

ITEM #: 22
DATE: 06-25-24
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, 2024. **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). Below is a summary table of current fees and ICAP's quote for these same services for FY 2024/25.

Type of Coverage and Coverage	FY 2023/24	FY 2024/25
Amount	Current	Quote
General Liability (\$2,000,000)	\$234,109	\$252,838
Bond, incl. fee	4,683	4,683
Automobile (\$2,000,000)	246,041	258,342
Public Officials (\$2,000,000)	56,349	66,918
Law Enforcement (\$2,000,000)	42,363	45,976
Bookmobile Damage (\$261,300)	821	1,232
Excess Liability (\$13,000,000)	163,659	171,843
Total Invoice Cost	\$748,025	\$801,832

The FY 2024/25 Total Invoice Cost of \$801,832 is an increase of 7.2% from the Total Invoice Cost for FY 2023/24. The FY 2024/25 Budget includes funding in the amount of \$842,874 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 \$801,832 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.