

AUGUST 1, 2008

Petroleum Marketers Management Insurance Company

Recovering from the Floods of 2008

Board of Directors

- Chairman of the Board- Ron Burmeister
- Vice Chairman of the Board- Ron McGauvran
- Secretary of the Board- M.J. Dolan
- Treasurer of the Board- Richard D. Johnson
- Director- W. A. Krause
- President & CEO- Patrick Rounds
- Vice President- Tom Norris

Effects of the Flooding on Iowa UST locations.



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Iowa has once again experienced record flooding. The floods and resulting regulatory responses may have a significant impact on your UST system. The Iowa DNR has issued emergency policy and guidance for UST systems that may be affected by flooding.

Impacted UST systems must be inspected by a licensed Iowa Installer, installation inspector or compliance inspector. Please refer to the DNR guidance to determine what steps you must take. The link to the DNR Flood

guidance document is: <http://www.iowadnr.gov/flood.html>

There are also potential claims issues associated with UST systems that may have been affected by flooding. The DNR has outlined reporting requirements in their emergency policy and guidance noted above. Indications of impact to your system include water in the tank, damaged vent lines, and visual damage to the surface over or near your system. If you have water in your tank, it is possible

that fuel may have been displaced and released to the environment. Please contact a licensed installer to evaluate your system if it has been impacted by flood waters. Flood damage may not become evident until the ground water returns to normal levels.

If you have reason to believe that you have had a release from your insured UST system that may affect the environment or a third party, please contact PMMIC immediately.

Annual Meeting Update

Richard Johnson was re-elected to the PMMIC board of directors at the annual meeting held April 9, 2008.

Mr. Johnson brings extensive auditing experience to the board. He served as the Auditor of State for the State of Iowa from 1979 to 2002, and prior to that he worked for the CPA firm of Peat, Marwick, Mitchell & Co. He has also served as Director of Finance in the Iowa Highway Commission, and Director of the Motor Vehicle Division within IDOT. He is a Trustee of the Financial Accounting Foundation. He is past President of the National Association of State Auditors, Comptrollers and Treasurers (NASACT) and the National State Auditors Association (NSAA), and he served on the Auditing Standards Board of the American Institute of CPAs. Mr. Johnson will serve as the Treasurer of PMMIC. He also chairs the Audit Committee and will serve on the

Nominating and Corporate Governance Committee. Mr. Johnson began his tenure on the board in 2000. His term expires in 2011.

Following the annual meeting, PMMIC released its slate of directors and officers:

Ronald L. Burmeister Chairman of the Board, is President, CEO, and Director of HBE Holdings LLC, and is a past President of the Petroleum Marketers of Iowa. He has served on the board since 2001. His term expires in 2010.

Ron McGauvran Vice Chairman, owns Dormac Oil Company and is a past president of the Petroleum Marketers of Iowa. He has served on the board since 2000. His term expires in 2009.

Richard Johnson Treasurer.

M.J. Dolan Secretary, is the Executive Director of the Iowa Association of Community College Trustees in Des Moines, Iowa. Ms. Dolan has served on the board since 2000. Her term expires in 2009.

W.A. Krause Director, is Chairman of the Board of Krause Gentle Corporation, Kum & Go, L.C., Liberty of Iowa Banshares, Liberty of Florida Banshares, Liberty Bank Iowa, Golden Rule Bermuda and Chieftain Corporation and is a past President of the Petroleum Marketers of Iowa. He has served on the board since 2000. His term expires in 2009.

Patrick Rounds President and CEO, is also President of Rounds & Associates, Inc.

Tom Norris Vice President, is a Vice President with Rounds & Associates, Inc.

Policyholder Benefits

Compliance Inspections. PMMIC provides state of the art insurance coverage for above ground and underground storage tanks. As part of our coverage, we provide you with an annual loss control inspection. This inspection is accepted by the Iowa DNR as the mandated regulatory inspection for UST systems, which saves you the customer between \$300 and \$500 per inspection.

Premium discounts. Our 2008 rates include discounts for preferred tank systems. You are eligible for a five

percent premium discount for each of the following:

- All piping sumps with intact containment at tanks;
- All dispensers with intact containment;
- Secondary containment systems with interstitial monitoring;
- Spill protection of 15 gallons or greater;
- Electronic line leak detectors; and

- Enhanced (proactive) leak detection systems.

Please contact us if you have questions concerning any of these discounts.

"OUR 2008 RATES INCLUDE DISCOUNTS FOR PREFERRED TANK SYSTEMS."

Customer Advisory Committee Created

PMMIC is looking to its customers for input on products and services. We have created a Customer Advisory Committee to assist us to evaluate our operations and continue to provide the best service and insurance products possible. The following industry professionals have agreed to participate on the committee:

Randy Carlson, City of Council Bluffs; Janet Crocker, Hy-Vee, Inc., West Des

Moines; Jason McDermott, McDermott Oil, Cascade; Pat McManus, Apex Oil, Des Moines; Jill Widder, Casey's Marketing Co., Inc., Ankeny; Jim Willemsen, Newton Home Oil Company Inc., Newton; and Randy Woodard, Elliot Oil Company, Ottumwa.

The first advisory meeting will be held August 18, 2008.

Did You Know?

PMMIC has been awarded an A.M. Best rating. A.M. Best has assigned PMMIC a financial strength rating (FSR) of B++ (Good) and an issuer credit rating (ICR) of "bbb". The outlook of both ratings is stable. For Best's rating information and most up to date rating, please access www.ambest.com. A.M. Best was founded in 1899. Best's ratings are recognized worldwide as the benchmark for assessing insurers' financial strength.

Make Sure You Are in Compliance! DNR Tag Requirements

Permanent Tags

This is what your permanent tank registration tags look like. These were issued in 2007.



Renewal Tags

This is what your 2008 renewal registration tag looks like.



Placement

You need both of these tags attached to the fill pipe area to be in compliance. If you do not have both of these tags attached, you will receive an inspection cancellation.



Industry Alert!

The Iowa DNR has proposed changes to Chapter 135 relating to corrective action requirements for LUSTs. These amendments could lead to premium increases of 25% or more for all PMMIC customers for proposed requirements to evaluate public water supply wells within one half mile of every LUST site. The minimum evaluation will add \$2,000 or more for initial assessment at every suspected LUST site, and may be as high as \$100,000 or more.

PMMIC has worked with the DNR and other stakeholders over the past two years to implement amendments that protect the environment and not overburden small business, but DNR has not accepted our compromise. The amendments also create broad authority in the DNR to override the professional opinion of your selected groundwater professional.

Recently. The amendments

were delayed 70 days by the Administrative Rules Review Committee before they become effective. Please contact DNR and your state legislators and tell them you are against the proposed amendments because they will (1) create unnecessary operational and financial hardships on all UST owners and operators; (2) provide no additional protection to the environment or water supplies; and (3) give the DNR authority to override the professional opinion of a certified groundwater professional.

Please contact us if you have any questions concerning these amendments.

Charity Spotlight



CHILDREN
& FAMILIES
OF IOWA

Children & Families of Iowa a private, non-profit organization

is committed to **restoring hope, building futures and**

changing lives. CFI programs make an impact in communities in every county of Iowa and a difference in the lives of thousands of Iowans every year.



Children & Families of Iowa and **Big Barn Harley-Davidson** have partnered up to raise a ruckus for families and kids in Iowa. Please support CFI by purchasing a raffle ticket to be entered to win a **2008 Harley-Davidson Ultra Classic Electra Glide Bike valued at \$22,000!**

This bike is the top-of-the-line touring model from Harley-Davidson. It will be given away on September 6, 2008.

Tickets:

Tickets are 1 for \$20, 3 for \$50, or 7 for \$100. Maximum of 3,000 tickets available. To purchase tickets, call (515) 697-7961 or **purchase your tickets on line at www.cfiowa.org.**



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WE'RE ON THE WEB!

WWW.PMMICINSURANCE.COM

We now offer AST coverage! Contact us for details.

We Have Moved!

We have moved to new offices. Effective June 1, 2008, PMMIC's new address is:

2894 106th St.

Suite 220

Urbandale, Iowa

(East of I80/35, between Hickman and Douglas)

Our new mailing address is:

PMMIC

P.O. Box 7628

Urbandale, Iowa 50323

Our new phone and fax numbers are:

(515) 334-3001

(515) 334-3013

Toll Free in Iowa : (800) 942-1000