



PMMIC
INSURANCE

NEWSLETTER

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Wind Down of UST Fund

The Iowa legislature has sunset the one cent per gallon EPC and the associated funding for the UST Fund effective December 31, 2016. With funding coming to an end, it is time to wind down the UST fund and guarantee that the existing funding is dedicated to the program's intended recipients. There are two key requirements to ensure the program winds down properly: Transferring funding for existing claims to a private party to protect the money from being diverted, and transferring the remaining funding to DNR for future administrative needs.

Funding for eligible claimants. Transfer eligible claims with an active responsible party (RP) through the existing loss portfolio transfer (LPT) process. Claimants and funding will be protected through the LPT contract and the money will not be diverted elsewhere.

Future administrative oversight. Transfer the following from the UST Fund to the DNR through a government cooperation agreement known as a 28E Agreement:

- A. Eligible claims without an active RP should be transferred to the DNR to allow the DNR to use their authority to access the properties and manage the claims to closure.
- B. Transfer NFA funding to DNR. NFA funding allows DNR to approve NFA status to LUST sites without fear of being wrong. The existence of NFA funding allows DNR to make timely, efficient corrective action decisions knowing the public will still be protected EVEN if a mistake is made. Without the NFA funding, corrective action costs could increase dramatically.
- C. Transfer tank pull funding to DNR. Removing aging tanks will eliminate future releases protecting the public and the environment.

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Record Keeping: Make copies of monthly reports as soon as they are printed. PMMIC recommends keeping a folder or binder on site for all monthly printouts.

Chairman's Corner

"Nothing is so permanent as a temporary government program."

- Milton Friedman, Nobel Prize winning Economist

The Iowa UST fund was created in 1989 as a temporary program to address environmental contamination liabilities and allow private insurance time to develop to address future liabilities. This program has been recognized nationally as a huge success and has achieved all of its intended goals. Now it is time to wind the program down. This year the legislature set a sunset date on program funding and the UST Board has begun the wind down process.

Since 2000, over \$100 million has been diverted from the fund for other State uses. We must protect the existing funding before any more diversions occur. So long as we protect the remaining eligible claimants, this program will be a rare example of a government program that achieved its stated goals and ended successfully.

It is important that we stay vigilant to ensure that eligible claimants don't get overlooked in the wind down process. The UST fund board has started a process which will protect existing claimants by transferring claims through a loss portfolio transfer (LPT) wherein the obligation to pay claims and the funds with which to pay them are transferred to a qualified third party. Once a claim is transferred in an LPT, the claimant will have contractual rights to the transferred benefits. We must also protect "No Further Action" (NFA) funding, tank pull funding, and operator training funding.

Our industry has successfully responded to, and embraced the stringent environmental regulations and technical operating requirements imposed upon us in the past generation. The winding down of this temporary program is a shining example of how government and industry can cooperate to promote sustainable environmental regulations while allowing private industry to provide cost-effective retail energy for all of our public needs.

We here at PMMIC will continue to strive to protect our customers' interests by working with the UST fund to assure the money paid into the fund by our customers is preserved for its intended use. As always, we appreciate the trust you have put in us.

Ronald L. Burmeister

Chairman of the Board

Wind Down of UST Fund

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- D. Transfer operator training funding to DNR. Ongoing operator training will allow DNR to ensure that all operators are properly trained on complex regulatory requirements. Proper system maintenance and compliance with regulatory requirements reduces releases.
- E. Properly fund DNR oversight. DNR needs adequate funding to maintain state program approval from the USEPA and to ensure that regulatory requirements are fairly applied for all UST owners.

On July 18, the UST Fund board began the wind down process by voting to move forward with a request for proposals to conduct an LPT for most remaining eligible claims. The next step will be for the UST Fund board to enter into a 28E agreement with DNR to transfer remaining programs.

Check it Out!

Virginia stretches further west than West Virginia.



Donated Shoes Become Inventory

R&A Risk Professionals, a subsidiary of PMMIC, recently participated in a local shoe drive that started in May. Throughout the summer, the employees of R&A were able to collect or donate over 30 pairs of shoes. Unlike the typical shoe or clothing drive, this event aims to help impoverished people start and grow a business. All donated shoes become inventory for the new business venture.



Shoes collected by R&A Risk Professionals over the summer.

“Value is determined by your customer, not by your effort.”
-Unknown

What is the No Further Action (NFA) Fund?

There is no actual “NFA Fund”, however NFA funding is available to the DNR from the UST Fund to pay for additional assessment and corrective action at a LUST site after the DNR has issued a No Further Action (NFA) certificate.

Iowa law protects the tank owner from having to pay for additional corrective action after a NFA certificate has been issued. The availability of NFA funding allows DNR to make NFA decisions without worrying about what happens if a hidden risk is later identified. Iowa created this concept and it is one of the key reasons our LUST program is one of the most successful and cost effective in the US.

PMMIC Repurchases 694,444 Shares

PMMIC recently completed the repurchase of 694,444 shares of the Common Stock of the Company worth approximately \$2,000,000 from existing shareholders. The purchases were in response to a repurchase offer presented to all shareholders in May of 2016. The repurchase offer was \$2.88 per share. Repurchased shares were retired. Following the repurchase, PMMIC has 9,147,573 outstanding shares.

“Hatred and anger are the greatest poison to the happiness of a good mind.”

-Adam Smith



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

515-334-3010

We have successfully managed the PMMIC petroleum storage tank insurance program for over 15 years. Let us help you manage your risk. 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