

Closing the Loop

A comprehensive petroleum storage tank risk management program.

By Brian Pottebaum, Loss Control Inspector Supervisor, PMMIC

Petroleum Marketers Management Insurance Company, or PMMIC, was formed in January 2000 to provide premium environmental liability coverage for underground storage tank (UST) facilities in Iowa. After a decade of operation, the original program has evolved into a much more comprehensive loss control program, and something that no other provider can match. PMMIC is a comprehensive petroleum storage tank management program. Are you taking full advantage of all the benefits PMMIC provides?

In addition to helping reduce the severity or even preventing petroleum releases, PMMIC assists in maintaining regulatory compliance in several ways. Our aggressive loss control program helps every member reduce losses from their facilities. The success of our program has kept insurance rates at the same level for the third straight year.

Customer Service

PMMIC works directly with the petroleum marketers, service companies, manufacturers, regulators, and technical committees to stay current with requirements and industry standards. PMMIC services assist members to process claims effectively as well as meet all operator regulatory requirements, including financial assurance, leak detection/cathodic protection, facility compliance inspections, and to satisfy federally required training.

Comprehensive Underwriting Protocol

PMMIC offers premium financial responsibility coverage for petroleum USTs and ASTs that satisfies state and federal requirements. The policies cover petroleum cleanup and third party liability. Although coverage is provided for tanks of any age, premium discounts are provided for preferred systems. These preferred systems include double walled systems (tanks and piping), dispensers with intact containment, sumps with intact containment, 15 gallon or larger spill buckets, electronic line leak detectors, and proactive leak detection systems.

The underwriting protocol now helps you meet regulatory requirements for significant operational compliance (SOC) of your UST systems. This is accomplished by renewing your PMMIC policy on an annual basis. PMMIC requests that you submit adequate cathodic protection and leak detection records every year, which includes 12 months of records for the methods you are performing. For example, if you are conducting automatic tank gauging (ATG), you need to send in copies of 12 months of adequate leak tests for each regulated tank that you are operating. Likewise, if you are monitoring interstitial space (double wall tank or piping), you need to provide appropriate documentation that the system has been monitored on a monthly basis as well as a functionality test of the sensor every two years.

The underwriting department also requests the appropriate documentation for any facility upgrades/repairs, installations and system changes, including new facility owners. All regulatory procedures and documents are required in addition to other PMMIC requests. Although the process is thorough, it is necessary to continue the successful program PMMIC has developed.

Loss Control/Compliance Inspection

PMMIC focuses on stopping leaks before they occur. PMMIC utilizes an on-site inspection process to evaluate each insured UST system to ensure that they are in compliance with federal

technical requirements. Compliance with the federal technical requirements will minimize leaks from your UST system.

This is a service that PMMIC provides to all insured facilities at no additional charge to the facility owner. Each PMMIC insured facility is inspected annually; however, the compliance inspection report will only be submitted to DNR once every two years to meet the state and federal requirement for routine compliance inspections.

Claims Management

PMMIC's active corrective action oversight and claim management services have greatly reduced the loss costs associated with petroleum releases. Decisions involving environmental claims can have significant impacts on your business. Expert knowledge of current environmental practices is needed so funds are not wasted on inefficient or unnecessary activities. Proper management of environmental exposures is crucial in controlling costs associated with these liabilities. PMMIC's professional claims management team can save you time and money allowing you to focus on your core business.

PMMIC's effective management activities include adequate budget preparation and tracking, productive liaison with regulatory agencies; proper cost controls monitoring, innovative approaches to addressing environmental exposures and thorough analysis and review of technical work.

AST Coverage

PMMIC has extended its line of coverage to include aboveground storage tanks (AST). This coverage includes a comprehensive loss control underwriting and inspection program similar to the UST policy. If you are considering coverage for your AST, please contact us for more information.

NEW Class A/B/C Operator Training

PMMIC has been training owners and operators and providing training and continuing education courses for installers and inspectors for several years. This operator training is structured around the new regulatory course requirements, and covers everything in UST operations, but it is the 10 plus years of UST underwriting/claims experience and over 15,000 facility inspections that add the extra value to this course.

PMMIC will be providing certified training for Class A and B operators. This training will also include specific training instructions for Class C operators, a class of operator that can be trained by an approved Class A or B operator (most likely during employee orientation). The courses and exams have already been approved by the Iowa DNR. The classroom training will be very thorough, yet very understandable. This complete training package will include presentation, comprehensive review, examination, and certification! You will be able to obtain your Class A and B operator certification in one day.

PMMIC will underwrite the cost of the training for its insured's and provide it as a "value added" service at no additional cost to the insured, for courses offered throughout Iowa this year. PMMIC will issue certificates and track the designated A, B and C's by site in the underwriting database.

Registration and more course information will be available soon on our website at <http://www.pmmicinsurance.com>. Please contact PMMIC immediately with any operator questions.

With extensive loss control services; regulatory compliance inspections; professional installer, inspector, and operator training services; aggressive claims management services and federally recognized financial assurance for corrective action and third party liability, PMMIC insurance is your complete petroleum storage tank risk management system.