

NEW IOWA DNR REGULATIONS

In July 2015, the USEPA published new UST regulations amending the original 1988 federal regulations in part to add emphasis on operating and maintaining UST equipment. Some of the major changes addressed by the new regulations include:

- Added secondary containment requirements for all new tanks and piping;
- Added thirty day and annual walkthrough inspection requirements;
- Added spill, overfill, sump and leak detection equipment testing requirements;
- Removed leak detection deferrals for emergency generator tanks and other deferrals for field-constructed tanks, airport hydrant tanks and wastewater treatment tanks; and
- Added new record keeping requirements.

To maintain state program approval, states were required to adopt regulations to comply with the new federal regulations. As of July 2020, 47 states had adopted regulations to comply with the new federal regulations. Connecticut, Nebraska, and Iowa are still developing their regulations. Iowa is currently drafting proposed regulations. When approved, Iowa's new state regulations will require compliance with the federal regulations by October 13, 2021.

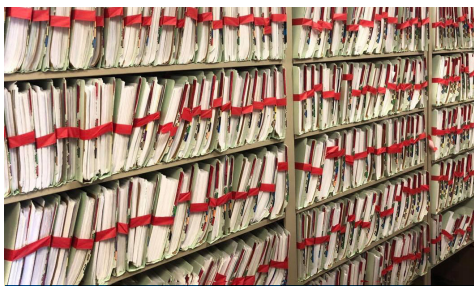
PMMIC has been working with the Iowa DNR in the development of the new regulations. We anticipate the regulations will mirror the federal regulations and should be finalized by early next year. Although not yet final, Iowa's new state regulations will require the following to be completed by October 13, 2021:

- Annual and 30-day walkthrough inspections;
- Liquid tight test of spill basins and containment sumps used for interstitial monitoring;
- Overfill prevention equipment must be inspected for proper operation; and
- Electronic and mechanical leak detection equipment must be tested for proper operation.

PAPERLESS OPTIONS COMING SOON TO PMMIC

For the past year, our team has been working hard to transition to paperless operations.

The first phase of this project was to scan and upload all our paper files, some of which date back to the days of the Iowa UST Insurance Fund. Phase One was successfully completed in July. As files were scanned and uploaded, they were sealed with red tape. Sealed files are awaiting storage. Our IT department is now developing strategies to allow electronic signatures on all PMMIC insurance applications and renewals. Stay tuned for more information in the coming months!



Sealed files awaiting storage.

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CHAIRMAN'S CORNER

In response to the original federal UST upgrade deadline in 1998, it was estimated the petroleum UST population decreased by more than 60%. With the approaching October 13, 2021, deadline for the new federal UST regulations, will we see another significant loss of petroleum UST systems?

PMMIC has been working with our customers to address and reduce the causes of loss that the new federal regulations were written to address. Since 2000, we have been performing an annual walkthrough inspection for our insureds that exceeds the requirements of the federal regulations. Our inspections have assisted our customers to nearly eliminate overfills as a cause of loss. During our annual on-site inspections, we perform visual tightness tests of spill basins and containment sumps; evaluate leak detection records; inspect leak detection equipment and inspect every dispenser, dispenser sump and lift every manway to evaluate ancillary components.

Our customers have responded by taking care of maintenance and reducing leaks. We accomplished what the federal regulations are designed to address without putting our customers out of business. We are determined to see these successful relationships continue.

We continue to work with our customers during this unprecedented business environment where you are faced with reduced revenues due to government shutdown of normal business operations, significant expenses related to EMV liabilities and now the impact of the new federal UST regulations. We continue to encourage good stewardship of existing UST systems. While we don't encourage governmental mandates that force significant reductions in businesses offering essential energy supplies and convenience to their customers, we believe that our resilient customers will find ways to minimize the negative impact of the new regulations while continuing to serve their loyal communities.

We will continue to perform annual walkthrough inspections to help you minimize the impact and cost of the new UST regulations. Our goal is to assist you to thrive, not just survive, in these unprecedented times.

As Always,

Ronald Burmeister, Chairman

"We accomplished what the federal regulations are designed to address without putting our customers out of business."

A.M. BEST RATING, A (EXCELLENT)

In December 2019, A.M. Best upgraded PMMIC's Financial Strength Rating to A (Excellent), with a stable outlook. The rating reflects PMMIC's balance sheet strength, which A.M. Best categorized as very strong, as well as its strong operating performance, limited business profile and appropriate enterprise risk management. PMMIC's niche market focuses on the underground storage tank (UST) and aboveground storage tank (AST) pollution liability market. For more information, visit www.ambest.com.

"Spot the Problem" Answer: The problem in the picture (pg. 4) is the damaged fill cap. The lever on the cap is damaged and will not allow the cap to seal tightly to the fill adaptor. Unfortunately, it is fairly common to find damaged fill caps and missing gaskets on the caps. A tightly sealed fill cap is necessary to prevent water intrusion and vapor loss. As part of the upcoming EPA regulatory changes, all UST facilities will be required to conduct periodic walkthrough inspections. This will include 30-day inspections and maintenance of the fuel delivery areas. You can find out more information on the new requirements on the USEPA's website:

<https://www.epa.gov/ust/operating-and-maintaining-ust-systems-2015-requirements>



PMMIC CELEBRATES 20TH ANNIVERSARY

This year, we celebrate 20 years of success.

PMMIC was created on January 13, 2000, as a non-profit mutual insurance company known as Petroleum Marketers Mutual Insurance Company. PMMIC became a stock insurance company in 2005.

PMMIC received a certificate of authority from the Iowa Commissioner of Insurance on November 8, 2000. On the same day, all assets and liabilities of the Iowa UST Insurance Fund were transferred from the state of Iowa to PMMIC as a private insurance company. After 20 years, we are still the only private insurer to successfully transition a government liability fund to private insurance.

PMMIC provides environmental liability insurance for both underground storage tanks (USTs) and aboveground storage tanks (ASTs). Our clients include convenience stores, trucking companies, cities, counties, hospitals and numerous industries that maintain storage tanks for emergency generators.

The team at PMMIC has set the standard for loss control and environmental protection in the petroleum distribution industry. This success was accomplished through innovation in a very competitive marketplace. Our annual on-site loss control inspection has greatly reduced losses and assisted tank owners to comply with regulatory mandates. We are also the only UST insurer that is owned and operated by its insureds. Today, PMMIC provides UST and AST insurance in Iowa, Arizona, Wisconsin, New Mexico, Texas, and Kansas.



TEMPORARY CLOSURE

There has been an increase in temporarily closed underground storage tanks due to complications from COVID-19. The USEPA has several requirements for owners who are temporarily closing an UST.

- UST may be temporarily closed for up to 12 months;
- Must continue to maintain and monitor corrosion protection systems;
- Financial responsibility (FR) must be maintained;
- Facility must have trained operators; and
- If temporarily closed for more than 3 months, vent lines must remain open, but cap and secure all lines, pumps, manways, and ancillary equipment.

USTs in temporary closure are not required to meet the following requirements:

- Spill prevention equipment and periodic testing
- Overfill prevention equipment and periodic testing
- Empty USTs (no more than one inch of residue is present or not more than 0.3% by weight of the total capacity of the UST system remains in the system) do not require:
 - Release detection
 - Annual release detection testing and inspections
 - Monthly walkthrough inspections
 - Three-year containment sump testing

Regulations for temporarily closed tanks can vary from state to state. Contact your regulator for specifics before proceeding. In some cases, you may be permitted to extend the temporary closure beyond 12 months with the appropriate approval. Always notify your FR provider of a change in operating status for your USTs. For PMMIC's required temporary closure notification form, go to www.pmmic.com and select Insurance>Current Customers>Facility Upgrades.

New Underwriting Team Member

PMMIC and R&A Risk Professionals are excited to welcome Trenton Harem! Trenton joined our team in July 2020 as Assistant Underwriter and Insurance Producer/Agent. He is a contact for all of our clients, agents, and brokers. He has prior experience in law, finance, automotive repair, and industrial/agricultural fields. Trenton is also an alumnus of the University of Northern Iowa, where he graduated with a BA in biology. He is responsible for reviewing all pertinent documents relating to new/renewal insurance applications and inspections for insurance coverage.



SPOT THE PROBLEM

This picture was taken of the UST fuel delivery area (i.e. spill bucket) during a compliance inspection. Properly maintaining the delivery area is very important, which includes clean and intact containment, an adequate containment lid, and a fill cap that seals properly. A tightly sealed fill cap is necessary to prevent water from entering the tank as well as prevent fuel vapors from exiting the tank at ground level. Can you spot the problem in this picture? (*Answer on Page 2*)