



IS PROUD TO ANNOUNCE THAT IT HAS RECEIVED A  
2017 FINANCIAL STABILITY RATING OF  
**AAA, UNSURPASSED**



[WWW.ICAPIOWA.COM](http://WWW.ICAPIOWA.COM)

## About ICAP

### 2016 Balance Sheet Summary (Property & Casualty)

Cash and Investments	\$57,413,921
Claim Reserves	\$15,783,274
Net Position	\$54,522,701

### 2016 Operations Summary (Property & Casualty)

Member Contributions	\$36,845,545
Claim Expense	\$14,164,932
Change in Net Position	\$ 3,099,196

*"It is of the opinion of Demotech, Inc. that the Iowa Communities Assurance Pool has earned a 2017 Financial Stability Rating of AAA, Unsurpassed, the highest rating, which ICAP has received for twenty-six consecutive years."*

ICAP is a local government risk pool that offers comprehensive liability and property coverages specifically tailored to meet the needs of Iowa public entities. ICAP provides an alternative to traditional insurance and differs philosophically from traditional insurance programs in that ICAP is owned by its members and serves only its members' interests. ICAP is endorsed by the Iowa League of Cities, the Iowa State Association of Counties and the Association of Iowa Fairs.

ICAP uses reinsurance and excess risk-sharing arrangements to reduce its exposure to loss. These agreements permit recovery of a portion of ICAP's claims from reinsurers and from a risk-sharing arrangement. The reinsurance arrangement is well structured and has adequate funds to meet the needs of the group.

Year after year, ICAP has met all of its operating and claim payment obligations while building substantial financial equity for its members. ICAP has 753 members and a high member retention rate (98.6% in 2016). Availability of broad coverage, consistency in price and high quality risk management and claim handling services are the areas where ICAP shines.

In addition to the independent review performed by Demotech, Inc., other entities provide independent analysis and audit of ICAP's financial operations:

Plante Moran, PLLC audited the 2016 financial statements of the Pool and issued an unmodified opinion (the highest opinion).

The Government Finance Officers Association awarded ICAP a Certificate of Achievement for Excellence in Financial Reporting for the Fiscal Year Ended December 31, 2015.





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## What does AAA, *Unsurpassed* mean?

An AAA rating means that the entity possesses unsurpassed financial stability related to maintaining positive surplus with regard to policyholders, liquidity of invested assets, an acceptable level of financial leverage, reasonable loss and loss adjustment expense reserves and realistic pricing.

### Financial Stability Rating<sup>®</sup>

Based on a review of data included or referenced in this report, Demotech assigned ICAP a Financial Stability Rating of: AAA, *Unsurpassed*

### Loss Reserve Opinion

Based on a review and analysis of the Iowa Risk Management Agreement and the Pool's loss reserves, Demotech assessed ICAP's Loss Reserve Adequacy as: AAA, *Unsurpassed*

### Administration

Based on an independent investigation and review of the procedures and controls utilized by the administrator of ICAP, Demotech assigned an opinion of: AAA, *Unsurpassed*

### Overall Performance

Based on the above opinions, analysis and overall Pool history, Demotech assigned an Overall Rating of: AAA, *Unsurpassed*

## What is a Financial Stability Rating<sup>®</sup>?

A Financial Stability Rating (FSR) is a leading indicator of the financial stability of a company. FSRs are based upon a series of quantitative ratios and quantitative considerations using statutory financial data and insurance accounting principles prescribed or permitted by the National Association of Insurance Commissioners (NAIC). FSRs, and the process by which they are determined, have been formally reviewed and accepted by Fannie Mae, Freddie Mac and HUD.

## Who assigns a Financial Stability Rating<sup>®</sup>?

Demotech, Inc., is a financial analysis firm with over 30 years of experience in providing independent opinions on the financial stability of government risk pools, property and casualty insurance companies, risk retention groups and title underwriters. When compared to other agencies' ratings (such as A. M. Best, Moody's, Standard and Poor's, and Fitch), FSRs show relative consistency in the factors that drive the ratings.

## Rating Categories

AAA	Unsurpassed	AA	Very Good
A	Above Average	BBB	Average
BB	Acceptable	B	Fair