

Iowa Communities Assurance Pool
Board of Directors
Thursday, January 15, 2009

West Des Moines City Hall, West Des Moines, Iowa

Board members present: Jody Smith, Gary Mahannah, Dave Hageman, Pam Ward, Holly Fokkena, Tom Roth, Larry Burger, Alan Kemp and Bill Peterson. Present from American Risk Pooling Consultants: John Brockschmidt, Bal Capote, Chris Dondzila. Present from Bilbrey Insurance Services: Ken Bilbrey, Val Bilbrey and Kasi Koehler. Present from Public Entity Risk Services of Iowa: Frank Miller

The meeting was called to order at 9:10 a.m. CST by Mr. Smith, Chairman.

Upon motion by Mr. Mahannah, second by Ms. Ward, the agenda was unanimously approved.

No member/citizen comments were brought forward.

Upon motion by Mr. Hageman, second by Ms. Fokkena, the minutes of the October 3, 2008 meeting were unanimously approved.

2008 Election

Mr. Mahannah announced Tom Roth and Dave Hageman were re-elected to four-year terms.

Election of 2009 Officers and Designation of Investment Committee

Upon motion by Mr. Roth, second by Mr. Burger, it was unanimously resolved to re-appoint the current slate of officers and members of the Investment Committee.

Claims Report

Mr. Dondzila reported the claims report has been divided into four sections: new claims, active claims, non-active claims (those with no new developments); and property claims.

Mr. Miller reviewed new, active and property claims with payments or reserves of \$100,000 or more.

At Mr. Roth's inquiry, Mr. Peterson confirmed the Member help line is being utilized for information regarding employment practices actions.

Financial Report

Via teleconference, Adam Pakledinaz (ARPCO) reviewed the ICAP financial reports as of September 30, 2008.

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New Business / Property Retention

Mr. Brockschmidt reported the APEEP Board of Directors has requested member Pools increase their property retention from \$100,000 to \$150,000, effective January 1, 2009. APEEP will continue to provide protection between \$150,000 and \$500,000 for any one claim with an aggregate stop loss for multiple claims. Mr. Mahannah and Mr. Smith indicated their support of the change.

Upon motion by Mr. Mahannah, second by Ms. Ward, it was unanimously resolved to increase the ICAP property retention to \$150,000, effective January 1, 2009.

Investment Report

Mr. Smith reviewed the Investment Report for the period ending December 31, 2008, as provided to the Investment Committee by the Swanson Group at their meeting, Wednesday, January 14, 2009. He noted three bonds are below the Investment Policy minimum required rating of BB: the Tribune and Company was downgraded to D; the General Motors Acceptance Corp. bond was downgraded to C; the Knight Ridder bond is currently rated B+. He also reported the cash position was below the policy constraints. He pointed out the 2008 fund losses totaled 16.14%.

Loss Control Report

Mr. Capote reviewed the loss control report as provided in the Board handbook.

Marketing / BISI Administration Report

Mr. Bilbrey and Ms. Koehler reviewed the Marketing Report as provided in the Board handbook.

New Business

a) APEEP Board Meeting Report

Mr. Mahannah reviewed the APEEP Board meeting highlights as provided in the ICAP Board handbook and reminded of APEEP's annual meeting in February.

b) Proposed 2010 Board Meeting Calendar

Ms. Bilbrey provided the proposed 2010 board meeting calendar for board members' consideration and approval at the April, 2009 meeting.

Upon Ms. Fokkena's inquiry, Mr. Smith reported he is working with Mr. Kemp and Mr. James Dowling, President of the IMWCA Board of Directors, to plan a joint ICAP-IMWCA Board meeting.

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c) Renewal of Avenson, Oakley and Cope Contract

Mr. Mahannah introduced Bryce Oakley, principal, Avenson, Oakley and Cope. Mr. Oakley discussed his firm's representation on behalf of both ICAP and its members.

Mr. Mahannah indicated his appreciation for the communications, information and representation provided by AOC. At Mr. Burger's inquiry, Mr. Mahannah described the actions that may be taken by ICAP board members if/when they are notified of legislative action that could impact ICAP. Mr. Oakley explained the current contract pricing would include any additional work that may be required.

Upon motion by Mr. Mahannah, second by Mr. Roth, it was unanimously resolved to approve a three-year contract, which includes a 30-day cancellation provision, between ICAP and Avenson, Oakley and Cope at an annual cost of \$9,500.00.

Mr. Bilbrey reported the Independent Insurance Agents of Iowa provides information regarding legislative activities that could impact ICAP.

d) Board Election Ballot Processing

Ms. Bilbrey reviewed the ICAP board election and reported only 8 of 255 returned votes were submitted via the ICAP website. She requested the opportunity to offer suggestions to encourage use of the website at the April Board meeting.

e) Next Regular Meeting

Ms. Bilbrey reported the next regularly scheduled ICAP Board meeting will be April 23, 2009, at Hyperion Field Club, Johnston.

Mr. Smith requested that Mr. Kemp provide possible dates for a 2009 joint ICAP/IMWCA board meeting.

Mr. Smith adjourned the meeting at 1:10 p.m. CST.

Respectfully submitted,

David Hageman, Secretary

DH/vjb