

**Iowa Communities Assurance Pool
Board of Directors
Thursday, April 15, 2010**

Hyperion Field Club, Johnston, Iowa

Board members present: Jody Smith, Gary Mahannah, Dave Hageman, Holly Fokkena, Tom Roth, Larry Burger, Alan Kemp, Pam Ward and Bill Peterson. Present from American Risk Pooling Consultants: John Brockschmidt, J.T. Babish, Chris Dondzila, Michele Chandler and Sherri Szajner. Present from Public Entity Risk Services of Iowa: Frank Miller. Present from Bilbrey Insurance Services: Ken Bilbrey, Kasi Koehler and Megan Roth. Present from Plante & Moran: Kevin Krause (9:00 - 10:28 a.m.).

The meeting was called to order at 9:05 a.m. CST by Mr. Smith, Chairman.

Upon motion by Mr. Mahannah, second by Ms. Ward, the agenda was unanimously approved.

No member or citizen comments were brought forward.

Upon motion by Mr. Mahannah, second by Ms. Fokkena, the minutes of the January 14 and February 13, 2010 board meetings were unanimously approved.

Audited Financial Report

On behalf of Plante & Moran, Mr. Krause presented ICAP's 2009 audited financial report. He discussed the audit process, as well as the accounting policies, procedures and estimates used in evaluating the ICAP financials.

He communicated the two evaluations used with ICAP claims and investments and highlighted the importance of documentation related to each.

Mr. Krause indicated an 8.1 percent increase in ICAP membership over the last twelve months and a 20 percent increase over the last five years and related this to correlating increases in total assets, cash and investments. He further discussed ICAP's relative financial stability as related to claims and adjustment expense reserves.

He stated ICAP's alternative investments received the highest level opinion by Plante & Moran. Mr. Krause further communicated the overall success of the audit process and stated audit fees will likely be lower than what was originally quoted. Final fees will be announced at the May APEEP Board meeting.

Discussion ensued and the Board entered into an Executive Session from 9:33 – 10:29 a.m. to discuss the Audited Financial Report with Mr. Krause. The Board then took a brief recess and reconvened at 10:38 a.m.

Mr. Mahannah moved to receive and file the 2009 Audited Financial Report and to authorize ARPCO staff to sign the letter of representation addressed to Plante & Moran. Mr. Hageman seconded and the motion was unanimously approved.

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Ms. Szajner provided an overview of the financial report provided in the Board book as related to ICAP's financial activity and fund balances. She presented an analysis of the financial market with comparisons to the Pool's status in 2008 and 2009. Ms. Szajner highlighted the relative stability of the Pool's funds and indicated a slight decrease in claim payments due to weather patterns.

2010 Election Process – Appointment of Nominating Committee

Mr. Smith provided an overview of this task and appointed Mr. Roth and Mr. Hageman, the most recently elected Board members, to this committee. It was indicated the terms for both Mr. Smith and Ms. Ward expire December 31, 2010.

Investment Report

Mr. Smith reviewed the Investment Report and acknowledged the bonds for the Tribune Company, GMAC and Knight Ridder will continue to be held notwithstanding their rating because all three have continued to climb in market price.

He indicated that the Pool recouped nearly \$6,000 previously paid in foreign taxes. He further indicated Graystone Consulting recommends moving select funds to a more global focus.

Mr. Smith stated ICAP's overall fixed income allocation is just slightly below the desired level and adjustments will be made. The ending market value of the Pool is nearly \$37.5 million, approximately \$2.25 million of which is cash.

Discussion ensued and Mr. Smith relayed that the Investment Committee considers the holdings of the Pool are currently in excellent condition.

Claims Report

Mr. Miller and Mr. Dondzila reviewed new and active claims with reserves or recent payments of \$100,000 or more.

Loss Control Report

Ms. Chandler reviewed the loss control report as provided in the Board handbook. She explained the concept of liability visits and announced 73 ICAP Members have benefited from these over the last few months.

Ms. Chandler also discussed the increased utilization of the Online Resource Library and free online training for Members. She declared 75 loss control resources have been sent out in the last two months alone.

Marketing / BISI Administration Report

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Mr. Bilbrey and Ms. Koehler reported on the Marketing Report as provided in the Board handbook.

BISI and PERSI Staff Introductions

Mr. Miller introduced Tonia Sherman, a new claims adjuster with PERSI. Ms. Koehler introduced Scott Caesar, BISI's new underwriting assistant.

Old Business

a) Unallocated Endorsement Fees

Ms. Koehler discussed a webinar proposal provided by ISU Extension. The proposal related to options for content, target audience and various methods of creation.

Ms. Koehler also commented recent discussions have been held with ARPCO personnel suggesting a legal hotline may work well as a potential alternative or compliment to the webinar presentations.

Mr. Mahannah requested additional insight from a marketing perspective. Ms. Kohler suggested the Board proceed with both the webinar proposals and the legal hotline.

Mr. Brockschmidt commented ARPCO is in favor of the legal hotline and indicated the cost of the legal hotline could be negotiated on a not-to-exceed basis. Discussion ensued and, based on previous experiences, Mr. Kemp and Mr. Peterson offered insight.

Mr. Mahannah moved to approve the webinar portion of this proposal and to discuss the legal hotline further at the June Board meeting at which time BISI will have more information and possibly input from a legal professional. Ms. Ward seconded and the motion was unanimously approved.

b) CRF Update

Ms. Chandler provided a brief CRF overview and indicated that ARPCO met with York in March to evaluate CRF and will be making a detailed presentation to the Board at its June meeting. Mr. Smith requested this item be added to the June meeting agenda.

c) ICAP – IMWCA Joint Loss Control Meeting

Mr. Babish provided details from the ICAP – IMWCA Joint Loss Control meeting held March 22, 2010. He discussed commonalities between the organizations' loss control efforts and relayed the meeting attendees' decision to continue conducting Member loss control visits separately but to coordinate such meetings for the convenience of

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the Member.

Mr. Babish mentioned Human Resources and stressed the need for loss control representatives to distinguish between liability and workers' compensation issues. He relayed the many benefits of the meeting and commented those present unanimously agreed to meet again. Mr. Kemp spoke in agreement with Mr. Babish's comments.

d) 2011 Board Meeting Calendar

Ms. Roth presented the proposed 2011 Board meeting calendar for the Board's consideration. Mr. Peterson indicated a potential conflict with an ISAC event for the January meeting date.

Mr. Burger moved to approve the 2011 meeting calendar with the exception of the January meeting. Ms. Ward seconded and the motion was unanimously approved. Ms. Roth will provide additional insight as to the January 2011 meeting options at the June Board meeting.

New Business

a) APEEP Update

Mr. Smith drew attention to the APEEP report included in the Board book. Mr. Mahannah commented additional details will follow after the APEEP Board meeting in May.

b) Next Regular Meeting

Ms. Roth reported the next regularly scheduled ICAP Board Meeting will be held June 17, 2010 at the ISAC office in Des Moines. Following the meeting, the ICAP and IMWCA Board of Directors will gather at 3 p.m. for a joint Board meeting, which will be held at Court Avenue Brewing Company.

Mr. Smith adjourned the meeting at 1:26 p.m. CST.

Respectfully submitted,

Dave Hageman, Secretary

DH/mmr