UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A
Amendment No. 1

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2019

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For transition period from __________ to __________.

Commission File Number: 001-38046

ICC Holdings, Inc.
(Exact name of registrant as specified in its charter)

Pennsylvania (State or other jurisdiction of incorporation or organization)	**81-3359409** (I.R.S. Employer Identification No.)
225 20th Street, Rock Island, Illinois (Address of principal executive offices)	**61201** (Zip Code)

(309) 793-1700
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Name of exchange on which registered**
Common Stock, par value $0.01 per share	The NASDAQ Stock Market, LLC

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405) is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☒
	Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the registrant's common stock held by non-affiliates as of June 28, 2019, based upon the closing sale price of the Common Stock on June 28, 2019 as reported on the NASDAQ Stock Market, LLC, was $31,435,159. Shares of Common Stock held directly or indirectly by each reporting officer and director along with shares held by the Company ESOP have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

The number of shares of the registrant's common stock outstanding as of March 06, 2020 was 3,296,189.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the definitive Proxy Statement for our 2019 Annual Meeting of Shareholders which is to be filed within 120 days after the end of the fiscal year ended December 31, 2019, are incorporated by reference into Part III of this Form 10-K, to the extent described in Part III.

Explanatory Note

This Amendment No. 1 (this “Amendment”) to the Annual Report on Form 10-K of ICC Holdings, Inc. (the “Company”) for the fiscal year ended December 31, 2019, originally filed on March 30, 2020 (the “Original Filing”), is being filed solely to include the report of BKD, LLP, the Company’s independent accounting firm for the year ended December 31, 2018, in Item 8 and its consent as Exhibit 23.1. These were inadvertently omitted in the Original Filing.

Except as described above, no other changes have been made to the Original Filing, and this Amendment does not modify, amend or update in any way any of the financial or other information contained in the Original Filing. This Amendment does not reflect events that may have occurred subsequent to the filing date of the Original Filing.

Item 8. Financial Statements and Supplementary Data

Index to Financial Statements

Report of Independent Registered Public Accounting Firm

To the shareholders, board of directors, and audit committee of ICC Holdings, Inc. and Subsidiaries

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of ICC Holdings, Inc. and Subsidiaries (the Company) as of December 31, 2019, and the related consolidated statements of earnings, comprehensive earnings, stockholders' equity, and cash flows, for the year then ended and the related notes and the financial statement schedules listed in Item 15 of the Company's Form 10-K (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCOAB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Johnson Lambert LLP

We have served as the Company's auditor since 2019.

Park Ridge, IL
March 30, 2020

Report of Independent Registered Public Accounting Firm

To the Shareholders, Board of Directors and Audit Committee
ICC Holdings, Inc. and Subsidiaries
Rock Island, Illinois

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of ICC Holdings, Inc. and Subsidiaries (the “Company”) as of December 31, 2018, and the related consolidated statements of earnings and comprehensive earnings (loss), stockholders’ equity and cash flows for the year then ended and the related notes to the consolidated financial statements and schedules (collectively referred to as the “financial statements”). In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit.

We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

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BKD, LLP

/s/ BKD, LLP

We served as the Company’s auditor from 2016 to 2018.

Cincinnati, Ohio
April 1, 2019

ICC Holdings, Inc. and Subsidiaries
Consolidated Balance Sheets

	As of			
		December 31, 2019		December 31, 2018
Assets				
Investments and cash:				
Fixed maturity securities (amortized cost - $88,348,415 at 12/31/2019 and $89,252,906 at 12/31/2018)	$	92,087,572	$	88,981,159
Common stocks at fair value		14,448,773		11,843,223
Other invested assets		877,900		154,200
Property held for investment, at cost, net of accumulated depreciation of $332,218 at 12/31/2019 and $222,825 at 12/31/2018		4,353,713		3,586,273
Cash and cash equivalents		6,626,585		4,644,784
Total investments and cash		118,394,543		109,209,639
Accrued investment income		646,504		648,321
Premiums and reinsurance balances receivable, net of allowances for uncollectible amounts of $100,000 at 12/31/2019 and $50,000 at 12/31/2018		22,368,526		21,404,344
Ceded unearned premiums		822,818		796,065
Reinsurance balances recoverable on unpaid losses and settlement expenses, net of allowances for uncollectible amounts of $0 at 12/31/2019 and 12/31/2018		11,036,170		6,735,964
Income taxes - current		192,559		847,271
Income taxes - deferred		—		1,021,398
Deferred policy acquisition costs, net		5,269,256		5,247,188
Property and equipment, at cost, net of accumulated depreciation of $5,619,706 at 12/31/2019 and $5,099,090 at 12/31/2018		3,033,348		3,332,810
Other assets		1,239,794		1,040,193
Total assets	$	163,003,518	$	150,283,193
Liabilities and Equity				
Liabilities:				
Unpaid losses and settlement expenses	$	56,838,307	$	51,447,440
Unearned premiums		30,392,817		29,972,623
Reinsurance balances payable		374,998		993,004
Corporate debt		3,475,088		3,484,606
Accrued expenses		4,216,988		4,536,218
Income taxes - deferred		39,213		—
Other liabilities		1,324,273		1,256,003
Total liabilities		96,661,684		91,689,894
Equity:				
Common stock[1]		35,000		35,000
Treasury stock, at cost[2]		(3,146,576)		(2,999,995)
Additional paid-in capital		32,703,209		32,505,423
Accumulated other comprehensive earnings (loss), net of tax		2,953,936		(1,580,976)
Retained earnings		36,608,750		33,680,702
Less: Unearned Employee Stock Ownership Plan shares at cost[3]		(2,812,485)		(3,046,855)
Total equity		66,341,834		58,593,299
Total liabilities and equity	$	163,003,518	$	150,283,193

[1] *Par value $0.01; authorized: 2019 – 10,000,000 shares and 2018 – 10,000,000 shares; issued: 2019 – 3,500,000 and 2018 – 3,500,000 shares; outstanding: 2019 – 3,014,941 and 2018 – 2,992,734 shares.*
[2] *2019 – 203,811 shares and 2018 – 196,721 shares*
[3] *2019 – 281,248 shares and 2018 – 304,685 shares*

See accompanying notes to consolidated financial statements.

ICC Holdings, Inc. and Subsidiaries
Consolidated Statements of Earnings and Comprehensive Earnings (Loss)

	For the Twelve-Months Ended December 31, 2019	2018
Net premiums earned	$ 52,841,766	$ 47,116,961
Net investment income	3,185,153	2,890,266
Net realized investment gains	1,200,765	975,993
Other-than-temporary impairment losses	—	(16,178)
Net unrealized gains on equity securities	2,350,513	—
Other (loss) income	(53,297)	196,649
Consolidated revenues	59,524,900	51,163,691
Losses and settlement expenses	33,714,837	31,262,462
Policy acquisition costs and other operating expenses	20,020,005	18,214,983
Interest expense on debt	128,790	140,877
General corporate expenses	579,708	545,986
Total expenses	54,443,340	50,164,308
Earnings before income taxes	5,081,560	999,383
Income tax expense (benefit):		
Current	568,893	(234,037)
Deferred	218,322	340,124
Total income tax expense	787,215	106,087
Net earnings	$ 4,294,345	$ 893,296
Earnings per share:		
Basic:		
Basic net earnings per share	$ 1.43	$ 0.29
Diluted:		
Diluted net earnings per share	$ 1.42	$ 0.29
Weighted average number of common shares outstanding:		
Basic	3,008,564	3,119,968
Diluted	3,013,867	3,121,140
Net earnings	$ 4,294,345	$ 893,296
Other comprehensive earnings (loss), net of tax		
Unrealized gains and losses on investments:		
Unrealized holding gains (losses) arising during the period, net of income tax expense (benefit) of $617,319 in 2019 and $(810,701) in 2018	3,393,585	(3,049,791)
Reclassification adjustment for (gains) included in net income, net of income tax expense of $59,802 in 2019 and $201,561 in 2018	(224,970)	(758,254)
Total other comprehensive earnings (loss)	3,168,615	(3,808,045)
Comprehensive earnings (loss)	$ 7,462,960	$ (2,914,749)

See accompanying notes to consolidated financial statements.

ICC Holdings, Inc. and Subsidiaries
Consolidated Statements of Stockholders' Equity

	Common Stock	Treasury Stock	Unearned ESOP	Additional paid-in capital	Retained earnings	Accumulated other comprehensive earnings (loss)	Total equity
Balance, January 1, 2018	$ 35,000	$ —	$(3,281,220)	$ 32,333,290	$32,787,406	$ 2,227,069	$64,101,545
Purchase of common stock	—	(2,999,995)	—	—	—	—	(2,999,995)
Net earnings	—	—	—	—	893,296	—	893,296
Other comprehensive (loss), net of tax	—	—	—	—	—	(3,808,045)	(3,808,045)
Restricted stock unit expense	—	—	—	50,662	—	—	50,662
ESOP shares released	—	—	234,365	121,471	—	—	355,836
Balance, December 31, 2018	$ 35,000	$(2,999,995)	$(3,046,855)	$ 32,505,423	$33,680,702	$(1,580,976)	$58,593,299
Cumulative-effect adjustment from ASU 2016-01[1]	—	—	—	—	(1,366,297)	1,366,297	—
Purchase of common stock	—	(146,581)	—	—	—	—	(146,581)
Net earnings	—	—	—	—	4,294,345	—	4,294,345
Other comprehensive earnings, net of tax	—	—	—	—	—	3,168,615	3,168,615
Restricted stock unit expense	—	—	—	108,115	—	—	108,115
ESOP shares released	—	—	234,370	89,671	—	—	324,041
Balance, December 31, 2019	$ 35,000	$(3,146,576)	$(2,812,485)	$ 32,703,209	$36,608,750	$ 2,953,936	$66,341,834

[1]*See discussion of Accounting Standards Update 2016-01 adoption in Note 1 - Summary of Significant Accounting Policies*

See accompanying notes to consolidated financial statements.

ICC Holdings, Inc. and Subsidiaries
Consolidated Statements of Cash Flows

	Twelve-Month Periods Ended December 31, 2019	2018
Cash flows from operating activities:		
Net earnings	$ 4,294,345	$ 893,296
Adjustments to reconcile net earnings to net cash provided by operating activities		
Net realized investment gains	(1,200,765)	(975,993)
Other-than-temporary impairment losses	—	16,178
Net unrealized gains on equity securities	(2,350,513)	—
Depreciation	794,506	733,493
Deferred income tax	218,322	340,124
Amortization of bond premium and discount	257,685	296,050
Stock-based compensation expense	432,156	406,498
Change in:		
Accrued investment income	1,817	39,132
Premiums and reinsurance balances receivable	(964,182)	(2,391,082)
Ceded unearned premiums	(26,753)	(521,093)
Reinsurance balances payable	(618,006)	665,521
Reinsurance balances recoverable	(4,300,206)	3,293,870
Deferred policy acquisition costs	(22,068)	(654,773)
Unpaid losses and settlement expenses	5,390,867	373,314
Unearned premiums	420,194	3,417,041
Accrued expenses	(319,230)	262,216
Current federal income tax	654,712	(274,124)
Other	(131,331)	(146,185)
Net cash provided by operating activities	2,531,550	5,773,483
Cash flows from investing activities:		
Purchases of:		
Fixed maturity securities, available-for-sale	(26,101,621)	(18,697,057)
Common stocks	(7,563,198)	(16,974,453)
Preferred stocks	—	(140,925)
Other invested assets	(738,300)	(54,200)
Property held for investment	(876,833)	(555,371)
Property and equipment	(444,430)	(497,011)
Proceeds from sales, maturities and calls of:		
Fixed maturity securities, available-for-sale	27,033,200	16,966,599
Common stocks	8,238,753	11,843,798
Preferred stocks	—	3,927,722
Property and equipment	58,779	30,277
Net cash used in investing activities	(393,650)	(4,150,621)
Cash flows from financing activities:		
Repayments of borrowed funds	(9,518)	(854,602)
Purchase of common stock	(146,581)	(2,999,995)
Net cash used in financing activities	(156,099)	(3,854,597)
Net increase (decrease) in cash and cash equivalents	1,981,801	(2,231,735)
Cash and cash equivalents at beginning of year	4,644,784	6,876,519
Cash and cash equivalents at end of period	$ 6,626,585	$ 4,644,784
Supplemental information:		
Federal income tax recovered	$ 164,543	$ —
Interest paid	128,800	173,053

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF BUSINESS

ICC Holdings, Inc. is a Pennsylvania corporation that was organized in 2016. As used in this Form 10-K, references to the "Company," "we," "us," and "our" refer to the consolidated group. On a stand-alone basis ICC Holdings, Inc. is referred to as the "Parent Company." The consolidated group consists of the holding company, ICC Holdings, Inc.; ICC Realty, LLC, a real estate services and holding company; Beverage Insurance Agency, Inc., a non-insurance subsidiary; Estrella Innovative Solutions, Inc., an outsourcing company; and Illinois Casualty Company (ICC), an operating insurance company. ICC is an Illinois domiciled company.

We are a specialty insurance carrier primarily underwriting commercial multi-peril, liquor liability, workers' compensation, and umbrella liability coverages for the food and beverage industry through our subsidiary insurance company, ICC. ICC writes business in Colorado, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Ohio, Pennsylvania, and Wisconsin and markets through independent agents. Approximately 26.1% and 29.7% of the premium was written in Illinois for the years ended December 31, 2019 and December 31, 2018, respectively. The Company operates as a single segment.

B. PRINCIPLES OF CONSOLIDATION AND BASIS OF PRESENTATION

The accompanying consolidated financial statements were prepared in conformity with U.S. generally accepted accounting principles (GAAP), which differ in some respects from those followed in reports to insurance regulatory authorities. The consolidated financial statements include the accounts of our subsidiaries. All significant intercompany balances and transactions have been eliminated.

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet, revenues and expenses for the periods then ended, and the accompanying notes to the consolidated financial statements. Such estimates and assumptions could change in the future as more information becomes known which could impact the amounts reported and disclosed herein. The most significant of these amounts is the liability for unpaid losses and settlement expenses. Other estimates include investment valuation and other-than-temporary impairments (OTTIs), the collectibility of reinsurance balances, recoverability of deferred tax assets, and deferred policy acquisition costs. These estimates and assumptions are based on management's best estimates and judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. Management adjusts such estimates and assumptions when facts and circumstances dictate. Although recorded estimates are supported by actuarial computations and other supportive data, the estimates are ultimately based on expectations of future events. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. Changes in those estimates resulting from continuing changes in the economic environment will be reflected in the consolidated financial statements in future periods.

C. INVESTMENTS

AVAILABLE-FOR-SALE SECURITIES

Debt securities are classified as available-for-sale (AFS) and reported at fair value. Unrealized gains and losses on these securities are excluded from net earnings but are recorded as a separate component of comprehensive earnings and shareholders' equity, net of deferred income taxes.

EQUITY SECURITIES

Equity securities include common stock, mutual funds, and non-redeemable preferred stock. Equity securities are carried at fair value with subsequent changes in fair value recorded in net earnings effective January 1, 2019. Prior to January 1, 2019, the accounting for subsequent changes in fair value of equity securities was consistent with the treatment of AFS unrealized gains and losses.

OTHER-THAN-TEMPORARY IMPAIRMENT

Under current accounting standards, an OTTI write-down of fixed maturity securities, where fair value is below amortized cost, is triggered by circumstances where (1) an entity has the intent to sell a security, (2) it is more likely than not that the entity will be required to sell the security before recovery of its amortized cost basis or (3) the entity does not expect to recover the entire amortized cost basis of the security. If an entity intends to sell a security in a loss position or if it is more likely than not the entity will be required to sell the security before recovery, an OTTI write-down is recognized in earnings equal to the difference between the security's amortized cost and its fair value. If an entity does not intend to sell the security or it is not more likely than not that it will be required to sell the security before recovery, the OTTI write-down is separated into an amount representing the credit loss, which is recognized in earnings, and the amount related to all other factors is recognized in other comprehensive income. Impairment losses result in a reduction of the underlying investment's cost basis.

The Company regularly evaluates its fixed maturity securities using both quantitative and qualitative criteria to determine impairment losses for other-than-temporary declines in the fair value of the investments. The following are the key factors for determining if a security is other-than-temporarily impaired:

- The extent to which the fair value is less than cost,
- The assessment of significant adverse changes to the cash flows on a fixed maturity investment,
- The occurrence of a discrete credit event resulting in the issuer defaulting on a material obligation, the issuer seeking protection from creditors under the bankruptcy laws, the issuer proposing a voluntary reorganization under which creditors are asked to exchange their claims for cash or securities having a fair value substantially lower than par value,
- The probability that the Company will recover the entire amortized cost basis of the fixed income securities prior to maturity, or
- The ability and intent to hold fixed maturity securities until maturity.

Quantitative and qualitative criteria are considered to varying degrees depending on the sector the analysis is being performed. The sectors are as follows:

Corporates

The Company performs a qualitative evaluation of holdings that fall below the price threshold. The analysis begins with an opinion of industry and competitive position. This includes an assessment of factors that enable the profit structure of the business (e.g., reserve profile for exploration and production companies), competitive advantage (e.g., distribution system), management strategy, and an analysis of trends in return on invested capital. Analysts may also review other factors to determine whether an impairment exists including liquidity, asset value cash flow generation, and industry multiples.

Municipals

The Company analyzes the screened impairment candidates on a quantitative and qualitative basis. This includes an assessment of the factors that may be contributing to the unrealized loss and whether the recovery value is greater or less than current market value.

Structured Securities

The "stated assumptions" analytic approach relies on actual 6-month average collateral performance measures (voluntary prepayment rate, gross default rate, and loss severity) sourced through third party data providers or remittance reports. The analysis applies the stated assumptions throughout the remaining term of the transaction using forecasted cashflows, which are then applied through the transaction structure (reflecting the priority of payments and performance triggers) to determine whether there is a loss to the security ("Loss to Tranche"). For securities or sectors for which no actual loss or minimal loss has been observed (certain Prime Residential Mortgage Backed Securities (RMBS) and Commercial Mortgage Backed Securities (CMBS), for example), sector-based assumptions are applied or an alternative quantitative or qualitative analysis is performed.

Investment Income

Interest on fixed maturities and short-term investments is credited to earnings on an accrual basis. Premiums and discounts are amortized or accreted over the lives of the related fixed maturities. Dividends on equity securities are credited to earnings on the ex-dividend date. Realized gains and losses on disposition of investments are based on specific identification of the investments sold on the settlement date, which does not differ significantly from trade date accounting

D. OTHER INVESTED ASSETS

Other invested assets include privately held investments and a promissory note. Other invested assets are carried at face value and given that there is no readily available market for these to trade in, management believes face value accurately reflects fair value.

E. PROPERTY HELD FOR INVESTMENT

Property held for investment purposes is initially recorded at the purchase price, which is generally fair value, and is subsequently reported at cost less accumulated depreciation. Buildings are depreciated on a straight-line basis over the estimated useful life of the building, which we estimate to be 39 years. Income from property held for investment is reported as net investment income.

F. CASH AND CASH EQUIVALENTS

Cash consists of uninvested balances in bank accounts. Cash equivalents consist of investments with original maturities of 90 days or less, primarily AAA-rated prime and government money market funds. Cash equivalents are carried at cost, which approximates fair value. The Company has not experienced losses on these instruments. We maintain cash balances primarily at one bank, which is insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. During the normal course of business, balances are maintained above the FDIC insurance limit.

G. REINSURANCE

Ceded unearned premiums and reinsurance balances recoverable on paid and unpaid losses and settlement expenses are reported separately as assets instead of being netted with the related liabilities, since reinsurance does not relieve us of our legal liability to our policyholders.

Quarterly, the Company monitors the financial condition of its reinsurers. The Company's monitoring efforts include, but are not limited to, the review of annual summarized reinsurer financial data and analysis of the credit risk associated with reinsurance balances recoverable by monitoring the A.M. Best and Standard & Poor's (S&P) ratings. In addition, the Company subjects its reinsurance recoverables to detailed recoverable tests, including an analysis based on average default by A.M. Best rating. Based upon the review and testing, the Company's policy is to charge to earnings, in the form of an allowance, an estimate of unrecoverable amounts from reinsurers. This allowance is reviewed on an ongoing basis to ensure that the amount makes a reasonable provision for reinsurance balances that the Company may be unable to recover.

H. POLICY ACQUISITION COSTS

The Company defers commissions, premium taxes, and certain other costs that are incrementally or directly related to the successful acquisition of new or renewal insurance contracts. Acquisition-related costs may be deemed ineligible for deferral when they are based on contingent or performance criteria beyond the basic acquisition of the insurance contract or when efforts to obtain or renew the insurance contract are unsuccessful. All eligible costs are capitalized and charged to expense in proportion to premium revenue recognized. The method followed in computing deferred policy acquisition costs limits the amount of such deferred costs to their estimated realizable value. This deferral methodology applies to both gross and ceded premiums and acquisition costs.

I. PROPERTY AND EQUIPMENT

Property and equipment are presented at cost, less accumulated depreciation, and are depreciated using accelerated methods for financial statement purposes for a period based on their economic life. Computer equipment is depreciated over 3 years and equipment over a range of 5 to 7 years. Buildings are depreciated over 39 years and related improvements over 15 years. Annually, the Company reviews the major asset classes held for impairment. For the years ended December 31, 2019 and 2018, the Company recognized no impairments. Property and equipment are summarized as follows:

	As of	
	December 31, 2019	December 31, 2018
Automobiles	$ 505,788	$ 603,046
Furniture and fixtures	457,218	436,568
Computer equipment and software	3,823,416	3,542,339
Home office	3,866,632	3,849,947
Total cost	8,653,054	8,431,900
Accumulated depreciation	(5,619,706)	(5,099,090)
Net property and equipment	$ 3,033,348	$ 3,332,810

J. UNPAID LOSSES AND SETTLEMENT EXPENSES

The liability for unpaid losses and settlement expenses represents estimates of both reported and unreported claims and related expenses. The estimates are based on certain actuarial and other assumptions related to the ultimate cost to settle such claims. Such assumptions are subject to occasional changes due to evolving economic, social, and political conditions. All estimates are periodically reviewed and, as experience develops and new information becomes known, the reserves are adjusted as necessary. Such adjustments are reflected in the results of operations in the period in which they are determined. Due to the inherent uncertainty in estimating reserves for losses and settlement expenses, there can be no assurance that the ultimate liability will not exceed recorded amounts. If actual liabilities do exceed recorded amounts, there will be an adverse effect. Based on the current assumptions used in estimating reserves, we believe that our overall reserve levels at December 31, 2019, make a reasonable provision to meet our future obligations. See *Note 7 – Unpaid Losses and Settlement Expenses* for further discussion.

K. PREMIUMS

Premiums are recognized ratably over the term of the contracts, net of ceded reinsurance. Unearned premiums represent the portion of premiums written relative to the unexpired terms of coverage. Unearned premiums are calculated on a daily pro rata basis. A premium deficiency reserve should be recognized if the sum of expected claim costs and claim adjustment expenses, expected dividends to policyholders, unamortized acquisition costs, and maintenance costs exceeds related unearned premiums. The Company utilizes anticipated investment income as a factor in its premium deficiency calculation. The Company concluded that no premium deficiency adjustments were necessary in either of the years ended December 31, 2019 and 2018.

L. GENERAL CORPORATE EXPENSES

General corporate expenses consist primarily of real estate and occupancy costs, such as utilities and maintenance. These costs do not vary significantly with premium volume but rather with square footage of real estate owned.

M. INCOME TAXES

The Company files a consolidated federal income tax return. Federal income taxes are accounted for using the asset and liability method under which deferred income taxes are recognized for the tax consequences of “temporary differences” by applying enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities, operating losses and tax credit carry forwards. The effect on deferred taxes for a change in tax rates is recognized in income in the period that includes the enactment date. Deferred tax assets are reduced by a valuation allowance if it is more likely than not all or some of the deferred tax assets will not be realized.

The Company considers uncertainties in income taxes and recognizes those in its consolidated financial statements as required. As it relates to uncertainties in income taxes, unrecognized tax benefits, including interest and penalty accruals, are not considered material to the consolidated financial statements. Also, no tax uncertainties are expected to result in significant increases or decreases to unrecognized tax benefits within the next 12-month period. Penalties and interest related to income tax uncertainties, should they occur, would be included in income tax expense in the period in which they are incurred.

ICC is subject to minimal state income tax liabilities. On a state basis, since the majority of income is from insurance operations, the Company pays premium taxes in lieu of state income tax. Premium taxes are a component of policy acquisition costs and calculated as a percentage of gross premiums written.

N. EMPLOYEE STOCK OWNERSHIP PLAN

The Company recognizes employee stock ownership plan (ESOP) compensation expense ratably during each year for the shares committed to be allocated to participants that year. This expense is determined by the fair market value of our stock at the time the commitment to allocate the shares is accrued and recognized. For purposes of balance sheet disclosures of shares outstanding, the Company includes only the number of ESOP shares that have been committed to be released for the period. For purposes of calculating earnings per share, the Company includes the weighted average ESOP shares committed to be released for the period. The ESOP covers all employees who have worked a minimum of 1,000 hours in the plan year.

O. EARNINGS PER SHARE

Basic and diluted earnings per share (EPS) are calculated by dividing earnings available to common shareholders by the weighted average number of common shares outstanding during the period. The denominator for basic and diluted EPS includes ESOP shares committed to be released. Dilutive earnings per share includes the effect of all potentially dilutive instruments, such as restricted stock units (RSUs), outstanding during the period.

P. COMPREHENSIVE EARNINGS

Comprehensive earnings include net earnings plus unrealized (gains) losses on AFS investment securities, net of tax. In reporting the components of comprehensive earnings on a net basis in the consolidated statement of earnings, the Company used a 21% tax rate for the years ended December 31, 2019, and 2018. Other comprehensive earnings, as shown in the consolidated statements of earnings and comprehensive earnings, is net of tax expense (benefit) of $677,121 and $(609,140) for 2019 and 2018, respectively.

The following table presents changes in accumulated other comprehensive earnings (loss) for unrealized gains and losses on available-for-sale securities:

	Year Ended December 31,	
	2019	2018
Beginning balance	$ (1,580,976)	$ 2,227,069
Cumulative effect of adoption of ASU 2016-01	1,366,297	-
Adjusted beginning balance	(214,679)	2,227,069
Oher comprehensive earnings (loss) before reclassifications	3,393,585	(3,049,791)
Amount reclassified from accumulated other comprehensive earnings	(224,970)	(758,254)
Net current period other comprehensive earnings (loss)	3,168,615	(3,808,045)
Ending balance	$ 2,953,936	$ (1,580,976)

The following table provides the reclassifications out of accumulated other comprehensive income for the periods presented:

Details about Accumulated Other Comprehensive Earnings Component	Amounts Reclassified from Accumulated Other Comprehensive Earnings Twelve-Month Period Ended December 31, 2019	2018	Affected Line Item in the Statement where Net Earnings is Presented
Unrealized (gains) on AFS investments:			
	$ (284,772)	$ (975,993)	Net realized investment (gains)
	—	16,178	Other-than-temporary impairment losses
	59,802	201,561	Income tax expense
Total reclassification adjustment, net of tax	$ (224,970)	$ (758,254)	

Q. ADOPTED ACCOUNTING PRONOUNCEMENTS

Revenue Recognition (ASU 2017-13, ASU 2016-20, ASU 2016-12, ASU 2016-11, ASU 2016-10, ASU 2016-08, ASU 2015-14 and ASU 2014-09) – This update supersedes the revenue recognition requirements in Topic 605, Revenue Recognition. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. We adopted these updates effective January 1, 2019. All contracts within the scope of Topic 944, Financial Services – Insurance, investment income, investment related gains and losses and equity in earnings of unconsolidated investees are outside the scope of this ASU. As such, the adoption did not have a material effect on our consolidated financial statements.

Statement of Cash Flows – Classification of Certain Cash Receipts and Cash Payments (ASU 2016-15) – This guidance addresses eight specific cash flow issues with the objective of reducing existing diversity in practice. We adopted this update effective January 1, 2019, and the adoption did not have a material effect on our consolidated financial statements.

Financial Instruments – Recognition and Measurement (ASU 2016-01) – This guidance affects the accounting for equity investments, financial liabilities under the fair value option, and the presentation and disclosure requirements of financial instruments. This update requires equity investments to be measured at fair value with subsequent changes recognized in net earnings, except for those accounted for under the equity method or requiring consolidation. Prior to the effective date of this update, changes in fair value related to available-for-sale (AFS) equity securities were recognized in OCI. We adopted this update effective January 1, 2019. Upon adoption, we recognized a cumulative-effect decrease to beginning retained earnings of $1.4 million and a corresponding increase to accumulated other comprehensive income (AOCI).

R. PROSPECTIVE ACCOUNTING STANDARDS

The dates presented below represent the implementation dates for the Company. The Company’s status as an Emerging Growth Company could delay the required adoption of each of these standards.

Financial Instruments Credit Losses (ASU 2018-19 and ASU 2016-13) – This update is designed to reduce complexity by limiting the number of credit impairment models used for different assets. The model will result in accelerated credit loss recognition on assets held at amortized cost, which includes our commercial and residential mortgage investments and reinsurance balances recoverable. The identification of credit-deteriorated securities will include all assets that have experienced a more-than-insignificant deterioration in credit since origination. Additionally, any changes in the expected cash flows of credit-deteriorated securities will be recognized immediately in the income statement. AFS fixed maturity securities are not in scope of the new credit loss model, but will undergo targeted improvements to the current reporting model including the establishment of a valuation allowance for credit losses versus the current direct write down approach. We will be required to adopt this update effective January 1, 2023. We are currently evaluating the impact of this guidance on our consolidated financial statements.

Leases (ASU 2018-20, ASU 2018-11, ASU 2018-10, ASU 2018-01, ASU 2017-13 and ASU 2016-02) – These updates are intended to increase transparency and comparability for lease transactions. ASU 2016-02 requires a lessee to recognize a right-of-use asset and lease liability on the balance sheet for all leases with an original term longer than twelve months and disclose key information about leasing arrangements. Lessor accounting is largely unchanged.

The updates are effective for the Company's year-end December 31, 2021 and quarters beginning January 1, 2022. ASU 2016-02 required the adoption on a modified retrospective basis. However, with the issuance of ASU 2018-11, we have the option to recognize the cumulative effect as an adjustment to the opening balance of retained earnings in the year of adoption, while continuing to present all prior periods under the previous lease guidance. These updates provide optional practical expedients in transition. The effect of applying the new lease guidance on the consolidated financial statements is expected to be minimal due to current and future lease obligations being immaterial.

Fair Value Measurement – Disclosure Requirements (ASU 2018-13) – The amendments in this update modify the disclosure requirements for fair value measurements by removing, modifying or adding certain disclosures. We will be required to adopt this update on January 1, 2020, and depending on the specific amendment will be required to adopt prospectively or retrospectively. We early adopted the removal and modification of certain disclosures as permitted. We are currently evaluating the impact of the remaining guidance on our consolidated financial statements.

S. RISKS AND UNCERTAINTIES

Certain risks and uncertainties are inherent to day-to-day operations and to the process of preparing the Company's consolidated financial statements. The more significant risks and uncertainties, as well as the Company's attempt to mitigate, quantify, and minimize such risks, are presented below and throughout the notes to the consolidated financial statements.

Catastrophe Exposures

The Company's insurance coverages include exposure to catastrophic events. All catastrophe exposures are monitored by quantifying exposed policy limits in each region and by using computer-assisted modeling techniques. Additionally, the Company limits its risk to such catastrophes through restraining the total policy limits written in each region and by purchasing reinsurance. The Company's major catastrophe exposure is to losses caused by tornado/hail and freeze to commercial properties throughout the Midwest.

The Company had protection of $14.5 million and $9.5 million in excess of $500,000 first-dollar retention for the years ended December 31, 2019 and 2018, respectively. The catastrophe program is actively managed to keep net retention in line with risk tolerances and to optimize the risk/return trade off. The catastrophe reinsurance treaty renewed on January 1, 2020.

Reinsurance

Reinsurance does not discharge the Company from its primary liability to policyholders, and to the extent that a reinsurer is unable to meet its obligations, the Company would be liable. On a quarterly basis, the financial condition of prospective and existing reinsurers is monitored. As a result, the Company purchases reinsurance from a number of financially strong reinsurers. Accordingly, no allowance for reinsurance balances deemed uncollectible has been made. See *Note 6 –Reinsurance* for further discussion.

Investment Risk

The investment portfolio is subject to market, credit, and interest rate risks. The equity portfolio will fluctuate with movements in the overall stock market. While the equity portfolio has been constructed to have lower downside risk than the market, the portfolio is sensitive to movements in the market. The bond portfolio is affected by interest rate changes and movement in credit spreads. The Company attempts to mitigate its interest rate and credit risks by constructing a well-diversified portfolio with high-quality securities with varied maturities. Downturns in the financial markets could have a negative effect on the portfolio. However, the Company attempts to manage this risk through asset allocation, duration, and security selection.

Liquidity Risk

Liquidity is essential to the Company’s business and a key component of the concept of asset-liability matching. The Company’s liquidity may be impaired by an inability to collect premium receivable or reinsurance recoverable balances in a timely manner, an inability to sell assets or redeem investments, unforeseen outflows of cash or large claim payments, or an inability to access debt. Liquidity risk may arise due to circumstances that the Company may be unable to control, such as a general market disruption, an operational problem that affects third parties or the Company, or even by the perception among market participants that the Company, or other market participants, are experiencing greater liquidity risk.

The Company’s A.M. Best rating is important to its liquidity. A reduction in credit ratings could adversely affect the Company’s liquidity and competitive position by increasing borrowing costs or limiting access to the capital markets.

External Factors

The Company is highly regulated by the state of Illinois and by the states in which it underwrites business. Such regulations, among other things, limit the amount of dividends, impose restrictions on the amount and types of investments, and regulate rates insurers may charge for various coverages. The Company is also subject to insolvency and guarantee fund assessments for various programs designed to ensure policyholder indemnification. Assessments are generally accrued during the period in which it becomes probable that a liability has been incurred from an insolvency and the amount of the related assessment can be reasonably estimated.

The National Association of Insurance Commissioners (NAIC) has developed Property/Casualty Risk-Based Capital (RBC) standards that relate an insurer’s reported statutory surplus to the risks inherent in its overall operations. The RBC formula uses the statutory annual statement to calculate the minimum indicated capital level to support asset (investment and credit) risk and underwriting (loss reserves, premiums written and unearned premium) risk. The NAIC model law calls for various levels of regulatory action based on the magnitude of an indicated RBC capital deficiency, if any. As of December 31, 2019, the Company determined that its capital levels are well in excess of the minimum capital requirements for all RBC action levels and that its capital levels are sufficient to support the level of risk inherent in its operations. See *Note 10 – Statutory Information and Dividend Restrictions* for further discussion of statutory information and related insurance regulatory restrictions.

In addition, ratings are a critical factor in establishing the competitive position of insurance companies. The Company is rated by A.M. Best. This rating reflects their opinion of the insurance company’s financial strength, operating performance, strategic position, and ability to meet its obligations to policyholders.

2. INVESTMENTS

NET INVESTMENT INCOME

A summary of net investment income for the years ended December 31, 2019 and 2018 is as follows:

	2019	2018
AFS, fixed maturity securities	$ 2,998,342	$ 2,943,083
Investment property	610,642	555,350
Equity securities	300,584	266,530
Cash and short-term investments	75,585	25,303
Investment revenue	3,985,153	3,790,266
Less investment expenses	(800,000)	(900,000)
Net investment income	$ 3,185,153	$ 2,890,266

INVESTMENT RELATED GAINS (LOSSES)

The following is a summary of the proceeds from sales, maturities, and calls of fixed maturity and equity securities and the related gross realized gains and losses for the years ended December 31, 2019 and 2018.

	Proceeds	Gains	Losses	Net Realized Gains
2019				
Fixed maturity securities	$ 27,033,200	$ 321,032	$ (36,260)	$ 284,772
Common stocks	8,238,753	1,443,507	(527,514)	915,993
2018				
Fixed maturity securities	$ 16,966,599	$ 122,900	$ (78,194)	$ 44,706
Common stocks	11,843,798	1,290,148	(363,094)	927,054
Preferred stocks	3,927,722	86,862	(82,629)	4,233

The amortized cost and estimated fair value of fixed income securities at December 31, 2019, are shown as follows:

	Amortized Cost	Fair Value
Due in one year or less	$ 3,228,881	$ 3,244,534
Due after one year through five years	18,956,885	19,738,798
Due after five years through 10 years	15,091,864	16,340,507
Due after 10 years	17,267,874	18,472,738
Asset and mortgage backed securities without a specific due date	33,802,911	34,290,995
Total fixed maturity securities	$ 88,348,415	$ 92,087,572

Expected maturities may differ from contractual maturities due to call provisions on some existing securities.

The following table is a schedule of cost or amortized cost and estimated fair values of investments in securities classified as available for sale at December 31, 2019 and 2018.

			Gross Unrealized	
	Amortized Cost	Fair Value	Gains	Losses
2019				
Fixed maturity securities:				
U.S. Treasury	$ 800,462	$ 800,219	$ 684	$ (927)
MBS/ABS/CMBS	33,802,911	34,290,995	540,743	(52,659)
Corporate	39,442,202	41,915,103	2,482,378	(9,477)
Municipal	14,302,840	15,081,255	808,081	(29,666)
Total AFS securities	$ 88,348,415	$ 92,087,572	$ 3,831,886	$ (92,729)

	Cost or Amortized Cost	Fair Value	Gross Unrealized Gains	Gross Unrealized Losses
2018				
Fixed maturity securities:				
U.S. Treasury	$ 1,348,575	$ 1,328,925	$ —	$ (19,650)
MBS/ABS/CMBS	34,372,133	33,799,024	33,955	(607,064)
Corporate	37,383,903	37,366,690	376,029	(393,242)
Municipal	16,148,295	16,486,520	398,569	(60,344)
Total fixed maturity securities	89,252,906	88,981,159	808,553	(1,080,300)
Equity securities:				
Common stocks	13,572,713	11,843,223	406,812	(2,136,302)
Total equity securities[1]	13,572,713	11,843,223	406,812	(2,136,302)
Total AFS securities	$ 102,825,619	$ 100,824,382	$ 1,215,365	$ (3,216,602)

[1]*Effective January 1, 2019, the Company adopted ASU No. 2016-01. As a result, equity securities are no longer classified as available-for-sale. Prior periods have not been recast to conform to the current presentation.*

MORTGAGE-BACKED, COMMERCIAL MORTGAGE-BACKED AND ASSET-BACKED SECURITIES

All of the Company's collateralized securities carry an average credit rating of AA+ by one or more major rating agency and continue to pay according to contractual terms. Included within MBS/ABS/CMBS are residential mortgage backed securities with fair values of $9,909,462 and $13,696,585 and commercial mortgage backed securities of $13,408,898 and $10,126,352 at December 31, 2019 and 2018, respectively.

UNREALIZED LOSSES ON AFS SECURITIES

The following table is also used as part of the impairment analysis and displays the total value of securities that were in an unrealized loss position as of December 31, 2019 and 2018. The table segregates the securities based on type, noting the fair value, cost (or amortized cost), and unrealized loss on each category of investment as well as in total. The table further classifies the securities based on the length of time they have been in an unrealized loss position.

	December 31, 2019		
	< 12 Months	12 Months & Greater	Total
Fixed Maturity Securities:			
U.S. Treasury			
Fair value	$ —	$ 699,391	$ 699,391
Amortized cost	—	700,318	700,318
Unrealized loss	—	(927)	(927)
MBS/ABS/CMBS			
Fair value	6,398,581	5,056,732	11,455,313
Amortized cost	6,420,488	5,087,484	11,507,972
Unrealized loss	(21,907)	(30,752)	(52,659)
Corporate			
Fair value	1,396,706	—	1,396,706
Amortized cost	1,406,183	—	1,406,183
Unrealized loss	(9,477)	—	(9,477)
Municipal			
Fair value	1,969,468	—	1,969,468
Amortized cost	1,999,134	—	1,999,134
Unrealized loss	(29,666)	—	(29,666)
Total debt securities available for sale			
Fair value	9,764,755	5,756,123	15,520,878
Amortized cost	9,825,805	5,787,802	15,613,607
Unrealized loss	$ (61,050)	$ (31,679)	$ (92,729)

	December 31, 2018		
	< 12 Months	12 Months & Greater	Total
U.S. Treasury			
Fair value	$ —	$ 1,328,925	$ 1,328,925
Cost or amortized cost	—	1,348,575	1,348,575
Unrealized loss	—	(19,650)	(19,650)
MBS/ABS/CMBS			
Fair value	16,890,857	11,956,493	28,847,350
Cost or amortized cost	17,039,357	12,415,057	29,454,414
Unrealized loss	(148,500)	(458,564)	(607,064)
Corporate			
Fair value	14,304,322	5,745,289	20,049,611
Cost or amortized cost	14,550,153	5,892,700	20,442,853
Unrealized loss	(245,831)	(147,411)	(393,242)
Municipal			
Fair value	3,069,720	838,980	3,908,700
Cost or amortized cost	3,100,036	869,008	3,969,044
Unrealized loss	(30,316)	(30,028)	(60,344)
Subtotal, fixed income			
Fair value	34,264,899	19,869,687	54,134,586
Cost or amortized cost	34,689,546	20,525,340	55,214,886
Unrealized loss	(424,647)	(655,653)	(1,080,300)
Common stock[1]			
Fair value	8,187,764	—	8,187,764
Cost or amortized cost	10,324,066	—	10,324,066
Unrealized loss	(2,136,302)	—	(2,136,302)
Total			
Fair value	42,452,663	19,869,687	62,322,350
Cost or amortized cost	45,013,612	20,525,340	65,538,952
Unrealized loss	$ (2,560,949)	$ (655,653)	$ (3,216,602)

[1]*Effective January 1, 2019, the Company adopted ASU No. 2016-01. As a result, equity securities are no longer classified as available-for-sale. Prior periods have not been recast to conform to the current presentation.*

As of December 31, 2018, the Company held 200 equity securities that were in unrealized loss positions. Of these 200 securities, none were in an unrealized loss position for 12 consecutive months or longer prior to December 31, 2018.

The fixed income portfolio contained 32 securities in an unrealized loss position as of December 31, 2019. Of these 32 securities, 14 have been in an unrealized loss position for 12 consecutive months or longer and represent $31,679 in unrealized losses. All fixed income securities in the investment portfolio continue to pay the expected coupon payments under the contractual terms of the securities. Credit-related impairments on fixed income securities that we do not plan to sell, and for which we are not more likely than not to be required to sell, are recognized in net earnings. Any non-credit related impairment is recognized in comprehensive earnings. Based on management's analysis, the fixed income portfolio is of a high credit quality and it is believed it will recover the amortized cost basis of the fixed income securities. Management monitors the credit quality of the fixed income investments to assess if it is probable that the Company will receive its contractual or estimated cash flows in the form of principal and interest.

There were no other-than-temporary impairment losses recognized in net earnings during the year ended December 31, 2019. During 2018, the Company recognized $16,178 of OTTI on three common stock securities that were impaired during the fourth quarter of 2018. For all fixed income securities at a loss at December 31, 2019, management believes it is probable that the Company will receive all contractual payments in the form of principal and interest. In addition, the Company is not required to, nor does it intend to sell these investments prior to recovering the entire amortized cost basis for each security, which may be maturity. The fixed income securities in an unrealized loss position were not other-than-temporarily impaired at December 31, 2019 and 2018.

As required by law, certain fixed maturity investments amounting to $3,827,627 and $3,742,450 at December 31, 2019 and 2018, respectively, were on deposit with either regulatory authorities or banks.

UNREALIZED GAINS AND LOSSES ON EQUITY SECURITIES

The portion of net unrealized gains for the twelve months ended December 31, 2019 that relates to equity securities held as of December 31, 2019 was $2,350,513.

OTHER INVESTED ASSETS

Other invested assets include privately held investments, including membership in the Federal Home Loan Bank of Chicago (FHLBC), which occurred in February 2018. Our investment in FHLBC stock is carried at cost. Due to the nature of our membership in the FHLBC, the carrying amount approximates fair value. As of December 31, 2019, there were no investments pledged as collateral with the FHLBC. There may be investments pledged as collateral with the FHLBC to ensure timely access to the secured lending facility that ownership of FHLBC stock provides. As of and during the twelve month period ending December 31, 2019, there were no outstanding borrowings with the FHLBC.

Also included in other invest assets is a promissory note with the option to borrow up to $1,275,000. The Company funded $625,000 on July 30, 2019. The note bears interest at 6.5%, and is amortized over 20 years with a balloon payment due July 30, 2029.

PROPERTY HELD FOR INVESTMENT

As of December 31, 2019, investment property comprised of 67 apartment rental units located in Milan, Illinois; Moline, Illinois; Rock Island, Illinois; Silvis, Illinois; and Le Claire, Iowa. As of December 31, 2018, investment property comprised of 57 apartment rental units located in Rock Island, Illinois; Moline, Illinois; Silvis, Illinois; and Le Claire, Iowa. Property held for investment is net of accumulated depreciation of $332,218 and $222,825 as of December 31, 2019, and 2018, respectively. Related depreciation expense was $109,393 and $95,664 for the years ended December 31, 2019, and 2018, respectively.

3. FAIR VALUE DISCLOSURES

Fair value is defined as the price in the principal market that would be received for an asset to facilitate an orderly transaction between market participants on the measurement date. We determined the fair value of certain financial instruments based on their underlying characteristics and relevant transactions in the marketplace. GAAP guidance requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The guidance also describes three levels of inputs that may be used to measure fair value.

The following are the levels of the fair value hierarchy and a brief description of the type of valuation inputs that are used to establish each level:

- **Level 1** is applied to valuations based on readily available, unadjusted quoted prices in active markets for identical assets.
- **Level 2** is applied to valuations based upon quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets; or valuations based on models where the significant inputs are observable (e.g. interest rates, yield curves, prepayment speeds, default rates, loss severities) or can be corroborated by observable market data.
- **Level 3** is applied to valuations that are derived from techniques in which one or more of the significant inputs are unobservable. Financial assets are classified based upon the lowest level of significant input that is used to determine fair value.

As a part of the process to determine fair value, management utilizes widely recognized, third-party pricing sources to determine fair values. Management has obtained an understanding of the third-party pricing sources' valuation methodologies and inputs. The following is a description of the valuation techniques used for financial assets that are measured at fair value, including the general classification of such assets pursuant to the fair value hierarchy.

Corporate, Agencies, and Municipal Bonds—The pricing vendor employs a multi-dimensional model which uses standard inputs including (listed in order of priority for use) benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, market bids/offers and other reference data. The pricing vendor also monitors market indicators, as well as industry and economic events. All bonds valued using these techniques are classified as Level 2. All Corporate, Agencies, and Municipal securities are deemed Level 2.

Mortgage-backed Securities (MBS), Collateralized Mortgage Obligations (CMO), Commercial Mortgage-backed Securities (CMBS) and Asset-backed Securities (ABS)—The pricing vendor evaluation methodology includes principally interest rate movements and new issue data. Evaluation of the tranches (non-volatile, volatile, or credit sensitivity) is based on the pricing vendors' interpretation of accepted modeling and pricing conventions. This information is then used to determine the cash flows for each tranche, benchmark yields, pre-payment assumptions and to incorporate collateral performance. To evaluate CMO volatility, an option-adjusted spread model is used in combination with models that simulate interest rate paths to determine market price information. This process allows the pricing vendor to obtain evaluations of a broad universe of securities in a way that reflects changes in yield curve, index rates, implied volatility, mortgage rates, and recent trade activity. MBS, CMBS, CMO and ABS with corroborated and observable inputs are classified as Level 2. All MBS, CMBS, CMO and ABS holdings are deemed Level 2.

U.S. Treasury Bonds, Common Stocks, and Exchange Traded Funds—U.S. treasury bonds and exchange traded equities have readily observable price levels and are classified as Level 1 (fair value based on quoted market prices). All common stock holdings are deemed Level 1.

Preferred Stock—Preferred stocks do not have readily observable prices, but do have quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in markets that are not active; and inputs other than quoted prices are classified as Level 2. All preferred stock holdings are deemed Level 2.

Due to the relatively short-term nature of cash and cash equivalents, their carrying amounts are reasonable estimates of fair value. Other invested assets as well as debt obligations are carried at face value and given that there is no readily available market for these to trade in, management believes that face value accurately reflects fair value.

Assets measured at fair value on a recurring basis as of December 31, 2019, are as summarized below:

	Quoted in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
AFS securities				
Fixed maturity securities				
U.S. treasury	$ 800,219	$ —	$ —	$ 800,219
MBS/ABS/CMBS	—	34,290,995	—	34,290,995
Corporate	—	41,915,103	—	41,915,103
Municipal	—	15,081,255	—	15,081,255
Total fixed maturity securities	800,219	91,287,353	—	92,087,572
Equity securities				
Common stocks	14,448,773	—	—	14,448,773
Total marketable investments measured at fair value	$ 15,248,992	$ 91,287,353	$ —	$ 106,536,345

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Assets measured at fair value on a recurring basis as of December 31, 2018, are as summarized below:

	Quoted in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
AFS securities				
Fixed maturity securities				
U.S. treasury	$ 1,328,925	$ —	$ —	$ 1,328,925
MBS/ABS/CMBS	—	33,799,024	—	33,799,024
Corporate	—	37,366,690	—	37,366,690
Municipal	—	16,486,520	—	16,486,520
Total fixed maturity securities	1,328,925	87,652,234	—	88,981,159
Equity securities				
Common stocks	11,843,223	—	—	11,843,223
Total marketable investments measured at fair value	$ 13,172,148	$ 87,652,234	$ —	$ 100,824,382

As noted in the previous tables, the Company did not have any assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) as of December 31, 2019 and 2018. Additionally, there were no securities transferred in or out of levels 1 or 2 during the years ended December 31, 2019 and 2018.

4. POLICY ACQUISITION COSTS

Policy acquisition costs deferred and amortized to income for the years ended December 31 are summarized as follows:

	2019	2018
Deferred policy acquisition costs (DAC), beginning of year	$ 5,247,188	$ 4,592,415
Deferred:		
Direct commission	9,172,742	8,938,953
Premium taxes	1,091,575	1,184,884
Ceding commissions	(738,756)	(1,986,128)
Underwriting	891,612	912,589
Net deferred	10,417,173	9,050,298
Amortized	10,395,105	8,395,525
DAC, end of year	$ 5,269,256	$ 5,247,188
Policy acquisition costs:		
Amortized to expense	$ 10,395,105	$ 8,395,525
Period costs:		
Contingent commission	1,365,254	1,859,311
Other underwriting expenses	8,259,646	7,960,147
Total policy acquisition costs	$ 20,020,005	$ 18,214,983

5. DEBT

Debt Obligation

ICC Holdings, Inc. secured a loan with American Bank & Trust in March 2017 in the amount of $3,500,000 and used the proceeds to repay ICC for the money borrowed by the ESOP. The term of the loan is five years bearing interest at 3.65% and the Company pledged stock and $1.0 million of marketable assets as collateral for the loan. The total balance of debt agreements at year end 2019 and 2018 was $3,475,088 and $3,484,606, respectively.

Revolving Line of Credit

The Company has borrowing capacity up to approximately $33 million in the aggregate from its membership with FHLBC. We also maintain a revolving line of credit with American Bank & Trust, which permits borrowing up to an aggregate principal amount of $1.75 million. This facility was entered into during 2013 and is renewed annually with a current expiration of August 5, 2020. The line of credit is priced at 30 day LIBOR plus 2% with a floor of 3.5%. In order to secure the lowest rate possible, the Company pledged marketable securities not to exceed $5.0 million in the event the Company draws down on the line of credit. There was no interest paid on the line of credit during the year ended December 31, 2019 and December 31, 2018. There are no financial covenants governing this agreement.

6. REINSURANCE

In the ordinary course of business, the Company assumes and cedes premiums and selected insured risks with other insurance companies, known as reinsurance. A large portion of the reinsurance is put into effect under contracts known as treaties and, in some instances, by negotiation on each individual risk (known as facultative reinsurance). In addition, there are several types of treaties including quota share, excess of loss and catastrophe reinsurance contracts that protect against losses over stipulated amounts arising from any one occurrence or event. The arrangements allow the Company to pursue greater diversification of business and serve to limit the maximum net loss to a single event, such as a catastrophe. Through the quantification of exposed policy limits in each region and the extensive use of computer-assisted modeling techniques, management monitors the concentration of risks exposed to catastrophic events.

Through the purchase of reinsurance, the Company also generally limits its net loss on any individual risk to a maximum of $1,000,000 for casualty business, $500,000 for property, and $500,000 for workers compensation, although certain treaties contain an annual aggregate deductible before reinsurance applies.

Premiums, written and earned, along with losses and settlement expenses incurred for the years ended December 31 are summarized as follows:

	2019	2018
WRITTEN		
Direct	$ 62,982,820	$ 61,125,339
Reinsurance assumed	204,268	168,096
Reinsurance ceded	(9,951,880)	(11,280,526)
Net	$ 53,235,208	$ 50,012,909
EARNED		
Direct	$ 62,559,208	$ 57,702,159
Reinsurance assumed	207,685	174,235
Reinsurance ceded	(9,925,127)	(10,759,433)
Net	$ 52,841,766	$ 47,116,961
LOSSES AND SETTLEMENT EXPENSES INCURRED		
Direct	$ 44,334,298	$ 35,263,637
Reinsurance assumed	139,618	77,909
Reinsurance ceded	(10,759,079)	(4,079,084)
Net	$ 33,714,837	$ 31,262,462

The reinsurance assumed business consists of assigned risk pools, which require the Company to participate in certain workers' compensation and other liability pools, as a result of their licensure and premium writings in the various states in which it does business.

At December 31, 2019 and 2018, the Company had reinsurance recoverable on unpaid losses and settlement expenses totaling $11,036,170 and $6,735,964, respectively. All of the Company's reinsurance recoverables are due from companies with financial strength ratings of "A" or better by A.M. Best.

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The following table displays net reinsurance balances recoverable, after consideration of collateral, on paid losses and settlement expenses, known case and IBNR loss and settlement expense reserves, unearned premiums, and contingent commissions from the Company's top 10 reinsurers as of December 31, 2019. These reinsurers all have financial strength ratings of "A" or better by A.M. Best. Also shown are the amounts of written premium ceded to these reinsurers during the calendar year 2019.

(In thousands)	A.M. Best Rating	Net Reinsurer Exposure as of December 31, 2019	Percent of Total	Ceded Premiums Written	Percent of Total
Aspen Insurance UK Ltd	A	$ 2,219	17.2%	$ 1,174	11.8%
Platinum Underwriters	A	1,868	14.5%	1,792	18.0%
Hannover Ruckversicherungs	A+	1,386	10.8%	1,318	13.2%
Partner Reinsurance Company	A+	1,362	10.6%	281	2.8%
Everest Reinsurance Company	A+	1,252	9.7%	781	7.9%
Swiss Reinsurance	A+	902	7.0%	340	3.4%
Endurance Reinsurance	A+	709	5.5%	—	0.0%
General Reinsurance Corporation	A++	677	5.3%	1,334	13.4%
Allied World Reinsurance	A	500	3.9%	634	6.4%
Axis Reinsurance Company	A+	468	3.6%	408	4.1%
All other reinsurers including anticipated subrogation		1,531	11.9%	1,890	19.0%
		$ 12,874	100.0%	$ 9,952	100.0%

Ceded unearned premiums and reinsurance balances recoverable on paid losses and settlement expenses are reported separately as an asset, rather than being netted with the related liability, since reinsurance does not relieve the Company of its liability to policyholders. Such balances are subject to the credit risk associated with the individual reinsurer. On a quarterly basis, the financial condition of the Company's reinsurers is monitored. As part of the monitoring efforts, management reviews annual summarized financial data and publically available information. The credit risk associated with the reinsurance balances recoverable is analyzed by monitoring the A.M. Best and S&P ratings of the reinsurers. In addition, the Company subjects its reinsurance recoverables to detailed recoverability tests, including one based on average default by A.M. Best rating.

Once regulatory action (such as receivership, finding of insolvency, order of conservation or order of liquidation) is taken against a reinsurer, the paid and unpaid recoverable for the reinsurer are specifically identified and written off through the use of the allowance for estimated unrecoverable amounts from reinsurers. When such a balance is written off, it is done in full. The Company then re-evaluates the remaining allowance and determines whether the balance is sufficient as detailed above, and if needed, an additional allowance is recognized and income charged. The Company had no allowance recorded related to uncollectible amounts on paid and unpaid recoverables at December 31, 2019 and 2018. The Company has no receivables with a due date that extends beyond 90 days from the date of billing that are not included in the allowance for uncollectible amounts.

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7. UNPAID LOSSES AND SETTLEMENT EXPENSES

Loss Development Tables

The following tables represent cumulative incurred losses and settlement expenses, net of reinsurance, by accident year and cumulative paid loss and settlement expenses, net of reinsurance, by accident year, for the years ended December 31, 2010 to 2019, as well as total IBNR and the cumulative number of reported claims for the year ended December 31, 2018. The information about incurred and paid claims development for the years ended December 31, 2010 to 2018, is presented as unaudited required supplementary information. The property line of business has been disaggregated based on the shorter payout period in comparison to the workers compensation and liability lines of business.

PROPERTY LINES

	Incurred loss and settlement expenses, net of reinsurance *(in thousands)*										As of December 31, 2019	
	Year Ended December 31,											
Accident Year	2010*	2011*	2012*	2013*	2014*	2015*	2016*	2017*	2018*	2019	Total IBNR plus expected development on reported claims	Cumulative number of reported claims
2010	$ 5,644	$ 5,105	$ 4,831	$ 4,992	$ 5,118	$ 5,006	$ 4,891	$ 4,899	$ 4,862	$ 4,860	$ 14	674
2011		7,427	6,708	6,621	6,752	6,733	6,645	6,631	6,632	6,621	—	905
2012			6,143	6,374	6,406	6,546	6,482	6,411	6,455	6,167	(6)	672
2013				9,266	8,302	8,290	8,415	8,471	8,282	8,272	14	637
2014					8,865	7,586	7,798	7,883	7,817	7,785	(2)	743
2015						7,693	7,494	7,717	7,634	7,654	6	563
2016							8,941	7,981	8,372	8,381	(13)	582
2017								13,993	13,568	13,741	214	726
2018									11,454	11,114	65	736
2019										13,933	(125)	795
									Total	$ 88,528		

	Cumulative paid loss and settlement expenses, net of reinsurance *(in thousands)*									
	Year Ended December 31,									
Accident Year	2010*	2011*	2012*	2013*	2014*	2015*	2016*	2017*	2018*	2019
2010	$ 3,166	4,584	4,719	4,740	4,791	4,818	4,873	4,874	4,874	$ 4,874
2011		5,327	6,351	6,459	6,520	6,556	6,589	6,623	6,623	6,620
2012			4,949	6,401	6,369	6,362	6,326	6,472	6,469	6,176
2013				6,856	8,079	8,200	8,238	8,265	8,272	8,271
2014					6,243	7,631	7,746	7,796	7,795	7,795
2015						5,057	7,040	7,474	7,645	7,660
2016							6,157	7,624	8,236	8,356
2017								10,055	13,482	13,610
2018									8,487	11,009
2019										11,621
									Total	85,992
									Unpaid losses and settlement expense - years 2010 through 2019	2,536
									Unpaid losses and settlement expense - prior to 2010	(10)
									Unpaid loss and settlement expense, net of reinsurance	$ 2,526

*Presented as unaudited required supplementary information.

WORKERS' COMPENSATION AND LIABILITY LINES

	Incurred loss and settlement expenses, net of reinsurance *(in thousands)*										As of December 31, 2019	
	Year Ended December 31,											
Accident Year	**2010***	**2011***	**2012***	**2013***	**2014***	**2015***	**2016***	**2017***	**2018***	**2019**	**Total IBNR plus expected development on reported claims**	**Cumulative number of reported claims**
2010	$ 10,475	$ 11,039	$ 10,683	$ 11,371	$ 11,701	$ 11,474	$ 11,422	$ 11,431	$ 11,469	$ 11,484	$ 7	906
2011		12,375	12,126	11,894	12,039	12,098	12,027	11,819	11,723	11,720	7	1,106
2012			13,122	11,338	11,407	11,638	12,692	12,845	12,632	12,836	26	1,161
2013				12,584	13,559	13,169	12,960	13,696	13,858	14,076	76	1,161
2014					13,385	14,744	15,341	16,718	16,881	16,996	313	1,247
2015						16,596	13,876	13,440	13,862	14,486	538	1,113
2016							16,677	14,843	16,240	16,855	1,196	1,054
2017								15,808	15,803	15,842	2,484	1,043
2018									18,308	17,122	5,804	1,115
2019										19,630	10,813	912
									Total	$ 151,047		

Cumulative paid loss and settlement expenses, net of reinsurance *(in thousands)*

	Year Ended December 31,									
Accident Year	**2010***	**2011***	**2012***	**2013***	**2014***	**2015***	**2016***	**2017***	**2018***	**2019**
2010	$ 1,248	$ 3,395	$ 5,865	$ 8,462	$ 10,022	$ 10,733	$ 11,067	$ 11,194	$ 11,345	$ 11,429
2011		1,669	3,761	5,841	8,072	10,122	10,971	11,484	11,627	11,682
2012			1,180	3,021	5,589	8,327	10,913	11,753	12,156	12,572
2013				1,579	4,156	7,634	10,423	12,181	12,978	13,564
2014					1,539	4,087	9,515	13,602	15,232	15,912
2015						1,405	4,319	7,400	10,527	12,485
2016							1,490	5,485	8,190	12,202
2017								1,523	5,419	8,753
2018									1,963	5,656
2019										3,664
Total										107,919
Unpaid losses and settlement expense - years 2010 through 2019										43,128
Unpaid losses and settlement expense - prior to 2010										148
Unpaid loss and settlement expense, net of reinsurance										$ 43,276

*Presented as unaudited required supplementary information.

TOTAL LINES

Accident Year	Incurred loss and settlement expenses, net of reinsurance *(in thousands)* — Year Ended December 31, 2010*	2011*	2012*	2013*	2014*	2015*	2016*	2017*	2018*	2019	As of December 31, 2019 — Total IBNR plus expected development on reported claims	Cumulative number of reported claims
2010	$ 16,119	$ 16,144	$ 15,514	$ 16,363	$ 16,819	$ 16,480	$ 16,313	$ 16,330	$ 16,331	$ 16,344	$ 21	1,580
2011		19,802	18,834	18,515	18,791	18,831	18,672	18,450	18,355	18,341	7	2,011
2012			19,265	17,712	17,813	18,184	19,174	19,256	19,087	19,003	20	1,833
2013				21,850	21,861	21,459	21,375	22,167	22,140	22,348	90	1,798
2014					22,250	22,330	23,139	24,601	24,698	24,781	311	1,990
2015						24,289	21,370	21,157	21,496	22,140	544	1,676
2016							25,618	22,824	24,612	25,236	1,183	1,636
2017								29,801	29,371	29,583	2,698	1,769
2018									29,762	28,236	5,869	1,851
2019										33,563	10,688	1,707
									Total	$ 239,575		

Accident Year	Cumulative paid loss and settlement expenses, net of reinsurance *(in thousands)* — Year Ended December 31, 2010*	2011*	2012*	2013*	2014*	2015*	2016*	2017*	2018*	2019
2010	$ 4,414	7,979	10,584	13,202	14,813	15,551	15,940	16,068	16,219	$ 16,303
2011		6,996	10,112	12,300	14,592	16,678	17,560	18,107	18,250	18,302
2012			6,129	9,422	11,958	14,689	17,239	18,225	18,625	18,748
2013				8,435	12,235	15,834	18,661	20,446	21,250	21,835
2014					7,782	11,718	17,261	21,398	23,027	23,707
2015						6,462	11,359	14,874	18,172	20,145
2016							7,647	13,109	16,426	20,558
2017								11,578	18,901	22,363
2018									10,450	16,665
2019										15,285
									Total	193,911
									Unpaid losses and settlement expense - years 2010 through 2019	45,664
									Unpaid losses and settlement expense - prior to 2010	138
									Unpaid loss and settlement expense, net of reinsurance	$ 45,802

*Presented as unaudited required supplementary information.

The following table reconciles the loss development information to the consolidated balance sheet for the year ended December 31, 2019, by reportable segement.

(In thousands)	December 31, 2019
Net unpaid losses and settlement expense	
Property Lines	$ 2,526
Workers' Compensation and Liability Lines	43,276
Total unpaid losses and settlement expense, net of reinsurance	45,802
Reinsurance recoverable on losses and settlement expense	
Property Lines	3,238
Workers' Compensation and Liability Lines	7,798
Total reinsurance recoverable on unpaid losses and settlement expense	11,036
Total gross unpaid losses and LAE	$ 56,838

Loss Duration Disclosure

The following table represents the average annual percentage payout of incurred losses by age, net of reinsurance and is presented as unaudited required supplementary information.

	Average annual percentage payout of incurred losses by age, net of reinsurance — Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9+
Property Lines	71.7%	25.1%	1.7%	-0.5%	-0.2%	1.6%	0.7%	-0.1%	0.2%
Liability Lines	11.5%	19.9%	22.9%	20.5%	12.0%	5.9%	4.0%	1.7%	1.6%
Total Lines	34.4%	21.0%	14.9%	12.4%	7.7%	4.4%	2.8%	1.0%	1.2%

The following table is a reconciliation of the Company's unpaid losses and settlement expenses for the years 2019 and 2018.

(In thousands)	2019	2018
Unpaid losses and settlement expense - beginning of the period:		
Gross	$ 51,447	$ 51,074
Less: Ceded	6,736	10,030
Net	44,711	41,044
Increase in incurred losses and settlement expense:		
Current year	33,564	29,762
Prior years	151	1,500
Total incurred	33,715	31,262
Deduct: Loss and settlement expense payments for claims incurred:		
Current year	15,285	10,450
Prior years	17,339	17,145
Total paid	32,624	27,595
Net unpaid losses and settlement expense - end of the period	45,802	44,711
Plus: Reinsurance recoverable on unpaid losses	11,036	6,736
Gross unpaid losses and settlement expense - end of the period	$ 56,838	$ 51,447

(In thousands)	2019	2018
Supplemental ceded unpaid losses and settlement expense at end of year disclosure:		
Reinsurance balances recoverable on unpaid losses and settlement expenses, net of allowances for uncollectible amounts of $0 in 2019 and 2018	$ 11,036	$ 6,736
Less: Reinsurance balances payable	—	—
Reinsurance recoverable on unpaid losses	$ 11,036	$ 6,736

Differences, from the initial reserve estimates, emerged as changes in the ultimate loss estimates were updated through the reserve analysis process. The recognition of the changes in initial reserve estimates occurred over time as claims were reported, initial case reserves were established, initial reserves were reviewed in light of additional information and ultimate payments were made on the collective set of claims incurred as of that evaluation date. The new information on the ultimate settlement value of claims is updated until all claims in a defined set are settled. As a small specialty insurer with a niche product portfolio, the Company's experience will ordinarily exhibit fluctuations from period to period. While management attempts to identify and react to systematic changes in the loss environment, it must also consider the volume of experience directly available to the Company and interpret any particular period's indications with a realistic technical understanding of the reliability of those observations.

A discussion of significant components of reserve development for the two most recent calendar years follows:

2019

For calendar year 2019, the Company experienced adverse development relative to prior years' reserve estimates in its liability line of business relating to Liquor Liability and Business Liability, primarily from the 2015 and 2016 accident years. This adverse development was largely offset by favorable development in Workers' Compensation.

2018

For calendar year 2018, the Company experienced adverse development relative to prior years' reserve estimates in its casualty line of business relating to Business Liability, primarily from the 2016 accident year. This adverse development was partially offset by favorable development in Liquor Liability and Workers' Compensation.

8. INCOME TAXES

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are summarized as follows:

	December 31,	
	2019	2018
Deferred tax assets:		
Tax discounting of claim reserves	$ 765,820	$ 814,193
Unearned premium reserve	1,264,887	1,255,183
Deferred compensation	140,141	103,178
Provision for uncollectible accounts	21,000	10,500
Net unrealized depreciation of securities	—	420,259
Other	93,631	53,193
Deferred tax assets before allowance	2,285,479	2,656,506
Less valuation allowance	—	—
Total deferred tax assets	$ 2,285,479	$ 2,656,506
Deferred tax liabilities:		
Transition adjustment for loss reserve discounting	$ 226,176	$ 292,176
Net unrealized appreciation of securities	959,204	—
Deferred policy acquisition costs	1,110,676	1,101,910
Property and equipment	25,093	237,581
Other	3,543	3,441
Total deferred tax liabilities	2,324,692	1,635,108
Net deferred tax (liability) asset	$ (39,213)	$ 1,021,398

In July 2019, the Treasury issued Rev Proc 2019-31, which included final revised loss reserve discounting factors and transitional guidance necessary to complete the accounting for the impacts of the Tax Act. The transitional adjustment for loss reserve discounting was recalculated as of January 1, 2018 and the resulting adjustment is being recognized in taxable income evenly over an eight-year period beginning in 2018.

Management believes it is more likely than not that all deferred tax assets will be recovered as the result of future operations, which will generate sufficient taxable income to realize the deferred tax asset.

Income tax expense for the years ended December 31, 2019 and 2018, differed from the amounts computed by applying the U.S. federal tax rate of 21% to pretax income from continuing operations as demonstrated in the following table:

	Years Ended December 31,	
	2019	2018
Provision for income taxes at the statutory federal tax rates	$ 1,067,128	$ 209,870
Increase (reduction) in taxes resulting from:		
Dividends received deduction	(22,542)	(35,802)
Tax-exempt interest income	(75,766)	(128,292)
15% proration of tax-exempt interest and dividends received deduction	24,034	40,522
Officer life insurance, net	(14,004)	4,429
Nondeductible expenses	57,980	44,505
Prior year true-ups and other	(249,615)	(29,145)
Total	$ 787,215	$ 106,087

The Company's effective tax rate was 15.5% and 10.6% for 2019 and 2018, respectively. Effective rates are dependent upon components of pretax earnings and the related tax effects.

As of December 31, 2019, the Company does not have any capital or operating loss carryforwards. Periods still subject to Internal Revenue Service (IRS) audit include 2016 through current year. There are currently no open tax exams.

9. EMPLOYEE BENEFITS

401(K) AND BONUS AND INCENTIVE PLANS

The Company maintains a 401(k) and bonus and incentive plans covering executives, managers, and employees. Excluding the 401(k), at the CEO's discretion, funding of these plans is primarily dependent upon reaching predetermined levels of combined ratio, reduction in operating expenses, growth in direct written premium, and overall renewal retention ratios. Bonuses are earned as the Company generates earnings in excess of this required return. While some management incentive plans may be affected somewhat by other performance factors, the larger influence of corporate performance ensures that the interests of the executives, managers, and employees corresponds with those of the stakeholders.

The 401(k) plan offers a matching percentage up to 4% of eligible compensation, as well as a profit sharing percentage of each employee's compensation. Participants are 100% vested in the matching percentage and vest at a rate of 25% per year for the profit sharing distribution. The total contribution to the 401(k) profit sharing plan was $311,370 and $239,813 for 2019 and 2018, respectively. Additionally, bonuses may be awarded to executives, managers, and associates through company incentive plans, provided certain financial or operational goals are met.

DEFERRED COMPENSATION

In November 2012, the Company entered into a deferred compensation agreement with an executive of the Company. The agreement requires the Company to make payments to the executive beginning at retirement (age 62). In the event of separation of service without cause prior to age 62, benefits under this agreement vest 25% in November 2017, 50% in November 2022, 75% in November 2027, and 100% on January 1, 2032. In the event of death prior to retirement, benefits become fully vested and are payable to the executive's beneficiaries. Using a discount rate of 4.22%, the fully vested obligation under the agreement would total approximately $1,689,467 on January 1, 2032. As of December 31, 2019 and 2018, the accrued liability related to this agreement totaled $347,987 and $235,932, respectively. The Company's recognized $112,055 of expense and $12,549 of benefit in 2019 and 2018, respectively.

ESOP

In connection with our conversion and public offering, we established an ESOP. The ESOP borrowed from the Company to purchase 350,000 shares in the offering. The issuance of the shares to the ESOP resulted in a contra account established in the equity section of the balance sheet for the unallocated shares at an amount equal to their $10.00 per share purchase price.

The Company may make discretionary contributions to the ESOP and pay dividends on unallocated shares to the ESOP. The ESOP uses funds it receives to repay the loan. When loan payments are made, ESOP shares are allocated to participants based on relative compensation and expense is recorded. The Company contributed $288,538 to the ESOP during the fourth quarter of 2019. The Company contributed $288,538 to the ESOP during the fourth quarter of 2018.

A compensation expense charge is booked monthly during each year for the shares commited to be allocated to participants that year, determined with reference to the fair market value of our stock at the time the commitment to allocate the shares is accrued and recognized. For the year ended December 31, 2019, we recognized compensation expense of $324,041 related to 23,437 shares of our common stock that were committed to be released to participants' accounts for the year ended December 31, 2019. Of the 23,437 shares committed to be released, 1,991 shares were committed on December 31, 2019 and had no impact on the weighted average common shares outstanding for the year ended December 31, 2019. For the year ended December 31, 2018, we recognized compensation expense of $355,836 related to 23,437 shares of our common stock that were committed to be released to participants' accounts for the year ended December 31, 2018. Of the 23,437 shares committed to be released, 1,867 shares were committed on December 31, 2018 and had no impact on the weighted average common shares outstanding for the year ended December 31, 2018. The fair value of the unearned ESOP shares as of December 31, 2019 and December 31, 2018 was $3,962,789 and $4,158,955, respectively.

RESTRICTED STOCK UNITS

RSUs were granted for the first time in February 2018 with additional RSUs being granted in March 2019. RSUs have a grant date value equal to the closing price of the Company's stock on the dates the shares are granted. The RSUs vest 1/3 over three years from the date of grant.

As of December 31, 2019, 13,071 and 11,700 RSUs have been granted at a fair market value of $13.70 and $15.10, respectively. As of December 31, 2018, 11,700 RSUs have been granted at a fair market value of $15.10 per share. We recognized $108,115 and $50,662 of expense on these units in the twelve months ended December 31, 2019 and 2018, respectively. Total unrecognized compensation expense relating to outstanding and unvested RSUs was $196,967 and $126,008 as of December 31, 2019 and 2018, respectively, which is recognized over the remainder of the three-year vesting periods.

10. STATUTORY INFORMATION AND DIVIDEND RESTRICTIONS

The statutory financial statements of ICC are presented on the basis of accounting practices prescribed or permitted by the Illinois Department of Insurance, which has adopted the National Association of Insurance Commissioners (NAIC) statutory accounting practices as the basis of its statutory accounting practices. ICC did not use any permitted statutory accounting practices that differ from NAIC prescribed statutory accounting practices. In converting from statutory to GAAP, typical adjustments include deferral of policy acquisition costs, the inclusion of statutory non-admitted assets, recording debt securities at fair value versus amortized cost, net unrealized gains or losses on equity securities are recorded in earnings as opposed to being a component of surplus, and the reclassification of surplus notes from equity to debt.

The NAIC has RBC requirements that require insurance companies to calculate and report information under a risk-based formula, which measures statutory capital and surplus needs based upon a regulatory definition of risk relative to the Company's balance sheet and mix of products. As of December 31, 2019 and 2018, ICC had RBC amounts in excess of the authorized control level RBC, as defined by the NAIC. ICC had an authorized control level RBC of $6,959,512 and $6,751,399 as of December 31, 2019 and 2018, respectively, compared to actual statutory capital and surplus of $55,357,446 and $50,552,167, respectively, for these same periods.

The following table includes selected information for our insurance subsidiary:

	As of and Periods Ended December 31,	
	2019	2018
Net income, statutory basis	$ 3,037,554	$ 1,206,160
Consolidated surplus, statutory basis	$ 55,357,446	$ 50,552,167

No Illinois domiciled company may pay any extraordinary dividend or make any other extraordinary distribution to its security holders until: (a) 30 days after the Director has received notice of the declaration thereof and has not within such period disapproved the payment, or (b) the Director approves such payment within the 30-day period. For purposes of this subsection, an extraordinary dividend or distribution is any dividend or distribution of cash or other property whose fair market value, together with that of other dividends or distributions, made within the period of 12 consecutive months ending on the date on which the proposed dividend is scheduled for payment or distribution exceeds the greater of: (a) 10% of the Company's surplus as regards policyholders as of the 31st day of December next preceding, or (b) the net income of the Company for the 12-month period ending the 31st day of December next preceding, but does not include pro rata distributions of any class of the Company's own securities.

The Company did not pay any dividends to security holders in 2019 or 2018. It did, however, make cash dividend payments in the amount of $18,793 and $6,836 in 2019 and 2018, respectively, to Wisconsin policyholders in accordance with policy contractual obligations.

11. RELATED PARTY

Mr. John R. Klockau, a director of the Company, is a claims consultant and was paid $13,325 and $15,680 in 2019 and 2018, respectively, related to his services to the Company.

Mr. Scott T. Burgess is a director of the Company and a Senior Managing Director of Griffin Financial Group. Mr. Burgess was paid $3,794 and $3,812 in 2019 and 2018, respectively for travel reimbursement costs. Griffin and Stevens & Lee are affiliated. Stevens & Lee is a full-service law firm that was paid $41,910 and $99,591 as of December 31, 2019 and 2018, respectively.

12. COMMITMENTS AND CONTINGENT LIABILITIES

The Company is party to numerous claims, losses, and litigation matters that arise in the normal course of business. Many of such claims, losses, or litigation matters involve claims under policies that the Company underwrites as an insurer. Management believes that the resolution of these claims and losses will not have a material adverse effect on the Company's financial condition, results of operations, or cash flows.

The Company has operating lease obligations related to managing the business. Minimum future rental payments under non-cancellable agreements total $387,717, $28,414, $25,008, and $4,195 in 2020, 2021, 2022, and 2023, respectively.

13. SUBSEQUENT EVENTS

Beverage Insurance loaned an additional $650,000 to Kevin Harrison on January 28, 2020.

At its March 10, 2020 Board of Directors meeting, the Board unanimously approved ICC's offering of cannabis coverage in states that allow for recreational cannabis consumption.

In March 2020, the World Health Organization declared a pandemic related to the rapidly spreading coronavirus (COVID-19) outbreak, which has lead to a global health emergency. As a result, economic uncertainties have arisen which could impact the Company's operations and its financial position. The extent of the impact of COVID-19 on the Company's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, as well as the impact on our policyholders, employees and vendors, all of which are uncertain and cannot be predicted. The related financial impact cannot be reasonably estimated at this time.

In response to COVID-19, the Company decided to temporarily suspend all insurance premium billing for 30 days beginning March 20, 2020. Additionally, the Company obtained in March 2020 a $6.0 million loan from the Federal Home Loan Bank of Chicago (FHLBC) as a precautionary measure to increase its cash position and compensate for potential reductions in premium receivable collections.

ICC HOLDINGS, INC.
Schedule II — Condensed Financial Information of Registrant
Balance Sheet – Parent Company Only

	As of December 31, 2019	As of December 31, 2018
Assets		
Investment in subsidiaries	$ 70,094,982	$ 60,766,224
Fixed maturity securities	3,360,454	2,048,604
Common Stocks	1,172,369	812,938
Other invested assets	117,000	115,000
Cash and cash equivalents	791,266	861,739
Due from subsidiaries	385,693	9,292
Accrued investment income	18,124	9,403
Income taxes - current	37,496	438,347
Income taxes - deferred	-	34,860
Other assets	408,776	679,117
Total assets	$ 76,386,160	$ 65,775,524
Liabilities and Shareholders' Equity		
Liabilities:		
Debt	$ 9,284,640	$ 6,459,293
Accrued expenses	104,618	145,085
Income taxes - deferred	32,529	-
Other liabilities	622,539	577,847
Total liabilities	10,044,327	7,182,225
Equity:		
Common stock[1]	35,000	35,000
Treasury stock, at cost[2]	(3,146,576)	(2,999,995)
Additional paid-in capital	32,703,209	32,505,423
Accumulated other comprehensive earnings, net of tax	2,953,936	(1,580,976)
Retained earnings	36,608,750	33,680,702
Less: Unearned Employee Stock Ownership Plan shares at cost[3]	(2,812,485)	(3,046,855)
Total equity	66,341,833	58,593,299
Total liabilities and equity	$ 76,386,160	$ 65,775,524

[1] *Par value $0.01; authorized: 2019 - 10,000,000 shares and 2018 – 10,000,000 shares; issued: 2019 - 3,500,000 and 2018 – 3,500,000 shares; outstanding: 2019 - 3,014,941 and 2018 – 2,992,734 shares.*
[2] *2019 – 203,811 shares and 2018 – 196,721 shares*
[3] *2019 – 281,248 shares and 2018 – 304,685 shares*

Table of Contents

ICC HOLDINGS, INC.
Schedule II — Condensed Financial Information of Registrant
Statement of Earnings and Comprehensive Earnings – Parent Company Only

	Year Ended December 31, 2019	Year Ended December 31, 2018
Net investment income	$ 723,497	$ 897,051
Net realized investment gains	15,695	42,554
Net unrealized gains on equity securities	217,376	—
Other income (expense)	21,810	(116,397)
Total revenue	978,378	823,208
Policy acquisition costs and other operating expenses	1,749,159	1,639,796
Interest expense on debt	128,790	129,243
General corporate expenses	—	8,930
Total expenses	1,877,949	1,777,968
Loss before equity earnings of subsidiaries and income taxes	(899,571)	(954,760)
Total income tax expense (benefit)	88,782	(326,055)
Net loss before equity earnings of subsidiaries	(988,353)	(628,705)
Equity earnings in subsidiaries	5,282,698	1,522,001
Net earnings	$ 4,294,345	$ 893,296
Other comprehensive earnings, net of tax	$ 68,144	$ (264,789)
Equity in other comprehensive earnings of subsidiaries	3,100,471	(3,543,256)
Comprehensive earnings (loss)	$ 7,462,960	$ (2,914,749)

ICC HOLDINGS, INC.
Schedule II — Condensed Financial Information of Registrant
Statement of Cash Flows – Parent Company Only

	Year Ended December 31, 2019	Year Ended December 31, 2018
Cash flows from operating activities:		
Net earnings	$ 4,294,345	$ 893,296
Adjustments to reconcile net earnings to net cash provided by operating activities		
Net realized gains	(15,695)	(42,554)
Depreciation	363,242	237,134
Deferred income tax	22,911	50,816
Equity in undistributed (income) of subsidiaries	(5,282,698)	(1,522,001)
Amortization of bond premium and discount	7,934	6,624
Stock-based compensation expense	432,156	406,498
Change in:		
Due from subsidiaries	(492,051)	106,358
Accrued investment income	(8,721)	(2,763)
Accrued expenses	(40,467)	65,824
Current federal income tax	400,851	(438,347)
Other	315,033	707,864
Net cash (used in) provided by operating activities	(3,160)	468,749
Cash flows from investing activities:		
Contributions to subsidiaries	(1,461,381)	(770,483)
Purchases of:		
Fixed maturity securities	(1,502,582)	(749,824)
Common stocks	(367,425)	(1,346,958)
Other invested assets	(2,000)	(15,000)
Property and equipment	(56,022)	(887,574)
Proceeds from sales, maturities and calls of:		
Fixed maturity securities	269,076	1,220,578
Common stocks	341,047	1,380,293
Property and equipment	33,208	6,790
Net cash (used in) investing activities	(2,746,079)	(1,162,178)
Cash flows from financing activities:		
Proceeds from loan	3,000,000	3,000,000
Repayments of borrowed funds	(174,652)	(36,816)
Purchase of common stock	(146,581)	(2,999,995)
Net cash provided by (used in) financing activities	2,678,766	(36,811)
Net (decrease) in cash and cash equivalents	(70,473)	(730,240)
Cash and cash equivalents at beginning of year	861,739	1,591,979
Cash and cash equivalents at end of period	$ 791,266	$ 861,739
Supplemental information:		
Federal income tax paid	$ —	$ —
Interest paid	159,909	194,680

ICC HOLDINGS, INC. AND SUBSIDIARIES
Schedule III — Supplemental Insurance Information
Years ended December 31, 2019 and 2018

(In thousands)	Deferred policy acquisition costs	Future policy benefits, losses, claims and loss expenses	Unearned premiums	Other policy and benefits payable	Net premiums earned
December 31, 2019					
Commercial Business	$ 5,269	$ 56,838	$ 30,393	$ 375	$ 52,842
Total	$ 5,269	$ 56,838	$ 30,393	$ 375	$ 52,842
December 31, 2018					
Commercial Business	$ 5,247	$ 51,447	$ 29,973	$ 993	$ 47,117
Total	$ 5,247	$ 51,447	$ 29,973	$ 993	$ 47,117

(In thousands)	Net investment income	Benefits, claims, losses and settlement expenses	Amortization of DAC	Other operating expenses	Net premiums written
December 31, 2019					
Commercial Business	$ 3,185	$ 33,715	$ 10,395	$ 10,333	$ 53,235
Total	$ 3,185	$ 33,715	$ 10,395	$ 10,333	$ 53,235
December 31, 2018					
Commercial Business	$ 2,890	$ 31,262	$ 8,396	$ 10,506	$ 50,013
Total	$ 2,890	$ 31,262	$ 8,396	$ 10,506	$ 50,013

See accompanying notes to consolidated financial statements and report of independent registered public accounting firm.

ICC HOLDINGS, INC. AND SUBSIDIARIES
Schedule IV — Reinsurance
Years ended December 31, 2019 and 2018

(In thousands) Premiums earned	Gross amount	Ceded to other companies	Assumed from other companies	Net amount	Percentage of mount assumed to net
2019	$ 62,559	$ 9,925	$ 208	$ 52,842	0.4%
2018	$ 57,702	$ 10,759	$ 174	$ 47,117	0.4%

See accompanying notes to consolidated financial statements and report of independent registered public accounting firm.

ICC HOLDINGS, INC. AND SUBSIDIARIES
Schedule V — Allowance for Uncollectible Premiums and Other Receivables
Years ended December 31, 2019 and 2018

(In thousands)	2019	2018
Beginning balance	$ 50	$ 50
Additions	50	—
Deletions	—	—
Ending balance	$ 100	$ 50

See accompanying notes to consolidated financial statements and report of independent registered public accounting firm.

ICC HOLDINGS, INC. AND SUBSIDIARIES
Schedule VI — Supplemental Information
Years ended December 31, 2019 and 2018

(In thousands)	Deferred policy acquisition costs	Reserve for Losses and settlement expenses	Discount if any deducted from reserves	Unearned premium	Net earned premiums	Net investment income
2019	$ 5,269	$ 56,838	$ —	$ 30,393	$ 52,842	$ 3,185
2018	$ 5,247	$ 51,447	$ —	$ 29,973	$ 47,117	$ 2,890

	Losses and settlment expenses incurred related to			Paid losses and	
(In thousands)	Current year	Prior year	Amortization of DAC	settlement expenses	Net written premiums
2019	$ 33,564	$ 151	$ 10,395	$ (32,624)	$ 53,235
2018	$ 29,762	$ 1,500	$ 8,396	$ (27,595)	$ 50,013

See accompanying notes to consolidated financial statements and report of independent registered public accounting firm.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a) (1-2) See Item 8 for Consolidated Financials Statements and Schedules included in this report.

(3) Exhibits. See Exhibit Index on page 43.

(b) Exhibits. See Exhibit Index on page 43.

(c) Financial Statement Schedules. See Financial Statement Schedules on pages 34 - 40.

/s/SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	ICC HOLDINGS, INC.	
May 15, 2020	By:	/s/ Michael R. Smith
		Michael R. Smith, Chief Financial Officer (Principal Financial and Accounting Officer)

EXHIBIT INDEX

The following is a list of all exhibits filed as part of this Annual Report on Form 10K/A.

Exhibit Number	Description
23.1	Consent of Johnson Lambert, LLP
23.2	Consent of BKD, LLP
31.1	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the registration statements on (Form S-8) (No. 333-219916) of ICC Holdings, Inc. of our report dated March 30, 2020 with respect to the consolidated financial statements and financial statement schedules included in this Annual Report (Form 10-K/A) for the year ended December 31, 2019.

Johnson Lambert LLP

Park Ridge, Illinois
May 15, 2020

Consent of Independent Registered Public Accounting Firm

Audit Committee, Board of Directors and Stockholders
ICC Holdings, Inc.
Rock Island, Illinois

We consent to the incorporation by reference in the registration statement of ICC Holdings, Inc. on Form S-8 (No. 333-219916) of our report dated April 1, 2019, on our audit of the consolidated financial statements of ICC Holdings, Inc. as of December 31, 2018, and for the year ended December 31, 2018, which is included in the Annual Report on Form 10-K/A.

/s/ **BKD, LLP**

Cincinnati, Ohio
May 15, 2020

Exhibit 31.1

CHIEF EXECUTIVE OFFICER'S 302 CERTIFICATION

I, Arron K. Sutherland, certify that:

1. I have reviewed this Annual Report on Form 10-K/A of ICC Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2020

/s/ Arron K. Sutherland

Arron K. Sutherland
Chief Executive Officer
(principal executive officer)

Exhibit 31.2

CHIEF FINANCIAL OFFICER'S 302 CERTIFICATION

I, Michael R. Smith, certify that:

1. I have reviewed this Annual Report on Form 10-K/A of ICC Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2020

/s/ Michael R. Smith

Michael R. Smith
Chief Financial Officer
(principal financial officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of ICC Holdings, Inc. (the "Company") on Form 10-K/A for the year ended December 31, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Arron K. Sutherland, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 15, 2020

/s/Arron K. Sutherland
Arron K. Sutherland
Chief Executive Officer

Exhibit 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of ICC Holdings, Inc. (the “Company”) on Form 10-K/A for the year ended December 31, 2019, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Michael R. Smith, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 15, 2020

/s/ Michael R. Smith

Michael R. Smith
Chief Financial Officer