

CONTROLLING CORROSION

Corrosion can be defined as an attack on a material as a result of chemical or electrochemical reaction with the surrounding medium. Corrosion can occur in all materials including plastic, fiberglass and rubber and can be caused by exposure to sunlight, moisture, chemicals, temperature fluctuations, and bacteria. As components degrade, your repair and replacement costs increase.

To protect your investment in petroleum equipment, consider the following:

- **Check compatibility.** Ensure your tank system is compatible with the fuel you store and dispense, especially when switching to higher renewable fuel concentrations. Many older components are not compatible with renewable fuels. You must check every component that contacts the fuel, from tank to nozzle. Your service provider can assist with this.
- **Clean fuels.** Fuel storage requires best management practices such as routine tank cleaning and keeping the fuel fresh. If you don't have rapid turnover in the storage tank, additional treatments and additives may be necessary to stabilize the fuel and control microbial growth.
- **Keep water out.** Manage the fuel system by checking for water every month. All tank access ports must be liquid tight, including the fill cap seal. Most tank monitoring systems will indicate if water is accumulating in the fuel system.
- **Protect metallic components, especially if they are buried.** This is accomplished by isolation (coating, lining, painting) or by adding cathodic protection (CP), such as galvanic anodes or impressed current. CP systems require testing and recertification every three years. Impressed current systems also requires inspection at least every 60 days.



If you perform routine maintenance and proper care you can control and reduce corrosion. While nothing lasts forever, you can take proper steps to extend the life of system components and keep the system working properly.

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CHAIRMAN'S CORNER

As an insurance company, we must accurately predict the value (severity) and quantity (frequency) of future claims that we will pay for our policyholders. The larger the population of similar risks we insure, the more accurate such predictions become. This principle is known as the "law of large numbers." In simple terms, the average of a large number of results will approximate the expected value as more results are introduced. In economic terms, it means the more tanks we insure, the better we can predict our losses – and also reduce our overhead per risk.

To give our customers and our investors the best possible value, we are continually looking for greater market penetration to obtain a larger number of similar risks. We began our journey by providing coverage for USTs in Iowa. We have grown by providing coverage for ASTs (with similar risks) and providing coverage in nine additional states. By year-end we plan on offering coverage in more than 20 states.

There are approximately 6,000 insurance companies in the US, with about a dozen multibillion-dollar carriers competing in the UST insurance market. While we are the smallest player, we are also the only carrier that specializes in petroleum storage tank risks. We provide unique, industry-leading coverage that focuses on our customers' needs by verifying application data and providing an annual on-site loss control inspection. Petroleum storage tanks are still our only line of coverage.

We have learned how to compete with the larger carriers who dominate the insurance marketing systems, to offer our coverage to as many qualified tank owners as possible. It is a David vs. Goliath battle from which our customers and our investors can benefit. We will keep working to obtain larger numbers.

We appreciate your trust in us and look forward to a bright future.

All the best,
Ron Burmeister

2023 IA A/B OPERATOR COURSE SCHEDULE

Mark your calendars for our upcoming A/B Operator trainings!

10/4/2023 8:30 a.m. Fuel Iowa, 10430 New York Avenue, Suite F,
Urbandale, IA

12/6/2023 8:30 a.m. Fuel Iowa, 10430 New York Avenue, Suite F,
Urbandale, IA

To register, please visit: <https://www.raarisk.com/training/ab-operator/>

IOWA UST FUND UPDATE

According to a report to the Iowa Legislative Council and Legislative Services Agency by the Iowa UST Fund Administrator James Gastineau dated August 11, 2023, the Iowa DNR has 306 open, active LUST sites as of June 30, 2023. Of these, 166 (54%) are funded through PMMIC insurance, 53 (17%) are eligible for funding from the UST Fund with all remaining sites (29%) the responsibility of other entities. Of the 306 open LUST sites, 162 are high risk (53%), 67 are low risk (22%), 18 are No action required free product recovery sites (6%), and 59 are not yet classified (19%).

The UST Fund continues to pay for previously eligible claims, tank closures, Class A/B operator training for individuals who have not previously received operator training, and NFA re-evaluations (sites with an NFA pursuant to RBCA guidelines that DNR determines require additional corrective action).

The Fund had a balance of \$6,947,708 as of June 30, 2023. It expended \$2,062,996 in FY 2023 and has approximately \$4,422,710 in reserves for existing claims. The Fund has approximately \$2.5 million remaining in unobligated funds.

What is the Iowa No Further Action (NFA) Fund?

Iowa law directed the use of risk based corrective action (RBCA) standards for UST releases in 1995. In response to the new standards, there was concern that sites could receive an NFA classification but undocumented high-risk conditions could still be present. However, if a site had been issued an NFA, the DNR could not require the responsible party to take additional corrective action. To address these concerns, a No Further Action Fund was created in 1998.

The NFA fund, also known as the NFA reopener program, has been modified over the years. It authorizes the Fund and DNR to enter into an agreement to pay for assessment and corrective action arising out of releases at sites for which a no further action certificate has been issued using the RBCA guidance, if DNR determines that an unreasonable risk to public health and safety may still exist or that previously reported upon applicable target levels have been exceeded.

Since its inception, approximately \$3.5 million has been allocated for NFA claims at 110 sites. The majority of the claim expenses have been for additional assessment and monitoring. NFA reopener funding will end when the UST fund runs out of money in the next few years.

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NEW FACES AT PMMIC/R&A

We are thrilled to announce the additions of Julia Dambekaln, Caitlyn Grow, Dan Reinders, and Pete Steger to our expanding team!



Julia Dambekaln is our new Marketing Coordinator. She is responsible for creating content for our social media channels, managing blog posts, and producing advertising materials. Julia is a recent graduate of Drake University in Des Moines, Iowa, having studied Public Relations and Writing.

Caitlyn Grow is an administrative assistant. Caitlyn has an Associates in Arts (AA) degree from Des Moines Area Community College. She has two years of office experience and eight years of customer service experience.



Dan Reinders has come on board as our Director of Finance. Dan has over 20 years of experience in Finance and Accounting for the insurance industry . He is responsible for managing the financial resources of the insurance operations and providing strategic advice to the CEO and Board of Directors.

Pete Steger recently joined us as the Director of Business Development after having worked at Federated Insurance for over three decades. He works to develop new sales and has experience with risk management, commercial insurance, and property and casualty insurance.

