

ITEM #:	15
DATE:	06-09-26
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 June 30, 2026. 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, and 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 2026/27.

Type of Coverage & Coverage Amount	FY 2025/26 Premium	FY 2026/27 Premium Quote
General Liability (\$2,000,000)	\$251,244.15	<b>\$263,018.88</b>
Automobile (\$2,000,000)	\$271,259.38	<b>\$279,326.84</b>
Public Officials (\$2,000,000)	\$70,265.56	<b>\$72,329.16</b>
Law Enforcement (\$2,000,000)	\$48,275.59	<b>\$49,240.51</b>
Bookmobile Physical Damage (\$261,300)	\$1,232.04	<b>\$1,232.04</b>
Cyber (\$250,000)	\$15,964.38	<b>\$16,534.47</b>
Excess Liability (\$13,000,000)	\$180,435.40	<b>\$186,780.45</b>
<b>Total Invoice Cost</b>	\$838,675.52	<b>\$868,462.35</b>

The FY 2026/27 total cost of \$868,462.35 is an increase of 3.6% from the Total Invoice Cost for FY 2025/26. City staff expected an increase of 10% (based on the previous experience) from FY 2025/26, which is why the FY 2026/27 budget includes funding in the amount of \$957,583 for liability coverage. The budgeted amount is sufficient to cover the proposed cost of coverage with ICAP. The amounts contributed from City departments for the premium will be adjusted during FY 2026/27 to reflect the actual premium cost.

**ALTERNATIVES:**

1. Accept the renewal of the City's membership in the Iowa Communities Assurance Pool (ICAP), with the cost not to exceed \$868,462.35 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.

**ATTACHMENT(S):**

[2026 Ames Invoice without commission.pdf](#)