



PMMIC
INSURANCE

NEWSLETTER

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www.pmmicinsurance.com

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Secretary

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Randal Woodard

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Vice President

Table of Contents

PMMIC To Repurchase Up To \$2million Shares.....	1
Chairman’s Corner.....	2
History of PMMIC Stock Value.....	2
USEPA Issues New “Straight Talk on Tanks”.....	2
Annual Meeting of PMMIC Shareholders.....	3
Environmental Protection Charge Extended for Six Months, UST Funding Sunset.....	3
R&A Risk Professionals.....	4

PMMIC To Repurchase Up To \$2 Million Shares

The board of directors of PMMIC has approved an offer to repurchase up to \$2 million worth of shares of PMMIC stock from existing shareholders. The offer price of \$2.88 per share is based upon a company valuation conducted by HDH Advisors, based upon December 31, 2015 year end financials. Up to 694,444 total shares may be repurchased.

To accept the repurchase offer, shareholders with 3,500 or fewer shares must tender all shares, and those shareholders with more than 3,500 shares may tender all or some of their shares. The number of shares purchased from shareholders with more than 3,500 shares will be limited by a pro rata formula based upon the shares each owner tendered compared to the number of shares available for purchase after the shares of owners with 3,500 or fewer shares have been purchased. For example, if owners with 3,500 or fewer shares tender 294,444 shares, there will be 400,000 shares remaining to be repurchased from other shareholders. If 1 million shares are tendered by those with more than 3,500 shares, then each of those shareholders will have 40% (400,000/1,000,000) of their tendered shares repurchased. The official offer was mailed to all shareholders the week of May 16, 2016. **Offers must be returned to PMMIC no later than June 17, 2016 to be accepted.** PMMIC anticipates completion of the repurchase during the third quarter of 2016.

Certain documents associated with the repurchase are available at www.pmmic.com under the “Shareholders” tab. To access these documents you must enter the tax identification number associated with the shareholder and one of the stock certificate numbers.

Chairman's Corner

One of our core values is Stewardship. Stewardship can be defined as the careful and responsible management of something entrusted to one's care. You have entrusted PMMIC with your capital investment. Our duty of stewardship requires that we strive to deploy your capital profitably and consistent with the business practices of our industry. PMMIC's current existing capital or "surplus" is sufficient to support 10 times more than our current premium volume. Even though over the past five years our value has grown at a pace that surpasses the S&P 500 Insurance Index, we believe that unless we develop a greater premium volume, or find other ways to profitably deploy those funds, we should return the excess to our investors. Our stock is not publicly traded, so the PMMIC board of directors has voted to repurchase up to \$2 million in PMMIC stock as a way to provide liquidity in our shares and give our shareholders the opportunity to redeploy some or all of their investment in PMMIC.

We will continue to operate in a manner consistent with our core values based upon a profit and growth oriented model, and we will continue to look for ways to profitably invest the money you have entrusted us with. Our offer to repurchase your PMMIC stock will give you the option to continue your investment in PMMIC or to redeploy your capital consistent with your own investment strategy.

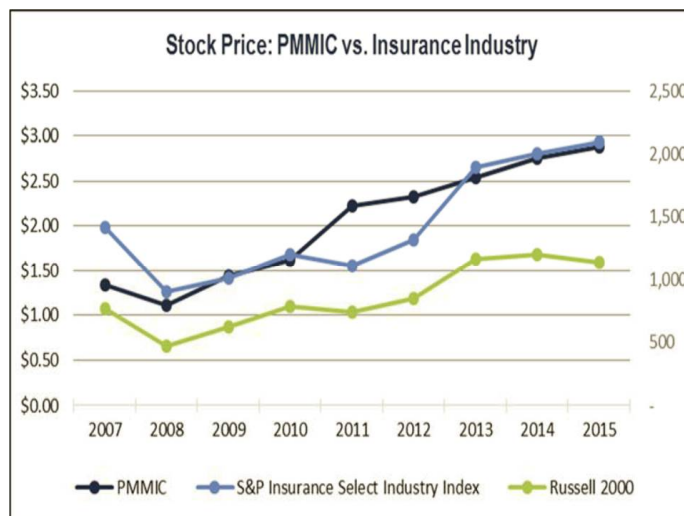
As always, we welcome your questions or comments. Thank you for your continued support, both as shareholders and as customers. We thank you for the trust you have placed on us and we will work every day to continue to earn it.

Respectfully,

Ronald L Burmeister
Chairman

History of PMMIC Stock Value

Over the past year, the fair market value of one share of PMMIC common stock increased 4.3%, compared to 4.4% for the Insurance Select Industry Index and a decline of 5.2% for the Russell 2000 Index. Over the past five years, PMMIC's price per share has increased 12.2% annually, compared to 11.9% for the S&P Insurance Index and 7.7% for the Russell 2000.



USEPA Issues New "Straight Talk on Tanks"

USEPA's Office of Underground Storage Tanks recently released another booklet to help tank owners implement the 2015 federal UST regulations. The booklet provides easy-to-understand descriptions of several release detection methods for tanks and piping, as well as explanations of the new regulatory requirements for release detection. You can download the booklet entitled, "Release Detection for Underground Storage Tanks and Piping: Straight Talk on Tanks (EPA 510-K-16-003). May 2016." Go to www.epa.gov/ust, then click on the link entitled "Straight Talk on Tanks" located under the "What's New" heading in the upper right hand corner of the page.

Annual Meeting of PMMIC Shareholders

The Annual meeting of PMMIC's Shareholders was held April 13, 2016, at PMCI headquarters in Urbandale, Iowa. As a long-term associate member of PMCI, and with offices only a few city blocks apart, we have been afforded the opportunity to utilize the association's meeting space for our shareholder meetings. We thank them for their hospitality.

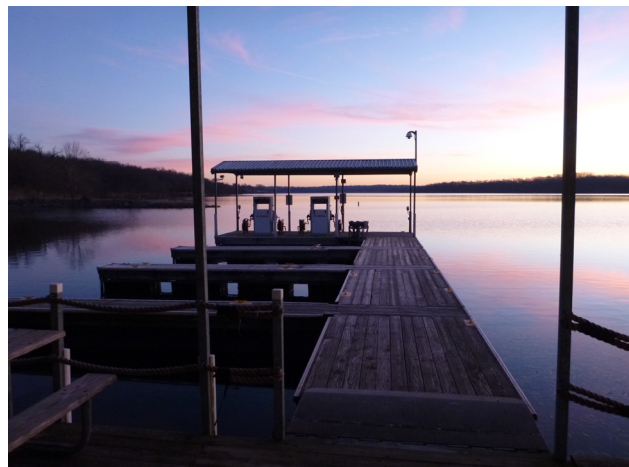
At the meeting, the shareholders elected Jerry Woods and Ronald Burmeister to three year terms on the board of directors. Mr. Woods is a retired Certified Public Accountant who achieved CDMA, CPCU and AIAF designations and served as the Chief Financial Officer for Grinnell Mutual Group from 1992 to 2010. This is his second term on the board. Mr. Burmeister is founder and President of Carriage Development, Inc., a real estate development and management company located in Eldridge, Iowa, who currently holds the position of Vice President at Iowa 80 Group. He has served on the board since 2001. The other members of the board of directors include MJ Dolan, the Executive Director of the Iowa Association of Community College Trustees; Randy Meyer, Director of Procurement for Kum & Go; Randy Woodard, President and CEO of Elliott Oil Company; Eli Wirtz, past Vice President and Corporate Counsel for Casey's General Stores; and Jeff Yurgae, President and CEO of Mueller-Yurgae Associates.

Immediately following the annual meeting of shareholders, the board of directors met and elected the following officers for the company:

- Ronald Burmeister, Chairman of the Board
- Randy Meyer, Vice Chairman
- MJ Dolan, Secretary
- Jerry Woods, Treasurer
- Patrick Rounds, President and CEO
- Thomas Norris, Vice President
- Brian Wiegert, Vice President

Environmental Protection Charge Extended for Six Months, UST Funding Sunset

The Iowa legislature passed HF 2464 extending the \$0.01 per gallon Environmental Protection Charge on fuel sales in Iowa from June 30, 2016 to December 31, 2016. The extension of this fee is expected to generate approximately \$10.5 million in revenue for the Road Use Tax Fund. The legislation sunset the transfer of revenue from the Statutory Allocations Fund to the UST Fund and to the Renewable Fuel Infrastructure Fund (RFI Fund), effective December 31, 2016. The Legislative Services Agency issued a Fiscal Note on this legislation which indicates that as of June 30, 2017, the projected liabilities of the UST Fund will be \$22.8 million while the balance is projected at \$36.3 million. The fiscal note projects a balance of \$13.5 million after all known liabilities are settled. The balance of the RFI Fund will depend on the allocation of incentives to retail and terminal motor fuel infrastructure incentives over the next year. From 2012 through 2015, the RFI Fund expended approximately \$8.5 million or 70% of its revenue on infrastructure incentives.





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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