

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, 2025. **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.

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 from ICAP's for these same services for FY 2025/26.

Type of Coverage and Coverage	FY 2024/25	FY 2025/26
Amount	Current	Proposed
General Liability (\$2,000,000)	\$252,838	\$251,244.15
Bond, incl. fee	4,683	0 - Moved to Travelers Ins.
Automobile (\$2,000,000)	258,342	271,259.38
Public Officials (\$2,000,000)	66,918	70,265.56
Law Enforcement (\$2,000,000)	45,976	48,275.59
Cyber	0	15,964.38
Bookmobile Damage (\$261,300)	1,232	1,232.04
Excess Liability (\$13,000,000)	171,843	180,435.40
Total Invoice Cost	\$801,832	\$838,675.52

The FY 2025/26 Total Cost of \$838,675.52 is an increase of 4.6% from the Total Invoice Cost for FY 2024/25. At the time the FY 2025/26 Budget was prepared, staff was anticipating 10-15% increases in liability premiums. Additionally, funding was included anticipating the opening of the Fitch Family Indoor Aquatic Center, which is not yet reflected in this coverage quote. The FY 2025/26 Budget includes funding in the amount of \$1,026,822 for liability coverage, which is sufficient to cover the proposed cost of coverage with ICAP.

ALTERNATIVES:

1. Accept the renewal of the City's membership in the Iowa Communities Assurance Pool (ICAP), with the cost not to exceed \$838,675.52 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.