

October, 2015



NEWSLETTER

2894 106th Street, Suite 220 • PO Box 7628 • Urbandale, Iowa 50323
 Iowa Watts: 800.942.1000 • Phone: 515.334.3001 • Fax: 515.334.3013
www.pmmicinsurance.com

Board of Directors

Ron Burmeister
 Chairman
 of the board

Randall Meyer
 Vice Chairman

Jerry Woods
 Treasurer

MJ Dolan
 Secretary

Jeffrey Yorgae
 Director

Randal Woodard
 Director

Eli Wirtz
 Director

Patrick Rounds
 President & CEO

Thomas Norris
 Vice President

Brian Wiegert
 Vice President



Table of Contents

PMMIC Investors..... 1

Chairman’s Corner 2

Brighton Volunteer Fire
 Department Receives PMMIC
 C.A.S.H. Award 2

Employee Spotlight 2

Aging Tank Systems and
 Premiums..... 3

R&A Risk Professionals 4

PMMIC Investors

Who owns PMMIC? The simple answer is that many of you do. Every non-governmental customer that was insured with PMMIC in 2005 became a shareholder when PMMIC converted from a mutual to a stock insurance company. PMMIC has approximately 800 shareholders with 9,842,017 outstanding shares.

Your PMMIC stock is a valuable asset. Annually an independent company determines the estimated market value of PMMIC shares. The valuation report and PMMIC’s financials are published on the shareholder website.

Although PMMIC stock is not listed on any public exchanges, shares can be purchased and sold from a passive bulletin board on the PMMIC shareholder website. The web site provides all of the information you need to buy or sell shares. Sales of PMMIC shares must be approved by the State of Iowa before any transaction is final and all sales must be processed by PMMIC.

Earlier this year PMMIC offered to repurchase shares from shareholders at the estimated market value. In response to the offer, PMMIC purchased \$2 million worth of shares.

Many of the transactions were delayed because shareholders had lost or misplaced their stock certificates or the listed owner of the certificate was out of business or had transferred the stock to another entity without properly notifying PMMIC and the state of Iowa. Here are some suggestions to help you protect your investment and be able to sell your shares in the future:

1. Keep your stock certificate safe and somewhere you can find it. The certificate is your proof of ownership and must be protected like all other valuable documents. If you have lost or misplaced the certificate, you must sign an affidavit and prove that you are the owner of the lost certificate.
2. Stock transactions are not effective for at least 30 days after proper notice to PMMIC and the state of Iowa. Plan transactions accordingly.
3. Notify PMMIC immediately if there is any change in the ownership, name of shareholder, or address of the shareholder. We can’t communicate with you if we don’t know where you are.
4. If you are interested in buying or selling shares, access our passive bulletin board where buyers and sellers can contact each other to transact shares. The shareholder website can be accessed through our website, www.PMMIC.com. Click on the “Shareholders” tab on the left and follow the instructions to access the shareholder web site.

Chairman's Corner

Dear Investor,

Aging tank systems were a major topic of discussion at the USEPA's 25th National Tanks Conference. As a tank ages it presents a greater risk of experiencing a release. This fact isn't news, but how we manage aging tank systems is noteworthy.

Some states are mandating that tanks be permanently closed by a specific age. Some insurance companies are non-renewing coverage when a tank reaches a specific age, usually between 20 and 30 years old. We have determined that it is a better solution to incorporate the increased risk associated with age into our premium structure.

Replacement of a UST system is a significant capital expenditure. We believe that our customers should have the option to continue to operate older tank systems that are in compliance with leak prevention and leak detection requirements. Our new UST premium structure will increase rates for older tanks, but it will allow us to continue to insure those tanks and to allow tank owners to make their own investment decisions. The tank owner can determine when to invest in a new tank system.

We will continue to provide coverage that supports our customer's needs with premiums that support our business objectives.

Ronald L. Burmeister,
Chairman

Brighton Volunteer Fire Department Receives PMMIC C.A.S.H. Award

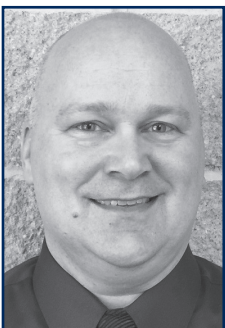
Brighton Volunteer Fire Department receives Petroleum Marketers Management Insurance Company (PMMIC) C.A.S.H. Award. C.A.S.H. stands for Community Assistance Service Honor.

"PMMIC established this award to recognize the efforts of individuals or companies that go out of their way to give back to their communities," explained Patrick Rounds, PMMIC President & CEO.

This 2015 award recognizes petroleum marketer Mark Cobb of Cobb Oil in Brighton who has made a difference in his community for over 33 years by volunteering on the Brighton Fire Department. He currently serves as captain on the fire department and is active in pursuing grants and helps with fundraising activities to supplement the department's financial needs. Small towns across Iowa depend on volunteers like Mark to be ready to help in a variety of situations. They aren't only fire fighters, they are weather spotters, traffic control at vehicle accidents, they perform search and rescue, help in medical emergencies, and they even do the occasional animal rescue. Mark's dedication to the department and to his community has had an impact on many lives around their small community.

"This award is a great benefit for the Brighton Volunteer Fire Department, and I am honored to accept it on behalf of all our volunteers and the Brighton community," said Mark Cobb. "I am proud of the group of volunteers I work with and know they will also appreciate the recognition and the \$1000."

Employee Spotlight



Richard Davis, Business Development Manager for R&A Risk Professionals, has been an insurance professional for 25 years. During his career he has designed and developed insurance programs, been an underwriter, a sales and marketing professional and managed a large wholesale agency. Mr. Davis has earned the Registered Professional Liability Underwriter (RPLU) designation from the Professional Liability Underwriting Society. He has been involved in insuring everything from large complex organizations to Main Street businesses in all facets including sales, coverage reviews, customer claim assistance and underwriting. Mr. Davis is licensed in several states and is responsible for placement of all commercial and personal lines insurance

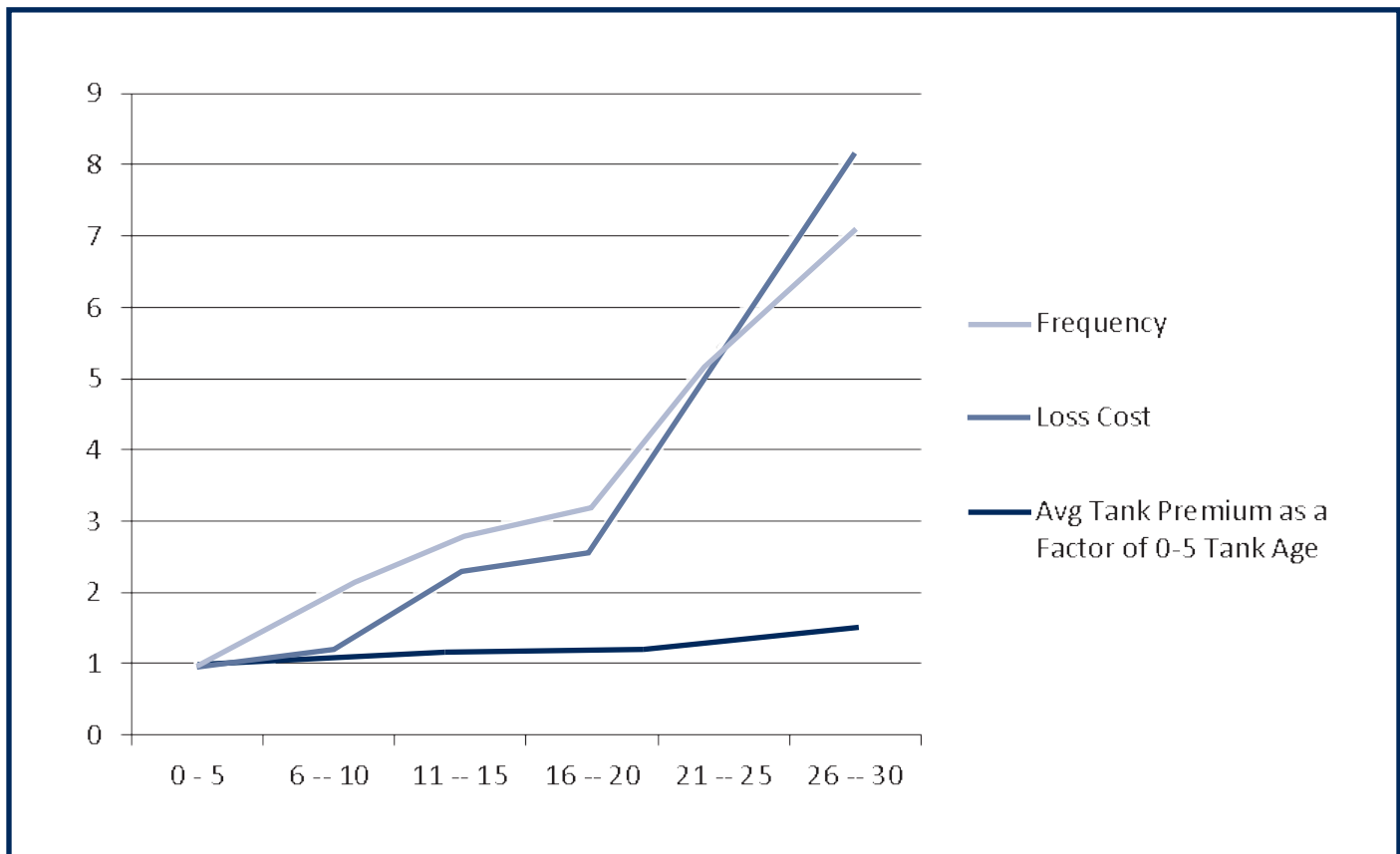
Aging Tank Systems and Premiums

PMMIC insures tank systems ranging in age from brand new to over 76 years old. The average age is 23 years old. 30% of our insured population was installed prior to 1988 when federal tank standards were adopted. Recently our actuaries looked at our historical losses. Not surprisingly, loss frequency and severity increase significantly with age. Tanks that are over 20 years old have five times greater history of losses than tanks that are five years old and tanks over 25 years old have seven times greater losses.

While our tank premiums take into consideration factors related to tank age, construction, delivery system and other factors, older tank systems have not paid premiums consistent with the risk those tanks present. To address the disparity between risk and premiums, older tanks will see increased premiums in the future. Beginning at age 15, rates will increase by approximately 5% every year for age related risks.

While other insurance carriers have decided to cancel coverage for older tanks, we believe that establishing an appropriate premium schedule is a better business decision. As a tank owner, you will have to decide whether to replace older tank systems or pay higher insurance premiums as those systems age.

Beginning in October, PMMIC insurance policies will reflect the age-based premiums. Rates will increase from 5% to 20% depending on tank age. The chart below depicts the difference between last year's premiums and the loss relativities based upon age. Increasing rates for older tank systems is necessary to address this disparity.





2894 106th Street, Suite 220
PO Box 7628
Urbandale, Iowa 50323

Phone: 515.334.3001
Fax: 515.334.3013
E-Mail: info@roundsassociates.com
www.pmmicinsurance.com

PRSR STD
U.S. POSTAGE
PAID
ACTION PRINT



RISK PROFESSIONALS

Contact us to design the insurance package that's right for you.

515-334-3010

WWW.RAARISK.COM

We have successfully managed the PMMIC petroleum storage tank insurance program for over 15 years. Let us help you manage your risks. R&A Risk Professionals offers business insurance specifically created for the petroleum marketer.

- Business owners policy (BOP)
 - Property insurance for buildings and contents
 - Business interruption coverage
 - Liability coverage
 - Equipment breakdown coverage
- Business auto insurance
- Workers compensation
- Liquor liability
- Environmental impairment liability
- Comprehensive general liability policy
- Inland marine coverage
- Umbrella / Excess liability insurance
- Directors and Officers insurance
- Surety bonds
- Group term life & AD&D insurance
- Group short term disability
- Group long term disability
- Dependent term life
- Personal life insurance
- Health insurance
- Homeowners insurance
- Personal auto insurance
- Motorcycle, ATV & RV insurance
- Boat & personal watercraft insurance
- Renters insurance
- Personal umbrella insurance