

1 COMMITMENT +

9 DEDICATED  
Board Members +

3 SPECIALIZED  
Member Service Teams +

3 COVERAGE  
Enhancements +

4 Ways to Provide  
**RELEVANT  
RESOURCES** +

2 Ways to  
**RETURN**  
Pool Savings  
to Members +

3 Forms of  
**FINANCIAL  
REVIEW** =

25 YEARS OF  
SUCCESS



 **ICAP**  
2011 Annual Report

# ICAP Board of Directors



*Back Row (left to right): Alan Kemp, Bill Peterson, Larry Burger, Tom Roth, Dave Hageman and Gary Mahannah.*

*Front Row (left to right): Pam Ward, Jody Smith and Holly Fokkena.*

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## About ICAP

The Iowa Communities Assurance Pool (ICAP) was established in 1986 as a member-owned, group self-insurance program to provide property and casualty coverage to Iowa public entities. ICAP works exclusively through local agents to offer Iowa public entities stable rates, superior coverage and a class of service that is second to none.



# Message From The Chair



## Greetings ICAP Members,

Congratulations on 25 years of success! Through your dedication to pooling and your long-term commitment to the ICAP program, we have flourished to become the largest alternative to traditional insurance for public entities in Iowa.

Since 2011 was the 25th anniversary of ICAP, I looked back over the years with an eye toward what made ICAP what it is today. There were a few things that stuck out. Actually, a *formula* stuck out.

We started with:

### 1 COMMITMENT

When ICAP was formed in 1986, it had a single purpose and commitment: to provide ICAP public entities with broad coverage at a fair and stable price consistently over time. We can proudly say that ICAP has delivered on that commitment 25 times (years)!

### + AND ADDED TO IT:

### 9 DEDICATED BOARD MEMBERS

The ICAP Board was composed with the aim to learn and understand what is important to all types of ICAP members – from cities to counties and townships, to fair boards and other units of local government. Thus, the seven-person Board is comprised of three Directors affiliated with city members, two Directors affiliated with county members, and two at-large Directors. We also have two *ex officio* Directors that represent the Iowa State Association of Counties and the Iowa League of Cities. This composition helps the Board understand the varied needs of the membership and further develop the program accordingly. And, to promote Board continuity, Director terms are staggered so that no more than three Directors are up for election in any one year. If there is an ICAP matter on your mind, we ask you to reach out to any Board member with the concern/question then being brought to the full board for consideration. Your thoughts about the program are important and your past suggestions have helped shaped ICAP into what it has become today!

### 3 SPECIALIZED MEMBER SERVICE TEAMS

Public entities are unique. For example, many have exposures that other entities do not have, such as law enforcement operations and zoning, and they benefit from various immunities. ICAP thoroughly understands how to tailor a program specifically for Iowa public entities because, unlike traditional insurance companies, public entities are ICAP's exclusive focus. With that singular focus in mind, ICAP sought out skilled Member Service Teams *that specialize exclusively in public entity pooling*. York Risk Pooling Services, Inc. serves as the administrator of ICAP and has over 25 years of experience in public entity pooling. Bilbrey Insurance Services, Inc. provides marketing and local member services to ICAP, and it too has decades of experience in public entity pooling. Lastly, ICAP works with Public Entity Risk Services of Iowa (PERSI), a specialty claims and loss control firm located in Johnston, Iowa. PERSI has highly experienced claim specialists, including attorneys, who have been handling property and casualty claims on behalf of public entities for years. Additionally, PERSI's loss control representatives have decades of experience in keeping Iowa communities safe.



## **2 WAYS TO RETURN POOL SAVINGS TO MEMBERS**

A couple of years ago the Board updated a prior equity and surplus evaluation with that report showing that ICAP could, again, return another portion of member equity while continuing to maintain a strong financial position. Consequently the Board revised the risk management agreement to authorize another return of a portion of vested members' contributions to the cumulative reserve fund, resulting in the return, in 2011, of \$1,057,723 in Member equity. In addition to a return of Member equity, the Board annually reviews the financial position of the pool to determine if a budgetary distribution is warranted. In 2011, \$1,497,813 was returned to ICAP members in the form of budgetary distributions. This is one of the many advantages of pooling with ICAP – returning Pool savings to its Members!

## **3 COVERAGE ENHANCEMENTS IN 2011 ALONE**

The Board works with industry experts who regularly review ICAP's coverages to make sure they remain top in the marketplace and responsive to your changing needs. There have been numerous enhancements over the years and we added three more in 2011 in the areas of cyber liability, electronic data, and damage to downspouts and gutters caused by snow and ice.

## **4 WAYS TO PROVIDE RELEVANT RESOURCES IN A VARIETY OF CONVENIENT FORMATS**

We recognize that ICAP members are busy and, therefore, we strive to make relevant resources available in a variety of convenient formats. For example, because it can be difficult to find the time to attend a conference, we arranged for the conferences to come to you in the form of webinars. In 2011 ICAP hosted another webinar series offering seven webinars on a wide variety of employment topics, ranging from *Social Media to Creating an Employee Handbook*. In addition to webinars, ICAP members can request on-site training workshops led by our loss control specialists, sit in on over 500 online training courses, or log on to the Online Resource Library to access over 10,000 multimedia risk management tools. A variety of convenient, relevant and up-to-date resources are always within a member's reach.

## **3 FORMS OF FINANCIAL REVIEW AND OVERSIGHT**

ICAP works with three entities to obtain independent analysis and audit of its financial operations. Plante & Moran, PLLC recently audited the financial statements of the Pool and issued an unqualified opinion, which means that ICAP's basic financial statements present fairly, in all materials respects, the financial position of the Pool at December 31, 2010 and 2011. Demotech, Inc., a financial analysis firm with over 25 years of experience in providing independent opinions on the financial stability of property and casualty insurance companies, title underwriters and government risk pools, conducted an analysis in four key areas: financial stability, loss reserves, administration and overall performance. In 2011, Demotech issued ICAP the highest rating of AAA (Unsurpassed) in each area. Finally, the Government Finance Officers Association of the United States and Canada reviewed ICAP's financial information and awarded ICAP a Certificate of Achievement for Excellence in Financial Reporting for the Fiscal Year Ended December 31, 2010.

## **= 25 YEARS OF SUCCESS!**

On behalf of the Board, I extend a sincere note of appreciation for your membership in ICAP. We look forward to serving your community for the next 25 years as together we are making ICAP the premier local government risk sharing pool in the country.

Jody E. Smith, Chairman  
Deputy City Manager/City Clerk, City of West Des Moines

# Board of Directors



## **Jody E. Smith, Chair**

**Deputy City Manager/City Clerk, City of West Des Moines**

jody.smith@wdm-ia.com • 515-222-3605

Jody has been involved with local governments for more than 30 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. Prior to joining the City of West Des Moines in 1989, Jody gained experience as the City Clerk/Treasurer for the City of Clinton and as Mayor of the City of Ayrshire.



## **Gary Mahannah, Vice Chair**

**City Administrator, City of Polk City**

gmahannah@polkcity.org • 515-984-6233

Gary has been a member of the ICAP Board of Directors since 1987. He has been the City Administrator for the City of Polk City since 2005 and was employed as the City Administrator/Clerk for the City of Sac City for 23 years prior. In addition to Vice Chairman, Gary serves on multiple committees for the ICAP Board and is the ICAP representative and Vice Chairman for the American Public Entity Excess Pool (APEEP) Board of Directors. He has a long history of participating on various area and state boards and previously served as President of the Iowa Municipal Finance Officers Association (IMFOA).



## **Dave Hageman, Secretary**

**Landfill Manager, Winneshiek County**

563-382-4073

Dave has been a member of the ICAP Board of Directors since 2000 and has been involved with municipal management in a variety of formats. 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**

**Vice President, Lake Delhi Recreation Association**

lbarger@speerfinancial.com • 319-291-2077

Larry was elected to the Lake Delhi Recreation Association Board of Directors in August 2006. This was the start of his second round of service to the Board, as he also served twelve years in the 1980s and 1990s. He has been employed as the Vice President of Speer Financial, an independent public financial consultant to Iowa cities, counties and schools, since 1996. Prior to this position, he gained experience in the public sector as a city clerk/finance officer and as a deputy county auditor. Larry's distinguished history of serving Iowa public entities has earned him various acknowledgments, including recognition for his "outstanding service to Lake Delhi and its residents."



**Tom Roth**  
**City Administrator, City of Camanche**  
**(Representing the City of Bellevue)**

tom\_roth@mchsi.com • 563-259-8342

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 where he assumed the role of City Administrator for the City of Camanche.



**Holly Fokkena**  
**Auditor, Butler County**

hfokkena@butlercoiowa.org • 319-267-2670

Holly has been the Butler County Auditor since November 1998. Previously, she obtained experience in banking and various aspects of the legal system through work as a legal secretary, assistant to a juvenile judge and an abstractor. Since joining the County, Holly has gained recognition as the public information officer for Butler County. She has served on numerous committees for the Iowa State Association of Counties (ISAC), including the Local Government Tax Group, and was involved in rewriting the state Chart of Accounts.



**Alan Kemp**  
**Executive Director, Iowa League of Cities**

alankemp@iowaleague.org • 515-244-7282

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 (ILOC) 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**  
**Executive Director, Iowa State Association of Counties**

bpeterson@iowacounties.org • 515-244-7181

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 shifted multiple times, most recently in 1995, when he moved into his current role as ISAC's Executive Director.

# Board of Directors

As of December 31, 2011



# Marketing Report

## 2011 Review

With the persistence of the "soft market" in 2011, membership growth remained a challenge. Yet, despite less-than-favorable market conditions, ICAP remained both active and successful on the marketing level. So successful that, in 2011 alone, 21 new members elected to join the Pool.

In addition to providing all members with the high level of service that ICAP members have come to expect, the marketing team kept busy with a number of other events and activities, including the Pool's 25th Anniversary celebrations, the Healthiest State Initiative, Agent Seminars and more. The fast pace, busy schedule and changing market kept the marketing team on its toes and helped ensure that ICAP continued to develop and advance with the needs of its members.

## 25th Anniversary Celebrations

ICAP celebrated its 25th Anniversary in grand style: with its members! The Pool hosted celebrations in honor of the momentous occasion at the Iowa League of Cities' Annual Conference, the Iowa State Association of Counties' Fall School and the Association of Iowa Fairs' Annual Convention. The celebrations were well attended by ICAP members and representatives alike, many of whom filled the evenings with dancing, laughs and conversations amongst friends. The celebrations proved to be the perfect way to honor the Pool's Silver Anniversary, and they left us even more excited to learn what the next 25 years will have in store!



## Doing More

The world around us has evolved and so, too, have the wants and needs of ICAP members. Budget cuts and rising costs are just a few of the many issues public entities have faced the last few years and, as a result, ICAP members are as price conscious as ever before. Recognizing this, ICAP representatives further developed the deductible studies offered by the Pool in order to provide ICAP members the tools and information they need to properly analyze the pros, cons and potential cost-saving benefits of selecting higher deductibles. By applying a member's historical claims data to potential scenarios and analyzing the results, ICAP representatives are able to offer members options that should help them select an appropriate deductible structure going forward. This service has proven remarkably valuable to public entities and, in addition to potential cost-saving benefits, has provided ICAP members the unique opportunity to secure coverage that is designed to meet their entity's specific needs.



## Giving Back

Since its inception, ICAP has been responsible, loyal and responsive to its membership. One of the ways the Pool has done this is through a return of equity and pool savings to the ICAP membership. This was initiated in 1992 and, since then, nearly \$25 million has been returned to ICAP members. 2011 proved no different when, for the 19th consecutive year, the ICAP Board of Directors approved another partial return of vested members' contributions to the cumulative reserve fund (CRF).

# Marketing



## ICAP's Agent Seminars

Since 2003, Pool representatives have hosted ICAP Agent Seminars, a biannual series of educational courses offered for the sole benefit of ICAP agents. In addition to continuing education credits, the seminars provide a wealth of knowledge and updates on current trends in the property and casualty market. For the convenience of ICAP agents, the seminars are typically held over a three-day period in locations throughout the state. This year, rather than three half-day seminars, ICAP representatives hosted an intense, one-day seminar focused exclusively on cyber liability. Michael Bazzell, a computer crime specialist, headlined the event and offered real life examples and advice intended to help both individuals and organizations mitigate the risks of a cyber liability breach. Following Mr. Bazzell's presentation, several other notable presenters took the stage to discuss other aspects of cyber liability, as well as the current market. In the several months following the seminar, ICAP representatives received accolades and contact requests from agents who attended the seminar. Based on the engagement during the seminar and feedback we received after, we are confident this was the Pool's most successful seminar yet! We will keep the success of the event in mind and use it as benchmark for seminars in the years to come.



## Healthiest Iowa Initiative

The Healthiest State Initiative, a privately led public initiative to inspire Iowans and their communities to improve their health and happiness, was introduced in 2011. In support of this initiative, ICAP representatives participated in a number of fitness-inspired activities, including outdoor group walks, miniature golf and the Metro Waste Authority's Fifth Annual Green Run.

## Conferences and Events

In addition to outdoor activities, ICAP representatives also took part in a number of indoor events, including the Iowa League of Cities' Annual Conference, the Iowa State Association of Counties' Spring and Fall Schools, the Iowa Municipal Finance Officers Association's Spring and Fall Meetings and the Association of Iowa Fairs' Annual Conference, among others.



# Loss Control

## Loss Control

Loss Control is an organized and continuous effort to reduce losses and it is an important part of an entity's overall risk management plan. In order to reduce losses, potential exposures must first be identified. This is where ICAP's specialized loss control team can help. ICAP's loss control specialists conduct comprehensive on-site surveys, at which they walk the premises, gather information, meet with public officials and various department heads to assist in developing risk management solutions, identify potential exposures and address specific loss control needs, review existing loss control measures, assist with designing new preventative measures and help ICAP members with program implementation.

In addition to comprehensive on-site surveys, ICAP provides a wide range of other helpful resources in a variety of convenient formats. With a few clicks of the mouse, ICAP members can sign up to attend webinars. In 2011, ICAP hosted seven employment-related webinars addressing the following topics:

- Job Descriptions
- Creating an Employee Handbook
- Performance Management
- Family and Medical Leave Act (FMLA) and its Administration
- The Fair Labor Standards Act (FLSA)
- Social Media
- Year End Processes for Payroll and HR

Also just a few clicks away are a number of other risk management resources that are available 24 hours a day, 7 days a week. Members can log on to the Online Resource Library to access over 500 online training programs, ranging from *CPR and AED: The Chain of Survival to Safe Winter Driving*. In addition to training modules, the Online Resource Library also includes over 10,000 multimedia risk management tools.

And don't forget on-site training workshops. ICAP's loss control specialists will come to your entity to conduct training workshops on a wide range of topics. To schedule a training workshop for your entity, please contact the ICAP Loss Control team at 800-239-7557.

As a member of ICAP, relevant resources in a variety of convenient formats are always within reach.



## Performance Overview

There are many measures of success for a group risk sharing program such as ICAP. None speak as well as the fact that, after 25 years of operation, ICAP has met all of its operating and claim payment obligations while building substantial financial equity for its members. ICAP's fund balance at December 31, 2011 was \$35,000,718 in net assets, making ICAP the largest member-owned risk sharing pool of its kind in Iowa.

## Evaluation and Oversight

ICAP works with three entities to obtain independent analysis and audit of its financial operations:

- Plante & Moran, PLLC 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. In 2011, Plante & Moran issued an unqualified opinion, which means that ICAP's basic financial statements present fairly, in all materials respects, the financial position of the Pool at December 31, 2010 and 2011, and are in conformity with generally accepted accounting principles.
- Demotech, Inc., a financial analysis firm with over 25 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 2011, Demotech issued ICAP the highest rating of AAA (Unsurpassed) in each area.
- The Government Finance Officers Association of the United States and Canada awarded ICAP a Certificate of Achievement for Excellence in Financial Reporting for the Fiscal Year Ended December 31, 2010. This certificate signifies that ICAP has excelled in explaining the financial information and all of the supporting data that goes with the numbers. ICAP has earned this Certificate of Achievement for 16 consecutive years.

## Membership Retention and Growth

Another measure of a Pool's success is its growth and maintenance of membership. Since the Pool was formed in 1986, ICAP has enjoyed both steady growth and loyalty from its membership, which totaled 660 Iowa public entities at year end. In 2011, membership grew by 21 new members and retention of existing members was 99.2%.

## Reinsurance

Adequate and appropriate reinsurance is essential to protect the financial integrity of a group self-insurance program. ICAP is a member of a reinsurance risk sharing mechanism known as American Public Entity Excess Pool (APEEP). This reinsurance arrangement is composed exclusively of public entity pools. ICAP, through its administrator, works with reinsurers who make individual arrangements with members that require excess limits. Property and vehicle losses are reinsured through APEEP and The Travelers Companies, Inc.





# Financial Overview

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 1,302,383	\$ 2,467,834	\$ 73,803
Investment securities, At fair value	34,041,036	35,453,591	34,896,610
Member contributions to be billed in the future	13,094,186	13,958,248	16,060,355
Other assets	1,492,497	2,058,622	2,669,680
<b>Total assets</b>	<b>\$ 49,930,102</b>	<b>\$ 53,938,295</b>	<b>\$ 53,700,448</b>
<b>Liabilities</b>			
Claims and claim adjustment expense reserves	\$ 13,882,138	\$ 14,901,227	\$ 16,755,017
Unearned premium reserves	407,862	356,964	486,234
Other liabilities	639,384	656,639	706,899
<b>Total liabilities</b>	<b>14,929,384</b>	<b>15,914,830</b>	<b>17,948,150</b>
<b>Net Assets - Unrestricted</b>	<b>35,000,718</b>	<b>38,023,465</b>	<b>35,752,298</b>
<b>Total liabilities and net assets</b>	<b>\$ 49,930,102</b>	<b>\$ 53,938,295</b>	<b>\$ 53,700,448</b>

Approximately 71 percent in 2011, 70 percent in 2010, and 65 percent in 2009 of total assets consist of cash, cash equivalents, and investments.

The Pool's total investment income (including realized and unrealized gains and losses on investments) decreased by \$3,613,020 for the year ended December 31, 2011. During the year ended December 31, 2011, the Pool experienced investment losses totaling \$540,219 compared to investment income of \$3,072,801 during the year ended December 31, 2010. Of the 2011 investment earnings, \$1,712,946 consisted of realized and 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:

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Corporate bonds	17%	22%	27%
International bonds	1%	2%	2%
Mutual funds	31%	16%	16%
Common and preferred stock	26%	38%	32%
Alternative investments	25%	22%	23%

# Financial



The Pool's claims and claims adjustment expense reserves totaled \$13,882,138 in 2011, \$14,901,227 in 2010, and \$16,755,017 in 2009. During the year ended December 31, 2011, the Pool decreased its provision for claims incurred in prior years by \$1,104,509 as a result of changes in the ultimate expected claims to be settled for a specific coverage period.

Net assets (after member distributions) at December 31, 2011 decreased \$3,022,747 from December 31, 2010 mostly as a result of unfavorable investment earnings and the Budgetary and Cumulative Reserve Fund Distributions.

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>
<b>Operating Revenue</b>			
Member contributions - Operating	\$ 27,339,421	\$ 26,641,626	\$ 26,172,549
Reinsurance premiums ceded	(4,787,623)	(4,891,446)	(5,224,942)
Change in contributions that will be billed in the future to pay unpaid claims	(864,063)	(2,102,107)	617,881
<b>Total assets</b>	<b>\$ 21,687,735</b>	<b>\$ 19,648,073</b>	<b>\$ 21,565,488</b>
<b>Operating Expenses</b>			
Provision for claims	\$ 13,173,593	\$ 9,947,853	\$ 12,134,876
Operating expenses	8,845,153	8,758,253	8,698,777
<b>Total expenses</b>	<b>22,018,746</b>	<b>18,706,106</b>	<b>20,833,653</b>
<b>Operating (Expense) Income</b>	<b>(331,011)</b>	<b>941,967</b>	<b>731,835</b>
<b>Nonoperating Income (Expense)</b>	<b>(2,038,032)</b>	<b>1,219,548</b>	<b>5,101,288</b>
<b>Member Capital - Net contributions</b>	<b>404,019</b>	<b>563,293</b>	<b>759,483</b>
<b>Member Distributions - Cumulative reserve fund</b>	<b>(1,057,723)</b>	<b>(453,641)</b>	<b>(1,692,200)</b>
<b>Increase (Decrease) in Net Assets</b>	<b>\$ (3,022,747)</b>	<b>\$ 2,271,167</b>	<b>\$ 4,900,406</b>

The Pool's membership increased from 645 members in 2010 to 660 members in 2011. As a result of this growth and the growth in member total insured values, along with the stability in rates, member contributions increased approximately 2.6 percent, from \$26,641,626 in 2010 to \$27,339,421 in 2011.

Net realized and unrealized gains on investments decreased \$3,819,070 during 2011, as compared to 2010, mostly due to a general decline in the market. Total operating expenses of the Pool in 2011 and 2010 were \$22,018,746 and \$18,706,106, respectively, or 80.5 percent and 70.2 percent, respectively, of member contributions.

# Specialized Member Service Teams

## Comprehensive Pool Administration

York Risk Pooling Services, Inc. (doing business as American Risk Pooling Consultants, Inc.) has served as ICAP's administrator since the Pool was formed in 1986. York has decades of experience providing comprehensive, innovative, customized and efficient pool administration services to risk pools and also serves as the administrator of five other public entity risk sharing pools. York's services include the general administration of ICAP and oversight of all operations including claims, financial and accounting services, underwriting, marketing and loss control.

### York Risk Pooling Services, Inc.

29200 Northwestern Highway, Suite 300  
Southfield, MI 48034  
(800) 367-4818

## Experienced Marketing and Member Services

Bilbrey Insurance Services, Inc. (BISI) provides marketing and member services for ICAP. BISI has decades of experience providing member services and marketing the program directly and in conjunction with insurance representatives.

In an effort to improve and enhance the knowledge and skills of the marketing team, BISI continued to invest in the education, growth and professional development of team members. Several BISI representatives enrolled in advanced degree programs, while others obtained enhanced professional certifications. In addition, every BISI underwriter was successful in achieving the Associate in Commercial Underwriting (AU) designation. The AU is an undisputed professional credential that builds a strong foundation in underwriting principles and gives way to a broadened understanding of advanced evaluation and risk management techniques.

### Bilbrey Insurance Services, Inc

5701 Greendale Road  
Johnston, IA 50131  
(800) 383-0116



## Expert Claims and Loss Control Services

Public Entity Risk Services of Iowa is a specialty firm that provides claim handling and loss control services together with York. The ICAP claims team has highly experienced claim specialists, including several attorneys, who have been handling property and casualty claims on behalf of public

entities for years and are well versed in claims unique to public entities and related immunities. Similarly, the loss control team has decades of experience in providing effective loss control services customized for Iowa public entities.

### Public Entity Risk Services of Iowa

5701 Greendale Road  
Johnston, IA 50131  
(888) 520-4074

In addition to the specialized member service teams, the ICAP Board of Directors engages other service providers with noted expertise in various areas to obtain independent analysis of ICAP's financial operation, to ensure proper administration of the program, and to maximize the Pool's assets.

## Investments

The Swanson Group at Morgan Stanley Smith Barney provides comprehensive financial planning and handles investments for the Pool.

### Greystone Consulting, Inc

505 Market Street, Suite 300  
West Des Moines, Iowa 50266  
(800) 488-0411

## Auditing

Plante & Moran, PLLC, an independent auditing firm, conducts an audit of the Pool's financial statements. For each year of the Pool's operation, it has received an unqualified opinion, which means that ICAP's basic financial statements present fairly, in all materials respects, the financial position of the Pool at December 31, 2010 and 2011. This is the highest level of opinion that auditors issue.

### Plante & Moran, PLLC

1111 Michigan Avenue  
East Lansing, MI 48823  
(800) 827-1280

## Financial Stability Rating® (FSR)

In addition to an independent financial audit, ICAP works with Demotech, Inc. to obtain a Financial Stability Rating® (FSR). Demotech, Inc., is a financial analysis firm with over 25 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. FSRs are 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. Demotech issued ICAP an AAA rating based on four specific areas of analysis: financial stability, loss reserves, administration, and overall performance. For 23 consecutive years, ICAP has earned the highest FSR of AAA (Unsurpassed).

### Demotech, Inc.

2715 Tuller Parkway  
Dublin, OH 43017  
(800) 354-7207



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