



Annual Report

ICAP exists solely for the benefit of Iowa public entities. This has been the case for the 35 years ICAP has been in business, and it remains the case today.

2021



Welcome to ICAP's 2021 Annual Report

The purpose of this publication is to provide an annual overview of the Pool's operations, activities, member services and financial performance.

The year marked ICAP's 35th year of work on behalf of Iowa public entities, and the hardened market conditions served to remind us why the Pool was formed so many years ago.

We are proud to report ICAP performed well in 2021, proving itself as resilient as ever, despite challenging market conditions.

ICAP did this while continuing to provide members "of the moment" services and coverages Iowa public entities need. Read on to learn more.



Annual Report Contents

04-11

Program Overview

From the Board to the membership to the team (and the services they provide), take a look at these pages to learn more about the Pool.

12-19

Annual Snapshot

We offered - and learned - a lot in 2021. Take a look at these pages to learn more about all we did and offered members over the course of the year.

20-23

Financials

We offer a comparison of the Pool's 2021 financial performance (over the twelve months prior) and review the independent organizations that evaluate ICAP's financials.

for more information visit us at
www.icapiowa.com

The ICAP Board

Letter from the Chair

“ICAP celebrated its 35th Anniversary in 2021 - and what a year it was.”



Jody E. Smith
Board Chair | City Representative

Representing the City of West Des Moines
jesiaconsult@aol.com

Like the one before it, 2021 was a year that kept the ICAP team (and the market, as a whole) on its toes.

The tumultuous ups and downs of the pandemic, coupled with severe weather events and evolving (read: hardening) market conditions, placed new hurdles in front of members, agents and ICAP team members alike.

Despite the hardships, we never doubted these were hurdles our team would overcome. And overcome, we did.

ICAP's service providers went above and beyond to enhance coverages, source reinsurance in trying times and elevate the many risk management services we provide for ICAP members.

Not only that, our team did all of this while also introducing several new educational initiatives for our members. These included the introduction of HR webinars; the provision of online training for local law enforcement; the hosting

of specialized planning and zoning workshops; and so much more.

While the ICAP Board is proud of the Pool's ingenuity and strategic initiatives, I must acknowledge we also have you, ICAP members, to thank, as you were the inspiration behind them.

You were the ones who offered us feedback on existing services. You were the ones who reached out to share your thoughts and, in some instances, request new offerings. You were the ones who provided us the wealth of information we needed to continue providing cyber coverages. And you were the ones to guide us through the year, letting us know what you did and did not need during tremendously trying times.

It is for those reasons that we owe the ICAP membership gratitude; and it is for those reasons we are making ICAP the premier local government risk-sharing pool in the country.

All Iowans, all member representatives. All working on behalf of the ICAP membership.

Find out more about **Who Serves You**



Larry Burger

Vice Chair | At-Large Representative

Representing the Lake Delhi Combined Recreational Water Authority

lburger@burgerdelhi.com



Tom Roth

Secretary | City Representative

Representing the City of Bellevue

roth270@hotmail.com



Michael Bergan

At-Large Representative

Representing the HAWC Empowerment Board

berganmr@gmail.com



Becky Bissell

County Representative

Representing Adams County

acaudit@adamscountyia.com



Matt Mardesen

City Representative

Representing the City of Nevada

matthewmardesen@gmail.com



Jack Seward

County Representative

Representing Washington County

jseward@co.washington.ia.us



Bill Peterson

Ex-Officio Board Member

Representing the Iowa State Association of Counties (ISAC)

bpeterson@iowacounties.org



Alan Kemp

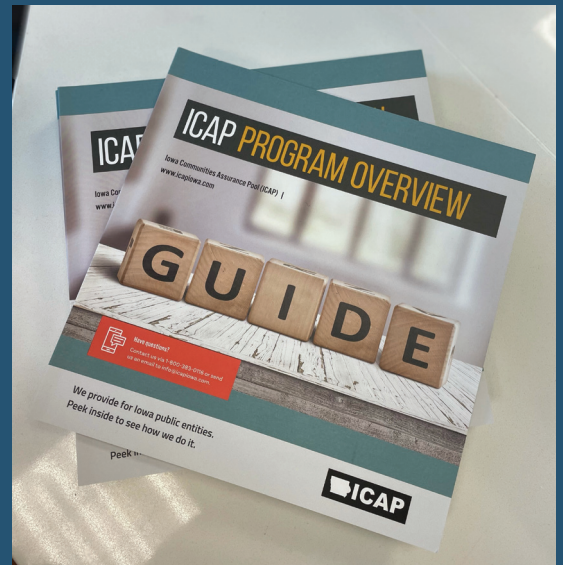
Ex-Officio Board Member

Representing the Iowa League of Cities

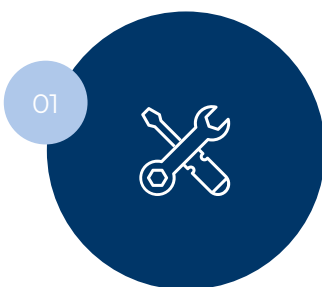
alankemp@iowaleague.org

Overview of Our Program

ICAP provides group self-insurance to Iowa public entities - everything we do and offer is for their benefit.

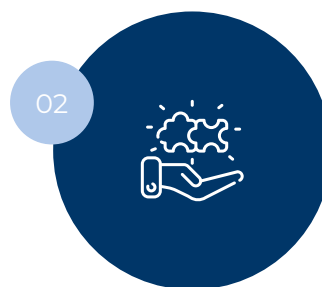


We place value on several features that have enabled our program to grow to what it is today. These include the fact the ICAP program is:



Comprehensive

Every entity that participates in the ICAP program benefits from the Pool's comprehensive risk management offerings. This includes top-of-the-line coverages, of course, as well as extensive service and training opportunities.



Generous

ICAP underwrites the cost for members to access a great many risk management services and resources. Several of these offerings are detailed in the pages that follow (for more information, take a look at ICAP's 2022 Program Guide).

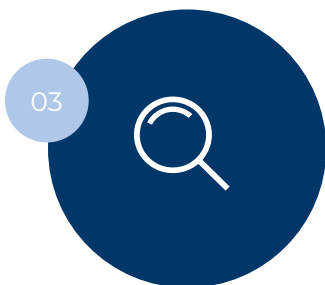
We were formed for the exclusive benefit of Iowa public entities 35 years ago. We still exist for them today.



ICAP was created to provide Iowa public entities coverage during a time of great need. We've grown tremendously in the 35 years since and now provide top-of-the line coverages, along with so much more. We hang our hat knowing we're providing our members the greatest, most comprehensive risk management program their money can buy."

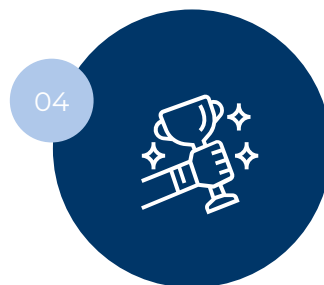


Kasi Koehler
ICAP Marketing & Local Administration



Local

The ICAP team is headquartered in Iowa and has representatives throughout the state. We're proud Iowans. We are local, and we both know and care about what is happening in our member communities.



Reliable

We work with local insurance agents and regularly evaluate our offerings to ensure ICAP members have access to coverages, trainings and risk management resources that are tailored to meet their exclusive needs.

The ICAP Membership

The ICAP membership has grown every year since the Pool's inception in 1986. We're pleased to report 2021 was no exception.



11

New Members

ICAP attracted eleven new members over the course of the year and lost three members due to dissolutions and withdrawals.

794

Member Count

By year-end, ICAP grew to count 794 Iowa public entities as members. Coupled with the Pool's annual retention rate of 99.7%, this reflected a 2% growth in membership over the twelve months prior. We consider this a testament to the continued fact Iowa public entities know a good thing when they see it.



99.7%

Retention Rate

This is the percentage of the ICAP membership that elected to renew membership with the Pool at their 2021 Anniversary Dates.

Coverages

ICAP has long been acclaimed for having the broadest coverage available to Iowa public entities. Our team once again reviewed and enhanced offerings to ensure members had access to coverages beyond those available through the standard insurance marketplace.

Risk Management

From virtual reviews to in-person walk-throughs and face-to-face meetings, ICAP's Risk Control teams tailored the services they provide to meet the communication and service needs of members. This was especially important, given the continued ups and downs of the pandemic.



Training

From law enforcement to human resources to planning and zoning and more, ICAP introduced a number of new training options for its membership in 2021. The majority of these offerings were so well-received they'll remain on the Pool's roster for 2022.

Customization

Many of the coverages and services provided by ICAP were custom-created and tailored to meet the needs of Iowa public entities. Understanding "one size" does not fit all, we worked with members to ensure they have access to the resources and other offerings they needed.



Get to know

The ICAP Team

Our crew hangs its collective hat on the fact we're local. We are proud Iowans who care about our member communities, so we work to ensure they have access to all they need.

The ICAP team consists of claims representatives, risk control specialists, underwriters, marketers, licensed insurance agents and more. Team members work together and separately to ensure all member representatives have access to coverages, services and any other information they may need.

Similar to the year before, the majority of ICAP team members worked remotely in 2021. Yet, despite our "work from home" situation, we continued to take and maintain a "hands-on" approach with the membership, as well as with our agent base.

Have questions? Feel free to contact a team member via the information at right.

MARKETING & LOCAL ADMINISTRATION | 1-800-383-0116

Joni Biggart, Executive Assistant | joni@icapiowa.com | 515-727-1589

Tim Butler, Senior Underwriter | tim@icapiowa.com | 515-727-1584

Tonia Hartman, Staff Accountant | thartman@icapiowa.com | 515-727-1592

Megan Hirst, Marketing & Events | megan@icapiowa.com | 712-560-0412

John Kamerick, Underwriter | jkamerick@icapiowa.com | 515-727-1599

Kasi Koehler, Marketing Manager | kasi@icapiowa.com | 515-727-1585

Charlotte Miller, Senior Underwriter: NB & Quality Assurance | cmiller@icapiowa.com | 515-727-1597

Alec Moore, Underwriter | alec@icapiowa.com | 515-251-1733

RISK CONTROL

Todd Christianson, Senior Risk Control Specialist | todd@icapiowa.com | 515-710-0881

Brian Courtney, Law Enforcement Risk Control Specialist | bcourtney@icapiowa.com | 515-724-9609

Dan Cruse, Director of Risk Control | dan@icapiowa.com | 947-517-4458

Cruise Davis, Risk Control Specialist | cdavis@icapiowa.com | 515-322-7114

Lindsay Gomez, Risk Control Specialist | lindsay@icapiowa.com | 515-336-0507

Janis Hochreiter, Senior Risk Control Specialist | janis@icapiowa.com | 515-490-1397

Colette Klier, Senior Manager IT Risk Control | colette@icapiowa.com | 515-339-8321

Lee Sharp, IT Risk Control Specialist | lsharp@icapiowa.com | 515-350-8381

CLAIMS | 1-888-520-4074

Marjie Akers, Senior Administrative Assistant | marjie@icapiowa.com | 515-727-1593

John Baum, Litigation Claims Manager | jbaum@icapiowa.com | 515-727-1587

Johanna Beason, Claims Representative | johanna@icapiowa.com | 515-251-1729

Lori Crittenden, Litigation Consultant | lori@icapiowa.com | 515-251-1728

Jeanette Fish, Claims Examiner | jfish@icapiowa.com | 515-727-1586

Shannon Killam, Claims Examiner | shannon@icapiowa.com | 515-639-3117

Carey Miller, Claims Representative | carey@icapiowa.com | 515-727-1590

Amy Miner, Senior Claims Manager | amy@icapiowa.com | 515-727-1594

Nancy Muetzel, Claims Examiner | nmuetzel@icapiowa.com | 515-251-1731

John Mullarkey, Claims Examiner | john@icapiowa.com | 515-727-1596

Aaron Scharmota, Claims Team Lead | aaron@icapiowa.com | 515-727-1591

Tonia Sherman, Claims Examiner | tonia@icapiowa.com | 515-251-1726

Brenda Snyder, Claims Examiner | brenda@icapiowa.com | 515-727-1595

Karla Starman, Claims Examiner | kstarman@icapiowa.com | 515-251-1727

A look at the

Services Offered

From underwriting to risk control; claims management to building evaluations, property reviews and more, the ICAP team provides comprehensive risk management services to public entities throughout the state.



In acknowledgment of member needs, we ramped up member education efforts in 2021. To capitalize on our service initiatives from the year prior, our team grew the ICAP event schedule to include more educational events than any year before.

In addition to monthly law enforcement training sessions, we began offering quarterly HR webinars for member representatives. We offered specialized planning & zoning workshops, which were hosted in conjunction with ISU Extension and offered exclusively for ICAP members. We introduced quarterly market update discussions, semi-annual IT risk control webinars, cyber application assistance sessions and so much more.



Communication efforts - we built them out (then we built them out some more).

Understanding members and agents had questions pertaining to the hardening insurance market, we once again provided a wealth of information to help them understand market circumstances and mitigate related risks.

We did this through monthly web updates; semi-annual market pieces; live webinars and assistance sessions; “What’s the Risk?” video clips; and

informational tidbits in the form of “Lightbulb Moments,” among other things.

We also began hosting drop-in Q&A sessions, live, via Zoom, every Friday morning. These provided members and agents a designated window of time to ask questions, request assistance and interact with members of the ICAP team.



Interactions with our members...

once again proved invaluable to the Pool, as a whole, as well as for individual team members.

We received incredible feedback from the membership over the course of the year, and were so grateful to the many member representatives who reached out with feedback on events and service offerings. We were grateful to those who requested training on specific topics; to those who made suggestions for future offerings; and to those who contributed to the betterment of the services offered by the Pool.

A snapshot of what

We Provided in 2021

If we've said it once, we've said it a thousand times: ICAP members are at the heart of all we do.



#icapiowa



LE
Training

In addition to hosting 27 training sessions exclusively for member agencies, ICAP underwrote the full 2021 subscription costs for member law enforcement departments that chose to participate in trainings offered through Police Legal Sciences (PLS).



We hosted live webinars

More than two dozen of them, offered for both members and agents.



35th Anniversary

In celebrating the Pool, we celebrated our members. After 35 years, we are still so proud of all they do.

Lightbulb Moments



To help bring awareness to certain exposures, ICAP began offering “Lightbulb Moments” - short, quick-hitting video clips intended to draw attention to designated issues and exposures.

Educational Content



Understanding “knowledge is power,” ICAP began publishing semi-annual “Market Updates,” which were intended to help make members aware of market conditions. In addition, we offered a number of exclusive publications and online sessions, as highlighted below. To further address member needs, we also offered a number of specialized, virtual sessions during the 2021 Educational Summit, ICAP’s annual member education event. This included de-escalation training courses, which were hosted by the Verbal Judo Institute.



Audio & Video Clips

These included safety tips, market updates, service overviews, team member introductions, coverage updates and more.



Live “drop in” sessions

The ICAP team began hosting Q&A sessions each Friday. In addition, we hosted cyber application assistance sessions for members.



Specialized Courses

These included monthly web updates, Planning & Zoning Workshops, Risk Control *and* HR webinars hosted for ICAP members.

In addition to member offerings, our team hosted 15 agent education sessions over the course of the year and celebrated eight agents who successfully completed ICAP’s Agent Academy.

495

*continuing education
credits were awarded*

Other

News from the Team

In addition to the new educational initiatives the Pool introduced in 2021, the year proved noteworthy for a number of other reasons, as well.



“ICAP has accomplished so much in its 35 years of doing business. Much of the Pool’s success can be attributed to the members and agents that support us. The rest is down to the incredible team that stands behind us and works on behalf of the program.



Tom Roth
ICAP Board Secretary



ICAP Celebrated 35 Years

That's 35 years of success, of course, but equally important, it's 35 years of providing coverages and risk management solutions to Iowa public

entities.

We used the Pool's 35th Anniversary to further our "Do Good, Be Iowa" campaign and were fortunate to have a number of members and agents share in the celebrations with us.



Record Grant Funds Provided

In 2021, we saw members utilize funds allocated via The ICAP Grant more than ever had before. The Pool awarded funds in excess of \$561,400 to 576 ICAP members, marking the grant's greatest utilization since inception five years ago. Members used grant funds to purchase security equipment, safety lighting, IT solutions, training courses and so much more. We are pleased to report grant funding will again be available in 2022 and encourage members to visit www.icapiowa.com/grant to request funds or learn more.



We Grew the ICAP Team

ICAP's Risk Control team grew by one when it added a new Risk Control Specialist in November 2021. The Pool's Claims team also grew, adding two claims representatives over the course of the year.



We Moved to a New Office

After more than three decades in a neighboring community, our team relocated to Clive, a long-time member city and supporter of the Pool.



We Secured Continued Cyber Reinsurance

We helped members complete an extensive "cyber coverage application," which was crucial for securing continued cyber reinsurance coverage. We worked with and alongside members in this effort, which was both beneficial and successful.

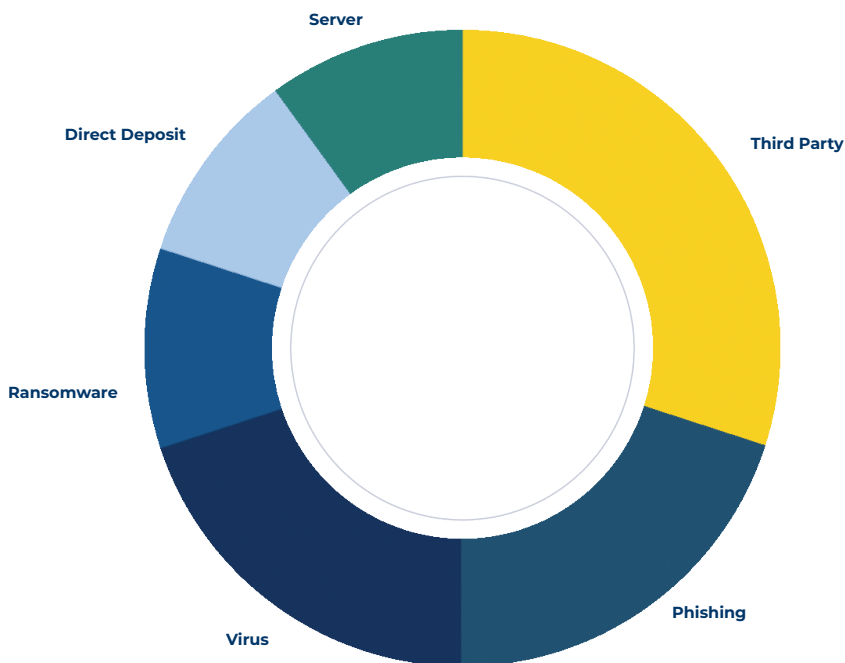
#Topsfor2021

Risk Management Trends

For the second consecutive year, implementing a password policy was the top IT Risk Control recommendation made to member entities.

This was closely followed by IT Risk Control recommendations to implement disaster recovery plans, wi-fi security plans and acceptable use policies. Each of the noted suggestions was made to the majority of members ICAP's IT Risk Control Team visited in 2021.

In addition, ICAP's IT Risk Control Team identified the top cyber breaches to result in a claim, as highlighted in the graph below.



Top Cyber Breaches to Result in a Claim





ICAP's Risk Control Team Identified Three Primary Areas of Loss for Members in 2021

These included...

01 Automobiles

02 Law Enforcement

03 Employment Law

ICAP's Risk Control Team worked diligently to educate members about these exposures (among others) and minimize related risks for their entities. Over the course of the year, the team conducted multiple educational workshops; offered hands-on assistance; and created specialized resources to help protect members against the potential for loss.

Year-End

Financial Overview

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

ASSETS	2021	2020
Cash and cash equivalents	\$8,705,586	\$2,667,388
Investments, at fair value	38,216,913	43,139,981
Member contributions to be billed in the future	28,133,077	30,485,119
Other assets	3,335,936	6,821,567
Total Assets	78,391,512	83,114,055

LIABILITIES	2021	2020
Claims and claim adjustment expense reserves	30,297,370	33,902,911
Unearned premium reserves	409,968	465,353
Other liabilities	2,094,329	1,558,180
Total Liabilities	\$32,801,667	\$35,926,444



ICAP team members made great efforts to communicate the implications of a hardening insurance market in both 2020 and 2021.

Given market circumstances and global uncertainties regarding investments and financial performances, coupled with a continued increase in claim activity and rising property reinsurance costs, we are incredibly pleased with the Pool's continued stability and financial positioning at year-end.

OPERATING REVENUE	2021	2020
Member contributions	\$44,441,631	\$39,519,779
Reinsurance premiums ceded	(12,118,916)	(8,667,160)
Change in contributions that will be billed in the future to pay unpaid claims	(2,352,042)	4,578,731
Total operating revenue	29,970,673	35,431,350

OPERATING EXPENSES	2021	2020
Provision for claims	20,537,879	26,156,999
General and administrative expenses	14,887,244	13,515,057
Total operating expenses	35,425,123	39,672,056
Net operating loss	(5,454,450)	(4,240,706)

NON-OPERATING REVENUE (EXPENSE)	2021	2020
Investment earnings - interest & dividends	365,422	642,594
Net realized and unrealized gains on investments	3,686,697	3,304,933
Budgetary distributions	(3,104)	(2,763,612)
Cumulative reserve fund distributions	(190,439)	(282,368)
Total non-operating revenue	3,858,576	901,547
Withdrawals - member capital	(1,892)	(26,347)
Change in net position	(1,597,766)	(3,365,506)
Net position, beginning of year	47,187,611	50,553,117
Net position, end of year	\$45,589,845	\$47,187,611

Independent

Evaluations & Oversight

In its 35 years of working on behalf of Iowa public entities, ICAP has consistently met and exceeded the rating, auditing and reporting standards set by independent financial services. The Pool did so again in 2021.



#icapiowa



30 years of AAA Ratings

from Demotech, Inc., a financial analysis firm

ICAP received Demotech's AAA Rating - the highest in its class - for the 30th consecutive year. This rating means ICAP 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 pricing. The rating is a leading indicator of the financial stability of the Pool, and is based upon a series of quantitative ratios and qualitative considerations using financial data and insurance accounting principles.

ICAP also received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the 26th consecutive year.

Per the GFOA, ICAP has gone beyond the minimum requirements of generally accepted accounting principles (GAAP) to prepare comprehensive annual financial reports in the spirit of transparency and disclosure.

External professionals

audit the financial statements of the Pool.

The firms noted below work independently to evaluate and assess the Pool's financials.



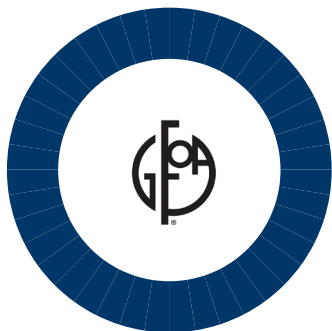
Crowe, LLP

Crowe audits ICAP's financial statements by examining evidence supporting amounts and disclosures; assessing accounting principles; and evaluating the basic financial statement presentation. Crowe issued an unmodified opinion on the financial statements for the year ended December 31, 2021, which means ICAP's basic financial statements fairly present the financial position of the Pool, in conformity with generally accepted accounting principles.



Demotech, Inc.

Demotech, Inc. is a financial analysis firm that provides independent opinions on the financial stability of property and casualty insurance companies, title underwriters and government risk pools. Demotech conducts analysis in four key areas: financial stability, loss reserves, administration and overall performance. As noted on the previous page, Demotech issued ICAP the highest rating of AAA, Unsurpassed, in each area, based upon 2020 financial data.



GFOA

The Government Finance Officers Association (GFOA) again awarded ICAP a Certificate of Achievement for Excellence in Financial Reporting for the Fiscal Year Ended December 31, 2020. This suggests ICAP has excelled in publishing an easily readable and efficiently organized financial report, satisfying generally accepted accounting principles and legal requirements. As noted on the previous page, ICAP has earned this Certificate of Achievement for 26 consecutive years.



www.icapiowa.com

12951 University Avenue, Ste 120,
Clive, IA 50325

P. 800-383-0116

E. info@icapiowa.com

www.icapiowa.com

www.facebook.com/icapiowa

