

ITEM #: 24  
 DATE: 06-13-23  
 Dept: HR

**COUNCIL ACTION FORM**

**SUBJECT: RENEWAL OF ICAP MEMBERSHIP TO PROCURE CASUALTY AND LIABILITY INSURANCE COVERAGES**

**BACKGROUND:**

The City's annual membership in the Iowa Community Assurances Pool (ICAP) expires on June 30, 2023. **The City has been a member of ICAP since July 1, 2004, and secures its casualty and liability coverages through this membership.** ICAP provides similar protection to approximately 300 cities, 70 counties, 50 fair boards, and over 250 other public entities. ICAP is a member-owned and funded group insurance pool for Iowa public entities.

The following City coverages are provided by ICAP: General (Third Party) Liability, Vehicle and Transit Bus Liability, Bookmobile Physical Damage, Public Officials Wrongful Acts, Police Professional Liability, Cyber Breach/Liability and Employee Theft (Bond).

Membership in the ICAP pool is a long-term commitment based on the fundamentals of rate stability, availability of coverages meeting the City's needs, and the quality of services (underwriting, loss control, and claims handling). A summary of ICAP's quote for these services showing the current and upcoming year's proposed fees is below:

	<b>FY 2022/23 Current</b>	<b>FY 2023/24 Quote</b>	<b>% Change</b>
Type of Coverage and Amount	\$15 million limits	\$15 million limits	
General Liability (\$2,000,000)	\$218,065	\$234,109	7.4%
Bond, incl. fee	4,683	4,683	--
Automobile (\$2,000,000)	222,783	246,041	10.4%
Public Officials (\$2,000,000)	52,545	56,349	7.2%
Law Enforcement (\$2,000,000)	39,958	42,363	6.0%
Bookmobile Damage (\$261,300)	702	821	17.0%
Excess Liability (\$13,000,000)	151,245	163,659	8.2%
<b>Total Invoice Cost</b>	<b>\$690,611</b>	<b>\$748,025</b>	<b>8.3%</b>

The FY 2023/24 Total Invoice Cost of \$748,025 is an increase of 8.3% from the Total Invoice Cost for FY 2022/23. The FY 2023/24 Budget includes funding in the amount of \$776,501 for liability coverage, which is sufficient to cover the quoted cost of coverage with ICAP.

**ALTERNATIVES:**

1. Accept the quote for renewal of the City's membership in the Iowa Communities Assurance Pool (ICAP), with the cost not-to-exceed \$748,025 for the coverages indicated above.
2. Direct staff to seek other alternatives for casualty and liability insurance.

**CITY MANAGER'S RECOMMENDED ACTION:**

The City's membership in ICAP continues to result in receiving excellent casualty and liability coverages and associated services at a competitive price. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.