



**PMMIC**  
INSURANCE

NEWSLETTER

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## SUMP Test Water NOT Included In PMMIC Coverage

New federal EPA regulations require that all spill containment, piping and transition sumps, and under dispenser containment (UDC), be tested at least once every three years. This regulation applies to all UST facilities for spill containment and 17% of Iowa facilities that have secondary containment.

While various options for testing are allowed, hydrostatic testing is the most popular method. Hydrostatic testing requires the introduction of water into the containment being tested. The testing protocol requires that the water level be measured at the beginning and end of the test to determine if there has been a loss of test water. If the testing threshold is exceeded (the amount that can leak varies by the size of the containment being tested) the system fails the test and the particular containment issue must be corrected.

Water that is introduced into an existing containment and mixed with even small amounts of petroleum becomes a hazardous waste material that must be disposed of properly. If the petroleum contaminated water leaks from the system, the owner will have to determine if the leak is a "suspected release" and respond accordingly. After completion of the test, the remaining test water must be treated as a hazardous waste and disposed of accordingly. Both the facility owner and the testing company become a hazardous waste generator.

PMMIC has reviewed current hydrostatic test methods and has determined that the intentional introduction of water into an operational spill containment, sump, or UDC presents serious risks and any release that occurs during testing is not covered by PMMIC's insurance policy.

All PMMIC insureds are encouraged to contact the IDNR for other approved testing methods before testing sumps.

## Winter is Coming

Time is running out to prep your site for the fast-approaching winter weather and freezing temperatures. Follow these quick tips to keep your site safe this season:

- Change fuel filters
- Remove water from spill basins and sumps **immediately**
- Check gutters & downspouts so water will not flow into walkways or in drives
- Color code fill port manways and make sure they're protected from snowplows
- Make sure vent lines are marked and protected
- Wear high-visibility clothing when working around fueling islands or drive
- Keep brooms, shovels, and steady supply of snowmelt on hand
- Place wet floor signs near customer entryways
- Keep emergency information and instructions up to date and available for employees

## Chairman's Corner

### Keeping Your Eye on the Goal

HF 447 created the Iowa UST Fund in 1989. That legislation created three programs to address the most obvious risks impacting the petroleum marketing industry. A guarantee loan program was created to encourage financing of tank upgrade expenses associated with new federal regulations. An insurance fund was created to act as the financial responsibility mechanism to provide certainty, sufficiency and availability of funds to cover liabilities associated with future releases. A remedial fund was created to pay for corrective action associated with preexisting petroleum leaks. The legislative intent stated, "The fund created in this Act is intended as an interim measure". Now, nearly 30 years later, those goals have been met.

The loan program assisted owners to finance new UST systems to comply with the federal UST upgrade standards by 1998. The loan program achieved the goal of making capital available to the UST tank market. Effective January 10, 2018 the rules implementing the loan program are rescinded and the program will be administratively finalized.

The insurance program provided insurance coverage for tank owners until a private market developed. In November of 2000, the Fund transferred all liabilities and assets of the insurance program to PMMIC. The Fund Board's transition agreement with PMMIC eliminated gaps of coverage between Fund coverage and private insurance. This program is also finalized in the implementing rules as of January 10, 2018, although from a practical standpoint the UST Fund Board's involvement, and the State's exposure, ended in November of 2000.

The remedial program has provided over \$300 million in funding to address over 6,000 releases for which there was no other funding source. Most of these releases were identified by 1990 and 95% are now closed. In October of this year, the UST Fund Board transferred approximately \$13 million in liabilities to PMMIC to ensure that 199 remaining open claims will achieve no further action status. The Fund still has approximately 130 claims remaining and is working on a plan to address those claims to successfully finalize the remedial program.

In those nearly 30 years since 1989, the UST Fund Board has remained focused on the original program goals. After years of perseverance, and many creative and successful solutions, the Board will soon finalize all remaining programs. This is a great example of success in the world of government programs. It is rare indeed when a government program actually achieves the goals set out for it and once completed winds up its operations. By keeping their eye on the goal, the UST Fund Board has set an example for other programs to follow. We are proud to have played a role in achieving HF 447's goals. We commend the UST Fund Board on their leadership and wish them continued success as they bring this interim measure to a successful closure.

As always,  
*Ron Burmeister, Chairman*



### Spot the Problem

The picture above was taken during an inspection of an automatic tank gauge (ATG). ATGs are installed at facilities to assist the operator by electronically keeping track of the inventory in each of the fuel storage tanks. ATGs can also perform tightness tests on these tanks and in some cases the piping from the tanks to dispensers. There are a variety of manufacturers and models of ATGs today, including this Veeder Root TLS 350 model. Can you spot the problem in this picture? *Answer on Page 4.*

*Merry Christmas from PMMIC and R&A!*

## Meet PMMIC's Lead Claims Adjusters



Tom Norris is Vice president for PMMIC involved in Claims and other operational areas of the company and has been with PMMIC since the beginning. Prior to that, he served as Administrator of the Iowa UST Fund and worked in various capacities for the Iowa UST Fund and the Missouri UST Fund. Previously, he worked for two different insurance carriers for 15 years, specializing in environmental insurance coverage. He has supervised and/or handled over 10,000 leaking underground storage tanks (LUST) cases in 36 states and 4 provinces of Canada.

Tom maintains the Chartered Property Casualty Underwriter (CPCU,) Associate in Risk Management (ARM) and other designations from the Insurance Institutes of America and is a licensed property and casualty producer in 16 states.

He enjoys spending time with family, travelling (49 states and counting,) golf, fishing, and watching baseball or college sports.



Steve Reinders is a Senior Claims Representative for PMMIC. He has almost 20 years of experience handling the assessment and cleanup of petroleum and hazardous chemical spills. Steve started his career as a field technician and then a project manager for Seneca Environmental Services. In addition to being a project manager for LUST sites, he was in charge of the emergency response team for responding to spills of petroleum and hazardous chemicals. Steve then worked for the Iowa UST Fund handling claims for LUST sites for 13 years before taking a position with PMMIC.

Steve enjoys spending time with his wife Laura and two children. He loves to travel, spend time outdoors being active, and watching the Cyclones in both football and basketball.

## Holiday Cheer

PMMIC and R&A Risk Professionals have once again partnered with Children & Families of Iowa (CFI) to spread a little holiday cheer to several Des Moines area families in need. This year we provided presents for four families in need. Over 85 gifts were purchased and gift wrapped by R&A employees.



L to R: (Back Row) Eli Wirtz, Jeff Yurgae, Jerry Woods, Pat Rounds (Front Row) Brian Wiegert, Tom Norris, Ron Burmeister, MJ Dolan, Randy Woodard, Randy Meyer

Participating in the annual Adopt-A-Family program through CFI has become a favorite tradition among our employees and we look forward to continuing our partnership in the years to come.

## Iowa UST Fund Transfers Liability for 199 LUST Claims to PMMIC

The Iowa UST fund (Fund) transferred 199 Leaking Underground Storage Tank (LUST) claims to PMMIC in October 2017, for \$13.9 million. PMMIC picked up the claim files and began processing claims in November. These claims include LUST sites that have been subject to corrective action since 1990. The transfer of responsibilities from the Fund to PMMIC will allow the Fund to begin to wind down and eventually cease operations. The Fund still manages approximately 130 claims where there is no identified responsible party, where contamination is co-mingled with another release site or where state oversight is required for other reasons. The Fund is considering steps to close the remaining claims or transfer the claims to the Iowa DNR.

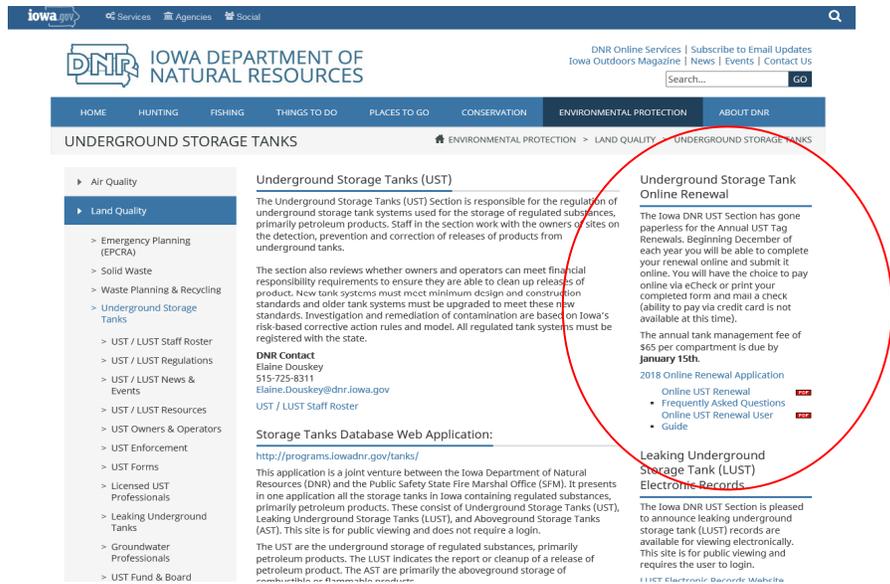


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## ATTENTION IOWA UST OPERATORS

The Iowa DNR recently announced that annual tank renewals will now be paperless. All tank tag renewals will now be completed and submitted online via the DNR’s website. Owners and operators will have the choice to pay online via eCheck or printing the completed form and mailing a check. Visit <http://www.iowadnr.gov/ust> starting December 4th for the link to the annual tank renewal process. The figure to the right shows the renewal section, circled in red. **PLEASE**

**NOTE: If you are renewing and have PMMIC insurance, there is no need to upload your new insurance documents. PMMIC electronically notifies the Iowa DNR of all new policies.**



*“Spot the Problem” Answer:* The problem in this picture is the alarm being displayed on the monitor. Look closely and you will see the red “alarm” light is illuminated and the corresponding alarm is being displayed on the screen. In this case it is displaying a “Q2:Periodic Line Fail” alarm, which is related to a line tightness test that has failed. Although no alarms should be ignored, alarms of this magnitude must be addressed immediately. Any time a tank or line leak alarm is indicated, that system should be taken out of service until a successful retest of that system is performed. Routine status checks of the ATG system are advised to catch alarms and warnings soon after they start.