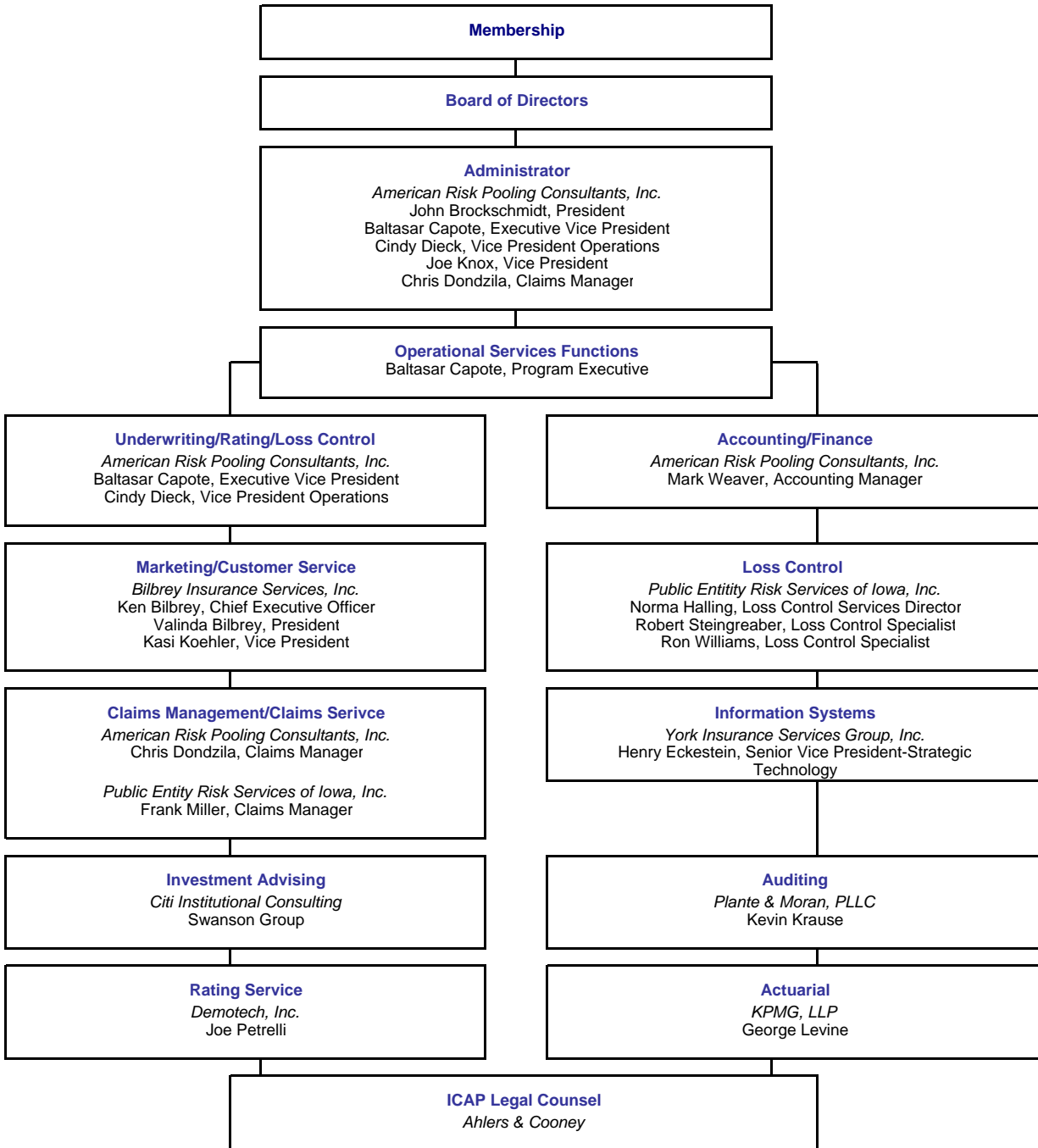
Member	Name	Title
City of West Des Moines	Jody E. Smith	Chairman
City of Polk City	Gary Mahannah	Vice Chairman
Winneshiek County	Dave Hageman	Secretary
Butler County	Holly Fokkena	Director
Lake Delhi Recreation Association	Larry Burger	Director
City of Bellevue	Tom Roth	Director
1015 Regional Transit Agency	Pam Ward	Director
Iowa League of Cities	Alan Kemp	Exofficio
Iowa State Association of Counties	William Peterson	Exofficio

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THE IOWA COMMUNITIES ASSURANCE POOL

Organizational Chart

(Including Third-Party Service Providers)



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FINANCIAL SECTION

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Independent Auditor's Report

To the Board of Directors
The Iowa Communities Assurance Pool

We have audited the accompanying financial statements of the business-type activities of The Iowa Communities Assurance Pool (the "Pool") as of and for the years ended December 31, 2008 and 2007, which collectively comprise the Pool's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Pool's board of directors and management. Our responsibility is to express an opinion on these basic financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of The Iowa Communities Assurance Pool at December 31, 2008 and 2007 and the respective changes in financial position, including cash flows, for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, casualty claims development information, and property claims development information, as identified in the table of contents, are not required parts of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board (GASB). We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information listed in the financial section of the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Pool. This information has been subjected to the procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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To the Board of Directors
The Iowa Communities Assurance Pool

The introductory section and the statistical data listed in the statistical section of the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Pool. We did not examine this data and, accordingly, do not express an opinion thereon.

Plante & Moran, PLLC

June 1, 2009

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The Iowa Communities Assurance Pool

Management's Discussion and Analysis

Using This Annual Report

This annual report consists of the statement of net assets, statement of revenue, expenses, and changes in net assets, and statement of cash flows. Along with the notes to the financial statements, they provide detailed financial information concerning The Iowa Communities Assurance Pool (the "Pool" or ICAP). The management's discussion and analysis (MD&A) provides a review of the Pool's operating results for the years 2006 through 2008, as well as its financial condition at December 31, 2008, 2007, and 2006. The MD&A should be read in conjunction with our financial statements and notes thereto.

Financial Highlights

The Pool is a local government risk-sharing pool which was formed in 1986 for the primary purpose of providing cities, counties, and other public entities throughout the state of Iowa with an alternative to traditional property and casualty insurance. ICAP's philosophy differs from that of a traditional insurance program in that the Pool is owned by its membership and serves only the interests of its members.

Historically, the property and casualty insurance industry has been unable to provide the consistency of pricing and coverage needed by governmental entities. The national insurance crisis of the mid-1980s, in which public entities, including public entities in the state of Iowa, were unable to purchase affordable insurance led to the formation of group self-insurance pools in which members agree to share the cost of their claims and related expenses. The transition from insurance to pooling has been so successful that there are over 450 pools currently operating in the United States of America.

The growth and success of pooling is often attributed to the availability of broad coverage and price stability, which ICAP has consistently delivered since its formation in 1986. In addition to those advantages enjoyed by many pools, ICAP stands out by providing responsive claims handling, coverages specific to Iowa public entities, and customized loss control services, proving that its service-oriented philosophy has been a successful long-term solution for its members.

The ICAP website provides members with information on news and events and contains links to valuable resources including the comprehensive online loss control library with over 10,000 multi-media risk management tools and the respective websites of the Iowa League of Cities and the Iowa State Association of Counties, both of which endorse ICAP.

ICAP continues to build on its longstanding success by adhering to its commitment to provide coverage at a fair and stable price consistently over time and being responsible, loyal, and responsive to its membership.

The Iowa Communities Assurance Pool

Management's Discussion and Analysis (Continued)

Administration

American Risk Pooling Consultants, Inc. (ARPCO or management), a division of York Insurance Services Group, Inc. (York), functions as the administrator of the Pool and provides underwriting, claims, loss control, risk management, and reinsurance programs for the Pool. ARPCO has a staff of highly experienced attorneys and other professionals that have specialized in providing insurance-related services to public entities for over two decades. York is a national provider of claims-handling, specialized loss adjusting, and other insurance-related services to public entities throughout the United States of America.

Financial Overview and Highlights

The analysis below presents a comparison of the Pool's current year financial position to the prior years:

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Assets			
Cash and cash equivalents	\$ 899,620	\$ 1,081,585	\$ 4,603,296
Investment securities, at fair value	29,805,458	37,276,809	32,291,701
Member contributions to be billed in the future	15,442,474	15,173,428	14,515,460
Other assets	<u>2,524,642</u>	<u>1,971,090</u>	<u>1,636,726</u>
Total assets	<u>\$ 48,672,194</u>	<u>\$ 55,502,912</u>	<u>\$ 53,047,183</u>
Liabilities			
Claims and claim adjustment expense reserves	\$ 16,439,161	\$ 15,862,011	\$ 15,075,944
Unearned premium reserves	643,280	899,994	1,243,030
Other liabilities	<u>737,862</u>	<u>404,978</u>	<u>417,455</u>
Total liabilities	17,820,303	17,166,983	16,736,429
Net Assets - Unrestricted	<u>30,851,891</u>	<u>38,335,929</u>	<u>36,310,754</u>
Total liabilities and net assets	<u>\$ 48,672,194</u>	<u>\$ 55,502,912</u>	<u>\$ 53,047,183</u>

Approximately 63 percent in 2008, 69 percent in 2007, and 70 percent in 2006 of total assets consist of cash, cash equivalents, and investments.

The Iowa Communities Assurance Pool

Management's Discussion and Analysis (Continued)

As a result of very challenging market conditions over the past year, the Pool's total investment income (including realized and unrealized gains and losses on investments) decreased by \$8,125,133 for the year ended December 31, 2008. During the year ended December 31, 2008, the Pool experienced an investment loss totaling \$6,508,056 compared to a gain of \$1,617,077 during the year ended December 31, 2007. Of the 2008 investment loss, \$4,413,632 consisted of unrealized losses. The Pool's policy of structuring the investment portfolio so that securities mature to meet cash requirements of ongoing operations minimizes the need to sell securities in a volatile market. The Pool maintains a well diversified investment portfolio as detailed below:

	2008	2007	2006
U.S. securities	10%	17%	20%
Corporate bonds	30%	25%	38%
Common stock	26%	32%	41%
Convertible preferred stock	7%	0%	1%
Alternative investments	22%	22%	0%
Convertible bonds	5%	4%	0%

In accordance with the requirements of Governmental Accounting Standards Board (GASB) No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, member contributions, claims and claim adjustment expenses, and operating expenses are recognized in the statement of revenue, expenses, and changes in net assets on an accrual basis of accounting. As a result of provisions in the *Intergovernmental Contract* signed by each member of the Pool, the funding requirement for each member is equal to the estimated cash outflow of the Pool on an annual basis. As a result of the long claim cycle for casualty related claims, member contributions are collected from active members when the estimated incurred claims and loss adjustment expenses are anticipated to be paid. These estimated amounts are stated in the statement of net assets as "member contributions to be billed in the future." Changes to these estimates are stated in the statement of revenue, expenses, and changes in net assets in a similar methodology as claims reserves detailed below. Because amounts are estimated on a methodology consistent to claims reserves detailed below, amounts will fluctuate from year to year based as a result of changes in the ultimate expected claims to be settled for a specific insurance period.

The Iowa Communities Assurance Pool

Management's Discussion and Analysis (Continued)

The Pool's claims and claim adjustment expense reserves remained consistent over the past three years totaling \$16,439,161 in 2008, \$15,862,011 in 2007, and \$15,075,944 in 2006. The reserves are estimated based on known facts for those claims existing at December 31 and a variety of actuarial and statistical techniques that reflect recent settlements, claim frequency, and other economic and social factors to provide reserve estimates for those claims incurred but not reported at year end. Because these estimates depend on such complex factors as jury decisions, court interpretations, changes in doctrines of legal liability, damage awards, inflation, and legislative changes, the process used in estimating claim reserves does not necessarily result in an exact amount. Consistent with industry practices, adjustments to claims reserves are charged to expense in the periods in which they are made. During the year ended December 31, 2008, the Pool decreased its provision for claims incurred in prior years by \$3,672,959 as a result of favorable outcomes on certain cases settled or expected to be settled in the near term.

Net assets (members' equity) at December 31, 2008 decreased \$7,484,038 from December 31, 2007, primarily as a result of the market conditions and the impact on investment earnings as detailed above. Net assets at December 31, 2007 increased \$2,025,175 from December 31, 2006, as a result of operating income of \$2,848,117, member capitalization contributions of \$1,280,902, less member distributions of \$2,103,844.

The Iowa Communities Assurance Pool

Management's Discussion and Analysis (Continued)

The following table shows the major components of income from operations for the current year, compared to the prior years:

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Revenue			
Member contributions - Operating	\$ 24,902,664	\$ 23,584,457	\$ 22,109,370
Reinsurance premiums ceded	(5,363,555)	(5,698,959)	(5,022,637)
Contributions that will be billed in the future to pay unpaid claims	269,046	657,968	(510,747)
Investment earnings - Interest and dividends	1,040,024	1,244,009	1,155,631
Net realized and unrealized (losses) gains on investments	<u>(7,548,080)</u>	<u>373,068</u>	<u>1,589,569</u>
Total revenue	13,300,099	20,160,543	19,321,186
Expenses			
Provision for claims	11,141,117	9,717,685	6,854,901
Operating expenses	<u>7,901,678</u>	<u>7,594,741</u>	<u>7,276,368</u>
Total expenses	<u>19,042,795</u>	<u>17,312,426</u>	<u>14,131,269</u>
Excess of Revenue (Under) Over Expenses	(5,742,696)	2,848,117	5,189,917
Member Withdrawals and Distributions			
Capitalization	(22,764)	(83,339)	(35,608)
Budgetary	(891,269)	(688,894)	(926,808)
Cumulative Reserve Fund	<u>(1,684,100)</u>	<u>(1,331,611)</u>	<u>-</u>
Total member distributions	(2,598,133)	(2,103,844)	(962,416)
Contributions - Capitalization - Cumulative Reserve Fund	<u>856,791</u>	<u>1,280,902</u>	<u>1,513,318</u>
(Decrease) Increase in Net Assets	<u>\$ (7,484,038)</u>	<u>\$ 2,025,175</u>	<u>\$ 5,740,819</u>

The Pool's membership increased from 562 members in 2007 to 577 members in 2008. As a result of this growth and the ability to maintain the stability in rates, member contributions increased approximately 5.6 percent, from \$23,584,457 in 2007 to \$24,902,664 in 2008.

The Iowa Communities Assurance Pool

Management's Discussion and Analysis (Continued)

The Pool uses reinsurance and excess risk-sharing arrangements to reduce its exposure to loss. These agreements permit recovery of a portion of its claims from reinsurers and a risk-sharing pool; however, they do not discharge the Pool's primary liability for such payments. The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, the Pool retains insured risks up to an amount specified in the contracts. (At December 31, 2008, the Pool retained \$350,000 for casualty claims and \$100,000 for property claims). The board of directors and ARPCO periodically review the financial strength of the Pool and other market conditions to determine the appropriate level of risk the Pool will retain. Reinsurance expense (ceded) totaled 21.5 percent and 24.2 percent of member contributions for the years ended December 31, 2008 and 2007, respectively. In addition, amounts deducted from claims and claim expense reserves as of December 31, 2008 and 2007 for expected recoveries under the reinsurance and excess risk-sharing agreements totaled approximately \$16,800,000 and \$9,900,000, respectively.

In accordance with generally accepted accounting standards, all investments maintained by the Pool must be reported at fair market value ("marked to market concept"). As further detailed in Note 2 to the financial statements, approximately 78 percent of the investments maintained by the Pool have fair market value determined using quoted prices in active markets. Alternative investments, representing approximately 22 percent of investments, are not traded in active markets and require significant judgment to determine the fair market value. Management of the Pool, with assistance from an investment manager, determine fair market value based on the Pool's ownership percentage of each alternative investment applied to the overall estimated value and performance of the alternative investment as provided by a third-party administrator. Annual changes in these values are recognized in the statement of revenue, expenses, and changes in net assets as unrealized gains or losses on investments. Net realized and unrealized gains on investments decreased \$7,921,148 during 2008 as a result of market events that occurred over the past year.

Total operating expenses of the Pool in 2008 and 2007 were \$7,901,678 and \$7,594,741, respectively, or 31.7 percent and 32.2 percent, respectively, of member contributions.

Economic Facts and Next Year's Rates

The rates charged by the Pool for member contributions for the next year are not expected to change significantly. All other operating expenses are expected to remain consistent with amounts reported in 2008. The provision for claim payments is expected to be consistent with historical trends and the Pool is unaware of any economic events or legislative events that would have a significant impact on the operations of the Pool.

Contacting the Pool's Management

This financial report is intended to provide our members and regulators with a general overview of the accountability for the revenue it receives. Additional information regarding the Pool is available on ICAP's website, www.icapiowa.com. If you have questions about this report or need additional information, contact John W. Brockschmidt, President, American Risk Pooling Consultants, Inc. at (248) 204-5142.

Basic Financial Statements

The basic financial statements are those basic financial statements which comprise the minimum presentation of the Iowa Communities Assurance Pool's financial position, changes in financial position, and cash flows in conformity with accounting principles generally accepted in the United States of America.

The Iowa Communities Assurance Pool

Statement of Net Assets

	December 31	
	2008	2007
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	\$ 899,620	\$ 1,081,585
Claims servicer imprest fund	403,911	147,925
Member contributions receivable	879,229	820,913
Investment securities (Note 2)	9,741,219	12,904,706
Accrued investment income	205,319	289,331
Deductibles recoverable	56,234	23,053
Reinsurance receivable on paid claims (Note 4)	979,949	689,868
Member contributions to be billed in the future	7,500,000	6,750,000
Total current assets	20,665,481	22,707,381
Noncurrent Assets		
Investment securities (Note 2)	20,064,239	24,372,103
Member contributions to be billed in the future	7,942,474	8,423,428
Total noncurrent assets	28,006,713	32,795,531
Total assets	\$ 48,672,194	\$ 55,502,912
Liabilities and Net Assets		
Liabilities		
Current liabilities:		
Claims and claim adjustment expense reserves (Note 3)	\$ 8,496,687	\$ 7,438,583
Reinsurance premiums payable (Note 4)	224,477	96,632
Accounts payable and accrued expenses	513,385	308,346
Total current liabilities	9,234,549	7,843,561
Long-term liabilities:		
Claims and claim adjustment expense reserves (Note 3)	7,942,474	8,423,428
Unearned premium reserves	643,280	899,994
Total long-term liabilities	8,585,754	9,323,422
Net Assets - Unrestricted	30,851,891	38,335,929
Total liabilities and net assets	\$ 48,672,194	\$ 55,502,912

The Iowa Communities Assurance Pool

Statement of Revenue, Expenses, and Changes in Net Assets

	Year Ended December 31	
	2008	2007
Revenue		
Member contributions - Operating	\$ 24,902,664	\$ 23,584,457
Reinsurance premiums ceded (Note 4)	(5,363,555)	(5,698,959)
Contributions that will be billed in the future to pay unpaid claims	269,046	657,968
Investment earnings - Interest and dividends	1,040,024	1,244,009
Net realized and unrealized (losses) gains on investments	(7,548,080)	373,068
Total revenue	13,300,099	20,160,543
Claims and Claim Adjustment Expenses (Note 3)		
Paid	13,317,891	10,825,003
Recoveries	(3,968,106)	(1,974,736)
Increase in claims and claim adjustment expense reserves	1,791,332	867,418
Total claims and claim adjustment expenses	11,141,117	9,717,685
Excess of Revenue Over Claims and Claim Adjustment Expenses	2,158,982	10,442,858
Expenses		
Marketing and administrator fees	6,799,418	6,497,317
Other	1,102,260	1,097,424
Total expenses	7,901,678	7,594,741
Excess of Revenue (Under) Over Claims and Claim Adjustment Expenses and Expenses	(5,742,696)	2,848,117
Member Withdrawals and Distributions		
Capitalization (Note 5)	(22,764)	(83,339)
Budgetary	(891,269)	(688,894)
Cumulative Reserve Fund (Note 6)	(1,684,100)	(1,331,611)
Total member distributions	(2,598,133)	(2,103,844)
Contributions - Capitalization - Cumulative Reserve Fund	856,791	1,280,902
(Decrease) Increase in Net Assets	(7,484,038)	2,025,175
Net Assets - Beginning of year	38,335,929	36,310,754
Net Assets - End of year	\$ 30,851,891	\$ 38,335,929

The Iowa Communities Assurance Pool

Statement of Cash Flows

	Year Ended December 31	
	2008	2007
Cash Flows from Operating Activities		
Cash received from members	\$ 24,838,923	\$ 23,512,368
Cash received from excess insurance carriers	3,934,925	2,020,489
Cash paid for claims	(14,788,059)	(10,810,550)
Cash paid for reinsurance premiums	(5,525,791)	(6,145,483)
Cash paid for administrative and general expenses	<u>(7,696,639)</u>	<u>(7,601,230)</u>
Net cash provided by operating activities	763,359	975,594
Cash Flows from Investing Activities		
Investment income received	1,124,036	1,250,673
Purchase of investments	(22,973,785)	(21,616,831)
Proceeds from sales and maturities of investments	<u>22,897,055</u>	<u>17,004,792</u>
Net cash provided by (used in) investing activities	1,047,306	(3,361,366)
Cash Flows from Noncapital Financing Activities		
Receipts from members - Cumulative Reserve Fund	605,503	967,905
Payments for member - Capitalization distribution	(22,764)	(83,339)
Payments for member - Budgetary distribution	(891,269)	(688,894)
Payments for member - Cumulative Reserve Fund distribution	<u>(1,684,100)</u>	<u>(1,331,611)</u>
Net cash used in noncapital financing activities	<u>(1,992,630)</u>	<u>(1,135,939)</u>
Net Decrease in Cash and Cash Equivalents	(181,965)	(3,521,711)
Cash and Cash Equivalents - Beginning of year	<u>1,081,585</u>	<u>4,603,296</u>
Cash and Cash Equivalents - End of year	<u><u>\$ 899,620</u></u>	<u><u>\$ 1,081,585</u></u>

The Iowa Communities Assurance Pool

Statement of Cash Flows (Continued)

A reconciliation of excess of revenue (under) over claims and claim adjustment expenses and expenses to net cash from operating activities is as follows:

	Year Ended December 31	
	2008	2007
Excess of revenue (under) over claims and claim adjustment expenses and expenses	\$ (5,742,696)	\$ 2,848,117
Adjustments to reconcile excess of revenue (under) over claims and claim adjustment expenses and expenses to net cash from operating activities:		
Investment earnings	(1,040,024)	(1,244,009)
Net realized and unrealized losses (gains) on investments	7,548,080	(373,068)
Decrease (increase) in assets:		
Claims servicer imprest fund	(255,986)	95,804
Member contributions receivable	(63,741)	(72,089)
Deductibles recoverable	(33,181)	45,753
Reinsurance receivable on paid claims	(290,081)	(440,536)
Member contributions to be billed in the future	(269,046)	(657,968)
Increase (decrease) in liabilities:		
Claims and claim adjustment expense reserves	577,150	786,067
Reinsurance premiums payable	127,845	(5,988)
Accounts payable and accrued expenses	205,039	(6,489)
Net cash provided by operating activities	<u>\$ 763,359</u>	<u>\$ 975,594</u>

The Iowa Communities Assurance Pool

Notes to Financial Statements December 31, 2008 and 2007

Note 1 - Nature of Business and Significant Accounting Policies

The Iowa Communities Assurance Pool (the "Pool") was created in 1986 and organized under the laws of the State of Iowa as a governmental group property and casualty self-insurance pool. The Iowa League of Cities and the Iowa State Association of Counties supports and promotes the Pool. A total of 577 cities, counties, and other public entities within the state of Iowa participate in the Pool. The Pool's primary objective is to formulate, develop, and administer, on behalf of the members, a program of managing property and third-party casualty claims, to obtain stable costs for that coverage, and to develop a comprehensive loss control program.

Members entering the Pool agree to participate in the Pool for a period of not less than one year and provide capitalization contributions as defined in the contract signed between the member and the Pool. For those members electing to withdrawal from participating, provided the member has given 60 days' written notice prior to their anniversary date, they may receive a partial refund of the capitalization contribution as defined by contract. In addition, upon withdrawal, all payments for casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal.

The Pool engaged American Risk Pooling Consultants, Inc. (ARPCO or management), a division of York Insurance Services Group, Inc. (York), to serve as the administrator. ARPCO contracts with Bilbrey Insurance Services, Inc. (BISI) for marketing, billing, and collection services, and with Public Entity Risk Services of Iowa (PERSI), an affiliate of ARPCO and BISI through common ownership, for loss control and claims services. These organizations are reimbursed for their services pursuant to the terms of their respective agreements with ARPCO.

Basis of Presentation - The basic financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. The Pool prepares its financial statements in accordance with Governmental Accounting Standards Board (GASB) pronouncements, Financial Accounting Standards Board (FASB) and predecessor boards' pronouncements issued on or before November 30, 1989, and all FASB pronouncements issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements.

Cash Equivalents - Cash equivalents are liquid assets maturing no more than three months from purchase date and include money market funds.

The Iowa Communities Assurance Pool

Notes to Financial Statements December 31, 2008 and 2007

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Investments - Investments are stated at fair value (see Note 2). Investment income is recognized when earned.

Alternative investments, primarily hedge funds, consist of limited partnerships and other managed funds organized to provide investors with risk-adjusted capital appreciation over a long-term period through an investment program which allocates funds to a number of money managers specializing in many market segments including domestic and foreign equities, debt securities, and utilizing a broad range of investment hedging and trading strategies. Alternative investments are recorded at fair value with values provided by the general partners of the limited partnerships or investment managers of managed funds. General partners and investment managers of these hedge funds may at times use estimates in determining the market value of the underlying assets and actual results could differ from those estimates. Alternative investments totaled \$6,565,190 and \$8,357,386, or 22.0 percent and 22.4 percent, of total investments at December 31, 2008 and 2007, respectively.

Investment Earnings – Investment earnings are an integral part of the operating aspects of the Pool, and are one of the core purposes of the self-insurance pooling structure. Since the Pool is structured as an enterprise fund, as defined by GASB Statement No. 34, Basic Financial Statements-and Management’s Discussion and Analysis-for State and Local Governments, the Pool’s policy is to report all investment earnings as operating income on the statement of revenue, expenses, and changes in net assets.

Member Contributions Receivable - Member contributions receivable represent amounts due from members of the Pool and are considered collectible. Accordingly, the Pool has no allowance for doubtful accounts for financial reporting purposes.

Claims and Claim Adjustment Expense Reserves - Claims and claim adjustment expense reserves represent the estimated liability for unpaid claims and related claims expenses from reported claims and claims incurred but not reported. Changes to estimates are currently reflected in the statement of revenue, expenses, and changes in net assets.

The Iowa Communities Assurance Pool

Notes to Financial Statements December 31, 2008 and 2007

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Capitalization Contributions - Casualty capitalization contributions are accounted for under the provisions of GASB's Interpretation No. 4, *Accounting and Financial Reporting for Capitalization Contributions to Public Entity Risk Pools* (Interpretation No. 4). Under Interpretation No. 4, capitalization contributions to pools to which risk is transferred must be accounted for as revenue by initially recording such contributions as unearned premiums, then amortizing them into revenue over an appropriate period not to exceed 10 years. Unearned premium reserves resulting from the application of Interpretation No. 4 are being amortized pro rata over a six-year period - the period over which a member makes capitalization contributions.

Member Contributions - Member contributions are recognized under the accrual method of accounting and follow the provisions of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. Member contributions are estimated and recognized using a variety of actuarial and statistical techniques and reflect the amount to be contributed by members for payment of incurred claims, claim adjustment expenses, and related administrative expenses for each policy year. Member contributions to be billed in the future represent amounts due from members which have not been billed to members and will be billed and collected, from the existing members, in the future when the estimated incurred claims, loss adjustment expenses, and related administrative expenses for each policy year are anticipated to be paid.

Use of Estimates - Management of the Pool has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities as of the statement of net assets date and the amounts of revenue and expenses during the reporting period, to prepare these basic financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

Tax Status - The Pool's income is excludable from gross income under Section 115 of the Internal Revenue Code and is thus exempt from federal income taxes. Management believes that the Pool continues to operate in a manner whereby it continues to be tax exempt.

Reclassifications - Certain reclassifications have been made to prior year amounts to conform to the current year presentation. Such reclassifications had no impact on the change in net assets.

The Iowa Communities Assurance Pool

Notes to Financial Statements December 31, 2008 and 2007

Note 2 - Deposits and Investments

The Pool's investment policy authorizes the Pool to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Iowa.

The Pool designated Wells Fargo for the deposit of its funds.

The Pool's cash and investments are subject to several types of risk, which are examined in more detail below.

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Pool's deposits may not be returned to it. The Pool's policy related to custodial credit risk of bank deposits is to evaluate each financial institution with which it deposits funds and assess the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories. The Pool maintains balances in its deposit accounts to adequately cover current operating and claims payment expenses and, as a result, generally requires balances that exceed the FDIC insurance limits of \$250,000. At December 31, 2008, the Pool's deposit balance of \$650,360 included \$400,360 in deposits that were uninsured and uncollateralized. At December 31, 2007, the Pool's deposit balance of \$8,543 did not have any amounts that were uninsured and uncollateralized. The Pool believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits.

Interest Rate Risk - Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Pool's investment policy restricts the maximum maturity for any one issue to no more than 10 years. The Pool's policy also minimizes interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market and limiting the average maturity in accordance with the Pool's cash requirements.

The Iowa Communities Assurance Pool

Notes to Financial Statements December 31, 2008 and 2007

Note 2 - Deposits and Investments (Continued)

At December 31, 2008, the average maturities of investments are as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
U.S. agencies and passthroughs	\$ 1,014,835	5.54
Asset-backed securities	2,055,104	7.65
Corporate bonds	9,892,012	6.58
International bonds	<u>537,097</u>	4.75
Total fair value	<u>\$ 13,499,048</u>	
Portfolio weighted average maturity		<u>6.59</u>

At December 31, 2007, the average maturities of investments are as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
U.S. agencies and passthroughs	\$ 3,295,540	0.51
Asset-backed securities	3,083,888	13.10
Corporate bonds	10,034,330	7.88
International bonds	<u>598,402</u>	5.70
Total fair value	<u>\$ 17,012,160</u>	
Portfolio weighted average maturity		<u>7.32</u>

Credit Risk - Credit risk is the risk that an issuer to an investment will not fulfill its obligations. In accordance with the Pool's investment policy, the Pool may invest in U.S. government securities, corporate bonds, certain equity securities, collateralized mortgage obligations, asset-backed securities, alternative investments, and certain mutual funds.

The Iowa Communities Assurance Pool

Notes to Financial Statements December 31, 2008 and 2007

Note 2 - Deposits and Investments (Continued)

At December 31, 2008 and 2007, the credit quality ratings of debt securities by investment type (other than the U.S. government) are as follows:

Rating	Fair Value	
	2008	2007
U.S. agencies and passthroughs - Aaa	\$ 1,014,835	\$ 3,295,540
Asset-backed securities - Aaa	\$ 2,055,104	\$ 3,083,888
Corporate bonds:		
Aaa	\$ 502,640	\$ 534,831
Aa1	257,108	272,575
Aa2	1,415,067	707,146
Aa3	975,234	722,806
A1	770,540	828,746
A2	665,033	467,178
A3	458,686	718,189
Baa1	1,897,665	2,013,930
Baa2	83,551	108,275
Baa3	164,950	469,872
Ba1	906,688	834,343
Ba2	303,993	277,070
Ba3	440,225	730,245
B1	110,870	116,463
B2	-	81,420
C	404,820	-
Caa2	-	300,000
Not rated	534,942	851,241
Total	\$ 9,892,012	\$ 10,034,330
International bonds:		
Baa1	\$ 397,592	\$ 415,104
Baa2	83,505	84,360
Ba1	56,000	98,938
Total	\$ 537,097	\$ 598,402
Money market funds - Not rated	\$ 636,895	\$ 412,242
Alternative investments - Not rated	\$ 6,565,190	\$ 8,357,386

The Iowa Communities Assurance Pool

Notes to Financial Statements December 31, 2008 and 2007

Note 2 - Deposits and Investments (Continued)

The rating organization used by the Pool to rate its investments was Moody's.

Foreign Currency Risk - Foreign currency risk is the risk that changes in foreign currency rates will adversely affect the fair value of an investment. The Pool holds investments in international bonds at December 31, 2008 and 2007; however, the investments are denominated in U.S. currency.

Concentration of Credit Risk - There are no investments that individually exceed 5 percent of the Pool's total investments at December 31, 2008 and 2007.

Alternative Investments - Certain alternative investment hedge funds held by the Pool are subject to various risk factors, including market, credit, and currency risk, and transact in short sales and various domestic and international derivatives, including forward foreign currency contracts, futures, and written and purchased options and swaps. These alternative investment hedge funds may suffer losses if interest rates move in opposition to the investment manager's expectations. The risk of loss in certain derivative financial instruments is limited to the value of the respective investments at December 31, 2008 and 2007. Investments in securities of non-U.S. issuers may be subject to greater illiquidity and price volatility than securities of U.S. issuers. Investments denominated in currencies other than the U.S. expose the securities to risks that the exchange rate may change in a manner that has an adverse effect on the value of foreign currency denominated assets. Investments include transactions with off-balance-sheet risks. The exposure to such risks is limited to the amount of the Pool's investment in the underlying security.

Fair Value Measurements - The following tables present information about the Pool's assets measured at fair value on a recurring basis at December 31, 2008, and the valuation techniques used by the Pool to determine those fair values.

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Pool has the ability to access.

The fair value of the Pool's investments totaling \$23,240,268 at December 31, 2008 was determined using Level 1 inputs.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability.

The Iowa Communities Assurance Pool

Notes to Financial Statements December 31, 2008 and 2007

Note 2 - Deposits and Investments (Continued)

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Pool's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Disclosures concerning assets measured at fair value are as follows:

	Quoted Prices in			
	Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2008
Investment securities -				
Available for sale	\$ 23,240,268	\$ -	\$ 6,565,190	\$ 29,805,458

Changes in Level 3 assets measured at fair value on a recurring basis are as follows:

	Investment Securities - Available for sale
Balance at December 31, 2007	\$ 8,357,352
Purchases	(1,800,000)
Sales (Cash receipts)	2,070,000
Realized losses	(1,563,617)
Unrealized losses	<u>(498,545)</u>
Balance at December 31, 2008	<u>\$ 6,565,190</u>

Available-for-sale investment securities categorized as Level 3 assets primarily consist of alternative investments, including private equity funds, real estate funds, and fund of fund hedge funds. The pool uses an investment manager in conjunction with an investment policy for managing the alternative investments. The Pool estimates the fair value of these investments based on their ownership percentage of each fund applied to the performance of each fund, as reported to the Pool through a third-party administrator of the funds. These are then allocated to the investing affiliate participants according to the pro rata share of the total assets.

The Iowa Communities Assurance Pool

Notes to Financial Statements December 31, 2008 and 2007

Note 2 - Deposits and Investments (Continued)

The Pool's fair value of alternative investments was \$6,565,190 and \$8,357,387 at December 31, 2008 and 2007, respectively. At December 31, 2008, the fair value included purchases of \$1,800,000 in additional investments, cash receipts of \$2,070,000, and net unrealized and realized losses of \$2,062,162.

Both observable and unobservable inputs may be used to determine the fair value of positions classified as Level 3 investments. As a result, the unrealized gains and losses for these investments presented in the tables above may include changes in fair value that were attributable to both observable and unobservable inputs.

Subsequent to December 31, 2008, the Pool's investment portfolio has incurred declines in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined.

Note 3 - Claims and Claim Adjustment Expense Reserves

The Pool establishes claim reserves based upon known facts for those claims existing at December 31 and a variety of actuarial and statistical techniques that reflect recent settlements, claim frequency, and other economic and social factors to provide reserve estimates for those claims incurred but not reported at year end. A provision for inflation in the calculation of estimated future claim costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in estimating claim liabilities does not necessarily result in an exact amount, particularly for coverage such as third-party liability; therefore, it is reasonably possible that a material change in the estimate will occur within the near term and thus the actual claims paid may be substantially different than these estimates. Consistent to industry practices, adjustments to claim reserves are charged to expense in the periods in which they are made.

The Iowa Communities Assurance Pool

Notes to Financial Statements December 31, 2008 and 2007

Note 3 - Claims and Claim Adjustment Expense Reserves (Continued)

The following summarizes changes in claims and claim adjustment expense reserves for the years ended December 31, 2008, 2007, and 2006:

	2008	2007	2006
Claims and Claim Adjustment Expense			
Reserves - Beginning of year	\$ 15,862,011	\$ 15,075,944	\$ 15,740,549
Change in reinsurance recoverable	<u>(1,214,182)</u>	<u>(81,351)</u>	<u>(204,841)</u>
Net claims and claim adjustment expense reserves	14,647,829	14,994,593	15,535,708
Incurred Claims and Claim Adjustment Expenses			
Provision for claims incurred in current year	14,814,076	11,623,961	12,472,008
Decrease in provision for claims incurred in prior years	<u>(3,672,959)</u>	<u>(1,906,276)</u>	<u>(5,617,107)</u>
Total incurred claims and claim adjustment expenses	11,141,117	9,717,685	6,854,901
Payments			
Claims and claims expenses paid for claims incurred in current year	(6,023,906)	(4,416,109)	(2,045,066)
Claims and claims expenses paid for claims incurred in prior years	<u>(3,325,879)</u>	<u>(4,434,158)</u>	<u>(5,269,599)</u>
Total payments	<u>(9,349,785)</u>	<u>(8,850,267)</u>	<u>(7,314,665)</u>
Claims and Claim Adjustment Expense			
Reserves - End of year	<u>\$ 16,439,161</u>	<u>\$ 15,862,011</u>	<u>\$ 15,075,944</u>

Reserves for claims and claims adjustment expense attributable to insured events in prior years changed as a result of re-estimation of unpaid claims and claim adjustment expenses. This change is generally a result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

The Iowa Communities Assurance Pool

Notes to Financial Statements December 31, 2008 and 2007

Note 4 - Reinsurance and Excess Risk-sharing Agreements

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large aggregate and specific losses. These agreements permit recovery of a portion of its claims from reinsurers and a risk-sharing pool, although they do not discharge the Pool's primary liability for such payments. The Pool does not report reinsured risks as liabilities unless it is probable that those risks will not be covered by reinsurers or excess risk-sharing agreements. Premiums ceded to reinsurance carriers and the risk-sharing pool during the years ended December 31, 2008 and 2007 totaled \$5,363,555 and \$5,698,959, respectively, and the amounts deducted from claims and claim expense reserves as of December 31, 2008 and 2007 for reinsurance and excess risk-sharing agreements totaled approximately \$16,800,000 and \$9,900,000, respectively.

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. APEEP provides excess risk-sharing programs for its member pools, all of which are public entity group risk-sharing pools similar in nature to the Pool.

Note 5 - Member Withdrawals

Five members withdrew from the Pool in 2008, while seven members withdrew in 2007. In accordance with the intergovernmental contract, these withdrawals resulted in transfers to operations of \$17,199 in 2008 and \$61,358 in 2007, as well as refunds of \$5,565 in 2008 and \$21,981 in 2007. Upon withdrawal, these members became responsible for all of their respective unpaid casualty claims, both reported and unreported.

Note 6 - Member Capitalization Distributions

Beginning in 2007, the Pool reduced the minimum contribution required to be maintained in the Cumulative Reserve Fund to 200 percent but not more than 300 percent of the total current basis rate of all members. Members must first make their first six annual contributions to the Cumulative Reserve Fund. In the year following the sixth contribution, the Pool will make a distribution to the member in an amount to reduce the member's Cumulative Reserve Fund to 200 percent of its basis rate. The distribution will be made in three annual installments. Cumulative Reserve Fund distributions totaled \$1,684,100 and \$1,331,611 for the years ended December 31, 2008 and 2007, respectively.

REQUIRED SUPPLEMENTARY INFORMATION

The Iowa Communities Assurance Pool

Casualty Claims Development Information

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
1. Required contributions (Note A) and investment income:										
Earned	\$ 7,760,132	\$ 9,581,776	\$ 10,141,554	\$ 9,924,343	\$ 11,076,018	\$ 13,453,357	\$ 15,713,252	\$ 15,683,364	\$ 15,842,819	\$ 12,382,908
Ceded	1,021,910	1,324,872	1,875,711	2,043,322	1,808,990	1,957,316	2,325,193	1,739,817	1,747,140	2,238,023
Net	6,738,222	8,256,904	8,265,843	7,881,021	9,267,028	11,496,041	13,388,059	13,943,547	14,095,679	10,144,885
2. Expenses other than allocated claim adjustment expenses	2,001,609	2,067,094	2,358,467	2,783,663	2,626,931	3,298,888	3,598,269	3,705,471	3,775,185	3,910,764
3. Estimated claims and allocated claim adjustment expenses, end of policy year:										
Incurred	3,562,403	6,145,989	6,704,416	5,884,599	6,073,498	8,021,780	9,128,859	9,519,567	8,840,707	11,272,751
Ceded	277,901	1,187,171	1,247,259	849,321	548,134	1,038,048	719,461	974,050	1,040,590	2,881,163
Net	3,284,502	4,958,818	5,457,157	5,035,278	5,525,364	6,983,732	8,409,398	8,545,517	7,800,117	8,391,588
4. Cumulative net paid and allocated claim adjustment expenses as of:										
End of policy year	452,827	775,497	989,571	844,057	925,894	1,127,670	1,047,211	1,192,072	1,579,654	1,922,479
One year later	1,100,257	1,485,506	1,788,216	1,822,479	2,091,083	2,275,137	2,336,581	3,128,192	3,436,778	-
Two years later	1,776,232	2,353,358	2,679,393	2,931,422	3,059,617	3,299,547	3,233,978	5,173,147	-	-
Three years later	2,348,306	3,179,109	3,212,053	4,221,179	4,230,824	4,279,484	3,929,126	-	-	-
Four years later	2,645,520	3,351,451	3,645,207	4,605,937	4,365,884	4,321,217	-	-	-	-
Five years later	2,646,497	3,357,982	3,749,000	4,788,793	4,567,802	-	-	-	-	-
Six years later	2,654,653	3,355,401	3,776,200	4,797,944	-	-	-	-	-	-
Seven years later	2,689,016	3,357,402	4,045,316	-	-	-	-	-	-	-
Eight years later	2,689,016	3,355,401	-	-	-	-	-	-	-	-
Nine years later	2,689,016	-	-	-	-	-	-	-	-	-
5. Reestimated ceded claims and expenses	203	463,940	544,203	500,275	3,034,921	1,128,285	108,168	4,540,791	1,659,502	2,881,163
6. Reestimated net incurred claims and allocated claim adjustment expenses:										
End of policy year	3,284,502	4,958,818	5,457,157	5,035,278	5,525,364	6,983,732	8,409,398	8,545,517	7,800,117	8,391,588
One year later	3,240,249	5,105,748	4,214,269	5,368,202	5,978,921	5,785,532	5,833,233	8,650,574	7,887,103	-
Two years later	3,252,431	4,221,440	4,469,906	5,895,848	5,598,883	5,206,967	4,971,341	7,855,833	-	-
Three years later	3,120,684	3,695,761	3,738,509	5,230,902	4,995,159	4,975,492	4,611,773	-	-	-
Four years later	2,682,667	3,500,360	3,787,461	4,927,403	4,915,155	4,686,704	-	-	-	-
Five years later	2,655,058	3,506,464	4,049,214	4,952,038	5,011,220	-	-	-	-	-
Six years later	2,676,908	3,397,291	4,019,214	5,068,785	-	-	-	-	-	-
Seven years later	2,702,887	3,365,754	4,120,611	-	-	-	-	-	-	-
Eight years later	2,701,730	3,390,453	-	-	-	-	-	-	-	-
Nine years later	2,691,325	-	-	-	-	-	-	-	-	-
7. Increase (decrease) in estimated net incurred claims and allocated claim adjustment expenses subsequent to initial policy year end	<u>\$ (593,177)</u>	<u>\$ (1,568,365)</u>	<u>\$ (1,336,546)</u>	<u>\$ 33,507</u>	<u>\$ (514,144)</u>	<u>\$ (2,297,028)</u>	<u>\$ (3,797,625)</u>	<u>\$ (689,684)</u>	<u>\$ 86,986</u>	<u>\$ -</u>

Note A - Required contributions are the aggregate of that year's estimate of ultimate claims, plus the cost of excess reinsurance and general and administrative expenses paid or payable for that year.

The Iowa Communities Assurance Pool

Property Claims Development Information

	2000	2001	2002	2003	2004	2005	2006	2007	2008
1. Required contributions (Note A)									
and investment income:									
Earned	\$ 2,409,446	\$ 3,079,527	\$ 4,320,796	\$ 4,825,027	\$ 5,478,910	\$ 5,828,837	\$ 6,682,889	\$ 8,149,674	\$ 10,932,539
Ceded	280,021	110,968	130,800	110,536	150,209	86,956	252,338	276,987	365,664
Net	2,129,425	2,968,559	4,189,996	4,714,491	5,328,701	5,741,881	6,430,551	7,872,687	10,566,875
2. Expenses other than allocated claim adjustment expenses	904,447	1,182,170	1,946,901	2,676,053	3,056,900	3,306,147	3,570,901	3,819,555	4,031,174
3. Estimated claims and allocated claim adjustment expenses, end of policy year:									
Incurred	1,481,481	1,858,768	2,357,113	2,029,859	2,384,863	2,370,900	2,952,441	4,100,831	6,788,152
Ceded	280,021	110,968	130,800	110,536	150,209	86,956	252,338	276,987	365,664
Net	1,201,460	1,747,800	2,226,313	1,919,323	2,234,654	2,283,944	2,700,103	3,823,844	6,422,488
4. Cumulative net paid and allocated claim adjustment expenses as of:									
End of policy year	760,676	1,324,667	1,673,287	1,355,418	1,705,420	1,575,624	1,925,859	2,836,455	4,101,427
One year later	837,331	1,506,876	2,275,242	1,764,486	1,996,823	1,809,921	2,475,725	3,111,718	-
Two years later	835,502	1,784,070	2,094,378	1,766,716	1,999,608	1,814,806	1,976,647	-	-
Three years later	1,263,124	1,790,171	2,061,579	1,768,700	1,999,091	1,811,660	-	-	-
Four years later	1,263,202	1,791,336	2,061,579	1,768,907	1,998,725	-	-	-	-
Five years later	1,224,227	1,791,417	2,061,579	1,773,244	-	-	-	-	-
Six years later	1,224,227	1,791,417	2,059,484	-	-	-	-	-	-
Seven years later	1,224,227	1,790,549	-	-	-	-	-	-	-
Eight years later	1,224,227	-	-	-	-	-	-	-	-
5. Reestimated ceded claims and expenses	219,498	132,488	318,242	206,718	266,704	376,929	252,338	276,987	365,664
6. Reestimated net incurred claims and allocated claim adjustment expenses:									
End of policy year	1,201,460	1,747,800	2,226,313	1,919,323	2,234,654	2,283,944	2,700,103	3,823,844	6,422,488
One year later	859,963	1,626,335	2,393,534	1,781,688	2,017,311	1,840,628	2,489,684	3,267,307	-
Two years later	847,945	1,789,399	2,111,350	1,786,299	2,000,888	1,826,204	2,000,896	-	-
Three years later	1,269,307	1,795,968	2,061,579	1,769,125	1,999,353	1,821,186	-	-	-
Four years later	1,263,202	1,796,461	2,061,579	1,768,907	1,998,987	-	-	-	-
Five years later	1,224,227	1,791,417	2,061,579	1,773,244	-	-	-	-	-
Six years later	1,224,227	1,791,417	2,059,484	-	-	-	-	-	-
Seven years later	1,224,227	1,790,549	-	-	-	-	-	-	-
Eight years later	1,224,227	-	-	-	-	-	-	-	-
7. Increase (decrease) in estimated net incurred claims and allocated claim adjustment expenses subsequent to initial policy year end	<u>\$ 22,767</u>	<u>\$ 42,749</u>	<u>\$ (166,829)</u>	<u>\$ (146,079)</u>	<u>\$ (235,667)</u>	<u>\$ (462,758)</u>	<u>\$ (699,207)</u>	<u>\$ (556,537)</u>	<u>\$ -</u>

Note A - Required contributions are the aggregate of that year's estimate of ultimate claims, plus the cost of excess reinsurance and general and administrative expenses paid or payable for that year.

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STATISTICAL SECTION (UNAUDITED)

This part of the comprehensive annual financial report presents detailed information as a context of understanding what the information in the financial statements, note disclosures, and required supplemental information says about the Pool's overall financial health.

The statistical section is organized into the following main categories:

- Financial trends
- Revenue capacity
- Demographic and economic information
- Operating information

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Pool implemented GASB Statement 34 in 2004; schedules presenting financial information include information beginning in that year.

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FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the Pool's financial performance and well-being have changed over time.

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THE IOWA COMMUNITIES ASSURANCE POOL

Financial Trend Information

Net Assets by Component

(Unaudited)

	December 31			
	2005	2006	2007	2008
Net Assets by Component				
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Unrestricted	<u>30,569,935</u>	<u>36,310,754</u>	<u>38,335,929</u>	<u>30,851,891</u>
Total net assets	<u>\$ 30,569,935</u>	<u>\$ 36,310,754</u>	<u>\$ 38,335,929</u>	<u>\$ 30,851,891</u>

THE IOWA COMMUNITIES ASSURANCE POOL
Financial Trend Information
Combined Schedule of Revenues, Expenses, and Changes in Net Assets
Years ended December 31, 1999 – 2008
(Unaudited)

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Revenue										
Member contributions - Operating	\$ 24,902,664	\$ 23,584,457	\$ 22,109,370	\$ 20,523,335	\$ 18,768,525	\$ 16,066,411	\$ 13,370,195	\$ 10,611,441	\$ 9,329,782	\$ 8,764,018
Reinsurance premiums ceded	(5,363,555)	(5,698,959)	(5,022,637)	(5,262,962)	(4,665,574)	(4,311,483)	(3,763,042)	(2,613,041)	(1,909,330)	(1,643,282)
Contributions that will be billed in future to pay unpaid claims	269,046	657,968	(510,747)	1,531,306	2,807,330	861,712	(1,500,640)	1,911,960	2,188,566	44,442
Interest and dividends	1,040,024	1,244,009	1,155,631	974,476	836,447	787,307	858,514	488,810	1,254,509	1,469,292
Increase (decrease) in fair value of investments	(7,548,080)	373,068	1,589,569	126,157	1,001,956	2,379,277	(1,501,006)	(363,926)	(944,420)	(687,149)
Total revenue	13,300,099	20,160,543	19,321,186	17,892,312	18,748,684	15,783,224	7,464,021	10,035,244	9,919,107	7,947,321
Claims and Claim Adjustment Expenses										
Paid	13,317,891	10,825,003	10,916,070	7,672,513	7,342,805	6,805,363	6,293,830	5,463,375	6,210,771	3,402,343
Recoveries	(3,968,106)	(1,974,736)	(3,601,405)	(1,086,094)	(970,452)	(1,169,496)	(868,095)	(758,831)	(2,208,767)	(176,919)
Increase (decrease) in claims and claim adjustment expense reserves	1,791,332	867,418	(459,764)	1,756,989	4,141,075	(125,895)	(2,074,542)	3,210,806	1,997,678	287,670
Total expenses	7,901,678	7,594,741	7,276,368	6,904,412	6,355,788	5,602,984	4,730,564	3,540,639	2,964,243	2,772,373
Excess of Revenue Over (Under) Claims and Claim Adjustment Expenses and Expenses	(5,742,696)	2,848,117	5,189,917	2,725,035	3,370,087	3,676,883	(1,367,380)	(1,967)	250,683	2,687,814
Member Distributions										
Capitalization	(22,764)	(83,339)	(35,608)	(76,576)	-	(15,529)	(1,250)	(6,603)	-	-
Budgetary	(891,269)	(688,894)	-	-	-	-	-	-	-	-
Cumulative reserve fund	(1,684,100)	(1,331,611)	(926,808)	(1,230,486)	(749,912)	(499,987)	(1,000,000)	(1,583,145)	(1,214,240)	(1,191,873)
Total member distributions	(2,598,133)	(2,103,844)	(962,416)	(1,307,062)	(749,912)	(515,516)	(1,001,250)	(1,589,748)	(1,214,240)	(1,191,873)
Contributions - Capitalization - Cumulative Reserve Fund	856,791	1,280,902	1,513,318	1,483,547	1,254,062	1,068,054	885,852	522,766	293,722	354,740
Change in net assets	\$ (7,484,038)	\$ 2,025,175	\$ 5,740,819	\$ 2,901,520	\$ 3,874,237	\$ 4,229,421	\$ (1,482,778)	\$ (1,068,949)	\$ (669,835)	\$ 1,850,681

THE IOWA COMMUNITIES ASSURANCE POOL

Financial Trend Information

Schedule of Cash and Investments

December 31, 2008

(Unaudited)

<u>Cash and cash equivalents</u>	<u>Maturity date</u>	<u>Coupon rate</u>	<u>Yield to maturity</u>	<u>Total book value</u>	<u>Total market value</u>
Cash in bank	n/a	n/a	n/a	\$ 262,725	\$ 262,725
Smith Barney Money Funds Cash Portfolio Class A	n/a	n/a	1.740%	636,895	636,895
Total cash and cash equivalents				<u>899,620</u>	<u>899,620</u>
Debt securities					
Government bonds backed by loans:					
Federal Home Loan Mtg Corp	07/15/13	4.500%	4.433%	496,313	507,505
Federal Home Loan Mtg Corp	07/15/15	5.000%	4.927%	496,446	507,330
FNNA - 2004 44CL	09/25/18	4.500%	4.864%	129,235	121,076
FNNA - 255273	06/01/19	4.500%	4.433%	128,782	130,490
GNMA	02/20/31	6.000%	5.853%	355,921	352,186
GNMA	12/20/28	6.000%	5.853%	381,328	390,861
Freddie Mac	02/15/34	6.000%	6.122%	1,000,000	980,000
GNMA	04/20/34	6.000%	5.853%	83,931	80,491
Total government bonds backed by loans				<u>3,071,956</u>	<u>3,069,939</u>
Industrial and miscellaneous bonds:					
Abbott Laboratories	11/30/17	5.600%	5.174%	251,807	270,545
Alliant Tech Systems	09/15/11	2.750%	2.798%	58,262	57,968
Allstate Corporation	05/15/18	6.750%	6.908%	303,709	293,097
Amgen Inc	02/01/13	0.375%	0.394%	93,626	109,394
Anixter International, Inc., Global	02/15/13	1.000%	1.603%	78,947	43,662
Apogent Tech., Inc	12/15/33	3.241%	0.627%	70,763	65,400
Bear Stearns Co	02/15/18	7.400%	7.322%	486,590	505,320
Bellsouth Corp.	10/15/11	6.000%	5.879%	300,610	306,123
Bottling Group LLC Global	11/15/12	4.625%	4.573%	252,552	252,787
Corning Incorporated – Med Notes	03/01/23	7.530%	8.606%	324,848	262,479
Danaher Corp CV	02/22/2021	—	—	81,656	65,812
D.R. Horton	01/15/09	5.000%	5.025%	99,991	99,500
DST Systems, Inc	08/15/23	4.125%	4.313%	59,184	62,156
EMC Corp Global	12/01/11	1.750%	1.792%	113,072	107,388
EMC Corp Global	12/02/13	1.750%	1.871%	31,396	32,725
Empire Dist Elec Co	04/01/10	6.500%	6.414%	307,038	303,993
Fairfax Financial Holdings	04/26/12	7.750%	8.707%	201,673	178,000
General Electronic Cap Corp	07/29/20	4.750%	5.197%	538,535	502,640
General Motors Accept. Corp.	09/15/11	6.875%	8.491%	344,859	404,820
Gilead Sciences Inc CV	05/01/13	0.625%	0.459%	52,201	63,979
Goldman Sachs Group, Inc.	01/15/11	6.875%	6.825%	403,566	402,920
Hillenbrand Industries, Inc. Debentures – Regular	12/01/11	8.500%	7.512%	100,198	113,141
Home Depot Inc.	03/01/16	5.400%	6.034%	481,605	447,460
HSBC Fianace Corp	04/15/10	4.750%	4.792%	250,567	247,805
Invitrogen Corp Sr CV Notes	02/15/24	1.500%	2.000%	94,449	67,500
JC Penney & Company	08/15/16	7.650%	9.756%	479,313	352,831
Knight Ridder	11/01/14	4.625%	33.035%	243,228	35,000
Martin Marietta Corporation Debentures	04/15/13	7.375%	6.734%	252,648	273,760
Medtronic Inc. Global	04/15/13	1.625%	1.841%	107,624	97,075
McDonalds Corp.	10/15/17	5.800%	5.423%	233,360	240,608
Merck & Co	03/01/15	4.750%	4.805%	225,311	222,424
Michigan Consolidated Gas Company First Mortgage Bond	05/01/14	8.250%	7.590%	100,000	108,684
Molson Coors Brewing Co	07/30/13	2.500%	2.096%	82,528	95,400
Nationsbank Corporation Subordinated Notes	09/15/16	7.800%	7.662%	269,141	254,497
Newmont Mining Corp	07/15/14	1.250%	1.168%	57,443	69,550
On Semiconductor Corp	12/15/26	2.625%	4.838%	36,488	17,903
Pulte Homes	01/15/14	5.250%	7.394%	250,458	177,500
Pioneer Natural Resources Co	01/15/38	2.875%	4.042%	61,349	64,013
Royal Caribbean Cruises	12/01/13	6.875%	12.276%	99,701	56,000
Royal Caribbean Cruises Ltd	03/15/18	7.250%	14.215%	99,615	51,000
Santander Financial Issuances Subordinated Notes	02/15/11	6.375%	6.125%	397,846	416,268
Sesi LLC	12/15/26	1.500%	2.226%	34,633	19,539
Swiss Bank Corporation Subordinated Debentures	10/15/15	7.000%	6.985%	254,161	250,508
Sybase Inc	02/22/25	1.750%	1.605%	84,173	76,300
Symantec Corp Global	06/15/11	0.750%	0.793%	130,115	108,675
Teva Pharmaceutical Fin	02/01/26	1.750%	1.592%	78,305	83,505
Transocean Inc	12/15/37	1.625%	1.865%	130,227	104,550
Tribune Co.	08/15/15	5.250%	116.666%	22,500	22,500
Triumph Group	10/01/26	2.625%	2.872%	78,976	61,221
Tyco Intl Group	02/15/11	6.750%	6.790%	402,889	397,592
United Healthcare Group	03/15/16	5.375%	6.099%	503,721	440,640
United Telephone Company Florida First Mortgage	07/15/13	6.875%	8.136%	199,203	166,465
Unum Provident	03/01/11	7.625%	7.611%	408,948	400,688
Wal - Mart Stores	04/05/17	5.375%	5.024%	232,525	240,691
Wells Fargo & Co	10/23/12	5.250%	5.104%	248,865	257,108
Total industrial and miscellaneous bonds				<u>11,186,998</u>	<u>10,429,109</u>
Total debt securities				<u>\$ 14,258,954</u>	<u>\$ 13,499,048</u>

THE IOWA COMMUNITIES ASSURANCE POOL

Financial Trend Information
Schedule of Cash and Investments
December 31, 2008
(Unaudited)

<u>Equity securities</u>	<u>Number of shares</u>	<u>Market value per share</u>	<u>Total book value</u>	<u>Total market value</u>
Public utilities common stock:				
AT & T	850	\$ 28.500	\$ 21,729	\$ 24,225
CMS Energy Corp.	943	10.110	11,172	9,534
Energen Corp.	439	29.330	15,498	12,876
E ON AG Spons ADR	1,758	38.949	116,423	68,472
OGE Energy Corp.	102	25.780	2,505	2,630
Public Service Enterprise Group	527	29.170	14,955	15,373
Sempra Energy	1,467	42.630	70,275	62,538
Total public utilities common stock			<u>252,558</u>	<u>195,647</u>
Banks, trust, and insurance companies common stock:				
Allstate Corp.	2,159	32.760	104,144	70,729
Ameriprise Financial, Inc.	33	23.360	1,522	771
American Express Company	1,450	18.550	46,412	26,898
Allianz SE ADR	5,474	10.830	61,790	59,283
Bank of York, Mellon Corp	837	28.330	21,790	23,712
Chubb Corp.	943	51.000	46,552	48,093
Hanover Insurance Group, Inc.	265	42.970	11,354	11,387
HSBC Holdings, PLC	454	48.670	39,936	22,096
Hudson City Bancorp, Inc.	1,353	15.960	22,135	21,594
JP Morgan Chase & Co	1,435	31.530	56,419	45,246
Mastercard, Inc.	500	142.930	83,495	71,465
Loews Corp.	1,300	28.250	31,192	36,725
MDC Holdings, Inc.	265	30.300	9,172	8,030
Metlife, Inc.	246	34.860	6,471	8,576
Old Republic International	922	11.920	8,074	10,990
Principal Financial Group	700	22.570	30,331	15,799
Prudential PLC ADR	6,725	12.650	140,678	85,071
Raymond James Financial Group, Corp.	378	17.130	9,153	6,475
Regions Financial, Corp.	920	7.960	7,267	7,323
Stancorp Financial Group	107	41.770	5,353	4,469
Sumitomo Mitsui Financial Group	6,473	4.148	58,517	26,850
Suntrust Banks, Inc.	1,188	29.540	33,604	35,094
Total Financial ELF S.A.	1,590	55.300	71,126	87,927
Travelers Companies	2,311	45.200	104,076	104,457
Unum Group	3,290	18.600	69,363	61,194
USG Corporation New	598	8.040	15,248	4,808
West Bancorporation Incorporated	7,500	12.250	115,945	91,875
Zimmer Holdings, Inc.	211	40.420	7,938	8,529
Zurich Financial Services	3,347	21.328	99,397	71,385
Total banks, trust, and insurance companies common stock			<u>1,318,450</u>	<u>1,076,850</u>
Industrial and miscellaneous common stock:				
3M Company	850	57.540	68,315	48,909
Adidas AG Spon ADR	1,193	18.828	32,295	22,462
Adobe Systems, Inc	2,300	21.290	83,071	48,967
Alfac, Inc.	180	45.840	7,605	8,251
Agco Corp.	282	23.590	6,199	6,652
Air Products & Chemical, Inc.	100	50.270	4,605	5,027
Alaska Air Group, Inc.	281	29.250	8,021	8,219
Alcoa	2,392	11.260	51,227	26,934
Alliance Data Systems, Corp.	582	46.530	22,810	27,080
Amedisys, Inc.	229	41.340	11,701	9,467
American Electric Power Co.	285	33.280	8,906	9,485
American Tower Corp-Class A	476	29.320	12,150	13,956
Amerisourcebergen Corp.	2,100	35.660	61,016	74,886
AON Corp.	1,900	45.680	81,660	86,792
Apollo-Group Inc., CL A	900	76.620	54,790	68,958
Apple Computer, Inc.	825	85.350	111,167	70,414
Archer-Daniels Midland Co.	4,099	28.830	100,793	118,174
BAE Systems PLC Spon ADR	4,132	21.667	145,711	89,528
Banco Santander S.A.	4,438	9.490	75,703	42,117
BG Group PLC Spon ADR	436	68.796	47,372	29,995
BJ'S Warehouse Club, Inc.	141	34.260	5,038	4,831
Boeing Co.	2,306	42.670	149,476	98,397
BP Amoco	1,652	46.740	93,150	77,214
British American Tobacco	1,610	53.110	99,341	85,507
Bucyrus International, Inc.	372	18.520	6,024	6,889

THE IOWA COMMUNITIES ASSURANCE POOL
 Financial Trend Information
 Schedule of Cash and Investments
 December 31, 2008
 (Unaudited)

<u>Equity securities</u>	<u>Number of shares</u>	<u>Market value per share</u>	<u>Total book value</u>	<u>Total market value</u>
Cameron International Corp	1,500	\$ 20.500	\$ 37,451	\$ 30,750
Canon, Inc.	2,660	31.400	97,482	83,524
Carnival Corp.	3,172	24.320	64,047	77,143
Caterpillar, Inc.	693	44.670	26,302	30,956
Centex Corp.	739	10.640	29,124	7,863
Cephalon, Inc.	282	77.040	21,122	21,725
Chevron Corp.	1,854	73.970	78,127	137,140
Cimarex Energy Co.	46	26.780	1,614	1,232
Cisco Systems, Inc.	1,700	16.360	46,323	27,710
Coach, Inc.	2,700	20.770	83,577	56,079
Commerical Metals, Co.	299	11.870	7,307	3,549
Computer Sciences Corp.	1,278	35.140	60,076	44,909
Comtech Telecommunications	68	45.820	3,073	3,116
Corinthean Colleges	730	16.370	10,377	11,950
CSX Corp.	1,673	32.470	55,045	54,322
Cummins, Inc.	1,735	26.730	113,181	46,377
Deckers Outdoor Corp.	145	79.870	13,686	11,581
Deere & Co.	961	38.320	46,491	36,826
Dell, Inc.	4,151	10.240	92,597	42,506
Devry Inc.	223	57.410	11,537	12,802
Diageo PLC	968	56.740	51,719	54,924
Diebold, Inc.	196	28.090	4,956	5,506
Dr. Horton	2,074	7.070	28,196	14,663
DST Systems, Inc., DEL	137	37.980	5,119	5,203
E Bay, Inc.	3,389	13.960	95,841	47,310
Easton Chemical Co.	269	31.710	9,826	8,530
Edison International	3,048	32.120	125,149	97,902
EI DuPont De Nemours & Company	734	25.300	29,593	18,570
Eli Lilly & Co.	676	40.270	22,861	27,223
El Paso, Corp.	1,203	7.830	11,192	9,419
Eni Spa Sponsored ADR	1,156	47.820	50,483	55,280
Enso International, Inc.	319	28.390	12,842	9,056
Ericsson LM Tel	5,594	7.810	38,872	43,689
Estee Lauder Cos, Inc., CL A	725	30.960	37,961	22,446
Express Scripts Inc.	432	54.980	30,381	23,751
Exxon Mobil Corp	840	79.830	59,554	67,057
FS Networks, Inc.	1,035	22.860	22,987	23,660
First Solar, Inc.	212	137.960	26,100	29,248
Flir Systems, Inc.	196	30.680	7,803	6,013
Foot Locker, Inc.	630	7.340	8,322	4,624
Forest Laboratories, Inc.	1,019	25.470	31,623	25,954
Fossil, Inc.	438	16.700	8,334	7,315
Freeport MCMoran Copper & Gold CL B	2,090	24.440	49,296	51,080
Fuel Systems Solutions, Inc.	168	32.760	5,350	5,504
GDF Suez-Eur	1,890	49.103	91,672	92,805
Gaylord Entertainment, Co.	258	10.840	7,896	2,797
General Electric, Co.	2,397	16.200	60,599	38,831
Genoptix, Inc.	146	34.080	4,666	4,976
Gilead Sciences, Inc.	976	51.140	44,618	49,913
Glaxosmithkline PLC	1,897	37.270	80,973	70,701
Groupe Danone Spons ADR	2,152	12.004	36,854	25,833
Harley Davidson	605	16.970	11,335	10,267
Heineken NV	1,227	15.221	9,421	18,676
Hewlett Packard Co.	5,225	36.290	178,885	189,615
Home Depot, Inc.	2,000	23.020	61,506	46,040
Honeywell Intl, Inc.	1,410	32.830	58,345	46,290
Hoya Corp.	1,996	16.999	46,303	33,930
Humana, Inc.	974	37.280	41,352	36,311
Imperial Tobacco Group	1,603	53.197	119,722	85,275
Infosys Technologie SP AD	1,800	24.570	71,809	44,226
Intel Corp.	3,445	14.660	73,020	50,504
International Business Machines, Inc.	2,488	84.160	202,470	209,390
ITT Educational Services, Inc.	524	94.980	44,189	49,770
Johnson & Johnson	865	59.830	58,066	51,753
Johnson Controls, Inc.	429	18.160	7,223	7,791
KB Home	759	13.620	20,178	10,338
KBR, Inc.	938	15.200	16,482	14,258

THE IOWA COMMUNITIES ASSURANCE POOL

Financial Trend Information
Schedule of Cash and Investments
December 31, 2008
(Unaudited)

Equity securities	Number of shares	Market value per share	Total book value	Total market value
Lennar Corp.	1,030	\$ 8.670	\$ 22,584	\$ 8,930
LHC Group, LLC	146	36.000	4,900	5,256
Louisiana Pacific Corp.	269	1.560	4,119	420
McDonalds, Corp.	975	62.190	58,059	60,635
Meadwest ACO Corp.	456	11.190	4,957	5,103
Merck & Co., Inc.	2,785	30.400	89,763	84,664
Micron Technology, Inc.	1,504	2.640	10,075	3,971
Microsoft Corp.	5,844	19.440	134,059	113,607
Mirant Corp., NEW	549	18.870	16,985	10,360
Monsanto Co., New	1,828	70.350	170,669	128,600
Mosaic, Co.	270	34.600	9,396	9,342
Motorola, Inc.	2,372	4.430	10,162	10,508
Myraid Genetics, Inc.	56	66.260	3,335	3,711
NCR Corp.	695	14.140	12,779	9,827
Nestle SA	1,881	39.085	29,579	73,519
Newfield Exploration, Co.	162	19.750	4,139	3,200
Nike, Inc., CL B	1,650	51.000	55,873	84,150
Noble Corp.	2,300	22.090	107,455	50,807
Nokia Corp. Spon. ADR	4,759	15.600	136,369	74,240
Norfolk Southern Corp.	32	47.050	1,520	1,506
Northrop Grumman Corp.	510	45.040	23,277	22,970
Novartis AG ADR	1,508	49.760	83,072	75,038
Novellus Systems, Inc.	706	12.340	12,054	8,712
Oil States International, Inc.	145	18.690	7,452	2,710
Omni Com Group	246	26.920	5,746	6,622
Overseas Shipholding Group	388	42.110	24,348	16,339
Owens Corning, Inc.	317	17.300	7,641	5,484
Parker-Hannifin, Corp.	233	42.540	8,657	9,912
Pepsico, Inc.	1,200	54.770	65,327	65,724
Pfizer Corp.	8,842	17.710	171,722	156,592
Precision Castparts Corp.	1,000	59.480	59,536	59,480
Pride International, Inc.	1,725	15.980	49,396	27,566
Proctor & Gamble Corp.	1,187	61.820	74,753	73,380
Pulte Home, Inc.	1,976	10.930	42,117	21,598
Qualcomm, Inc.	1,700	35.830	83,993	60,911
Questar, Corp.	708	32.690	19,467	23,145
Raytheon Co.	263	51.040	13,028	13,424
Roche Holdings	1,020	76.338	94,019	77,865
Royal Dutch Shell PLC ADR	1,062	52.940	68,531	56,222
Ryder Systems, Inc.	395	38.780	17,551	15,318
Ryland Group, Inc.	322	17.670	8,875	5,690
Safeway, Inc., - New	460	23.770	11,577	10,934
Sandisk Corp.	987	9.600	7,234	9,475
Sanofi-Aventis Spon ADR	2,201	32.160	73,027	70,784
Seacor Smit, Inc.	47	66.650	3,066	3,133
Sears Holdings, Inc.	973	38.870	37,310	37,821
Singapore Telecommunications	2,884	17.699	62,931	51,044
Smith Intl., Inc.	2,435	22.890	58,226	55,737
Southwest Airlines Co.	4,347	8.620	60,262	37,471
Spirit Aerosystems Holdings, Inc.	597	10.170	9,097	6,071
Stanley, Inc.	214	36.220	6,472	7,751
Stericycle, Inc.	83	52.080	4,566	4,323
Steris Corp.	337	23.890	12,238	8,051
Strayer Education, Inc.	22	214.410	4,764	4,717
Sunoco, Inc.	347	43.460	12,149	15,081
Synaptics, Inc.	382	16.560	10,735	6,326
Tesco PLC Sponsored ADR	2,892	15.528	43,326	44,907
Telus Corp-NON VTG SHS	1,936	28.420	85,295	55,021
Thoratec Corp.	574	32.490	15,037	18,649
Timken Co.	736	19.630	22,610	14,448
Toll Brothers, Inc.	1,716	21.430	33,726	36,774
Torchmark Corp.	1,145	44.700	55,080	51,182
Trinity Industries, Inc.	539	15.760	10,556	8,495
Triumph Group, Inc.	16	42.460	482	679
Unilever PLC	3,809	23.020	86,468	87,683
Union Pacific Corp	1,825	47.800	127,090	87,235
United Health Group, Inc.	1,149	26.600	28,858	30,563
United Rentals, Inc.	587	9.120	9,727	5,353
United States Steel Corp.	737	37.200	38,252	27,416
United Technologies Corp.	2,160	53.600	142,210	115,776
Urban Outfitters, Inc.	548	14.980	15,614	8,209

(continued)

THE IOWA COMMUNITIES ASSURANCE POOL

Financial Trend Information
Schedule of Cash and Investments
December 31, 2008
(Unaudited)

<u>Equity securities</u>	<u>Number of shares</u>	<u>Market value per share</u>	<u>Total book value</u>	<u>Total market value</u>
V F Corp.	145	\$ 54.770	\$ 6,352	\$ 7,942
Varian Medical Systems, Inc.	1,256	35.040	47,794	44,010
Verizon Communications	1,080	33.900	41,522	36,612
Viacom Inc., NEW CL B	426	19.060	8,005	8,120
Vodafone Group PLC	6,022	20.440	158,207	123,090
Wal-Mart Stores, Inc.	1,130	56.060	49,317	63,348
Walt Disney Holdings Co.	1,865	22.690	56,915	42,317
Wellpoint, Inc.	641	42.130	27,777	27,005
WMS Industries, Inc.	204	26.900	4,263	5,488
Worthington Industries, Inc.	735	11.020	8,171	8,100
Total industrial and miscellaneous common stock			<u>7,692,276</u>	<u>6,519,583</u>
Public utilities preferred stock:				
Alabama Power Co.	372	24.180	9,226	8,995
A T & T	1,478	24.940	36,888	36,861
Comcast Corp.	1,349	22.000	31,747	29,678
Comcast Corp. 6.625%	1,201	20.520	26,047	24,645
Comcast Corp. 7.0%	232	22.932	5,539	5,320
Entergy LA LLC 7.60%	88	24.250	1,984	2,134
Entergy Mississippi 1st Mtg.	86	23.380	1,901	2,011
FPL Group Cap, Inc. Ser A 6.6%	901	24.200	22,678	21,804
FPL Group Cap, TR I 5.875%	185	23.200	3,519	4,292
Georgia Power Co. 5.9%	852	23.800	21,293	20,278
Georgia Power Co. 6.375%	212	25.460	5,486	5,398
National Rural Utilities Coop	868	21.750	19,103	18,879
PPL Capital Fdg 6.85%	231	24.090	5,706	5,565
PPL Energy Supply LLC 7%	682	24.800	17,285	16,914
Viacom IN SR Notes 6.85%	1,975	18.280	40,470	36,103
Xcel Energy, Inc. 7.60%	1,255	24.930	31,387	31,287
Total public utilities preferred stock			<u>280,260</u>	<u>270,162</u>
Banks, trust, and insurance companies preferred stock:				
ABN Amro Cap	1,824	9.980	30,657	18,204
ABN Amro Cap Fund Trust	1,108	10.560	19,294	11,700
Aegon N.V. Cap Secs	1,166	9.830	21,151	11,462
Aegon NV	252	10.870	4,891	2,739
Aegon NV 7.25%	485	11.440	9,802	5,548
Aegon NV Floating	1,423	8.970	20,630	12,764
Aegon NV Pfd	268	10.010	4,878	2,683
Allianz SE	1,870	19.500	42,932	36,465
Arch Capital Grp Ltd 7.875	90	20.020	1,490	1,802
Arch Capital Grp Ltd 8.00%	609	19.880	13,416	12,107
Bac Capital TR V Gtd Cap Secs	265	16.700	5,147	4,426
Bac Capital TR XII	471	19.017	10,697	8,957
Bac Capital Trust X	247	20.150	5,111	4,977
Bank America Corp. 6.625%	245	15.900	5,152	3,896
Bank America Corp. Ser E	784	12.040	12,270	9,439
Bank of America Corp. 6.204 %	1,521	15.039	29,963	22,874
Bank of America Corp.Conv Pfd.	93	651.500	83,662	60,590
Bank One Capital TR VI 7.2%	91	22.410	1,527	2,039
Barclay Bank PLC 8.125%	1,169	15.020	24,293	17,558
Barclay Bank PLC 6.625%	1,091	12.550	21,929	13,692
Barclays Bank PLC 6.625%	1,166	13.520	23,773	15,764
BB&T Capital Trust V 8.95%	406	24.950	9,978	10,130
BNY Capital V 5.95%	1,532	22.310	32,491	34,179
Citigroup 8.125%	226	15.950	3,490	3,605
Citigroup CAP IX TRUPS 6%	264	14.540	3,447	3,839
Citigroup Cap VIII 6.95%	236	17.020	3,489	4,017
Citigroup CAP XIV 6.875%	252	14.770	3,643	3,722
Citigroup Capital X 6.10%	439	14.080	4,772	6,181
Citigroup Capital XI 6%	474	13.860	5,087	6,570
Citigroup Capital XV 6.5%	781	13.850	11,715	10,817
Citigroup Capital XVI 6.45%	504	14.010	6,476	7,061

(continued)

THE IOWA COMMUNITIES ASSURANCE POOL
Financial Trend Information
Schedule of Cash and Investments
December 31, 2008
(Unaudited)

<u>Equity securities</u>	<u>Number of shares</u>	<u>Market value per share</u>	<u>Total book value</u>	<u>Total market value</u>
Citigroup Capital XVII 6.35%	485	\$ 14.050	\$ 7,215	\$ 6,814
Citigroup Inc., Depository	2,215	27.990	92,440	61,998
Credit Suisse 7.90%	1,072	20.550	25,723	22,030
Deutsche Bank Cap Fund IX 6.625%	308	15.190	4,065	4,679
Deutsche Bank Cap Fund TR X 7.35%	274	16.500	4,267	4,521
Deutsche Bank Fdg 6.375%	966	17.060	20,119	16,480
Deutsche Bank Contingent Cap	1,922	14.900	36,975	28,638
Fifth Third Cap TR VI 7.25%	496	15.280	8,513	7,579
Financial Sec Assurance 6.25%	206	7.749	2,415	1,596
Goldman Sac Group Floating	783	13.000	12,559	10,179
HSBC Finance Corp. 6.875%	177	20.560	3,528	3,639
HSBC Holding PLC 6.20%	820	18.580	16,060	15,236
HSBC Holding PLC 8.125%	286	24.300	7,255	6,950
ING 7.05%	486	12.700	10,375	6,172
ING Grp 6.375%	667	11.280	11,353	7,524
ING Grp NV 6.20%	505	11.000	9,781	5,555
ING Grp NV 7.20%	188	13.300	2,346	2,500
ING Grp NV 7.375%	683	12.671	15,713	8,654
ING NV 6.125%	969	11.200	16,781	10,853
ING NV 8.50%	444	16.350	11,051	7,259
JP Morgan Chase Cap XI 5.875%	722	19.350	14,098	13,971
JP Morgan Chase Cap 6.20%	487	20.980	10,656	10,217
JP Morgan Chase Cap 6.35%	465	21.380	10,632	9,942
JP Morgan Chase Cap X 7.00%	509	23.800	11,912	12,114
JPM Capital XIX 6.625%	237	21.970	5,309	5,207
JPM Chase Capital XXVI	569	24.490	14,351	13,935
Key Corp CAP IX 6.75%	1,065	15.190	16,465	16,177
Key Corp CAP VIII 7.00%	767	15.300	12,479	11,735
Lincoln National Corp. 6.75%	920	17.480	21,208	16,082
Lincoln National Cap. VI 6.75%	216	17.740	3,638	3,832
M&T Capital Trust IV 8.50%	193	25.100	4,144	4,844
Merrill Lynch & Co.	561	10.850	6,732	6,087
Merrill Lynch & Co.	1,162	19.780	29,027	22,984
Metlife Inc., 6.50%	1,324	17.070	28,454	22,601
Morgan Stanley Cap TR V 5.75%	286	13.850	5,105	3,961
Morgan Stanley FRN	713	11.200	10,438	7,986
Moran Stanley Cap IV 6.25%	262	14.929	5,127	3,911
Morgan Stanley Cap TR 6.60%	764	15.500	15,106	11,842
Morgan Stanley Cap TR III 6.25%	542	15.860	10,444	8,596
National Bank of Greece 9.00%	452	19.350	11,414	8,746
National City Cap TR II 6.625%	373	18.400	6,180	6,863
Partnerre Ltd 6.50%	1,531	17.780	33,318	27,221
PNC Capital Trust 6.125%	1,503	21.150	32,032	31,788
PNC Capital Trust E 7.75%	555	24.670	12,467	13,692
Prologis Trust 6.75%	237	13.950	5,201	3,306
Protective Life Corp. 7.25%	252	13.350	5,544	3,364
Prudential Financial 9.00%	1,089	21.940	26,558	23,893
Prudential PLC	472	13.740	9,794	6,485
Regions Financing TR II 8.75%	451	20.840	9,109	9,399
Royal Bank of Scotland 6.125%	1,243	7.970	16,761	9,907
Royal Bank of Scotland 6.35%	762	9.100	14,615	6,934
Royal Bank of Scotland Grp 5.75%	870	7.980	14,842	6,943
Royal Bank of Scotland Grp PL 6.60%	944	8.820	14,014	8,326
Royal Bank of Scotland Ser T	234	10.150	5,104	2,375
Santander Fin 6.80%	1,259	19.000	27,060	23,921
Santander Fin SA 6.50%	1,095	18.860	22,042	20,652
Suntrust Capital IX 7.875	544	23.500	12,378	12,784
UBS Capital VI 5.75%	273	19.380	5,576	5,291
UBS Capital VII 5.875%	552	19.540	11,439	10,786
UBS Capital XI 6.60%	916	24.100	19,643	22,076
UBS Preferred Funding	1,504	10.300	25,495	15,491

(Continued)

THE IOWA COMMUNITIES ASSURANCE POOL

Financial Trend Information
Schedule of Cash and Investments
December 31, 2008
(Unaudited)

<u>Equity securities</u>	<u>Number of shares</u>	<u>Market value per share</u>	<u>Total book value</u>	<u>Total market value</u>
UBS Capital VIII 6.35%	95	\$ 21.390	\$ 1,650	\$ 2,032
US Bancorp 5.56%	279	16.240	4,325	4,531
Wachovia 7.25%	1,712	20.160	29,683	34,514
Wells Fargo Cap 5.625%	515	20.990	11,008	10,810
Wells Fargo Cap TR VII 5.85%	506	20.800	10,824	10,525
Wells Fargo Capital Trust IV	347	24.720	7,571	8,578
Wells Fargo Capital XI 6.25%	1,223	21.000	27,704	25,683
Zions Cap TR 8.00%	94	22.010	1,880	2,069
Total banks, trust, and insurance companies preferred stock:			<u>1,466,338</u>	<u>1,193,670</u>
Industrial and miscellaneous preferred stock:				
Archer Daniels Midland 6.25%	2,300	37.610	76,268	86,503
Berkley (WR) Corp.	1,495	18.150	28,824	27,134
Bunge LTD	78	450.000	79,843	35,100
CBS Corp. 6.75%	2,115	13.120	44,591	27,749
Everest RE Cap	1,937	16.590	38,811	32,135
General Electric Cap Corp. 6.00%	444	21.000	11,189	9,324
General Electric Cap Corp. 6.05%	902	21.150	22,613	19,077
General Electric Cap Corp. 6.45%	861	22.980	21,461	19,786
General Electric Cap Corp. 5.875%	223	21.136	5,499	4,713
HRPT PPTYs TR 7.125%	1,015	10.100	18,656	10,252
Kimco Realty Corp. 7.75%	460	18.000	11,017	8,280
Markel Corp. 7.50%	1,095	22.300	25,353	24,419
Public Storage 6.60%	256	18.000	5,338	4,608
Public Storage 6.625%	1,530	18.500	31,731	28,305
Public Storage 7.25%	795	22.200	18,789	17,649
Realty Income Corp. 6.75%	695	17.450	14,638	12,128
Regency Centers Corp. 6.70%	198	17.730	4,138	3,511
Regency Centers Corp. Ser 3	240	18.000	5,309	4,320
Renaissance Holdings	1,101	16.600	22,020	18,276
Schering Plough Corp 6.00%	435	174.000	54,591	75,691
Weingarten Realty 6.50%	1,038	15.750	21,279	16,349
Total industrial and miscellaneous preferred stock			<u>561,958</u>	<u>485,308</u>
Alternative investments				
Citigroup Emerging CTA	600	1,177.335	600,000	706,401
H/F Paulson LTD	458,000	0.790	458,000	361,957
HF Artha Emerging Markets, Ltd.	800,000	0.937	800,000	749,352
ING Clarion Global	1,000,000	0.916	1,000,000	915,670
Ivory Flagship Fund, LTD	1,000,000	0.911	1,000,000	911,220
SEL MS ADV FD LTD SER A	1,150,000	0.841	1,150,000	967,127
SSB Orion Futures Fund LP	600	1,365.792	600,000	819,475
Topiary Select Trust	200,000	0.834	202,000	166,860
UBP - MS Limited Series	1,150,000	0.841	1,150,000	967,127
Total alternative investments			<u>6,960,000</u>	<u>6,565,190</u>
Total equity securities			<u>18,531,840</u>	<u>16,306,410</u>
Total cash and investments			<u>\$ 33,690,414</u>	<u>\$ 30,705,078</u>

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REVENUE CAPACITY

These schedules contain information to help the reader assess the Pool's most significant revenue source, member contributions.

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THE IOWA COMMUNITIES ASSURANCE POOL
 Revenue Capacity
 Total Insured Value and Member Contributions
 (Unaudited)

Total Insured Value

Policy Year	Fiscal Year Ended December 31	Auto Physical	Property	Total Insured Value	Member Contributions
1997	1998	\$ -	\$ -	\$ -	\$ 2,101,409
1998	1999	147,139,885	718,310,455	865,450,340	2,360,139
1999	2000	165,065,868	845,817,800	1,010,883,668	2,777,690
2000	2001	211,705,643	1,288,418,239	1,500,123,882	3,651,699
2001	2002	254,657,895	1,833,377,210	2,088,035,105	5,425,751
2002	2003	286,907,311	2,005,377,997	2,292,285,308	7,363,470
2003	2004	303,992,996	2,236,655,086	2,540,648,082	8,550,535
2004	2005	348,703,575	2,544,994,623	2,893,698,198	9,276,979
2005	2006	375,338,473	2,769,531,792	3,144,870,265	10,115,598
2006	2007	408,270,218	2,965,732,533	3,374,002,751	10,601,021
2007	2008	426,171,119	3,236,915,401	3,663,086,520	11,117,557

THE IOWA COMMUNITIES ASSURANCE POOL

Revenue Capacity

Principal Member Contributions

(Unaudited)

Member	2007-2008		1997-1998		1998 Rank
	Policy Year Contributions	Percentage of Total	Policy Year Contributions	Percentage of Total	
1 City of Dubuque	\$ 517,079	2.08	\$ 461,313	5.68	1
2 City of West Des Moines	434,938	1.75	284,840	3.50	2
3 City of Ottumwa	403,693	1.62	278,953	3.43	3
4 Johnson County	389,043	1.56	-	-	-
5 City of Ames	367,644	1.48	-	-	-
6 City of Coralville	356,570	1.43	-	-	-
7 Pottawattamie County	345,581	1.39	-	-	-
8 City of Urbandale	330,576	1.33	214,991	2.64	4
9 City of Clinton	328,118	1.32	208,191	2.56	5
10 Dubuque County	324,087	1.30	-	-	-
- Clinton County	-	-	156,949	1.93	6
- City of Indianola	-	-	142,294	1.75	7
- Marion County	-	-	139,552	1.72	8
- Dickinson County	-	-	124,176	1.53	9
- Poweshiek County	-	-	122,915	1.51	10
Total	\$ 3,797,329	15.25	\$ 2,134,174	26.26	

DEMOGRAPHICS AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Pool's financial activities take place

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THE IOWA COMMUNITIES ASSURANCE POOL
 Membership List
 December 31, 2008
 (Unaudited)

	Joined casualty program	Joined property program
Ackley	7/1/1996	7/1/1996
Ackworth	8/1/2000	n/a
Adair County	7/1/1987	7/1/2004
Adair County Sanitary Landfill and Recycling Center	6/30/1987	6/6/1990
Adams County	6/30/1987	n/a
Adams County Emergency Management Commission	6/30/2008	n/a
ADLM Empowerment Area Board	10/21/2001	n/a
Agency	2/10/1989	2/10/1991
AIM Empowerment Board	12/1/2000	n/a
Ainsworth	4/1/2008	4/1/2008
Albert City	4/1/2008	4/1/2008
Albia	5/21/1993	12/7/1993
Albia Municipal Waterworks	4/1/2003	4/1/2003
Algona	7/1/1990	7/1/1990
Allerton	4/1/2001	4/1/2001
Allison	4/1/2001	4/1/2001
Alta Vista	4/1/2003	4/1/2003
Altoona	7/10/1992	7/1/1992
Ames	7/1/2004	7/1/2004
Andover	4/1/2002	4/1/2002
Andrew	4/1/2002	4/1/2002
Anita	4/1/2001	4/1/2001
Ankeny	7/16/2001	7/16/2001
Appanoose County E911 Service Board	10/27/2001	n/a
Archer	4/27/1987	4/27/1990
Armstrong	11/1/1992	11/1/1992
Arnolds Park	12/1/1987	12/1/1989
Arthur	4/1/2002	4/1/2002
Ashton	1/1/1988	1/1/1992
Atlantic	7/1/1992	7/1/1992
Auburn	6/1/1989	n/a
Audubon County & E911 Board	7/1/1996	n/a
Audubon County Emergency Management Commission	7/1/2006	n/a
Audubon County Solid Waste Management Commission	7/1/1993	n/a
Ayrshire	6/1/1987	6/1/2001
Baldwin	4/1/1995	4/1/1995
Baldwin-Monmouth Waste Water Treatment Agency	7/1/2001	n/a
Batavia	4/1/2001	4/1/2001
Battle Creek	4/1/1995	4/1/1995
Beaman	7/1/2007	7/1/2007
Bedford	7/1/1995	7/1/1995
Bellevue and Bellevue Fire Department	4/1/1989	4/1/1990
Belmond	1/1/2002	1/1/2002
Benton	5/25/2001	5/25/2001

Bettendorf	7/1/2003	7/1/2003
Birmingham	9/1/1993	9/1/1993
Birmingham Fire Agency	9/1/1993	9/1/1993
Black Hawk County	7/1/2005	7/1/2005
Black Hawk County Conference Board	5/1/2003	5/1/2003
Black Hawk County E911 Service Board	2/1/2005	n/a
Black Hawk County Emergency Management Agency	6/1/2006	n/a
Black Hawk County Solid Waste Management Comm	2/4/1994	n/a
Blakesburg	5/1/1994	5/1/1994
Blockton	11/1/2002	11/1/2002
Bloomfield	4/1/2004	4/1/2004
Bonaparte	4/1/2003	4/1/2003
Bondurant	7/1/1990	7/1/1990
Boone County	1/1/2001	1/1/2001
Boone County Emergency Management	4/27/2007	n/a
Boone County Empowerment Board	4/27/2007	n/a
Bouton	6/1/2001	6/1/2001
Boyden	7/1/2004	7/1/2004
Breda	9/13/2007	9/13/2007
Bremer County	1/1/2002	1/1/2002
Bremer County Emergency Management Commission	4/28/2006	4/28/2006
Bristow	8/1/2001	8/1/2001
Britt	4/1/1989	4/1/1990
Brunsville	7/1/1987	n/a
Buchanan County	1/1/2001	1/1/2001
Buchanan County E911 Commission	10/1/1998	n/a
Buchanan County Landfill Commission	7/21/1998	n/a
Buena Vista County E911 Service Board	7/23/1992	n/a
Buena Vista County Landfill Commission	9/17/1990	11/1/1990
Buffalo Center	1/1/1992	1/1/1992
Burt	4/1/1989	4/1/1990
Bussey	1/1/2001	1/1/2001
Butler County	5/1/1994	7/1/2004
Butler County Emergency Management Agency	4/7/2006	4/7/2006
Butler County Solid Waste Commission	1/1/1991	10/16/1998
Calhoun County	11/1/1987	n/a
Calhoun County E911	4/1/1998	n/a
Calhoun County EMA	4/1/1998	n/a
Calhoun County Landfill Authority	5/23/1990	n/a
Cambridge	4/1/2001	4/1/2001
Carroll	6/30/1987	n/a
Carroll City/ County Communications Center	6/30/2008	6/30/2008
Carroll Co. Sol. Waste Mgt. Comm.	11/2/1989	n/a
Carroll County	1/1/1998	n/a
Carroll County E911	3/8/1996	n/a
Carroll County Emergency Management	1/1/2006	1/1/2006
Carter Lake	4/1/2005	4/1/2005
Cass County	12/10/1987	n/a
Cass County E911 Service Board	10/1/2000	11/29/2001
Cass County Emergency Management	5/21/1999	5/21/1999
Cass County Environmental Control Agency	4/7/1992	4/7/1992

Cass County Public Safety Commission	7/1/1991	7/1/1991
Cass, Mills, Montgomery Empowerment Board	8/31/1999	n/a
Castalia	8/7/2005	8/7/2005
Cedar Rapids/Linn County SWA dba Bluestem SWA	7/1/1994	7/1/1994
Centerville	4/1/1999	4/1/1999
Central City	4/1/2002	4/1/2002
Central Water Systems	1/1/1990	1/1/1990
Cerro Gordo County	7/1/2004	7/1/2004
Cerro Gordo County Joint E911 Service Board	7/1/2008	7/1/2008
Cherokee	4/1/1989	n/a
Cherokee County	1/1/2003	1/1/2003
Cherokee County E911 Service Board	11/17/2006	n/a
Cherokee County Emergency Management	10/14/2005	n/a
Cherokee County Solid Waste Commission	10/18/1989	10/18/1989
Chillicothe	3/9/1995	3/9/1995
Churdan	8/1/1990	n/a
Cincinnati	2/15/1998	2/15/1998
Clarinda	10/21/1987	n/a
Clarke County	7/2/1987	n/a
Clarke County Emergency Management Agency	5/5/2008	n/a
Clarke County Landfill Commission	6/20/1990	n/a
Clarksville	1/1/2001	1/1/2001
Clay County	1/1/2001	1/1/2001
Clay County Emergency Management Agency	9/1/2006	n/a
Clayton County	1/1/2002	1/1/2002
Clear Lake	2/1/2002	2/1/2002
Clear Lake Sanitary District	7/1/2002	7/1/2002
Clinton	3/24/1987	n/a
Clinton Conference Board	1/1/1998	7/1/1998
Clinton County	7/1/1991	n/a
Clinton County Communications Commission	5/1/1996	7/1/1997
Clinton-Jackson County Empowerment Board	3/1/1999	n/a
Clive	7/1/1987	n/a
Clutier	5/1/2007	5/1/2007
Colo	4/1/2001	4/1/2001
Conrad	4/1/2002	4/1/2002
Coralville	4/1/2005	4/1/2005
Correctionville	7/1/1996	7/1/1996
Cotter	12/15/2004	12/15/2004
Council Bluffs Airport Authority	n/a	7/1/2002
County Case Management Service	2/26/2002	n/a
County Rate Information System (CRIS)	12/1/2001	n/a
Crawford County	7/1/1992	n/a
Crawford County Emergency Management Commission	1/7/2002	n/a
Crawford County Solid Waste Agency	7/1/1992	7/1/1992
Crawfordsville	4/1/1998	4/1/1998
Crescent	4/1/1999	4/1/1999
Crystal Lake	6/17/1992	6/17/1992
Cumberland and Cumberland Fire District	4/1/2001	4/1/2001
Cumming	7/1/1995	7/1/1995
Dallas County	1/1/1993	n/a

Dallas County E911 Service Board	1/8/1997	n/a
Dallas County Emergency Management Commission	3/15/1994	2/13/1995
Dana	4/1/2002	4/1/2002
Danbury	4/1/1996	4/1/1996
Davis City	8/1/2001	8/1/2001
Davis County & Bloomfield Public Safety Commission	8/1/2000	n/a
Decatur City	4/1/2001	4/1/2001
Dedham	6/1/1993	6/1/1993
Delaware Township Trustees	4/6/1995	4/6/1995
Delphos	7/8/2004	n/a
Delta	11/1/1996	11/1/1996
Des Moines County	7/1/2005	7/1/2005
Des Moines County E911	10/1/1993	10/1/1993
Des Moines County Emergency Management Commission	6/1/2005	6/1/2005
Des Moines County Regional Solid Waste Commission	10/1/1990	6/20/1991
Des Moines Fire Dept. HazMat Team	4/1/1995	n/a
Des Moines/ Louisa Counties Caring Comm Empowerment	7/1/2008	n/a
Diagonal	6/23/1995	6/23/1995
Diamondhead Sanitary District	5/6/2003	5/6/2003
Dickinson Co. Sanitary Landfill Commission	4/23/2003	4/23/2003
Dickinson County	7/1/1987	7/1/1990
Dickinson County Emergency Management	1/1/1999	n/a
Dike	4/1/2003	4/1/2003
Donahue	6/12/2000	n/a
Drakesville	6/1/2000	n/a
Dubuque	10/1/1986	7/1/1994
Dubuque County	8/4/1992	n/a
Dubuque County Area Empowerment Board	5/21/1999	n/a
Dubuque County Emergency Management	5/11/1998	n/a
Dubuque Metro Solid Waste Agency	7/1/1995	n/a
Dunkerton	4/1/2004	4/1/2004
Dunlap	3/1/2002	3/1/2002
Early	4/7/1988	4/7/1993
East Central Intergovernmental Association	7/1/2008	7/1/2008
East Central Iowa Council of Governments	12/1/2004	12/1/2004
Eastern Iowa Regional Utility Service Systems	3/4/2008	3/4/2008
Eddyville	4/1/2001	4/1/2001
Eldon	4/1/1989	4/1/1990
Eldora	4/1/2000	n/a
Elk Run Heights	6/22/1987	n/a
Elkhart	6/3/1998	6/3/1998
Emmet County Council of Governments	10/1/1992	10/1/1992
Epworth	4/1/1987	7/1/1990
Evansdale	7/16/2000	n/a
Exira	2/3/1998	2/3/1998
Fairbank	4/1/2002	4/1/2002
Fairfield	9/1/1989	9/1/1989
Farley	4/1/2003	4/1/2003
Fertile	4/1/2003	4/1/2003
Floris	12/30/1998	12/30/1998
Fostoria	10/1/1992	10/1/1992

Fourth Judicial District Dept. of Correctional Svc	7/9/2004	7/9/2004
Franklin County	10/12/2001	10/12/2001
Franklin County E911 Service Board	10/1/2001	10/1/2001
Fredonia	7/1/1994	7/1/1994
Freeport Water District	4/28/2008	4/28/2008
Fremont	4/1/1995	4/1/1995
Fremont County	7/1/1993	n/a
Fremont County Emergency Management Commission	7/1/2006	7/1/2006
Fremont County Landfill	7/1/1996	12/14/2001
Garden Grove	4/1/2001	4/1/2001
Garner	8/23/1988	8/23/1988
George	9/1/1988	9/1/1988
Gilbertville	4/1/2002	4/1/2002
Glenwood	7/1/2003	7/1/2003
Glidden	4/1/1988	4/1/1990
Goose Lake	4/1/2002	4/1/2002
Gooseberry Lake Agency	11/15/2002	n/a
Grand Junction	4/1/2002	4/1/2002
Grand Mound	4/1/2001	4/1/2001
Grand River	2/4/2001	2/4/2001
Grant	5/1/2008	5/1/2008
Gravity	5/1/2003	5/1/2003
Great River Regional Waste Authority	1/1/1993	1/1/1993
Greene County	7/1/1992	n/a
Greene County E911 Joint Service Board	4/1/2000	n/a
Greene County Emergency Management Agency	2/1/2006	2/1/2006
Greene County Recycling Agency	11/1/1992	n/a
Greenfield Plaza/Hills of Coventry Sanitary Distr	6/10/2003	6/10/2003
Grimes	1/1/1990	1/1/1990
Grinnell	4/1/1994	4/1/1994
Grundy County	5/1/1989	n/a
Guthrie Center & Municipal Utilities	10/1/1991	10/1/1991
Guthrie County	1/1/1990	n/a
Guthrie County Emergency Management Agency	10/17/2006	n/a
Halbur	5/1/2008	5/1/2008
Hamburg	4/1/2001	4/1/2001
Hamilton	3/9/2004	3/9/2004
Hamilton County	7/1/2002	7/1/2002
Hamilton County E911 Service Board	7/1/2002	7/1/2002
Hamilton County Emergency Management Commission	1/26/2007	n/a
Hamilton County Solid Waste Commission	11/9/2002	11/9/2002
Hancock	4/1/1993	4/1/1993
Hardin County E911	3/11/1996	3/11/1996
Hardin County Solid Waste Commission	1/28/1993	1/28/1993
Harlan Township Fire Dept.	9/1/2001	9/1/2001
Harris & Harris Volunteer Fire Dept.	10/1/1996	10/1/1996
Harrison County	7/1/1989	n/a
Harrison County Emergency Management Commission	6/1/2001	6/1/2001
Harrison County Joint E911 Service Board	5/4/1995	n/a
Harrison County Landfill	5/5/1995	5/5/1995
Harrison, Monona, Shelby Comm. Emp. Area	4/10/2000	n/a

Hartford	4/1/2002	4/1/2002
Hastings	8/26/1994	8/26/1994
Havelock	4/1/2001	4/1/2001
HAWC Empowerment Board	11/17/2001	n/a
Hayesville	7/1/2006	7/1/2006
Heartland Group	12/1/1993	n/a
Hedrick	7/1/1989	7/1/1989
Henry County	1/1/1992	n/a
Hiawatha	4/1/2002	4/1/2002
Howard County	3/25/2002	3/25/2002
Howard County Emergency Management	2/27/2006	n/a
Hubbard	4/1/1993	4/1/1993
Ida County	1/1/1994	n/a
Ida County E911	9/26/1997	n/a
Ida County Emergency Management Commission	3/7/2006	3/7/2006
Imogene	4/1/1987	n/a
Indianola	7/1/1991	7/1/1991
Inwood	7/1/1990	n/a
Iowa Co. Regional Envir. Imp. Comm.	7/1/1995	n/a
Iowa County	7/1/1995	n/a
Iowa Great Lakes Sanitary District	7/1/1992	7/1/1992
Iowa Municipalities Workers Compensation Assn.	9/15/1986	n/a
Jackson County	3/1/1988	n/a
Jackson County Sanitary Disposal Agency	7/1/1991	n/a
Jackson Township Fire District	1/1/1992	1/1/1992
Jasper County	1/1/2002	1/1/2002
Jasper County E911 Service Board	12/1/2001	12/1/2001
Jasper County Emergency Management Commission	1/1/2006	1/1/2006
Jefferson County	1/1/1992	1/1/1994
Jefferson County Ambulance Service Agency	12/12/2003	12/12/2003
Jefferson County E911 Service Board	9/8/1992	2/24/1995
Jefferson County Rural Water	11/1/1995	11/1/1995
Jefferson County Service Agency	1/24/1990	9/27/1998
Johnson County	12/1/2001	12/1/2001
Johnson County Empowerment Board	5/17/2005	n/a
Jolley	2/1/1988	9/14/1989
Kellerton	4/1/2002	4/1/2002
Keokuk County	7/1/2007	7/1/2007
Keokuk County E911	5/1/1997	n/a
Keokuk County Emergency Management Commission	5/1/2006	n/a
Keosauqua	4/1/2003	4/1/2003
Kinross	5/10/1997	n/a
Kirkman	6/1/2002	6/1/2002
Kirkville	6/1/2001	6/1/2001
Knoxville	1/1/1991	1/1/1991
Knoxville Waterworks	4/1/2004	4/1/2004
Kossuth County	7/1/1991	n/a
Kossuth County Joint E911 Service Board	1/18/1993	n/a
Lacona	4/1/2002	4/1/2002
Lake City	12/31/1988	n/a
Lake Delhi Recreation Association	8/2/1993	n/a

Lake Park and Municipal Utilities	4/1/1991	4/1/1991
Lake View	7/1/1991	7/1/1991
Lakeside	4/1/2000	n/a
LaMotte	4/1/2002	4/1/2002
Landfill of North Iowa	7/15/1994	7/15/1994
Larrabee	12/1/2008	12/1/2008
Lawton	4/1/2003	4/1/2003
Leland	7/1/1995	7/1/1995
LeMars	12/1/1987	n/a
Lewis	4/1/2003	4/1/2003
Libertyville	4/1/2001	4/1/2001
Lick Creek & Salt Creek Townships	12/30/2008	12/30/2008
Linn County Fire District #1	7/1/2003	7/1/2003
Little Rock	4/1/1990	4/1/1990
Little Sioux	4/1/2002	4/1/2002
Lockridge	4/3/2002	4/3/2002
Logan Township Trustees	5/1/1995	n/a
Lohrville	4/1/1989	4/1/1991
Louisa County	7/1/1992	7/1/2004
Louisa County E911 Service Board	1/22/1998	n/a
Louisa County Emergency Management Services	7/1/2006	7/1/2006
Louisa Regional Solid Waste Agency	8/26/1996	8/26/1996
Lovilia	9/1/1993	9/1/1993
Low Moor	11/10/2005	11/10/2005
Luther	3/7/2001	3/7/2001
Lyon County	7/1/1991	7/1/2004
Lyon County E911 Service Board	7/1/2006	n/a
Lyon County Economic Development Consortium	4/20/1995	n/a
Lyon County Emergency Management Agency	7/1/2006	n/a
Lytton Community Fire Department	5/10/1993	5/10/1993
Magnolia & Magnolia Volunteer Fire and Rescue	4/1/2000	n/a
Mahaska-Wapello Area Empowerment Board	12/15/1999	n/a
Mapleton	4/1/2001	4/1/2001
Marcus	8/1/1989	8/1/1992
Marietta Township Trustees	2/26/2004	n/a
Marion County	7/1/1988	n/a
Marion County Emergency Management Agency	10/18/2006	n/a
Marion County Empowerment Board	7/1/2002	n/a
Marshall County Solid Waste Management Commission	12/1/1990	n/a
Marshalltown	4/1/2005	4/1/2005
Martinsburg	4/1/1993	4/1/1993
Marysville	7/1/2005	07/001/2005
Matlock	4/13/1994	4/13/1994
Maurice	5/15/2002	5/15/2002
Maynard	8/1/1987	8/1/1990
Melbourne	4/1/1992	4/1/1992
Melcher-Dallas & M-D Police Dept.	4/1/1995	4/1/1995
Melrose	10/6/1995	10/6/1995
Menlo	4/1/2001	4/1/2001
Meriden	10/1/2002	10/1/2002
Metro Waste Authority	6/15/1993	n/a

Miles	4/1/2002	4/1/2002
Milford	7/1/1988	7/1/1990
Millerton	11/8/2001	11/8/2001
Mills County	7/1/2001	7/1/2001
Mills County Emergency Management Agency	8/1/2006	8/1/2006
Milo	4/1/1999	4/1/1999
Minden	4/1/1994	4/1/1994
Missouri Valley	4/1/2002	4/1/2002
Modale	4/1/2006	4/1/2006
Mondamin	4/1/2002	4/1/2002
Monmouth	4/1/1999	4/1/1999
Monona County	8/1/1987	n/a
Monona County E911 Service Board	10/4/2006	n/a
Monona County Emergency Management	10/4/2006	n/a
Monona County Solid Waste Agency	7/27/1992	8/1/1992
Monroe	7/1/2000	n/a
Monroe County	1/1/2001	1/1/2001
Monroe County E911 Service Board	2/5/2001	n/a
Montgomery County	1/10/2007	1/10/2007
Moravia	4/1/1994	4/1/1994
Morning Sun	4/1/2002	4/1/2002
Morrison	4/1/2007	4/1/2007
Mount Pleasant	1/1/1991	1/1/1991
Mount Pleasant Benefited Fire District #3	11/21/1991	n/a
Mount Sterling	3/1/1999	3/1/1999
Mount Union	1/1/1995	1/1/1995
Mount Vernon	4/1/1997	4/1/1997
Moville	4/1/2002	4/1/2002
Muscatine County	12/6/2001	12/6/2001
Muscatine County Joint Communications Commission	6/25/2004	6/25/2004
Muscatine Regional Empowerment Board	9/1/2006	n/a
Mutchler Community Center	3/4/1998	3/4/1998
Mystic	3/1/1994	3/1/1994
Nashua	5/2/1999	5/2/1999
Nemaha	10/1/1992	n/a
Neola	4/1/1994	4/1/1994
Nevada	4/1/1999	4/1/1999
New Hartford	8/1/1995	8/1/1995
New Market	4/1/2002	4/1/2002
New Virginia	5/1/1995	5/1/1995
Newton	7/1/1998	7/1/1998
Nora Springs	4/1/1989	4/1/1992
Nora Springs Farm Fire Service Company	9/1/1991	9/1/1991
North Central Iowa Regional Solid Waste Agency	2/1/2005	2/1/2005
North Central Regional Emergency Response	1/1/1995	n/a
North Dallas Regional Solid Waste Planning Commiss	3/18/1998	n/a
North Iowa Area Council of Governments	4/16/2003	4/16/2003
Northboro	6/10/1994	6/10/1994
Northeast Iowa Response Group	8/1/2001	n/a
Northwest Iowa Area Solid Waste Agency	7/1/1990	n/a
Norway	9/1/1987	n/a

O'Brien Co. Enhanced E911	5/14/1993	6/25/1993
Oakland	4/1/2001	4/1/2001
Okoboji	7/1/1987	7/1/1990
Ollie	12/28/2001	12/28/2001
Onawa	4/1/1993	4/1/1993
One Hundred & Two River Valley Authority	7/18/2006	n/a
Orleans	1/1/1990	1/1/1990
Ossian	4/1/2002	4/1/2002
Ottumwa	1/15/1987	1/15/1992
Ottumwa Public Library	12/15/2002	12/15/2002
Ottumwa/Wapello County Solid Waste Commission	3/19/1991	n/a
Owasa	3/10/2005	3/10/2005
Packwood	5/19/2002	5/19/2002
Page County	12/1/2001	12/1/2001
Page County Landfill Association	7/10/2003	7/10/2004
Palmer and Palmer Police Department	1/1/1993	1/1/1993
Palo	1/1/1987	7/1/1991
Palo Alto County	10/30/2001	10/30/2001
Palo Alto County Emergency Management Commission	11/30/2006	n/a
Parkersburg	7/1/1996	n/a
Paton	4/1/1995	4/1/1995
Patterson	5/1/2008	5/1/2008
PCB Solid Waste Agency	9/15/1999	n/a
Peosta	11/1/1988	1/1/1998
Perry	4/1/2001	4/1/2001
Persia	7/1/1988	7/1/1990
Pisgah	8/8/2006	8/8/2006
Plainfield	4/1/1998	4/1/1998
Pleasant Hill	4/1/2003	4/1/2003
Plymouth County	11/15/1987	11/15/2001
Plymouth County Emergency Management Commission	11/29/2005	n/a
Plymouth County Solid Waste Agency	11/15/1989	n/a
Polk City	7/10/1989	7/10/1990
Postville	4/1/2007	4/1/2007
Pottawattamie County	1/31/2002	1/31/2002
Pottawattamie County E911 Communications Center	4/17/2002	4/17/2002
Pottawattamie County Emergency Management Comm	2/23/2007	n/a
Poweshiek County	1/1/1990	1/1/1990
Prairie Solid Waste Agency	4/9/2006	n/a
Primghar	4/1/2005	4/1/2005
Princeton	11/1/1986	11/1/1990
Pulaski	2/3/1997	2/3/1997
Quasqueton	8/8/2006	8/8/2006
Quimby	4/1/2003	4/1/2003
Ralston	4/1/2002	4/1/2002
Rathbun Area Solid Waste Commission	8/4/1998	8/4/1998
Raymond	9/19/1993	9/19/1993
Red Oak	7/1/1987	7/1/1990
Region V Hazmat Response Group	7/1/1994	7/1/1995
Region VI Planning Commission	7/1/2008	7/1/2008
Region XII Council of Governments	7/1/2003	7/1/2003

Regional Utility Service System	6/1/2001	n/a
Richland	8/16/1989	8/16/1992
Ricketts	4/1/2006	4/1/2006
Rinard	6/17/1993	n/a
Ringgold County	4/2/2002	4/2/2002
Ringgold County Emergency Management Commission	7/15/2008	7/15/2008
Rippey	4/1/2002	4/1/2002
Rose Hill	10/12/1996	10/12/1996
Rowan	7/1/2002	7/1/2002
Rowley	1/27/1987	1/27/1990
Rural Iowa Waste Management	9/1/1994	9/1/1994
Ruthven	4/1/1999	4/1/1999
Sabula	7/1/2001	7/1/2001
Sac City	11/1/1987	11/1/1989
Sac Community Recreation Center	7/1/1992	7/1/1992
Sac County	1/1/1998	n/a
Sac County E911 Service Board	2/8/1993	n/a
Sac County Solid Waste Agency	1/7/1994	1/7/1994
Schaller	8/5/1995	8/5/1995
Scott County Comm Emp Board	3/8/1999	n/a
Scranton	4/1/1992	4/1/1992
Shambaugh	5/21/2003	5/21/2003
Sheffield	4/1/2003	4/1/2003
Shelby County	1/1/2001	1/1/2001
Shelby County Emergency Management Agency	2/22/2006	n/a
Shelby County Solid Waste Agency	4/26/2001	4/26/2001
Sheldon	4/1/1995	4/1/1995
Sibley	4/1/1988	4/1/1992
Sidney Township Fire District	7/1/2002	7/1/2002
Sigourney	7/1/2006	7/1/2006
Silver City	10/1/2005	10/1/2005
Sioux City Fire Dept. HazMat	7/1/1997	7/1/1998
Sioux County	1/1/2002	1/1/2002
Sioux County Emergency Management Agency	1/1/2006	1/1/2006
Sioux Rapids Fire Department Protection Agency	7/1/2007	7/1/2007
Siouxland District Health Services	7/1/2001	7/1/2001
Somers	10/14/1991	10/14/1991
Somers/Farnhamville Burn Site Agency	10/18/2003	10/18/2003
South Central Iowa Regional E911 Service Board	2/7/1995	2/7/1995
South Central Iowa Solid Waste Agency	4/1/1994	4/1/1994
South Central Landfill Agency	10/1/1991	10/1/1991
South Dallas County Landfill Assoc.	7/1/1993	n/a
South Iowa Area Crime Commission	1/21/1998	1/21/1998
South Iowa Area Detention Service Agency	3/1/2001	3/1/2001
Southeast Iowa Drug Task Force	4/5/1991	9/29/1995
Southeast Iowa Multi-County Solid Waste Agency	2/27/1993	n/a
Southeast Iowa Response Group	12/31/1990	n/a
Southwest Iowa Juvenile Emergency Service Board	3/16/2002	3/16/2002
Southwest Iowa Planning Council & Transit System	7/1/2007	7/1/2007
Spirit Lake	1/1/1992	1/1/1992
Spragueville	2/1/1999	2/1/1999

Spring Hill	5/5/1995	8/22/2001
Springbrook	4/1/2002	4/1/2002
St. Donatus	7/1/2000	n/a
Stacyville	1/7/1987	1/7/1990
Steady Run Township	7/1/2002	n/a
Stockton	4/7/1989	4/1/1990
Story County	1/1/2002	1/1/2002
Story County Database Coordinator - 911	1/10/2003	1/10/2003
Story County Decategorization Board	7/25/2008	n/a
Story County Emergency Management Commission	10/26/1994	10/26/1994
Story County Empowerment	7/1/2008	n/a
Tama	4/1/1987	n/a
Tama County E911 Board	7/1/2006	7/1/2006
Tama County Emergency Management Agency and Comm.	7/1/2006	n/a
Taylor County	7/1/1998	7/1/1998
Ten Fifteen Regional Transit Agency	7/1/1992	9/30/2001
Tennant	11/25/2002	11/25/2002
Thompson	7/1/2000	n/a
Thornton & Thornton EMT Group	1/1/2004	1/1/2004
Thurman	5/22/1988	5/22/1990
Together 4 Families	7/1/2001	n/a
Treynor	4/1/2002	4/1/2002
Tri-County Drug Enforcement Task Force	4/9/2003	4/9/2003
Udell	12/1/2002	n/a
Underwood	4/1/1995	4/1/1995
Union	4/1/1995	4/1/1995
Unionville	4/4/1995	4/4/1996
Urbandale	7/1/1988	7/1/1995
Urbandale Sanitary Sewer District	4/1/1997	4/1/1997
Urbandale-Windsor Heights Sanitary District	12/1/2003	12/1/2003
Vail	4/1/1994	4/1/1994
Van Wert	4/1/2001	4/1/2001
Vedic City	2/22/2002	n/a
Villisca	7/1/1987	7/1/1992
Vincent	4/1/2003	4/1/2003
Wahpeton	4/1/1988	4/1/1990
Wall Lake	4/1/1991	4/1/1991
Walnut	4/1/1991	4/1/1991
Wapello County	7/1/1993	n/a
Wapello County DHS	n/a	10/11/1999
Wapello County E911 Service Board	4/1/1995	4/1/1995
Warren County	7/1/1992	n/a
Warren County Emergency Management Commission	5/6/2008	5/6/2008
Warren County Empowerment Board	2/1/2000	n/a
Washington	7/1/2002	7/1/2002
Washington County	7/1/2002	7/1/2002
Washington County Emergency Management Commission	3/1/2006	n/a
Washington County Public Safety Commission	1/1/2006	n/a
Washta	4/1/1996	4/1/1996
Waukee	4/1/1988	4/1/1992
Wayland	4/1/1993	4/1/1993

Wayne County	1/1/1991	n/a
Wayne County E911 Service Board	4/29/2005	4/29/2005
Wayne County Empowerment Board	1/11/2001	n/a
Wayne-Ringgold-Decatur County Solid Waste Agency	1/1/1990	1/1/2001
Webster	5/5/1998	5/5/1998
Webster County	1/1/2002	1/1/2002
Webster County Emergency Management Agency	12/1/2004	n/a
Wesley	5/1/1988	5/1/1990
West Des Moines	7/1/1988	7/1/1998
West Okoboji	4/1/1988	4/1/1990
WestCom Consolidated Dispatch Unit	11/1/2000	n/a
Westgate	4/1/1994	4/1/1994
What Cheer	2/1/1997	2/1/1997
Whiting	4/1/2001	4/1/2001
Windsor Heights	8/16/1993	8/16/1993
Winfield	4/1/1994	4/1/1994
Winfield Benefitted Fire District	5/6/1995	n/a
Winnebago County	1/1/2004	1/1/2004
Winneshiek County	7/1/1992	n/a
Winneshiek County Emergency Management Commission	7/1/2006	7/1/2006
Winneshiek County S W Agency	7/25/1992	7/25/1992
Winthrop	7/1/1993	7/1/1993
Wiota	4/1/2001	4/1/2001
Woden	3/15/1988	11/25/1991
Woodbury County Area Solid Waste Agency	10/4/1994	11/16/1998
Woodward	4/1/2001	4/1/2001
Wright County	11/19/2001	11/19/2001
Wright County Area Landfill Authority	10/1/2001	10/1/2001
Wright County Communications Commission	2/4/2002	2/4/2002
Wright County Emergency Management Commission	7/1/2006	n/a
Yetter	5/30/1991	5/30/1991

THE IOWA COMMUNITIES ASSURANCE POOL
Demographic and Economic Information
Statistics
(Unaudited)

Fiscal Year Ending December 31	Total number of members	Total Insured Value	Total number of private passenger vehicles	Total number of trucks	Total number of trailers
1999	305	865,450,340	3,131	3,014	620
2000	331	1,010,883,668	3,302	3,179	669
2001	395	1,500,123,882	4,179	3,936	878
2002	460	2,088,035,105	4,693	4,382	953
2003	489	2,292,285,308	4,796	4,606	999
2004	506	2,540,648,082	5,225	5,157	1,160
2005	523	2,893,698,198	5,545	5,175	1,276
2006	559	3,144,870,265	5,654	5,339	1,359
2007	565	3,374,002,751	5,776	5,518	1,452
2008	577	3,663,086,520	5,819	5,617	1,572

THE IOWA COMMUNITIES ASSURANCE POOL

Demographics and Economic Information

Excess Insurance Chart

December 31, 2008

Casualty

(including general liability, automobile liability
police professional, and public officials liability)

<p>General Reinsurance Corporation for members requiring specific coverage from \$3,000,000 to \$10,000,000</p>
<p>American Public Entity Excess Pool \$1,750,000 per occurrence 2005 and prior in excess of \$250,000 pool retention \$2,650,000 per occurrence 2006 and later in excess of \$350,000 pool retention \$10,000,000 in aggregate per year</p>
<p>Pool Retention \$250,000 per occurrence 2005 and prior \$350,000 per occurrence 2006 and later</p>

Property

(effective April 1, 1997)

(including property and automobile physical damage)

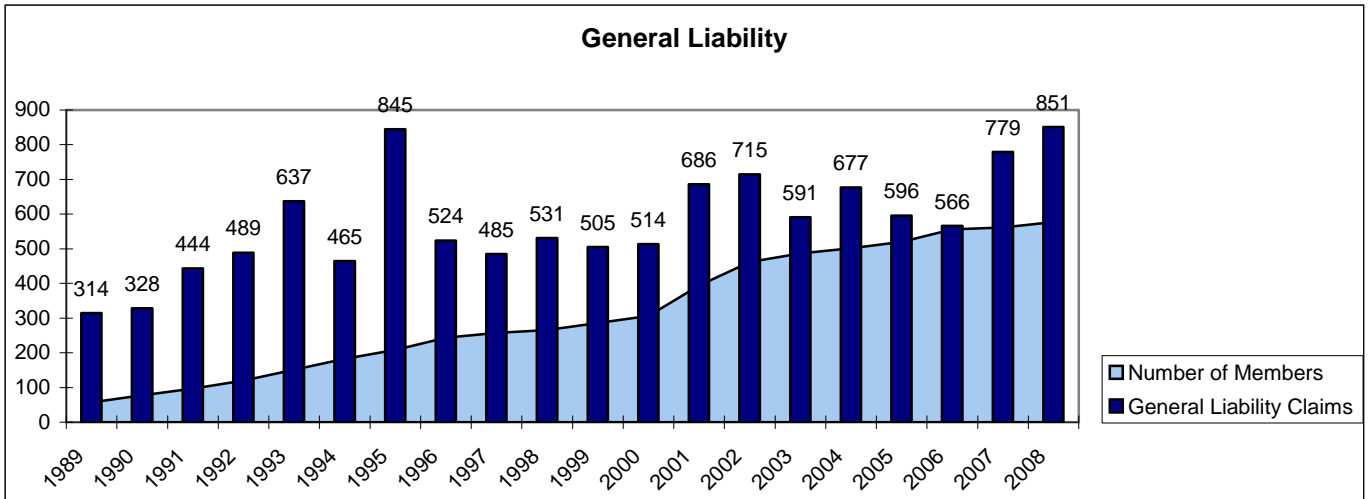
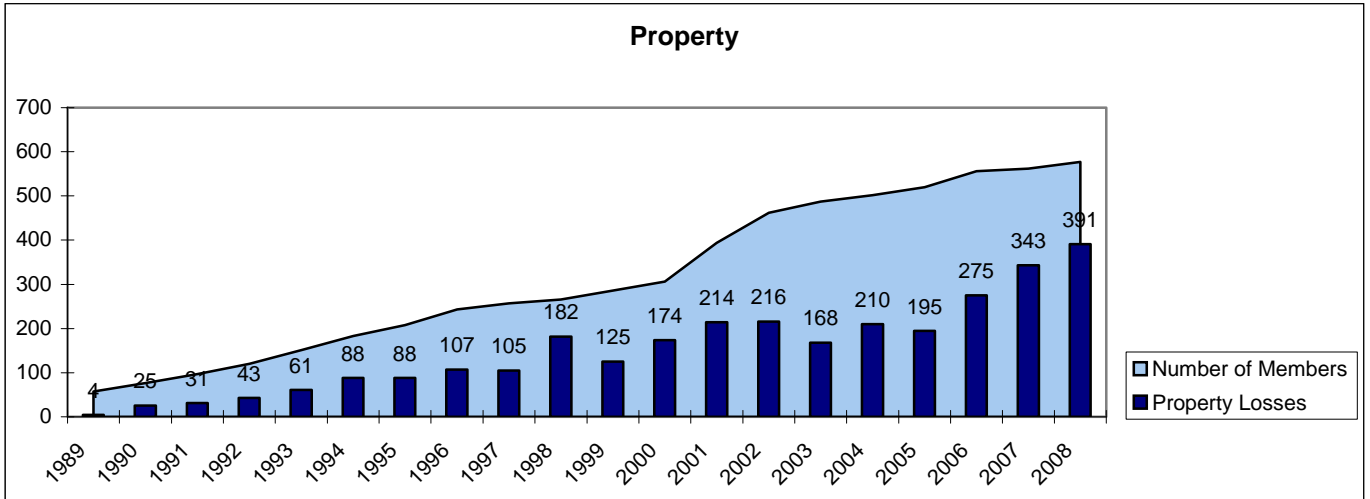
<p>Traveler's Insurance Company for specific occurrences over \$250,000 (2005 & 2006) for specific occurrences over \$300,000 (2007) for specific occurrences over \$500,000 (2008)</p>
<p>American Public Entity Excess Pool \$100,000-\$250,000 (2005 & 2006) \$100,000-\$300,000 (2007) \$100,000-\$500,000 (2008)</p>
<p>Pool Retention \$100,000 per occurrence</p>

THE IOWA COMMUNITIES ASSURANCE POOL

Claims Frequency Graphs

December 31, 2008

(Unaudited)

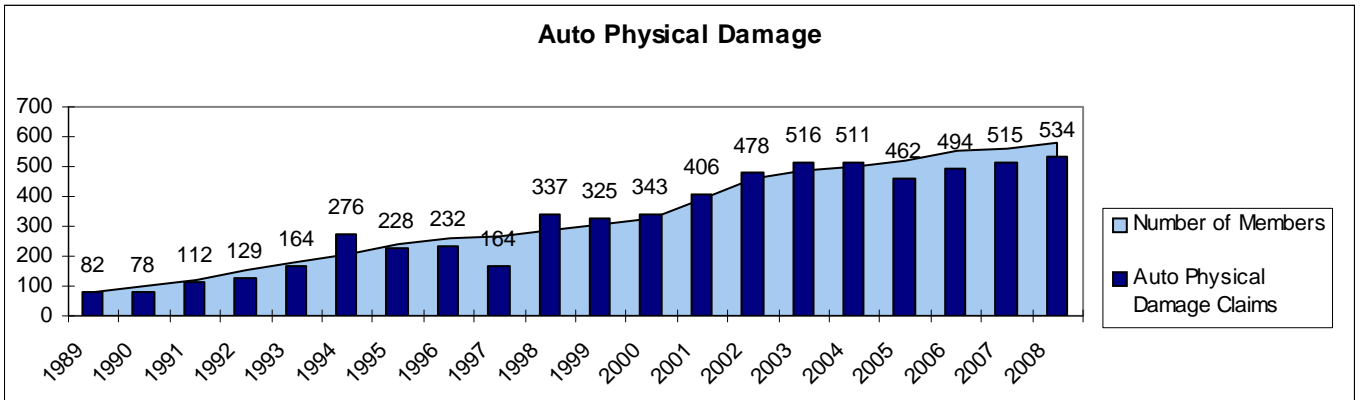
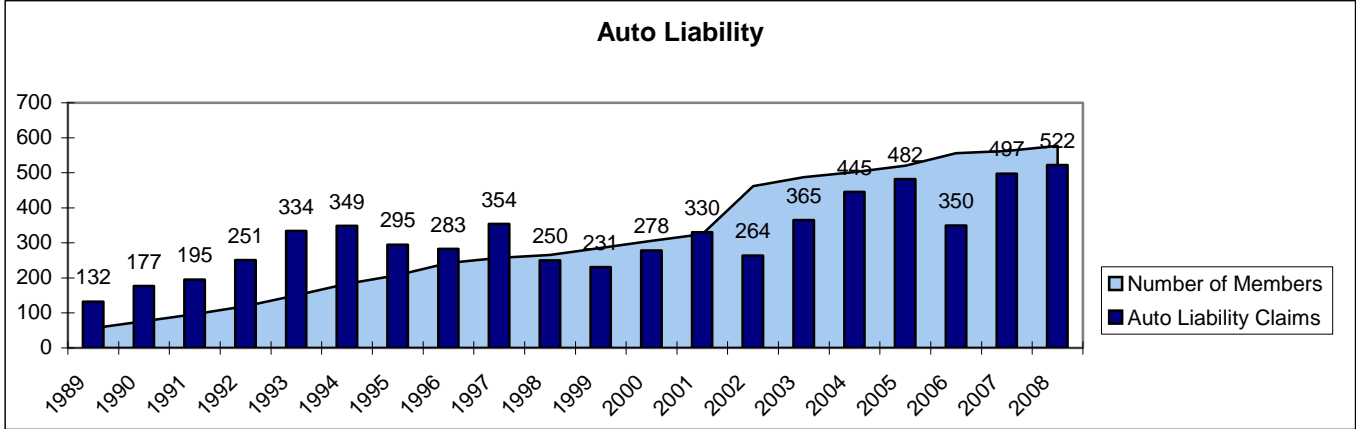


THE IOWA COMMUNITIES ASSURANCE POOL

Claims Frequency Graphs

December 31, 2008

(Unaudited)

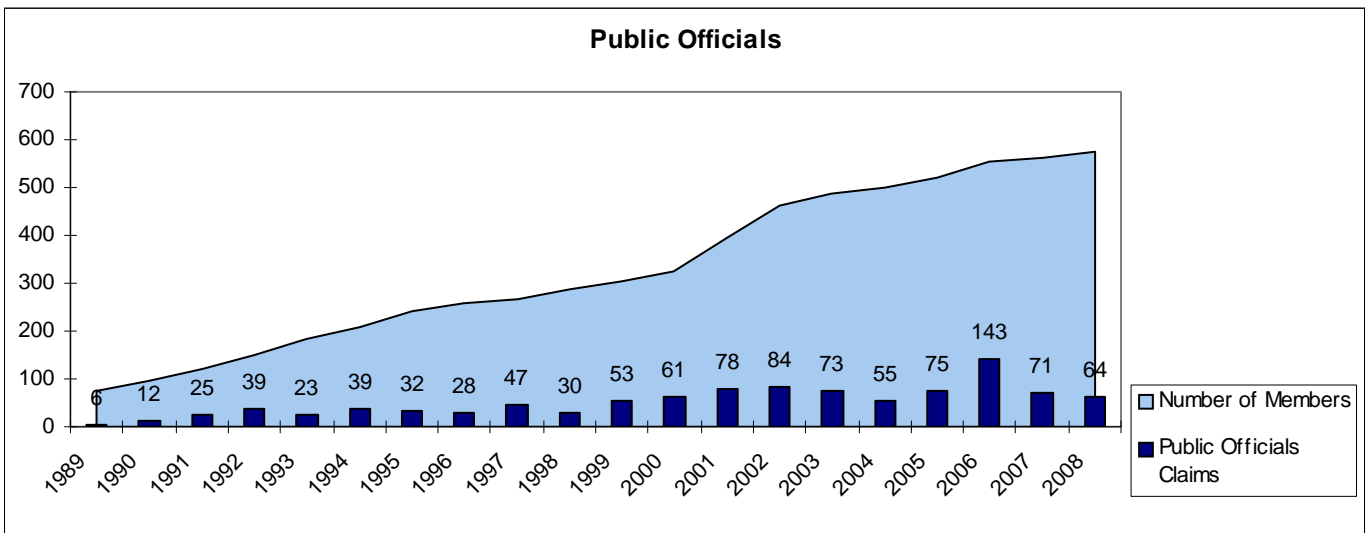
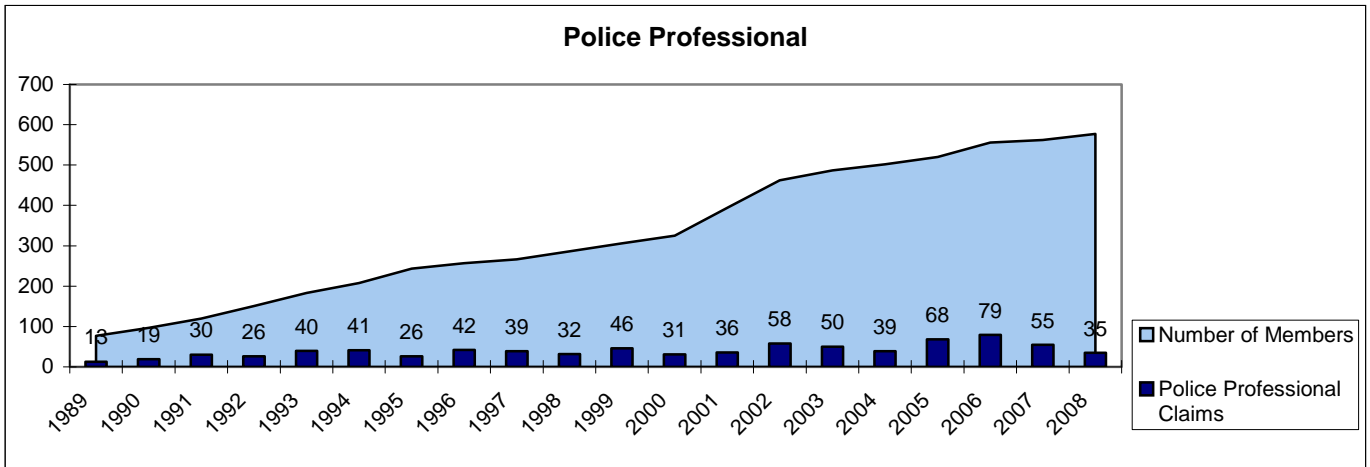


THE IOWA COMMUNITIES ASSURANCE POOL

Claims Frequency Graphs

December 31, 2008

(Unaudited)



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OPERATING INFORMATION

These schedules contain service data to help the reader understand how the information in the Pool's financial report relates to the services the Pool provides and the activities it performs.

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THE IOWA COMMUNITIES ASSURANCE POOL

Loss Development through December 31, 2008

Total Casualty and Property Paid Losses: Casualty and Property

(Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	\$ 1,221,091	1,791,675	2,544,354	3,103,746	3,376,723	3,377,702	3,385,796	3,420,159	3,420,159	3,419,485
2000		1,549,800	2,905,898	3,757,620	4,449,234	4,614,652	4,582,209	4,579,628	4,581,630	4,581,630
2001			2,498,402	3,637,496	4,487,572	5,022,226	5,436,543	5,540,417	5,567,617	5,836,735
2002				2,766,887	4,108,376	5,043,979	6,282,757	6,667,517	6,850,373	6,857,429
2003					2,401,461	3,872,068	4,828,333	5,999,621	6,134,794	6,341,049
2004						3,038,871	4,277,276	5,302,318	6,278,564	6,322,322
2005							2,659,039	4,173,004	5,048,784	5,755,897
2006								3,188,403	5,606,766	7,188,771
2007									4,436,312	6,570,555
2008										6,052,651
Total	\$ 1,221,091	3,341,475	7,948,654	13,265,749	18,823,366	24,969,498	31,451,953	38,871,067	47,924,999	58,926,524

Claim year	Loss payments during										Total
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
1999	\$ 1,221,091	570,584	752,679	559,392	272,977	979	8,094	34,363	—	(674)	3,419,485
2000		1,549,800	1,356,098	851,722	691,614	165,418	(32,443)	(2,581)	2,002	—	4,581,630
2001			2,498,402	1,139,094	850,076	534,654	414,317	103,874	27,200	269,118	5,836,735
2002				2,766,887	1,341,489	935,603	1,238,778	384,760	182,856	7,056	6,857,429
2003					2,401,461	1,470,607	956,265	1,171,288	135,173	206,255	6,341,049
2004						3,038,871	1,238,405	1,025,042	976,246	43,758	6,322,322
2005							2,659,039	1,513,965	875,780	707,113	5,755,897
2006								3,188,403	2,418,363	1,582,005	7,188,771
2007									4,436,312	2,134,243	6,570,555
2008										6,052,651	6,052,651
Total	\$ 1,221,091	2,120,384	4,607,179	5,317,095	5,557,617	6,146,132	6,482,455	7,419,114	9,053,932	11,001,525	58,926,524

THE IOWA COMMUNITIES ASSURANCE POOL

Loss Development through December 31, 2008

Case Reserves: Casualty and Property

(Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	\$ 1,147,730	1,395,437	1,232,128	576,812	5,956	7,017	13,523	60	60	—
2000		3,180,967	3,510,157	2,458,762	453,477	142,319	131,804	20,134	—	—
2001			2,718,739	1,714,091	1,910,407	629,520	123,693	248,729	208,842	72,225
2002				3,180,685	2,447,934	2,889,117	1,672,650	183,844	117,790	111,617
2003					2,504,242	3,309,441	4,380,120	1,129,941	1,360,112	1,256,656
2004						3,362,655	4,441,146	2,293,102	1,027,586	479,526
2005							3,349,600	1,560,046	1,351,705	524,000
2006								4,097,888	4,526,455	6,201,226
2007									4,276,511	3,905,980
2008										6,985,113
Total	\$ 1,147,730	4,576,404	7,461,024	7,930,350	7,322,016	10,340,069	14,112,536	9,533,744	12,869,061	19,536,343

Claim year	Claims reserve changes during										Total
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
1999	\$ 1,147,730	247,707	(163,309)	(655,316)	(570,856)	1,061	6,506	(13,463)	—	(60)	—
2000		3,180,967	329,190	(1,051,395)	(2,005,285)	(311,158)	(10,515)	(111,670)	(20,134)	—	72,225
2001			2,718,739	(1,004,648)	196,316	(1,280,887)	(505,827)	125,036	(39,887)	(136,617)	111,617
2002				3,180,685	(732,751)	441,183	(1,216,467)	(1,488,806)	(66,054)	(6,173)	1,256,656
2003					2,504,242	805,199	1,070,679	(3,250,179)	230,171	(103,456)	479,526
2004						3,362,655	1,078,491	(2,148,044)	(1,265,516)	(548,060)	524,000
2005							3,349,600	(1,789,554)	(208,341)	(827,705)	6,201,226
2006								4,097,888	428,567	1,674,771	3,905,980
2007									4,276,511	(370,531)	6,985,113
2008										6,985,113	19,536,343
Total	\$ 1,147,730	3,428,674	2,884,620	469,326	(608,334)	3,018,053	3,772,467	(4,578,792)	3,335,317	6,667,282	19,536,343

THE IOWA COMMUNITIES ASSURANCE POOL
Loss Development through December 31, 2008
Reported Losses (Paid Losses Plus Case Reserves): Casualty and Property
(Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	\$ 2,368,821	3,187,112	3,776,482	3,680,558	3,382,679	3,384,719	3,399,319	3,420,219	3,420,219	3,419,485
2000		4,730,767	6,416,055	6,216,382	4,902,711	4,756,971	4,714,013	4,599,762	4,581,630	4,581,630
2001			5,217,141	5,351,587	6,397,979	5,651,746	5,560,236	5,789,146	5,776,459	5,908,960
2002				5,947,572	6,556,310	7,933,096	7,955,407	6,851,361	6,968,163	6,969,046
2003					4,905,703	7,181,509	9,208,453	7,129,562	7,494,906	7,597,705
2004						6,401,526	8,718,422	7,595,420	7,306,150	6,801,848
2005							6,008,639	5,733,050	6,400,489	6,279,897
2006								7,286,291	10,133,221	13,389,997
2007									8,712,823	10,476,535
2008										13,037,764
Total	\$ 2,368,821	7,917,879	15,409,678	21,196,099	26,145,382	35,309,567	45,564,489	48,404,811	60,794,060	78,462,867

Claim year	Incremental losses reported during										Total
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
1999	\$ 2,368,821	818,291	589,370	(95,924)	(297,879)	2,040	14,600	20,900	—	(734)	3,419,485
2000		4,730,767	1,685,288	(199,673)	(1,313,671)	(145,740)	(42,958)	(114,251)	(18,132)	—	4,581,630
2001			5,217,141	134,446	1,046,392	(746,233)	(91,510)	228,910	(12,687)	132,501	5,908,960
2002				5,947,572	608,738	1,376,786	22,311	(1,104,046)	116,802	883	6,969,046
2003					4,905,703	2,275,806	2,026,944	(2,078,891)	365,344	102,799	7,597,705
2004						6,401,526	2,316,896	(1,123,002)	(289,270)	(504,302)	6,801,848
2005							6,008,639	(275,589)	667,439	(120,592)	6,279,897
2006								7,286,291	2,846,930	3,256,776	13,389,997
2007									8,712,823	1,763,712	10,476,535
2008										13,037,764	13,037,764
Total	\$ 2,368,821	5,549,058	7,491,799	5,786,421	4,949,283	9,164,185	10,254,922	2,840,322	12,389,249	17,668,807	78,462,867

THE IOWA COMMUNITIES ASSURANCE POOL

Loss Development through December 31, 2008

Reported Claim Counts: Casualty and Property

(Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	1,084	1,250	1,273	1,280	1,281	1,283	1,284	1,286	1,286	1,285
2000		1,201	1,371	1,387	1,397	1,401	1,401	1,401	1,401	1,401
2001			1,555	1,711	1,730	1,746	1,749	1,749	1,750	1,751
2002				1,627	1,762	1,790	1,799	1,805	1,815	1,815
2003					1,587	1,701	1,725	1,753	1,759	1,763
2004						1,752	1,869	1,921	1,935	1,939
2005							1,673	1,844	1,872	1,884
2006								1,720	1,869	1,913
2007									2,077	2,273
2008										2,407
Total	1,084	2,451	4,199	6,005	7,757	9,673	11,500	13,479	15,764	18,431

THE IOWA COMMUNITIES ASSURANCE POOL

Loss Development through December 31, 2008

Paid Losses: All Property Lines

(Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	\$ 748,422	649,926	730,395	731,192	731,205	731,205	731,205	731,205	731,205	730,471
2000		749,362	1,369,168	1,376,344	1,263,124	1,263,202	1,224,227	1,224,227	1,224,227	1,224,227
2001			1,435,635	1,748,295	1,784,070	1,790,171	1,791,336	1,791,417	1,791,417	1,790,549
2002				1,804,087	2,275,242	2,094,378	2,061,579	2,061,579	2,061,579	2,059,484
2003					1,465,954	1,764,486	1,766,716	1,768,856	1,768,907	1,773,244
2004						1,855,860	1,996,823	1,999,608	1,999,091	2,001,104
2005							1,575,624	1,809,921	1,814,806	1,821,771
2006								1,925,859	2,475,725	1,983,123
2007									2,836,455	3,131,695
2008										4,113,517
Total	\$ 748,422	1,399,288	3,535,198	5,659,918	7,519,595	9,499,302	11,147,510	13,312,672	16,703,412	20,629,185

Claim year	Loss payments during										Total
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
1999	\$ 748,422	(98,496)	80,469	797	13	—	—	—	—	(734)	730,471
2000		749,362	619,806	7,176	(113,220)	78	(38,975)	—	—	—	1,224,227
2001			1,435,635	312,660	35,775	6,101	1,165	81	—	(868)	1,790,549
2002				1,804,087	471,155	(180,864)	(32,799)	—	—	(2,095)	2,059,484
2003					298,532	2,230	2,140	2,140	51	4,337	1,773,244
2004					1,465,954	1,855,860	140,963	2,785	(517)	2,013	2,001,104
2005							1,575,624	234,297	4,885	6,965	1,821,771
2006								1,925,859	549,866	(492,602)	1,983,123
2007									2,836,455	295,240	3,131,695
2008										4,113,517	4,113,517
Total	\$ 748,422	650,866	2,135,910	2,124,720	1,859,677	1,979,707	1,648,208	2,165,162	3,390,740	3,925,773	20,629,185

THE IOWA COMMUNITIES ASSURANCE POOL

Loss Development through December 31, 2008

Case Reserves: All Property Lines

(Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	\$ 130,826	42,777	66,216	8,504	—	—	—	—	—	—
2000		408,777	22,633	12,443	6,183	—	—	—	—	—
2001			423,133	119,457	5,329	5,797	5,125	—	—	—
2002				553,026	118,292	16,972	—	—	—	—
2003					563,905	17,202	19,583	269	—	—
2004						529,234	20,488	1,280	262	262
2005							676,961	30,707	11,398	9,525
2006								763,644	13,959	24,250
2007									987,389	155,589
2008										2,324,478
Total	\$ 130,826	451,554	511,982	693,430	693,709	569,205	722,157	795,900	1,013,008	2,514,104

Claim year	Claims reserve changes during										Total
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
1999	\$ 130,826	(88,049)	23,439	(57,712)	(8,504)	—	—	—	—	—	—
2000		408,777	(386,144)	(10,190)	(6,260)	(6,183)	—	—	—	—	—
2001			423,133	(303,676)	(114,128)	468	(672)	(5,125)	—	—	—
2002				553,026	(434,734)	(101,320)	(16,972)	—	—	—	—
2003					563,905	(546,703)	2,381	(19,314)	(269)	—	—
2004						529,234	(508,746)	(19,208)	(1,018)	—	262
2005							676,961	(646,254)	(19,309)	(1,873)	9,525
2006								763,644	(749,685)	10,291	24,250
2007									987,389	(831,800)	155,589
2008										2,324,478	2,324,478
Total	\$ 130,826	320,728	60,428	181,448	279	(124,504)	152,952	73,743	217,108	1,501,096	2,514,104

THE IOWA COMMUNITIES ASSURANCE POOL

Loss Development through December 31, 2008

Reported Losses (Paid Losses Plus Case Reserves): All Property Lines

(Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	\$ 879,248	692,703	796,611	739,696	731,205	731,205	731,205	731,205	731,205	730,471
2000		1,158,139	1,391,801	1,388,787	1,269,307	1,263,202	1,224,227	1,224,227	1,224,227	1,224,227
2001			1,858,768	1,867,752	1,789,399	1,795,968	1,796,461	1,791,417	1,791,417	1,790,549
2002				2,357,113	2,393,534	2,111,350	2,061,579	2,061,579	2,061,579	2,059,484
2003					2,029,859	1,781,688	1,786,299	1,769,125	1,768,907	1,773,244
2004						2,385,094	2,017,311	2,000,888	1,999,353	2,001,366
2005							2,252,585	1,840,628	1,826,204	1,831,296
2006								2,689,503	2,489,684	2,007,373
2007									3,823,844	3,287,284
2008										6,437,995
Total	\$ 879,248	1,850,842	4,047,180	6,353,348	8,213,304	10,068,507	11,869,667	14,108,572	17,716,420	23,143,289

Claim year	Incremental losses reported during										Total
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
1999	\$ 879,248	(186,545)	103,908	(56,915)	(8,491)	—	—	—	—	(734)	730,471
2000		1,158,139	233,662	(3,014)	(119,480)	(6,105)	(38,975)	—	—	—	1,224,227
2001			1,858,768	8,984	(78,353)	6,569	493	(5,044)	—	(868)	1,790,549
2002				2,357,113	36,421	(282,184)	(49,771)	—	—	(2,095)	2,059,484
2003					2,029,859	(248,171)	4,611	(17,174)	(218)	4,337	1,773,244
2004						2,385,094	(367,783)	(16,423)	(1,535)	2,013	2,001,366
2005							2,252,585	(411,957)	(14,424)	5,092	1,831,296
2006								2,689,503	(199,819)	(482,311)	2,007,373
2007									3,823,844	(536,560)	3,287,284
2008										6,437,995	6,437,995
Total	\$ 879,248	971,594	2,196,338	2,306,168	1,859,956	1,855,203	1,801,160	2,238,905	3,607,848	5,426,869	23,143,289

THE IOWA COMMUNITIES ASSURANCE POOL

Loss Development through December 31, 2008

Reported Claim Counts: All Property Lines

(Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	384	451	451	451	451	451	451	451	451	450
2000		471	515	516	517	517	517	517	517	517
2001			588	620	620	621	621	621	621	620
2002				665	693	695	695	695	695	694
2003					656	683	683	683	683	684
2004						693	721	721	721	723
2005							621	656	656	663
2006								742	770	775
2007									825	871
2008										935
Total	<u>384</u>	<u>922</u>	<u>1,554</u>	<u>2,252</u>	<u>2,937</u>	<u>3,660</u>	<u>4,309</u>	<u>5,086</u>	<u>5,939</u>	<u>6,932</u>

THE IOWA COMMUNITIES ASSURANCE POOL

Loss Development through December 31, 2008

Paid Losses: Property

(Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	\$ 240,357	226,168	304,899	285,330	285,343	285,343	283,106	283,106	283,106	283,106
2000		485,979	833,257	792,791	678,202	678,258	628,743	628,743	628,743	628,743
2001			1,048,546	942,601	978,054	984,155	985,320	985,401	985,401	984,533
2002				927,034	1,316,719	1,155,480	1,123,325	1,123,325	1,123,325	1,123,325
2003					549,766	763,464	764,800	766,544	766,766	771,103
2004						800,973	852,262	853,917	853,974	856,353
2005							727,591	906,857	913,787	921,526
2006								1,046,304	1,472,598	983,712
2007									1,811,921	2,011,247
2008										2,942,905
Total	\$ 240,357	712,147	2,186,702	2,947,756	3,808,084	4,667,673	5,365,147	6,594,197	8,839,621	11,506,553

Claim year	Loss payments during										Total
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
1999	\$ 240,357	(14,189)	78,731	(19,569)	13	—	(2,237)	—	—	—	283,106
2000		485,979	347,278	(40,466)	(114,589)	56	(49,515)	—	—	—	628,743
2001			1,048,546	(105,945)	35,453	6,101	1,165	81	—	(868)	984,533
2002				927,034	389,685	(161,239)	(32,155)	—	—	—	1,123,325
2003					549,766	213,698	1,336	1,744	222	4,337	771,103
2004						800,973	51,289	1,655	57	2,379	856,353
2005							727,591	179,266	6,930	7,739	921,526
2006								1,046,304	426,294	(488,886)	983,712
2007									1,811,921	199,326	2,011,247
2008										2,942,905	2,942,905
Total	\$ 240,357	471,790	1,474,555	761,054	860,328	859,589	697,474	1,229,050	2,245,424	2,666,932	11,506,553

THE IOWA COMMUNITIES ASSURANCE POOL

Loss Development through December 31, 2008

Case Reserves: Property

(Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	\$ 58,377	29,214	64,994	8,504	—	—	—	—	—	—
2000		317,866	9,447	6,284	6,183	—	—	—	—	—
2001			344,512	117,862	5,329	5,797	5,125	—	—	—
2002				396,109	109,511	16,192	—	—	—	—
2003					343,184	9,779	14,217	269	—	—
2004						279,028	5,870	1,280	—	—
2005							485,218	30,707	11,398	9,525
2006								583,191	12,519	23,929
2007									818,768	136,744
2008										2,051,258
Total	\$ 58,377	347,080	418,953	528,759	464,207	310,796	510,430	615,447	842,685	2,221,456

Claim year	Claims reserve changes during										Total
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
1999	\$ 58,377	(29,163)	35,780	(56,490)	(8,504)	—	—	—	—	—	—
2000		317,866	(308,419)	(3,163)	(101)	(6,183)	—	—	—	—	—
2001			344,512	(226,650)	(112,533)	468	(672)	(5,125)	—	—	—
2002				396,109	(286,598)	(93,319)	(16,192)	—	—	—	—
2003					343,184	(333,405)	4,438	(13,948)	(269)	—	—
2004						279,028	(273,158)	(4,590)	(1,280)	—	—
2005							485,218	(454,511)	(19,309)	(1,873)	9,525
2006								583,191	(570,672)	11,410	23,929
2007									818,768	(682,024)	136,744
2008										2,051,258	2,051,258
Total	\$ 58,377	288,703	71,873	109,806	(64,552)	(153,411)	199,634	105,017	227,238	1,378,771	2,221,456

THE IOWA COMMUNITIES ASSURANCE POOL

Loss Development through December 31, 2008

Reported Losses (Paid Losses Plus Case Reserves): Property

(Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	\$ 298,734	255,382	369,893	293,834	285,343	285,343	283,106	283,106	283,106	283,106
2000		803,845	842,704	799,075	684,385	678,258	628,743	628,743	628,743	628,743
2001			1,393,058	1,060,463	983,383	989,952	990,445	985,401	985,401	984,533
2002				1,323,143	1,426,230	1,171,672	1,123,325	1,123,325	1,123,325	1,123,325
2003					892,950	773,243	779,017	766,813	766,766	771,103
2004						1,080,001	858,132	855,197	853,974	856,353
2005							1,212,809	937,564	925,185	931,051
2006								1,629,495	1,485,117	1,007,641
2007									2,630,689	2,147,991
2008										4,994,163
Total	\$ 298,734	1,059,227	2,605,655	3,476,515	4,272,291	4,978,469	5,875,577	7,209,644	9,682,306	13,728,009

Claim year	Incremental losses reported during										Total
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
1999	\$ 298,734	(43,352)	114,511	(76,059)	(8,491)	—	(2,237)	—	—	—	283,106
2000		803,845	38,859	(43,629)	(114,690)	(6,127)	(49,515)	—	—	—	628,743
2001			1,393,058	(332,595)	(77,080)	6,569	493	(5,044)	—	(868)	984,533
2002				1,323,143	103,087	(254,558)	(48,347)	—	—	—	1,123,325
2003					892,950	(119,707)	5,774	(12,204)	(47)	4,337	771,103
2004						1,080,001	(221,869)	(2,935)	(1,223)	2,379	856,353
2005							1,212,809	(275,245)	(12,379)	5,866	931,051
2006								1,629,495	(144,378)	(477,476)	1,007,641
2007									2,630,689	(482,698)	2,147,991
2008										4,994,163	4,994,163
Total	\$ 298,734	760,493	1,546,428	870,860	795,776	706,178	897,108	1,334,067	2,472,662	4,045,703	13,728,009

THE IOWA COMMUNITIES ASSURANCE POOL

Loss Development through December 31, 2008

Reported Claim Counts: Property

(Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	104	152	150	135	135	135	125	125	125	125
2000		212	227	186	183	183	174	174	174	174
2001			346	214	214	215	215	215	215	214
2002				201	214	216	216	216	216	216
2003					156	167	167	167	167	168
2004						206	210	210	210	212
2005							172	194	194	201
2006								263	276	281
2007									328	356
2008										401
Total	<u>104</u>	<u>364</u>	<u>723</u>	<u>736</u>	<u>902</u>	<u>1,122</u>	<u>1,279</u>	<u>1,564</u>	<u>1,905</u>	<u>2,348</u>

THE IOWA COMMUNITIES ASSURANCE POOL

Loss Development through December 31, 2008

Paid Losses: Auto Physical Damage – Property

(Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	\$ 508,065	423,758	425,496	445,862	445,862	445,862	448,099	448,099	448,099	447,365
2000		263,383	535,911	583,553	584,922	584,944	595,484	595,484	595,484	595,484
2001			387,089	805,694	806,016	806,016	806,016	806,016	806,016	806,016
2002				877,053	958,523	938,898	938,254	938,254	938,254	936,159
2003					916,188	1,001,022	1,001,916	1,002,312	1,002,141	1,002,141
2004						1,054,887	1,144,561	1,145,691	1,145,117	1,144,751
2005							848,033	903,064	901,019	900,245
2006								879,555	1,003,127	999,411
2007									1,024,534	1,120,448
2008										1,170,612
Total	\$ 508,065	687,141	1,348,496	2,712,162	3,711,511	4,831,629	5,782,363	6,718,475	7,863,791	9,122,632

Claim year	Loss payments during										Total
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
1999	\$ 508,065	(84,307)	1,738	20,366	—	—	2,237	—	—	(734)	447,365
2000		263,383	272,528	47,642	1,369	22	10,540	—	—	—	595,484
2001			387,089	418,605	322	—	—	—	—	—	806,016
2002				877,053	81,470	(19,625)	(644)	—	—	(2,095)	936,159
2003					916,188	84,834	894	396	(171)	—	1,002,141
2004						1,054,887	89,674	1,130	(574)	(366)	1,144,751
2005							848,033	55,031	(2,045)	(774)	900,245
2006								879,555	123,572	(3,716)	999,411
2007									1,024,534	95,914	1,120,448
2008										1,170,612	1,170,612
Total	\$ 508,065	179,076	661,355	1,363,666	999,349	1,120,118	950,734	936,112	1,145,316	1,258,841	9,122,632

Effective with renewals after 4/1/97, Auto Physical Damage has been reclassified as a line of coverage under Property Insurance. See additional claims information in the Casualty section.

THE IOWA COMMUNITIES ASSURANCE POOL

Loss Development through December 31, 2008

Case Reserves: Auto Physical Damage – Property

(Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	\$ 72,449	13,563	1,222	—	—	—	—	—	—	—
2000		90,911	13,186	6,159	—	—	—	—	—	—
2001			78,621	1,595	—	—	—	—	—	—
2002				156,917	8,781	780	—	—	—	—
2003					220,721	7,423	5,366	—	—	—
2004						250,206	14,618	—	262	262
2005							191,743	—	—	—
2006								180,453	1,440	321
2007									168,621	18,845
2008										273,220
Total	\$ 72,449	104,474	93,029	164,671	229,502	258,409	211,727	180,453	170,323	292,648

Claim year	Claims reserve changes during										Total
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
1999	\$ 72,449	(58,886)	(12,341)	(1,222)	—	—	—	—	—	—	—
2000		90,911	(77,725)	(7,027)	(6,159)	—	—	—	—	—	—
2001			78,621	(77,026)	(1,595)	—	—	—	—	—	—
2002				156,917	(148,136)	(8,001)	(780)	—	—	—	—
2003					220,721	(213,298)	(2,057)	(5,366)	—	—	—
2004						250,206	(235,588)	(14,618)	262	—	262
2005							191,743	(191,743)	—	—	—
2006								180,453	(179,013)	(1,119)	321
2007									168,621	(149,776)	18,845
2008										273,220	273,220
Total	\$ 72,449	32,025	(11,445)	71,642	64,831	28,907	(46,682)	(31,274)	(10,130)	122,325	292,648

Effective with renewals after 4/1/97, Auto Physical Damage has been reclassified as a line of coverage under Property Insurance. See additional claims information in the Casualty section.

THE IOWA COMMUNITIES ASSURANCE POOL

Loss Development through December 31, 2008

Reported Losses (Paid Losses Plus Case Reserves): Auto Physical Damage – Property

(Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	\$ 580,514	437,321	426,718	445,862	445,862	445,862	448,099	448,099	448,099	447,365
2000		354,294	549,097	589,712	584,922	584,944	595,484	595,484	595,484	595,484
2001			465,710	807,289	806,016	806,016	806,016	806,016	806,016	806,016
2002				1,033,970	967,304	939,678	938,254	938,254	938,254	936,159
2003					1,136,909	1,008,445	1,007,282	1,002,312	1,002,141	1,002,141
2004						1,305,093	1,159,179	1,145,691	1,145,379	1,145,013
2005							1,039,776	903,064	901,019	900,245
2006								1,060,008	1,004,567	999,732
2007									1,193,155	1,139,293
2008										1,443,832
Total	\$ 580,514	791,615	1,441,525	2,876,833	3,941,013	5,090,038	5,994,090	6,898,928	8,034,114	9,415,280

Claim year	Incremental losses reported during										Total
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
1999	\$ 580,514	(143,193)	(10,603)	19,144	—	—	2,237	—	—	(734)	447,365
2000		354,294	194,803	40,615	(4,790)	22	10,540	—	—	—	595,484
2001			465,710	341,579	(1,273)	—	—	—	—	—	806,016
2002				1,033,970	(66,666)	(27,626)	(1,424)	—	—	(2,095)	936,159
2003					1,136,909	(128,464)	(1,163)	(4,970)	(171)	—	1,002,141
2004						1,305,093	(145,914)	(13,488)	(312)	(366)	1,145,013
2005							1,039,776	(136,712)	(2,045)	(774)	900,245
2006								1,060,008	(55,441)	(4,835)	999,732
2007									1,193,155	(53,862)	1,139,293
2008										1,443,832	1,443,832
Total	\$ 580,514	211,101	649,910	1,435,308	1,064,180	1,149,025	904,052	904,838	1,135,186	1,381,166	9,415,280

Effective with renewals after 4/1/97, Auto Physical Damage has been reclassified as a line of coverage under Property Insurance. See additional claims information in the Casualty section.

THE IOWA COMMUNITIES ASSURANCE POOL

Loss Development through December 31, 2008

Reported Claim Counts: Auto Physical Damage – Property

(Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	280	299	301	316	316	316	326	326	326	325
2000		259	288	330	334	334	343	343	343	343
2001			242	406	406	406	406	406	406	406
2002				464	479	479	479	479	479	478
2003					500	516	516	516	516	516
2004						487	511	511	511	511
2005							449	462	462	462
2006								479	494	494
2007									497	515
2008										534
Total	<u>280</u>	<u>558</u>	<u>831</u>	<u>1,516</u>	<u>2,035</u>	<u>2,538</u>	<u>3,030</u>	<u>3,522</u>	<u>4,034</u>	<u>4,584</u>

Effective with renewals after 4/1/97, Auto Physical Damage has been reclassified as a line of coverage under Property Insurance. See additional claims information in the Casualty section.

THE IOWA COMMUNITIES ASSURANCE POOL

Loss Development through December 31, 2008

Paid Losses: All Casualty Lines

(Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	\$ 472,669	1,141,749	1,813,959	2,372,554	2,645,518	2,646,497	2,654,591	2,688,954	2,688,954	2,689,014
2000		800,438	1,536,730	2,381,276	3,186,110	3,351,450	3,357,982	3,355,401	3,357,403	3,357,403
2001			1,062,767	1,889,201	2,703,502	3,232,055	3,645,207	3,749,000	3,776,200	4,046,186
2002				962,800	1,833,134	2,949,601	4,221,178	4,605,938	4,788,794	4,797,945
2003					935,507	2,107,582	3,061,617	4,230,765	4,365,887	4,567,805
2004						1,183,011	2,280,453	3,302,710	4,279,473	4,321,218
2005							1,083,415	2,363,083	3,233,978	3,934,126
2006								1,262,544	3,131,041	5,205,648
2007									1,599,857	3,438,860
2008										1,939,134
Total	\$ 472,669	1,942,187	4,413,456	7,605,831	11,303,771	15,470,196	20,304,443	25,558,395	31,221,587	38,297,339

Claim year	Loss payments during										Total
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
1999	\$ 472,669	669,080	672,210	558,595	272,964	979	8,094	34,363	—	60	2,689,014
2000		800,438	736,292	844,546	804,834	165,340	6,532	(2,581)	2,002	—	3,357,403
2001			1,062,767	826,434	814,301	528,553	413,152	103,793	27,200	269,986	4,046,186
2002				962,800	870,334	1,116,467	1,271,577	384,760	182,856	9,151	4,797,945
2003					935,507	1,172,075	954,035	1,169,148	135,122	201,918	4,567,805
2004						1,183,011	1,097,442	1,022,257	976,763	41,745	4,321,218
2005							1,083,415	1,279,668	870,895	700,148	3,934,126
2006								1,262,544	1,868,497	2,074,607	5,205,648
2007									1,599,857	1,839,003	3,438,860
2008										1,939,134	1,939,134
Total	\$ 472,669	1,469,518	2,471,269	3,192,375	3,697,940	4,166,425	4,834,247	5,253,952	5,663,192	7,075,752	38,297,339

THE IOWA COMMUNITIES ASSURANCE POOL

Loss Development through December 31, 2008

Case Reserves: All Casualty Lines

(Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	\$ 1,016,904	1,352,660	1,165,912	568,308	5,956	7,017	13,523	60	60	—
2000		2,772,190	3,487,524	2,446,319	447,294	142,319	131,804	20,134	—	—
2001			2,295,606	1,594,634	1,905,078	623,723	118,568	248,729	208,842	72,225
2002				2,627,659	2,329,642	2,872,145	1,672,650	183,844	117,790	111,617
2003					1,940,337	3,292,239	4,360,537	1,129,672	1,360,112	1,256,656
2004						2,833,421	4,420,658	2,291,822	1,027,324	479,264
2005							2,672,639	1,529,339	1,340,307	514,475
2006								3,334,244	4,512,496	6,176,976
2007									3,289,122	3,750,391
2008										4,660,635
Total	\$ 1,016,904	4,124,850	6,949,042	7,236,920	6,628,307	9,770,864	13,390,379	8,737,844	11,856,053	17,022,239

Claim year	Claims reserve changes during										Total
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
1999	\$ 1,016,904	335,756	(186,748)	(597,604)	(562,352)	1,061	6,506	(13,463)	—	(60)	—
2000		2,772,190	715,334	(1,041,205)	(1,999,025)	(304,975)	(10,515)	(111,670)	(20,134)	—	72,225
2001			2,295,606	(700,972)	310,444	(1,281,355)	(505,155)	130,161	(39,887)	(136,617)	111,617
2002				2,627,659	(298,017)	542,503	(1,199,495)	(1,488,806)	(66,054)	(6,173)	111,617
2003					1,940,337	1,351,902	1,068,298	(3,230,865)	230,440	(103,456)	1,256,656
2004						2,833,421	1,587,237	(2,128,836)	(1,264,498)	(548,060)	479,264
2005							2,672,639	(1,143,300)	(189,032)	(825,832)	514,475
2006								3,334,244	1,178,252	1,664,480	6,176,976
2007									3,289,122	461,269	3,750,391
2008										4,660,635	4,660,635
Total	\$ 1,016,904	3,107,946	2,824,192	287,878	(608,613)	3,142,557	3,619,515	(4,652,535)	3,118,209	5,166,186	17,022,239

THE IOWA COMMUNITIES ASSURANCE POOL

Loss Development through December 31, 2008

Reported Losses (Paid Losses Plus Case Reserves): All Casualty Lines

(Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	\$ 1,489,573	2,494,409	2,979,871	2,940,862	2,651,474	2,653,514	2,668,114	2,689,014	2,689,014	2,689,014
2000		3,572,628	5,024,254	4,827,595	3,633,404	3,493,769	3,489,786	3,375,535	3,357,403	3,357,403
2001			3,358,373	3,483,835	4,608,580	3,855,778	3,763,775	3,997,729	3,985,042	4,118,411
2002				3,590,459	4,162,776	5,821,746	5,893,828	4,789,782	4,906,584	4,909,562
2003					2,875,844	5,399,821	7,422,154	5,360,437	5,725,999	5,824,461
2004						4,016,432	6,701,111	5,594,532	5,306,797	4,800,482
2005							3,756,054	3,892,422	4,574,285	4,448,601
2006								4,596,788	7,643,537	11,382,624
2007									4,888,979	7,189,251
2008										6,599,769
Total	\$ 1,489,573	6,067,037	11,362,498	14,842,751	17,932,078	25,241,060	33,694,822	34,296,239	43,077,640	55,319,578

Claim year	Incremental losses reported during										Total
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
1999	\$ 1,489,573	1,004,836	485,462	(39,009)	(289,388)	2,040	14,600	20,900	—	—	2,689,014
2000		3,572,628	1,451,626	(196,659)	(1,194,191)	(139,635)	(3,983)	(114,251)	(18,132)	—	3,357,403
2001			3,358,373	125,462	1,124,745	(752,802)	(92,003)	233,954	(12,687)	133,369	4,118,411
2002				3,590,459	572,317	1,658,970	72,082	(1,104,046)	116,802	2,978	4,909,562
2003					2,875,844	2,523,977	2,022,333	(2,061,717)	365,562	98,462	5,824,461
2004						4,016,432	2,684,679	(1,106,579)	(287,735)	(506,315)	4,800,482
2005							3,756,054	136,368	681,863	(125,684)	4,448,601
2006								4,596,788	3,046,749	3,739,087	11,382,624
2007									4,888,979	2,300,272	7,189,251
2008										6,599,769	6,599,769
Total	\$ 1,489,573	4,577,464	5,295,461	3,480,253	3,089,327	7,308,982	8,453,762	601,417	8,781,401	12,241,938	55,319,578

THE IOWA COMMUNITIES ASSURANCE POOL

Loss Development through December 31, 2008

Reported Claim Counts: All Casualty Lines

(Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	700	799	822	829	830	832	833	835	835	835
2000		730	856	871	880	884	884	884	884	884
2001			967	1,091	1,110	1,125	1,128	1,128	1,129	1,131
2002				962	1,069	1,095	1,104	1,110	1,120	1,121
2003					931	1,018	1,042	1,070	1,076	1,079
2004						1,059	1,148	1,200	1,214	1,216
2005							1,052	1,188	1,216	1,221
2006								978	1,099	1,138
2007									1,252	1,402
2008										1,472
Total	<u>700</u>	<u>1,529</u>	<u>2,645</u>	<u>3,753</u>	<u>4,820</u>	<u>6,013</u>	<u>7,191</u>	<u>8,393</u>	<u>9,825</u>	<u>11,499</u>

THE IOWA COMMUNITIES ASSURANCE POOL

Loss Development through December 31, 2008

Paid Losses: Auto Liability

(Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	\$ 231,558	340,591	443,373	443,620	443,712	443,712	443,712	443,712	443,712	443,712
2000		356,713	530,965	861,087	1,302,996	1,358,313	1,358,313	1,357,852	1,357,852	1,357,852
2001			413,641	611,379	666,973	685,514	712,621	712,777	712,777	712,777
2002				388,477	468,493	634,633	1,043,222	1,044,188	1,044,188	1,044,188
2003					368,419	551,061	587,604	764,711	771,720	771,779
2004						523,195	971,926	1,120,905	1,185,297	1,191,119
2005							570,995	832,290	982,451	1,057,614
2006								450,114	1,276,096	1,351,948
2007									654,307	844,076
2008										725,866
Total	\$ 231,558	697,304	1,387,979	2,304,563	3,250,593	4,196,428	5,688,393	6,726,549	8,428,400	9,500,931

Claim year	Loss payments during										Total
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
1999	\$ 231,558	109,033	102,782	247	92	—	—	—	—	—	443,712
2000		356,713	174,252	330,122	441,909	55,317	—	(461)	—	—	1,357,852
2001			413,641	197,738	55,594	18,541	27,107	156	—	—	712,777
2002				388,477	80,016	166,140	408,589	966	—	—	1,044,188
2003					368,419	182,642	36,543	177,107	7,009	59	771,779
2004						523,195	448,731	148,979	64,392	5,822	1,191,119
2005							570,995	261,295	150,161	75,163	1,057,614
2006								450,114	825,982	75,852	1,351,948
2007									654,307	189,769	844,076
2008										725,866	725,866
Total	\$ 231,558	465,746	690,675	916,584	946,030	945,835	1,491,965	1,038,156	1,701,851	1,072,531	9,500,931

THE IOWA COMMUNITIES ASSURANCE POOL

Loss Development through December 31, 2008

Case Reserves: Auto Liability

(Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	\$ 200,011	224,785	8,999	12,246	—	—	—	—	—	—
2000		1,323,146	1,563,510	1,183,394	71,924	—	—	—	—	—
2001			382,406	193,148	125,008	42,374	17,195	—	—	—
2002				402,803	461,523	499,585	—	—	—	—
2003					471,341	302,744	409,581	339,541	21,846	21,787
2004						1,274,097	146,401	116,693	—	—
2005							705,196	519,650	148,152	20,800
2006								1,101,083	1,411,265	2,564,475
2007									524,522	359,083
2008										2,499,734
Total	\$ 200,011	1,547,931	1,954,915	1,791,591	1,129,796	2,118,800	1,278,373	2,076,967	2,105,785	5,465,879

Claim year	Claims reserve changes during										Total
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
1999	\$ 200,011	24,774	(215,786)	3,247	(12,246)	—	—	—	—	—	—
2000		1,323,146	240,364	(380,116)	(1,111,470)	(71,924)	—	—	—	—	—
2001			382,406	(189,258)	(68,140)	(82,634)	(25,179)	(17,195)	—	—	—
2002				402,803	58,720	38,062	(499,585)	—	—	—	—
2003					471,341	(168,597)	106,837	(70,040)	(317,695)	(59)	21,787
2004						1,274,097	(1,127,696)	(29,708)	(116,693)	—	—
2005							705,196	(185,546)	(371,498)	(127,352)	20,800
2006								1,101,083	310,182	1,153,210	2,564,475
2007									524,522	(165,439)	359,083
2008										2,499,734	2,499,734
Total	\$ 200,011	1,347,920	406,984	(163,324)	(661,795)	989,004	(840,427)	798,594	28,818	3,360,094	5,465,879

THE IOWA COMMUNITIES ASSURANCE POOL
 Loss Development through December 31, 2008
 Reported Losses (Paid Losses Plus Case Reserves): Auto Liability
 (Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	\$ 431,569	565,376	452,372	455,866	443,712	443,712	443,712	443,712	443,712	443,712
2000		1,679,859	2,094,475	2,044,481	1,374,920	1,358,313	1,358,313	1,357,852	1,357,852	1,357,852
2001			796,047	804,527	791,981	727,888	729,816	712,777	712,777	712,777
2002				791,280	930,016	1,134,218	1,043,222	1,044,188	1,044,188	1,044,188
2003					839,760	853,805	997,185	1,104,252	793,566	793,566
2004						1,797,292	1,118,327	1,237,598	1,185,297	1,191,119
2005							1,276,191	1,351,940	1,130,603	1,078,414
2006								1,551,197	2,687,361	3,916,423
2007									1,178,829	1,203,159
2008										3,225,600
Total	\$ 431,569	2,245,235	3,342,894	4,096,154	4,380,389	6,315,228	6,966,766	8,803,516	10,534,185	14,966,810

Claim year	Incremental losses reported during										Total
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
1999	\$ 431,569	133,807	(113,004)	3,494	(12,154)	—	—	—	—	—	443,712
2000		1,679,859	414,616	(49,994)	(669,561)	(16,607)	—	(461)	—	—	1,357,852
2001			796,047	8,480	(12,546)	(64,093)	1,928	(17,039)	—	—	712,777
2002				791,280	138,736	204,202	(90,996)	966	—	—	1,044,188
2003					839,760	14,045	143,380	107,067	(310,686)	—	793,566
2004						1,797,292	(678,965)	119,271	(52,301)	5,822	1,191,119
2005							1,276,191	75,749	(221,337)	(52,189)	1,078,414
2006								1,551,197	1,136,164	1,229,062	3,916,423
2007									1,178,829	24,330	1,203,159
2008										3,225,600	3,225,600
Total	\$ 431,569	1,813,666	1,097,659	753,260	284,235	1,934,839	651,538	1,836,750	1,730,669	4,432,625	14,966,810

THE IOWA COMMUNITIES ASSURANCE POOL

Loss Development through December 31, 2008

Reported Claim Counts: Auto Liability

(Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	215	229	230	231	231	231	231	231	231	231
2000		225	276	276	278	278	278	278	278	278
2001			315	330	330	329	330	330	330	330
2002				248	263	264	261	264	264	264
2003					340	357	357	364	365	365
2004						406	428	445	445	445
2005							458	481	482	482
2006								334	350	350
2007									448	497
2008										522
Total	<u>215</u>	<u>454</u>	<u>821</u>	<u>1,085</u>	<u>1,442</u>	<u>1,865</u>	<u>2,343</u>	<u>2,727</u>	<u>3,193</u>	<u>3,764</u>

THE IOWA COMMUNITIES ASSURANCE POOL

Loss Development through December 31, 2008

Paid Losses: Auto Physical Damage – Casualty

(Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	\$ —	—	—	—	—	—	—	—	—	—
2000	—	—	—	—	—	—	—	—	—	—
2001	—	—	—	—	—	—	—	—	—	869
2002	—	—	—	—	—	—	—	—	—	—
2003	—	—	—	—	—	—	—	—	—	—
2004	—	—	—	—	—	—	—	—	—	—
2005	—	—	—	—	—	—	—	—	—	—
2006	—	—	—	—	—	—	—	—	—	—
2007	—	—	—	—	—	—	—	—	—	—
2008	—	—	—	—	—	—	—	—	—	—
Total	\$ —	—	—	—	—	—	—	—	—	869

Claim year	Loss payments during										Total	
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008		
1999	\$ —	—	—	—	—	—	—	—	—	—	—	—
2000	—	—	—	—	—	—	—	—	—	—	—	—
2001	—	—	—	—	—	—	—	—	—	—	869	869
2002	—	—	—	—	—	—	—	—	—	—	—	—
2003	—	—	—	—	—	—	—	—	—	—	—	—
2004	—	—	—	—	—	—	—	—	—	—	—	—
2005	—	—	—	—	—	—	—	—	—	—	—	—
2006	—	—	—	—	—	—	—	—	—	—	—	—
2007	—	—	—	—	—	—	—	—	—	—	—	—
2008	—	—	—	—	—	—	—	—	—	—	—	—
Total	\$ —	—	—	—	—	—	—	—	—	—	869	869

Effective with renewals after 4/1/97, Auto Physical Damage has been reclassified as a line of coverage under Property Insurance.

THE IOWA COMMUNITIES ASSURANCE POOL

Loss Development through December 31, 2008

Case Reserves: Auto Physical Damage – Casualty

(Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	\$ —	—	—	—	—	—	—	—	—	—
2000	—	—	—	—	—	—	—	—	—	—
2001	—	—	—	—	—	—	—	—	—	—
2002	—	—	—	—	—	—	—	—	—	—
2003	—	—	—	—	—	—	—	—	—	—
2004	—	—	—	—	—	—	—	—	—	—
2005	—	—	—	—	—	—	—	—	—	—
2006	—	—	—	—	—	—	—	—	—	—
2007	—	—	—	—	—	—	—	—	—	—
2008	—	—	—	—	—	—	—	—	—	—
Total	\$ —	—	—	—	—	—	—	—	—	—

Claim year	Claims reserve changes during										Total
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
1999	\$ —	—	—	—	—	—	—	—	—	—	—
2000	—	—	—	—	—	—	—	—	—	—	—
2001	—	—	—	—	—	—	—	—	—	—	—
2002	—	—	—	—	—	—	—	—	—	—	—
2003	—	—	—	—	—	—	—	—	—	—	—
2004	—	—	—	—	—	—	—	—	—	—	—
2005	—	—	—	—	—	—	—	—	—	—	—
2006	—	—	—	—	—	—	—	—	—	—	—
2007	—	—	—	—	—	—	—	—	—	—	—
2008	—	—	—	—	—	—	—	—	—	—	—
Total	\$ —	—	—	—	—	—	—	—	—	—	—

Effective with renewals after 4/1/97, Auto Physical Damage has been reclassified as a line of coverage under Property Insurance.

THE IOWA COMMUNITIES ASSURANCE POOL
 Loss Development through December 31, 2008
 Reported Losses (Paid Losses Plus Case Reserves): Auto Physical Damage – Casualty
 (Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	\$ —	—	—	—	—	—	—	—	—	—
2000	—	—	—	—	—	—	—	—	—	—
2001	—	—	—	—	—	—	—	—	—	869
2002	—	—	—	—	—	—	—	—	—	—
2003	—	—	—	—	—	—	—	—	—	—
2004	—	—	—	—	—	—	—	—	—	—
2005	—	—	—	—	—	—	—	—	—	—
2006	—	—	—	—	—	—	—	—	—	—
2007	—	—	—	—	—	—	—	—	—	—
2008	—	—	—	—	—	—	—	—	—	—
Total	\$ —	—	—	—	—	—	—	—	—	869

Claim year	Incremental losses reported during										Total
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
1999	\$ —	—	—	—	—	—	—	—	—	—	—
2000	—	—	—	—	—	—	—	—	—	—	—
2001	—	—	—	—	—	—	—	—	—	869	869
2002	—	—	—	—	—	—	—	—	—	—	—
2003	—	—	—	—	—	—	—	—	—	—	—
2004	—	—	—	—	—	—	—	—	—	—	—
2005	—	—	—	—	—	—	—	—	—	—	—
2006	—	—	—	—	—	—	—	—	—	—	—
2007	—	—	—	—	—	—	—	—	—	—	—
2008	—	—	—	—	—	—	—	—	—	—	—
Total	\$ —	—	—	—	—	—	—	—	—	869	869

Effective with renewals after 4/1/97, Auto Physical Damage has been reclassified as a line of coverage under Property Insurance.

THE IOWA COMMUNITIES ASSURANCE POOL

Loss Development through December 31, 2008

Reported Claim Counts: Auto Physical Damage – Casualty

(Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	—	—	—	—	—	—	—	—	—	—
2000	—	—	—	—	—	—	—	—	—	—
2001	—	—	—	—	—	—	—	—	—	—
2002	—	—	—	—	—	—	—	—	—	1
2003	—	—	—	—	—	—	—	—	—	—
2004	—	—	—	—	—	—	—	—	—	—
2005	—	—	—	—	—	—	—	—	—	—
2006	—	—	—	—	—	—	—	—	—	—
2007	—	—	—	—	—	—	—	—	—	—
2008	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	1

Effective with renewals after 4/1/97, Auto Physical Damage has been reclassified as a line of coverage under Property Insurance.

THE IOWA COMMUNITIES ASSURANCE POOL

Loss Development through December 31, 2008

Paid Losses: General Liability

(Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	\$ 217,193	433,684	603,991	903,904	1,127,816	1,093,376	1,092,933	1,092,933	1,092,933	1,092,993
2000		324,019	719,373	1,001,427	1,301,586	1,244,614	1,244,961	1,242,537	1,242,537	1,242,537
2001			557,790	909,962	1,335,879	1,571,455	1,792,554	1,870,032	1,870,032	1,870,032
2002				424,915	771,245	1,011,060	1,308,717	1,627,186	1,627,186	1,627,186
2003					474,982	808,590	1,360,404	1,764,727	1,822,613	2,005,314
2004						600,954	1,094,168	1,569,512	2,336,621	2,351,597
2005							397,981	862,090	1,066,148	1,474,570
2006								476,587	743,118	1,465,095
2007									769,862	1,843,923
2008										970,554
Total	\$ 217,193	757,703	1,881,154	3,240,208	5,011,508	6,330,049	8,291,718	10,505,604	12,571,050	15,943,801

Claim year	Loss payments during										Total
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
1999	\$ 217,193	216,491	170,307	299,913	223,912	(34,440)	(443)	—	—	60	1,092,993
2000		324,019	395,354	282,054	300,159	(56,972)	347	(2,424)	—	—	1,242,537
2001			557,790	352,172	425,917	235,576	221,099	77,478	—	—	1,870,032
2002				424,915	346,330	239,815	297,657	318,469	—	—	1,627,186
2003					474,982	333,608	551,814	404,323	57,886	182,701	2,005,314
2004						600,954	493,214	475,344	767,109	14,976	2,351,597
2005							397,981	464,109	204,058	408,422	1,474,570
2006								476,587	266,531	721,977	1,465,095
2007									769,862	1,074,061	1,843,923
2008										970,554	970,554
Total	\$ 217,193	540,510	1,123,451	1,359,054	1,771,300	1,318,541	1,961,669	2,213,886	2,065,446	3,372,751	15,943,801

THE IOWA COMMUNITIES ASSURANCE POOL

Loss Development through December 31, 2008

Case Reserves: General Liability

(Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	\$ 533,564	535,735	512,752	349,298	5,956	7,017	60	60	60	—
2000		1,046,227	1,347,878	959,995	222,646	21,926	17,284	—	—	—
2001			1,130,450	758,835	873,895	287,477	31,123	—	—	—
2002				1,217,287	952,489	503,743	983,234	—	—	—
2003					870,509	2,213,132	2,877,812	563,351	1,224,069	1,103,138
2004						1,264,728	1,364,832	1,477,249	588,491	113,415
2005							1,179,513	349,502	809,445	291,421
2006								1,056,634	1,204,562	2,824,833
2007									1,746,278	1,412,267
2008										1,434,487
Total	\$ 533,564	1,581,962	2,991,080	3,285,415	2,925,495	4,298,023	6,453,858	3,446,796	5,572,905	7,179,561

Claim year	Claims reserve changes during										Total
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
1999	\$ 533,564	2,171	(22,983)	(163,454)	(343,342)	1,061	(6,957)	—	—	(60)	—
2000		1,046,227	301,651	(387,883)	(737,349)	(200,720)	(4,642)	(17,284)	—	—	—
2001			1,130,450	(371,615)	115,060	(586,418)	(256,354)	(31,123)	—	—	—
2002				1,217,287	(264,798)	(448,746)	479,491	(983,234)	—	—	—
2003					870,509	1,342,623	664,680	(2,314,461)	660,718	(120,931)	1,103,138
2004						1,264,728	100,104	112,417	(888,758)	(475,076)	113,415
2005							1,179,513	(830,011)	459,943	(518,024)	291,421
2006								1,056,634	147,928	1,620,271	2,824,833
2007									1,746,278	(334,011)	1,412,267
2008										1,434,487	1,434,487
Total	\$ 533,564	1,048,398	1,409,118	294,335	(359,920)	1,372,528	2,155,835	(3,007,062)	2,126,109	1,606,656	7,179,561

THE IOWA COMMUNITIES ASSURANCE POOL
 Loss Development through December 31, 2008
 Reported Losses (Paid Losses Plus Case Reserves): General Liability
 (Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	\$ 750,757	969,419	1,116,743	1,253,202	1,133,772	1,100,393	1,092,993	1,092,993	1,092,993	1,092,993
2000		1,370,246	2,067,251	1,961,422	1,524,232	1,266,540	1,262,245	1,242,537	1,242,537	1,242,537
2001			1,688,240	1,668,797	2,209,774	1,858,932	1,823,677	1,870,032	1,870,032	1,870,032
2002				1,642,202	1,723,734	1,514,803	2,291,951	1,627,186	1,627,186	1,627,186
2003					1,345,491	3,021,722	4,238,216	2,328,078	3,046,682	3,108,452
2004						1,865,682	2,459,000	3,046,761	2,925,112	2,465,012
2005							1,577,494	1,211,592	1,875,593	1,765,991
2006								1,533,221	1,947,680	4,289,928
2007									2,516,140	3,256,190
2008										2,405,041
Total	\$ 750,757	2,339,665	4,872,234	6,525,623	7,937,003	10,628,072	14,745,576	13,952,400	18,143,955	23,123,362

Claim year	Incremental losses reported during										Total
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
1999	\$ 750,757	218,662	147,324	136,459	(119,430)	(33,379)	(7,400)	—	—	—	1,092,993
2000		1,370,246	697,005	(105,829)	(437,190)	(257,692)	(4,295)	(19,708)	—	—	1,242,537
2001			1,688,240	(19,443)	540,977	(350,842)	(35,255)	46,355	—	—	1,870,032
2002				1,642,202	81,532	(208,931)	777,148	(664,765)	—	—	1,627,186
2003					1,345,491	1,676,231	1,216,494	(1,910,138)	718,604	61,770	3,108,452
2004						1,865,682	593,318	587,761	(121,649)	(460,100)	2,465,012
2005							1,577,494	(365,902)	664,001	(109,602)	1,765,991
2006								1,533,221	414,459	2,342,248	4,289,928
2007									2,516,140	740,050	3,256,190
2008										2,405,041	2,405,041
Total	\$ 750,757	1,588,908	2,532,569	1,653,389	1,411,380	2,691,069	4,117,504	(793,176)	4,191,555	4,979,407	23,123,362

THE IOWA COMMUNITIES ASSURANCE POOL

Loss Development through December 31, 2008

Reported Claim Counts: General Liability

(Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	448	496	507	509	509	505	505	505	505	505
2000		458	516	525	527	514	514	514	514	514
2001			585	672	683	687	686	686	686	686
2002				633	702	709	714	715	715	715
2003					518	569	577	590	591	591
2004						597	643	665	675	677
2005							520	584	593	596
2006								508	552	566
2007									714	779
2008										851
Total	<u>448</u>	<u>954</u>	<u>1,608</u>	<u>2,339</u>	<u>2,939</u>	<u>3,581</u>	<u>4,159</u>	<u>4,767</u>	<u>5,545</u>	<u>6,480</u>

THE IOWA COMMUNITIES ASSURANCE POOL

Loss Development through December 31, 2008

Paid Losses: Police Professional

(Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	\$ 10,064	89,406	240,126	328,591	370,942	370,942	370,942	370,942	370,942	370,942
2000		54,254	99,217	187,243	195,707	241,559	245,353	246,104	248,092	248,092
2001			9,664	36,932	104,105	115,993	132,867	140,689	142,772	142,772
2002				37,447	150,183	280,075	558,536	606,309	606,636	609,600
2003					27,972	95,771	314,862	582,961	612,721	612,721
2004						10,020	72,627	343,825	466,667	468,855
2005							26,773	197,726	549,546	631,805
2006								86,551	301,194	864,503
2007									48,500	185,724
2008										78,219
Total	\$ 10,064	143,660	349,007	590,213	848,909	1,114,360	1,721,960	2,575,107	3,347,070	4,213,233

Claim year	Loss payments during										Total
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
1999	\$ 10,064	79,342	150,720	88,465	42,351	—	—	—	—	—	370,942
2000		54,254	44,963	88,026	8,464	45,852	3,794	751	1,988	—	248,092
2001			9,664	27,268	67,173	11,888	16,874	7,822	2,083	—	142,772
2002				37,447	112,736	129,892	278,461	47,773	327	2,964	609,600
2003					27,972	67,799	219,091	268,099	29,760	—	612,721
2004						10,020	62,607	271,198	122,842	2,188	468,855
2005							26,773	170,953	351,820	82,259	631,805
2006								86,551	214,643	563,309	864,503
2007									48,500	137,224	185,724
2008										78,219	78,219
Total	\$ 10,064	133,596	205,347	241,206	258,696	265,451	607,600	853,147	771,963	866,163	4,213,233

THE IOWA COMMUNITIES ASSURANCE POOL

Loss Development through December 31, 2008

Case Reserves: Police Professional

(Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	\$ 117,292	301,622	118,903	167,382	—	—	—	—	—	—
2000		236,071	262,735	110,049	41,410	8,482	5,000	10,937	—	—
2001			211,887	154,059	48,574	36,080	22,592	14,770	—	—
2002				242,794	246,595	888,431	428,122	—	—	—
2003					120,092	359,632	598,200	112,961	—	—
2004						82,713	2,483,344	187,746	45,713	—
2005							493,373	377,404	130,346	56,962
2006								593,808	986,463	369,781
2007									459,787	436,534
2008										346,337
Total	\$ 117,292	537,693	593,525	674,284	456,671	1,375,338	4,030,631	1,297,626	1,622,309	1,209,614

Claim year	Claims reserve changes during										Total
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
1999	\$ 117,292	184,330	(182,719)	48,479	(167,382)	—	—	—	—	—	—
2000		236,071	26,664	(152,686)	(68,639)	(32,928)	(3,482)	5,937	(10,937)	—	—
2001			211,887	(57,828)	(105,485)	(12,494)	(13,488)	(7,822)	(14,770)	—	—
2002				242,794	3,801	641,836	(460,309)	(428,122)	—	—	—
2003					120,092	239,540	238,568	(485,239)	(112,961)	—	—
2004						82,713	2,400,631	(2,295,598)	(142,033)	(45,713)	—
2005							493,373	(115,969)	(247,058)	(73,384)	56,962
2006								593,808	392,655	(616,682)	369,781
2007									459,787	(23,253)	436,534
2008										346,337	346,337
Total	\$ 117,292	420,401	55,832	80,759	(217,613)	918,667	2,655,293	(2,733,005)	324,683	(412,695)	1,209,614

THE IOWA COMMUNITIES ASSURANCE POOL
 Loss Development through December 31, 2008
 Reported Losses (Paid Losses Plus Case Reserves): Police Professional
 (Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	\$ 127,356	391,028	359,029	495,973	370,942	370,942	370,942	370,942	370,942	370,942
2000		290,325	361,952	297,292	237,117	250,041	250,353	257,041	248,092	248,092
2001			221,551	190,991	152,679	152,073	155,459	155,459	142,772	142,772
2002				280,241	396,778	1,168,506	986,658	606,309	606,636	609,600
2003					148,064	455,403	913,062	695,922	612,721	612,721
2004						92,733	2,555,971	531,571	512,380	468,855
2005							520,146	575,130	679,892	688,767
2006								680,359	1,287,657	1,234,284
2007									508,287	622,258
2008										424,556
Total	\$ 127,356	681,353	942,532	1,264,497	1,305,580	2,489,698	5,752,591	3,872,733	4,969,379	5,422,847

Claim year	Claims reserve changes during										Total
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
1999	\$ 127,356	263,672	(31,999)	136,944	(125,031)	—	—	—	—	—	370,942
2000		290,325	71,627	(64,660)	(60,175)	12,924	312	6,688	(8,949)	—	248,092
2001			221,551	(30,560)	(38,312)	(606)	3,386	—	(12,687)	—	142,772
2002				280,241	116,537	771,728	(181,848)	(380,349)	327	2,964	609,600
2003					148,064	307,339	457,659	(217,140)	(83,201)	—	612,721
2004						92,733	2,463,238	(2,024,400)	(19,191)	(43,525)	468,855
2005							520,146	54,984	104,762	8,875	688,767
2006								680,359	607,298	(53,373)	1,234,284
2007									508,287	113,971	622,258
2008										424,556	424,556
Total	\$ 127,356	553,997	261,179	321,965	41,083	1,184,118	3,262,893	(1,879,858)	1,096,646	453,468	5,422,847

THE IOWA COMMUNITIES ASSURANCE POOL

Loss Development through December 31, 2008

Reported Claim Counts: Police Professional

(Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	15	39	44	46	46	46	46	46	46	46
2000		17	26	30	31	31	31	31	31	31
2001			23	31	34	34	35	35	36	36
2002				37	50	55	57	57	57	58
2003					19	35	48	50	50	50
2004						20	27	38	39	39
2005							36	55	67	68
2006								36	58	79
2007									34	55
2008										35
Total	<u>15</u>	<u>56</u>	<u>93</u>	<u>144</u>	<u>180</u>	<u>221</u>	<u>280</u>	<u>348</u>	<u>418</u>	<u>497</u>

THE IOWA COMMUNITIES ASSURANCE POOL

Loss Development through December 31, 2008

Paid Losses: Public Officials Liability

(Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	\$ 13,854	278,068	526,469	696,439	703,048	738,467	747,004	781,367	781,367	781,367
2000		65,452	187,175	331,519	385,821	506,964	509,355	508,908	508,922	508,922
2001			81,672	330,928	596,545	859,093	1,007,165	1,025,502	1,050,619	1,319,736
2002				111,961	443,213	1,023,833	1,310,703	1,328,255	1,510,784	1,516,971
2003					64,134	652,160	798,747	1,118,366	1,158,833	1,177,991
2004						48,842	141,732	268,468	290,888	309,647
2005							87,666	470,977	635,833	770,137
2006								249,292	810,633	1,524,102
2007									127,188	565,137
2008										164,495
Total	\$ 13,854	343,520	795,316	1,470,847	2,192,761	3,829,359	4,602,372	5,751,135	6,875,067	8,638,505

Claim year	Loss payments during										Total
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
1999	\$ 13,854	264,214	248,401	169,970	6,609	35,419	8,537	34,363	—	—	781,367
2000		65,452	121,723	144,344	54,302	121,143	2,391	(447)	14	—	508,922
2001			81,672	249,256	265,617	262,548	148,072	18,337	25,117	269,117	1,319,736
2002				111,961	331,252	580,620	286,870	17,552	182,529	6,187	1,516,971
2003					64,134	588,026	146,587	319,619	40,467	19,158	1,177,991
2004						48,842	92,890	126,736	22,420	18,759	309,647
2005							87,666	383,311	164,856	134,304	770,137
2006								249,292	561,341	713,469	1,524,102
2007									127,188	437,949	565,137
2008										164,495	164,495
Total	\$ 13,854	329,666	451,796	675,531	721,914	1,636,598	773,013	1,148,763	1,123,932	1,763,438	8,638,505

THE IOWA COMMUNITIES ASSURANCE POOL

Loss Development through December 31, 2008

Case Reserves: Public Officials Liability

(Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	\$ 166,037	290,518	525,258	39,382	—	—	13,463	—	—	—
2000		166,746	313,401	192,881	111,314	111,911	109,520	9,197	—	—
2001			570,863	488,592	857,601	257,792	47,658	233,959	208,842	72,225
2002				764,775	669,035	980,386	261,294	183,844	117,790	111,617
2003					478,395	416,731	474,944	113,819	114,197	131,731
2004						211,883	426,081	510,134	393,120	365,849
2005							294,557	282,783	252,364	145,292
2006								582,719	910,206	417,887
2007									558,535	1,542,507
2008										380,077
Total	\$ 166,037	457,264	1,409,522	1,485,630	2,116,345	1,978,703	1,627,517	1,916,455	2,555,054	3,167,185

Claim year	Claims reserve changes during										Total
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
1999	\$ 166,037	124,481	234,740	(485,876)	(39,382)	—	13,463	(13,463)	—	—	—
2000		166,746	146,655	(120,520)	(81,567)	597	(2,391)	(100,323)	(9,197)	—	—
2001			570,863	(82,271)	369,009	(599,809)	(210,134)	186,301	(25,117)	(136,617)	72,225
2002				764,775	(95,740)	311,351	(719,092)	(77,450)	(66,054)	(6,173)	111,617
2003					478,395	(61,664)	58,213	(361,125)	378	17,534	131,731
2004						211,883	214,198	84,053	(117,014)	(27,271)	365,849
2005							294,557	(11,774)	(30,419)	(107,072)	145,292
2006								582,719	327,487	(492,319)	417,887
2007									558,535	983,972	1,542,507
2008										380,077	380,077
Total	\$ 166,037	291,227	952,258	76,108	630,715	(137,642)	(351,186)	288,938	638,599	612,131	3,167,185

THE IOWA COMMUNITIES ASSURANCE POOL
 Loss Development through December 31, 2008
 Reported Losses (Paid Losses Plus Case Reserves): Public Officials Liability
 (Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	\$ 179,891	568,586	1,051,727	735,821	703,048	738,467	760,467	781,367	781,367	781,367
2000		232,198	500,576	524,400	497,135	618,875	618,875	518,105	508,922	508,922
2001			652,535	819,520	1,454,146	1,116,885	1,054,823	1,259,461	1,259,461	1,391,961
2002				876,736	1,112,248	2,004,219	1,571,997	1,512,099	1,628,574	1,628,588
2003					542,529	1,068,891	1,273,691	1,232,185	1,273,030	1,309,722
2004						260,725	567,813	778,602	684,008	675,496
2005							382,223	753,760	888,197	915,429
2006								832,011	1,720,839	1,941,989
2007									685,723	2,107,644
2008										544,572
Total	\$ 179,891	800,784	2,204,838	2,956,477	4,309,106	5,808,062	6,229,889	7,667,590	9,430,121	11,805,690

Claim year	Incremental losses reported during										Total
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
1999	\$ 179,891	388,695	483,141	(315,906)	(32,773)	35,419	22,000	20,900	—	—	781,367
2000		232,198	268,378	23,824	(27,265)	121,740	—	(100,770)	(9,183)	—	508,922
2001			652,535	166,985	634,626	(337,261)	(62,062)	204,638	—	132,500	1,391,961
2002				876,736	235,512	891,971	(432,222)	(59,898)	116,475	14	1,628,588
2003					542,529	526,362	204,800	(41,506)	40,845	36,692	1,309,722
2004						260,725	307,088	210,789	(94,594)	(8,512)	675,496
2005							382,223	371,537	134,437	27,232	915,429
2006								832,011	888,828	221,150	1,941,989
2007									685,723	1,421,921	2,107,644
2008										544,572	544,572
Total	\$ 179,891	620,893	1,404,054	751,639	1,352,629	1,498,956	421,827	1,437,701	1,762,531	2,375,569	11,805,690

THE IOWA COMMUNITIES ASSURANCE POOL

Loss Development through December 31, 2008

Reported Claim Counts: Public Officials Liability

(Unaudited)

Claim year	Evaluation (as of) date									
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
1999	22	35	41	43	44	50	51	53	53	53
2000		30	38	40	44	61	61	61	61	61
2001			44	58	63	75	77	77	77	78
2002				44	54	67	72	74	84	84
2003					54	57	60	66	70	73
2004						36	50	52	55	55
2005							38	68	74	75
2006								100	139	143
2007									56	71
2008										64
Total	<u>22</u>	<u>65</u>	<u>123</u>	<u>185</u>	<u>259</u>	<u>346</u>	<u>409</u>	<u>551</u>	<u>669</u>	<u>757</u>