

NOT ALL TANK INSURANCE IS THE SAME

Businesses purchase pollution liability coverage or “tank insurance” for two reasons:

- (1) Comply with state and federal laws;
- (2) Risk financing for corrective action & 3rd party liabilities associated with a release.

If you are only concerned with (1), it may make sense to shop for coverage every year and purchase the cheapest possible coverage. Don’t worry about the details.

However, if you are concerned with (2), you need to evaluate the reliability of the coverage to ensure you will be adequately protected from the financial impacts resulting from a release discovered in the future. The average UST claim in the US is approximately \$150,000.

Our records indicate that 80% of releases go undetected until subsurface soil and groundwater testing occurs during a tank system upgrade, tank or line closure, or when a phase II property assessment is conducted for a property sale. Leak detection, inventory fluctuations, system tests and observable surface spills only account for about 20% of all releases. Coverage for incurred but not yet discovered releases is a valuable component of tank insurance coverage.

Tank insurance is generally written on a “claims made and reported” policy. This means the insured (you) must prove the release occurred during the policy period and the claim must be reported during the policy period. Some insurance policies will offer a retroactive date to extend coverage for releases that occurred prior to the policy period. PMMIC has policies with retroactive dates dating back to 1989 (33 years!)

If you change insurance carriers, you may lose your retroactive date. Even if a new insurance carrier will offer to pick up your old retroactive date, you need to know what is required to obtain coverage for a previous release. With 80% of releases not detected by leak detection or inventory records, it may be impossible for you to pinpoint the source, the cause, or when a release occurred. You may also have to prove the facility was in compliance with technical regulations at the time of the release. Will you be able to prove compliance if you can’t prove when the release occurred? These requirements may result in a denial of coverage.

This is where PMMIC is different from all other insurance carriers. If PMMIC inspects your facility on an annual basis, we accept our inspections as proof of technical compliance. We have never cancelled coverage based upon the age of a tank. We continue to insure tanks that are placed in temporary closure. We allow new owners to maintain the previous owner’s retroactive date, eliminating any gap in coverage. We have never pulled out of a market. We will be here when you need us.

We were created by tank owners to protect tank owners. Our rates may not be the cheapest, but we offer peace of mind. Honouring retroactive dates and offering coverage for releases that are not detected by leak detection methods protects our clients. That’s why we do it.

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CHAIRMAN'S CORNER

Billion-dollar companies dominate the insurance industry. Many of PMMIC's direct competitors are on the US Fortune 500 list with annual revenue in the billions. While all insurance companies must satisfy the same market conduct requirements and comply with state risk-based capital requirements, minor market swings or regulatory changes have significantly greater impacts on a company our size. We must be consistent and always reliable to maintain our customer base. That is why we must be better than our competitors at what matters most to our customers.

PMMIC has focused on the petroleum storage tank market since our inception in 2000. Our wholly owned managing general agent specializes in technical knowledge of UST and AST system components including tanks, piping, leak detectors, ATG systems, sumps, dispensers, flex connectors, shear valves, fittings, and component testing systems.

Key management participate with STI, PEI, UL and ASTM standards organizations. They have performed over 60,000 petroleum storage tank facility inspections for both loss control and regulatory purposes. Our board has been made up of facility owners, jobbers, insurance professionals, distributors, petroleum equipment organizations, and financial professionals. We know tanks.

PMMIC's knowledge of tanks allows us to be better at reducing releases and overseeing corrective action when a release occurs. We know our customer's systems and we have accounted for all risks. We will continue to stay at the forefront of ever-changing technology and evolving industry standards. We provide what we believe is the most reliable coverage in the market, regardless of size.

We give our customers the confidence to sleep well at night knowing they are protected from potentially devastating environmental liabilities. Peace of mind. That was why we were created. That is what we will continue to provide. Thank you for your trust in us. Sleep well.

As Always,

Ron Burmeister

KEEPING EMPLOYEES

Are you struggling to find enough employees to keep your store open?

In 2021, a Pew Research Center study found pay and lack of advancement were the leading cause of employees quitting their jobs, while 57% indicated they didn't feel respected and approximately 40% quit due to not having input into how their hours were scheduled. Nearly 2/3 indicated it was easy or very easy to find a new job. Conclusion: If you don't take care of your employees, someone else will.

When the list of tasks for a sales associate is too long, training is inadequate, or written guidance is complex, an employee may feel disrespected, quality of service may suffer or even worse, the employee will seek other employment.

Solution? Limit employee responsibilities to desirable tasks. Outsource other tasks to vendors who don't find the task uncomfortable. Important tasks such as restroom maintenance, bagging ice, inspecting containment sumps, changing lights, and outside maintenance can be outsourced.

Reducing the list of tasks will reduce employee overload, reduce training requirements and reduce feelings of disrespect. Keep night owls on the late shift, early risers on the morning shift, and take down the Help Wanted sign.

CONVERTING YOUR SYSTEM TO E15

With Iowa's new E15 mandate, all retail facility owners will need to evaluate if their UST systems are compatible with E15 and if not, what improvements are necessary to become compatible.

Owners storing ethanol-blended fuels greater than 10% ethanol or biodiesel-blended fuels greater than 20% biodiesel must demonstrate that the following system components are compatible with the substance stored in compliance with 40 CFR 280.32:

- Tank (including internal lining)
- Piping (including sealants and "pipe dope" which are required for UL certification, flex connectors and shear valves)
- Containment Sumps (including penetration boots)
- Pumping Equipment (including turbine pump, fittings, gaskets, O-rings, bushings and couplings)
- Release Detection Equipment (ATG probes, sensors, floats, line leak detectors)
- Spill Prevention Equipment
- Overfill Prevention Equipment (drop tubes, flapper valves, fill and riser caps)



Owner/operators should also be aware of the following known E15 compatibility issues:

Tanks

- Xerxes single wall fiberglass tanks manufactured before 2005 are not compatible.
- All single wall fiberglass tanks manufactured before 1994 are not compatible.
- Double wall fiberglass tanks manufactured before 1990 are not compatible.
- Steel tanks installed prior to 1990 may have corrosion issues that may not be compatible with E15.

Piping

- FRP pipe sealant (for threaded fittings) prior to 2008 is not compatible.
- Much of FRP pipe sealant used between 2008 and 2015 is not compatible.

Dispensers

- If dispensers are not fully compatible with E15, PMMIC requires intact dispenser sumps and sump monitoring.
- Suction dispensers are generally not compatible with E15.

State and Federal regulations require **30 days advance notice** to the regulatory authority prior to storing ethanol-blended fuels greater than 10% ethanol. PMMIC must also receive 30 days prior notice and proper documentation of compatibility before storing E15 and greater blends.

LEAK DETECTION TIPS

Inadequate leak detection records are a common regulatory deficiency. Below is a list of basic leak detection guidelines to keep your site in compliance and in good favor with regulators.

- Many tank monitors are not certified as a leak detection method when the product is below a certain level. You must have a passing test at or above the required level.
- Retain the highest volume, passing test for each month.
- If you do not maintain inventory at or above a certified level, you must use another method.
- Always maintain the most recent 12 months of passing tank tests at or above the certified level.
- Make sure tests are legible! Thermal paper will fade over time and become illegible. Make a photocopy of the thermal paper report and store it in a folder or binder.

PMMIC/R&A TEAM GROWS

We are excited to announce the additions of Steve Cox, Megan Johnson, and Ryan Sitzmann to the R&A Team!

Steve's role is Director of Business Development. He has over 40 years of experience in the petroleum industry, having begun his career at his family's petroleum equipment distribution, construction, and service company. Most recently, Mr. Cox worked for over 20 years at one of the nation's largest petroleum equipment, construction, and service businesses. There, he served as a licensed installer, project manager, account manager, and branch manager. Steve has extensive experience in the design, project management, and installation of fuel storage and distribution systems. He is currently a licensed installer in CO and UT, but has previously been licensed in IA, IL, & NE, as well as a licensed STI AST tank inspector. Steve earned his BA in Business Administration at Central College in Pella, Iowa.

Megan is a Loss Control Inspector with over 20 years of experience in the petroleum industry. Prior to joining R&A, she worked for an agricultural cooperative based throughout the Midwest and Northeast. Mrs. Johnson's experience includes management roles in safety & compliance, energy operations, and several years as Operations Manager for 19 unmanned dispensing facilities. Megan will conduct inspections and work in the office, scheduling and reviewing inspections and assisting with underwriting.



From the Left: Steve, Megan, Ryan

Ryan's role is IT Support Technician. He has over five years of customer service experience and has obtained various IT-related certifications. He is currently pursuing his B.Sc. in Computer Science. Mr. Sitzmann is responsible for configuring company hardware and software, diagnosing and resolving computer-related issues, and providing technical support to end-users.

Welcome Steve, Megan, and Ryan!