



# 20 ANNUAL REPORT 18







# FROM THE MESSAGE CHAIR

**S**ince its formation in 1986, ICAP has looked for ways to continuously provide more value to its members. Whether it's in the form of expanded coverages like cyber, new resources like BOOST Learning, access to specialized online portals like the eRiskHub or new services like the property valuation program, ICAP has succeeded in achieving its goal . . . so much so that we've created an entire guide to communicate all of the ways the ICAP program has grown over the years.

Coupled with the mailing of this Annual Report, you will find the ICAP Member Services Guide, which provides detailed descriptions of programs, services and resources offered by ICAP. In addition to the information contained in the Guide, we would like to take this opportunity to provide you with some 2018 highlights:

## **Cyber Breach Coverage Expansion**

All ICAP members are automatically provided with \$250,000 in cyber breach coverage. To offer members more protection against emerging cyber-related risks, in 2018 ICAP expanded the scope of coverage to include coverage for ransomware, regulatory responses, event management and phone system breaches. This coverage is provided free of charge.

## **New Learning Management System**

A new Learning Management System was introduced in 2018, providing members with the ability to easily assign in-depth and interactive training to employees and track training through Public Entity University. Public Entity University offers training on a wide range of topics including employment liability, law enforcement, parks and recreation, cyber security and health and safety, and can be accessed through the Resource eLibrary.

## **BOOST Learning**

ICAP also introduced BOOST Learning, which offers a series of three to five minute scenario-based training modules delivered straight to employees' email - no login to the eLibrary is required. Training is tracked through the Learning Management System in Public Entity University. BOOST learning is created specifically for today's learners and optimized for mobile learning. BOOST learning provides training in a variety of areas including health and safety, cyber security, employment liability, human capital, computer skills, driver safety and law enforcement, so be sure to check out this new resource.

## **New Planning and Zoning Resources**

In 2018, ICAP approved funding for additional planning and zoning resources for ICAP members. The planning and zoning resources will be in the form of workshops held at different locations throughout the state, so stay tuned for information on upcoming workshops in your area!

ICAP had another great year and we have you, our members, to thank for ICAP's success. We look forward to serving your community in the years to come - as together we make ICAP the premier local government risk sharing pool in the country.

**JODY SMITH**

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ICAP Board Chairman



# BOARD OF DIRECTORS

## JODY SMITH, CHAIRMAN

Representing the City of West Des Moines | [jesiaconsult@aol.com](mailto:jesiaconsult@aol.com)



Jody has been involved with Iowa local governments for more than 40 years and has served as a member of the ICAP Board of Directors since 1987. In addition to serving as Chairman of the Board since 1992, Jody also serves as a member of the executive committee and oversees investments made on behalf of the Pool. Since retiring from the City of West Des Moines, Jody continues to represent that community on the Board of the Wastewater Reclamation Authority and as a Trustee of West Des Moines Water Works. Prior to working for the City of West Des Moines as Finance/Budget Director, Director of Administrative Services, City Clerk, Deputy City Manager and twice as Interim City Manager, Jody gained experience as the City Clerk/Treasurer for the City of Clinton and as Mayor of the City of Ayrshire.

## GARY MAHANNAH

Representing the City of Polk City | [gary.mahannah@outlook.com](mailto:gary.mahannah@outlook.com)



Gary has been a member of the ICAP Board of Directors since 1987. He was the City Administrator for the City of Polk City for 14 years and was employed as the City Administrator/Clerk for the City of Sac City for 23 years prior. In addition to serving as Vice Chairman, Gary also serves on multiple committees for the ICAP Board and is the ICAP representative and Vice Chairman of the American Public Entity Excess Pool Board of Directors. He has 43 years of experience working with local government and a long history of participating on various local, regional and state boards and previously served as President of the Iowa Municipal Finance Officers Association.

## DAVE HAGEMAN, SECRETARY

Representing Winneshiek County | [hagemada@icloud.com](mailto:hagemada@icloud.com)



Dave has been a member of the ICAP Board of Directors since 2000 and has been involved with municipal management in a variety of positions. He served five terms on the Winneshiek County Board of Supervisors and was the Allamakee County Maintenance Superintendent for two years before rejoining Winneshiek County as the County Landfill Manager in 2004. In addition to his involvement with various organizations and committees, Dave has served many years as a volunteer fireman for the Fort Atkinson Fire Department and as an adjutant for the Local American Legion Post.

## LARRY BURGER

The Combined Lake Delhi Rec Facility & Water Quality District | [lburger@speerfinancial.com](mailto:lburger@speerfinancial.com)



Larry was elected to the Board of Directors of The Combined Lake Delhi Recreational Facility and Water Quality District in August 2012. This was the start of his second round of service to the Lake, as he also served a total of 12 years in the 1980s, 1990s and 2000s on the Lake Delhi Recreation Association. Since 1993, Larry has been a Vice President at Speer Financial, a Registered Independent Municipal Advisor that serves Iowa cities, counties, schools and community colleges by assisting in financial advice and issuance of debt. Prior to this position, he gained experience in the public sector as a City Clerk/Finance Director for a major Iowa City and as a Deputy County Auditor.





**TOM ROTH**

**Representing the City of Bellevue | roth270@hotmail.com**

Tom was elected to the ICAP Board of Directors in 1990, when he was employed as the City Administrator for the City of Bellevue. Eight years later, Tom assumed the position of Vice President/Compliance Officer for the Bellevue State Bank, where he obtained his Iowa Insurance License and became the only current Board member to hold the designation. In 2007, Tom returned to municipal management when he assumed the role of City Administrator for the City of Camanche, a role he filled until his retirement.



**MICHAEL BERGAN**

**Representing HAWC Partnerships for Children | berganmr@gmail.com**

Michael was appointed to the ICAP Board of Directors in 2012. He currently serves as a state representative for House District 55 in the Iowa legislature. He served as the Executive Director of the HAWC Partnerships for Children, an Early Childhood Iowa/Decategorization Area for Howard, Allamakee, Winneshiek and Clayton Counties 2005-2017. Prior to HAWC, Michael served on a number of local boards and commissions including the Winneshiek County Board of Supervisors (1997-2004), the Iowa Early ACCESS Council, the Early Childhood Iowa, and the Mental Health Developmental Disabilities Commission, among others.



**LOIS HUITINK**

**Representing Sioux County | lois.jane.huitink@gmail.com**

Lois joined the ICAP Board of Directors in August 2012. She began her career working for the Federal Government as a Civil Servant at the Pentagon in Arlington, Virginia. In 1984 Lois joined the staff of the Sioux County Auditor's office. She held the position of Sioux County Auditor from June 2006 until her retirement in December 2016. She has served on the Iowa Secretary of State Advisory Board and the State Election Administrator's Training Board. Currently Lois serves as the Clerk for Holland Township.



**ALAN KEMP**

**Iowa League of Cities | alankemp@iowaleague.org**

Alan began serving as an ex-officio member of the ICAP Board of Directors after he was named the Executive Director of the Iowa League of Cities in January 2008. Prior to joining the League in 1999, Alan gained experience in the public entity sector by serving as the City Administrator for the City of Mitchellville and as the Administrative Assistant for the City of Windsor Heights.



**BILL PETERSON**

**Iowa State Association of Counties | bpeterson@iowacounties.org**

Bill has served as an ex officio member of the ICAP Board of Directors since the Iowa State Association of Counties (ISAC) endorsed the Pool in 2001. He has held a variety of positions within ISAC, dating back to 1979, when his primary role was to manage the Association's health insurance program and to assist counties with personnel issues. His job duties have changed multiple times, most recently in 1995, when he moved into his current role as ISAC's Executive Director.

# ICAP'S MEMBER SERVICES

## CYBER SERVICES

ICAP's IT Specialist provides on-site consultations on a wide range of topics including websites, wireless accounts, hardware, software, data, disaster recovery, records management, network applications and IT accounting and purchasing. The IT Specialist also assists members with accessing the eRiskHub, the cyber portal available to all ICAP members that contains tools and resources to help prevent a breach and access to a breach coach for assistance in responding to a breach.

## EXPANDED ICAP GRANT

Since the introduction of the ICAP Grant, members have been eligible to receive up to \$1,000 per year in reimbursement for safety items that reduce liability and the potential for claims. In 2018, ICAP expanded the ICAP Grant to include reimbursement for safety measures approved by ICAP's Risk Control team and the removal/remediation of a safety issue approved by ICAP's Risk Control team.

## PUBLIC ENTITY UNIVERSITY

Through the Resource eLibrary, ICAP members have access to Public Entity University (PEU), a portal that offers over 300 in-depth, interactive online training courses specifically tailored to public entities. The courses are conveniently organized into 12 departments for easy navigation. In 2018, a new feature was added that provides members with the ability to easily assign in-depth and interactive training to employees and track training through PEU.





**LEGAL  
ACCESS**

Through the Legal Access program, ICAP members can obtain free legal consultation on questions regarding governmental operations or general municipal law. Topics include without limitation employment matters, wage and hour issues, zoning and land use matters, law enforcement civil liability issues, questions relating to open records and meetings laws, public works civil liability issues, contract review and recommendations and governmental immunities.

**PROPERTY  
VALUATIONS**

ICAP partners with Valuations Northwest, a professional appraisal company, to provide property valuations for historical buildings, water and wastewater treatment plants and structures valued at more than \$100,000.

**LAW  
ENFORCEMENT  
PORTAL**

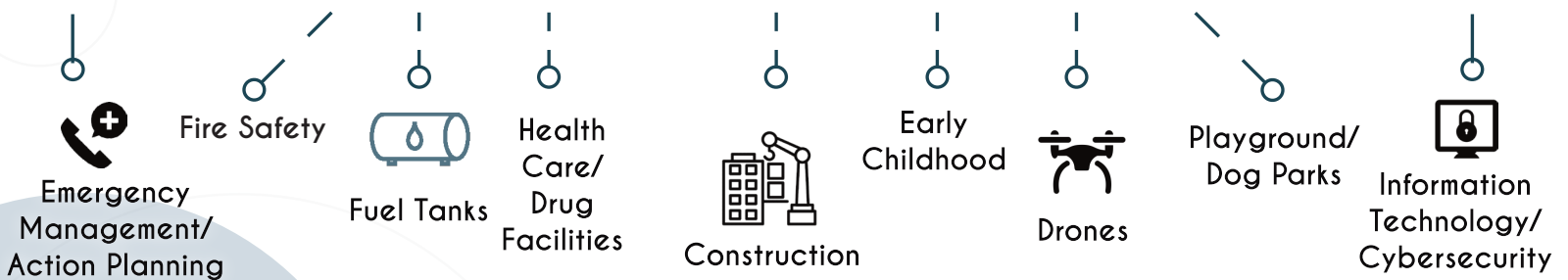
ICAP partners with a law enforcement policy vendor, Legal & Liability Risk Management Institute, to provide sample law enforcement operations and jail/corrections operations policies and procedures to assist law enforcement agencies.

# RISK CONTROL

Risk Control is an organized and continuous effort to prevent and reduce claims and losses. This is accomplished through the identification and analysis of risk and implementation of risk control measures, all with the help of ICAP's Risk Control Team. The Team has decades of experience in providing customized risk control services, training and resources to members in an effort to help keep ICAP communities safe.

ICAP's Risk Control Team consists of six members who are experts in a number of areas of risk prevention including:

## RISK CONTROL TEAM



**Charlie Gerken**  
charlie@icapiowa.com  
772-205-5785



**Todd Christianson**  
todd@icapiowa.com  
515-710-0881



**Dan Cruse**  
dan@icapiowa.com  
947-517-4458



**Top 10  
Recommendation  
Topics Risk  
Control Made  
in 2018**



**Electrical  
Panels/  
Outlets**

**Disaster  
Recovery  
Plans**

**Update/  
Implement  
Policies &  
Procedures**

**Playground  
Safety  
Conditions**

**Fuel  
Tanks**

**MVR  
Checks**



**Maintaining  
Cleared  
Areas**

**Password  
Policies**

**Fire  
Extinguishers**

**Emergency  
Lighting &  
Signage**



**Colette Klier**  
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515-339-8321



**Lindsay Gomez**  
lindsay@icapiowa.com  
515-336-0507



**Janis Hochreiter**  
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515-490-1397

# INDEPENDENT EVALUATION & C



**Crowe LLP** audits the financial statements of the Pool, which includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made, as well as evaluating the overall basic financial statement presentation. Crowe issued an unmodified opinion on the financial statements for the year ended December 31, 2018, which means ICAP's basic financial statements present fairly, in all material respects, the financial position of the Pool, in conformity with generally accepted accounting principles.





**Demotech, Inc.**, a financial analysis firm with over 30 years of experience in providing independent opinions on the financial stability of property and casualty insurance companies, title underwriters and government risk pools, conducts an analysis in four key areas: financial stability, loss reserves, administration and overall performance. In 2018, Demotech issued ICAP the highest rating of AAA, Unsurpassed, in each area, based upon 2017 financial data.



**The Government Finance Officers Association (GFOA)** awarded ICAP a Certificate of Achievement for Excellence in Financial Reporting for the Fiscal Year Ended December 31, 2017. This Certificate signifies ICAP has excelled in publishing an easily readable and efficiently organized financial report, satisfying generally accepted accounting principles and legal requirements. ICAP has earned this Certificate of Achievement for 23 consecutive years.

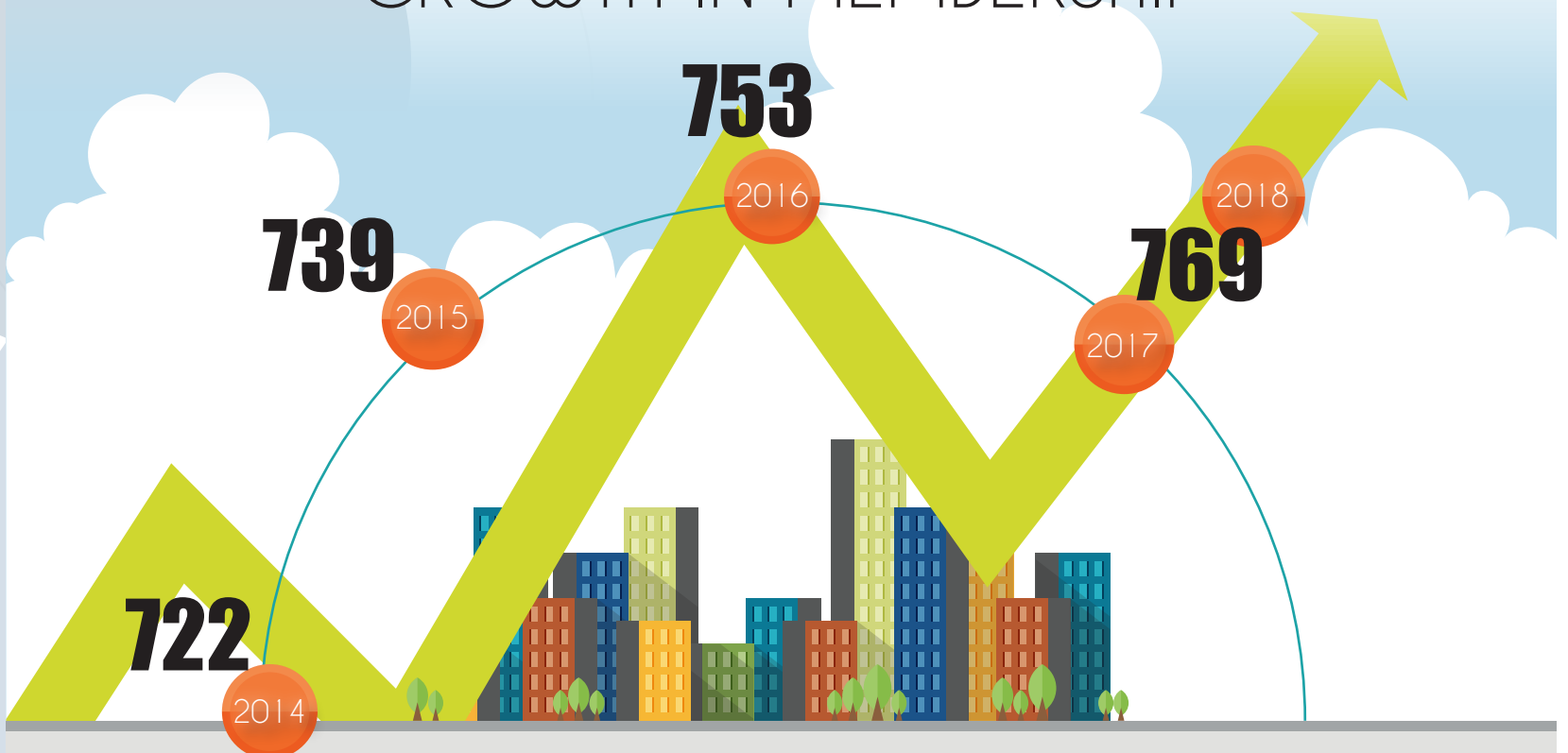
# FINANCIAL OVERVIEW

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

ASSETS	2018	2017
Cash and cash equivalents	\$2,334,665	\$3,202,463
Investment securities	52,520,503	56,704,131
Member contributions to be billed in the future	21,505,523	14,804,044
Other assets	1,514,178	1,288,640
<b>Total assets</b>	<b>\$77,874,869</b>	<b>\$75,999,278</b>

LIABILITIES	2018	2017
Claims and claim adjustment expense reserves	23,544,357	16,678,995
Unearned premium reserves	656,264	766,633
Other liabilities	1,822,765	1,024,618
<b>Total liabilities</b>	<b>26,023,386</b>	<b>18,470,246</b>
<b>Net position - unrestricted</b>	<b>\$51,851,483</b>	<b>\$57,529,032</b>

## GROWTH IN MEMBERSHIP





<b>OPERATING REVENUE</b>	<b>2018</b>	<b>2017</b>
Member contributions	\$38,087,495	\$37,877,816
Reinsurance premiums ceded	(5,744,125)	(5,999,516)
Change in contributions that will be billed in the future to pay unpaid claims	6,701,479	421,289
Total operating revenue	39,044,849	32,299,589
<b>OPERATING EXPENSES</b>		
Provision for claims	25,056,110	17,640,092
General and administrative expenses	13,495,710	13,337,362
Total operating expenses	38,551,820	30,977,454
Net operating income	493,029	1,322,135
<b>NONOPERATING REVENUE (EXPENSE):</b>		
Investment earnings - interest and dividends	1,241,116	1,036,884
Net realized and unrealized gains (losses) on investments	(3,535,209)	4,321,678
Budgetary distributions	(3,683,293)	(3,689,164)
Cumulative reserve fund distributions	(177,032)	47,319
Total nonoperating revenue (expense)	(6,154,418)	1,716,717
Withdrawals - member capital	(16,160)	(32,521)
Change in net position	(5,677,549)	3,006,331
Net position, beginning of year	57,529,032	54,522,701
Net position, end of year	\$51,851,483	\$57,529,032

# MARKETING REPORT

Generally speaking, the purpose of an annual report is to provide a snapshot of an organization's activities and financial performance for a given year. ICAP offers this information to the membership, because it is important our members and agents are kept up to date on the Pool's membership, investments, operating expenses, and more.

We also want to make sure members and agents are kept up to date on another element - one that is especially important to ICAP. We're talking about the human element. We're talking about our people - our team.

In 2018, more than ever before, our people stepped up to the plate, demonstrating to us "how" and "why" ICAP is what it is.

Over the course of the year, we looked to our agents, who helped new and existing members understand how ICAP works, what coverages we afford and more.

We looked to our members, who conveyed the benefits of the Pool to other local governmental representatives throughout the state.

We looked to our team members, who were always on the front lines, ready to travel when and where needed, and to meet with whomever necessary.

And we looked to the ICAP Board of Directors, who worked diligently to ensure ICAP's service and coverage offerings were superior to anything any other coverage provider affords.

MEMBER SITE VISITS

550

SPECIAL REQUESTS

100

PROPERTY VALUATIONS

84

We are fortunate to be able to rely on so many individuals throughout the state, an aspect of the Pool that is made possible because we are present. We are a team of lowans who live and work alongside you in our local communities.

In fact, in addition to the 270+ local insurance agents who work with and alongside us, ICAP has team members living in more than 20 communities across the state.

As they have every other year, those team members hit the ground running in 2018. Risk Control representatives conducted a total of 550 member site visits and responded to nearly 100 special requests. ICAP Marketing worked with Valuations Northwest to conduct 84 property valuations, which led to the discovery of more than \$408 million in uninsured and underinsured property. ICAP Claims representatives processed more than 3,000 claims, and ICAP Underwriters worked alongside agents and members to help 548 Iowa public entities receive a total of more than \$536,000 in funds from The ICAP Grant.

These numbers are staggering, and made possible by the sheer fact we are lowans. We are here, working alongside you in member communities. We are here, attending meetings and listening to municipal representatives discuss their entities' needs. We are here, and we are always here for you.

This was the case as we worked together and alongside one another in 2018, and it will continue to be the case as we work together and alongside one another in the months and years to come.

**548**  
PUBLIC ENTITIES RECEIVED

**\$536,000**  
ICAP GRANT FUNDS



**KEN BILBREY**



**KASI KOEHLER**





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