

PETROLEUM MARKETERS MANAGEMENT INSURANCE COMPANY

465 Alice's Road, Suite H, Waukee, Iowa 50263

Ph: 800/942-1000, 515/987-0061 Fax: 515/987-0067



PMMIC policyholders,

Autumn provides a great transition from the warm summer weather to the cool winter weather ahead. Like the weather, PMMIC also has some changes planned for the near future. Please take a minute to read this newsletter to find out what lies ahead for our industry.

AST Insurance Coverage. We have been developing a new insurance product for petroleum aboveground storage tanks. Previously, we only offered pollution liability coverage for underground storage tanks in Iowa. We are now offering similar coverage for aboveground storage tanks. If you have ASTs, please contact us to discuss your insurance needs.

Compliance Inspections. In Calendar Year 2007, **every** UST facility in Iowa will need a compliance inspection to satisfy new rules adopted by the Iowa DNR. **Our annual insurance inspection will satisfy these new requirements, if you authorize us to do your inspection.** There will be no additional cost to you. Enclosed with this letter is an authorization form. **Please sign it and return it to us by October 31, 2006.** If we do not receive a signed authorization **prior** to scheduling your annual inspection, we will **not** be able to satisfy DNR's inspection requirement and you will have to obtain a compliance inspection at your own expense (**inspections may cost as much as \$500!**) If you sign the authorization, we will submit the inspection to DNR at no additional expense to you, but **you must sign the authorization in advance!**

As part of the compliance inspection, you are required to submit the most recent 12 months of leak detection records for your UST system. Please make sure you have 12 months of leak detection records available to submit at the time of your inspection.

Training. Next February, we will be presenting petroleum storage tank operation seminars at the Petroleum Marketers and Convenience Stores of Iowa Convention and Tradeshow. The new Federal Energy Policy Act requires operator training in the future. We are working with DNR and the Marketers to provide training that will satisfy the new requirements. For more information on the tradeshow, please check out PMCI's website at www.PMCofIowa.com.

Other Opportunities. We continue to explore insurance opportunities in other states. If you are interested in having PMMIC offer coverage for your petroleum facilities in other states, please contact us.

Please browse our web site <http://www.pmmicinsurance.com> for new or updated information. We have a link specifically for those of you who are also our shareholders. Under that link, our shareholders will find **financial reports**, information on how to **transfer PMMIC stock**, and information on a passive bulletin board system designed to assist with stock transfers. We also maintain technical operation information, industry links, and forms to assist you with your petroleum operations.

We appreciate your continued trust and look forward to addressing your storage tank insurance needs.

Sincerely,

Patrick J. Rounds
President and CEO

Enclosure

Board of Directors
Ron Burmeister, Chairman; W. A. Krause; M.J. Dolan; Richard D. Johnson; Ron McGauvran