

MONTHLY REPORTS

Financial Statements – July 2021 - DRAFT

Monthly Activity Reports – July and August 2021

Large-Loss Claims

Board Action: None requested.

**MISSOURI PETROLEUM STORAGE TANK INSURANCE FUND
BALANCE SHEET
JULY 31, 2021**

DRAFT

ASSETS:

Cash		\$40,641,268
Cash - Central Bank		\$8,050
Transport Load Fee Receivable, net allowance of \$501		\$2,004,438
Interest Receivable		\$39,673
Receivable - Other		\$24,100
Fixed Assets		
PSTIF	\$21,600	
DNR	\$132,332	
Less: Accum Depreciation	<u>(\$138,728)</u>	
		\$15,204

TOTAL ASSETS

\$42,732,733

DEFERRED OUTFLOWS OF RESOURCES

\$753,178 NOTE 3

LIABILITIES:

Accounts Payable		\$25,071	NOTE 2
Taxes & Misc Deductions Payable		\$0	
Leave Liability		\$58,739	
Site Inspections Payable		\$0	
Refunds Payable		\$0	
Third Party Administration Services Payable		\$0	
Deferred Revenue - Unearned Participation Fees		\$497,963	
Claim Reserves		\$87,330,147	
Net Pension Liability		\$3,089,639	
Net OBEP Liability		\$903,396	

TOTAL LIABILITIES

\$91,904,955

DEFERRED INFLOWS OF RESOURCES

\$154,379 NOTE 3

TOTAL NET POSITION (Accumulated Deficit)

(\$48,573,423)

NOTE 1: These financial statements were prepared without audit from information provided by the Missouri PSTIF Executive Director and the Missouri PSTIF third-party administrator.

NOTE 2: Accounts Payable includes funds encumbered under current contracts, which will lapse at the end of the fiscal year if not spent.

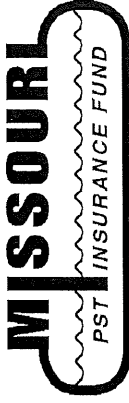
NOTE 3: Deferred Outflows of Resources and Deferred Inflows of Resources relate to MOSERS' pension liability and OPEB liability.

MISSOURI PETROLEUM STORAGE TANK INSURANCE FUND **DRAFT**
INCOME STATEMENT
JULY 31, 2021

	JUL 21	FY 22 YTD	BUDGET JUL FY22 YTD
REVENUES:			
Transport Load Fee	\$884,419	\$884,419	\$1,316,667
\$100 Initial Tank Fee	\$1,800	\$1,800	
\$100 Initial Tank Fee Refunded	(\$700)	(\$700)	
Net \$100 Initial Tank Fee	\$1,100	\$1,100	\$1,000
Participation Fees - UST	\$85,996	\$85,996	
Participation Fees Refunded - UST	(\$5,325)	(\$5,325)	
Net Participation Fees - UST	\$80,671	\$80,671	\$66,667
Participation Fees - AST	\$23,600	\$23,600	
Participation Fees Refunded - AST	(\$82)	(\$82)	
Net Participation Fees - AST	\$23,518	\$23,518	\$26,250
Miscellaneous Income	\$0	\$0	\$0
Interest	\$8,064	\$8,064	\$11,833
TOTAL REVENUE	\$997,772	\$997,772	\$1,422,417
EXPENSES:			
Claims			
Claims Paid - UST	\$177,033	\$177,033	\$666,667
Claims Paid - AST	\$207,584	\$207,584	\$250,000
Third Party Legal Defense	\$0	\$0	\$16,667
Subrogation Recovery	\$0	\$0	\$0
Net Claims	\$384,617	\$384,617	\$933,333
Compliance & Loss Prevention			
Underwriting	\$49,479	\$49,479	\$54,544
Inspections	\$0	\$0	\$28,958
Training & Loss Prevention Services	\$475	\$475	\$500
Net Compliance & Loss Prevention	\$49,954	\$49,954	\$84,002
Operating			
Loss Adjusting & Subrogation Expenses	\$138,004	\$138,004	\$149,183
Other Contracted Administrative Costs	\$32,760	\$32,760	\$33,650
Board Expenses	\$30,657	\$30,657	\$35,057
AGO Expenses	\$4,241	\$4,241	\$3,871
DNR Expenses	\$136,226	\$136,226	\$185,697
Department of Revenue Expenses	\$4,183	\$4,183	\$4,102
Other Legal Expenses	\$0	\$0	\$62,500
Audit Services	\$0	\$0	\$0
Actuarial Services	\$0	\$0	\$0
Net Operating	\$346,071	\$346,071	\$474,061
Other Expenses			
Contingency & Special Projects	\$424	\$424	\$6,250
Office of Administration	\$31,442	\$31,442	\$31,442
OA State Accounting Software	\$0	\$0	\$6,337
Section 319.107 Expenses	\$0	\$0	\$833
Pension Expense	\$0	\$0	\$0
OPEB Expense	\$0	\$0	\$0
TOTAL EXPENSES	\$812,508	\$812,508	\$1,529,921
NET INCREASE (DECREASE) IN REVENUES/EXPENSES	\$185,264	\$185,264	(\$107,505)

MISSOURI PETROLEUM STORAGE TANK INSURANCE FUND **DRAFT**
INCOME STATEMENT
JULY 31, 2021

	JUL 21	FY 22 YTD	BUDGET JUL FY22 YTD
GAIN/(LOSS) ON SALE OF FIXED ASSETS	\$0	\$0	
LOSS CONTINGENCY	\$0	\$0	
NET INCREASE (DECREASE) IN NET POSITION BEFORE RESERVES	\$185,264	\$185,264	
CLAIM RESERVES			
Increase (Decrease) in Insurance Claim Reserves	\$140,446	\$140,446	
Increase (Decrease) in Remedial Claim Reserves	(\$23,187)	(\$23,187)	
Increase (Decrease) in "Incurred But Not Reported" Reserves	\$0	\$0	
Net Increase (Decrease)	\$117,259	\$117,259	
NET INCREASE (DECREASE) IN TOTAL NET POSITION	\$68,005	\$68,005	



ACTIVITY REPORT - JULY 2021

PARTICIPATION

Sites where Coverage is in Force:	UST	AST	TOTAL
	2382	966	3348
Sites where Coverage Lapsed:	59	634	693
Applications Under Review:	39	9	48
ERP Endorsements in Force:	139	43	182

TANKS COVERED BY PSTIF AGREEMENTS

No. of Tanks	6376	3027	9403
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PARTICIPANT CHARACTERISTICS

No. of Owners w/1-12 Tanks:	1058	615	1673
No. of Owners w/13-99 Tanks:	64	30	94
No. of Owners w/100+ Tanks:	9	1	10
Total No. of Owners:	1131	646	1777

	CLAIMS - USTs			CLAIMS - ASTs			ALL CLAIMS	
	"Insurance"	ERP	Remedial	Total	"Insurance"	ERP	Remedial	Total
No. of Claims Opened this month	2	0	1	3	0	0	0	3
No. of Claims Closed this month	3	0	0	3	0	0	0	4
No. of Claims with Payment this month	22	3	5	30	8	2	1	41
Total Dollars Paid this month	\$126,835	\$9,935	\$40,263	\$177,033	\$127,676	\$57,450	\$22,458	\$384,617
Reserves for Known Open Claims	\$20,192,270	\$2,648,989	\$15,828,877	\$38,670,136	\$12,103,317	\$1,029,975	\$2,381,719	\$54,185,147
No. of Sites with Approved Cost Proposals	210	26	132	368	61	13	10	452
Amount of Approved Cost Proposals	\$3,916,714	\$445,373	\$3,048,144	\$7,410,231	\$1,791,654	\$237,684	\$442,754	\$9,882,323

	CLAIMS - to Date - USTs			CLAIMS - to Date - ASTs			ALL CLAIMS	
	"Insurance"	ERP	Remedial	Total	"Insurance"	ERP	Remedial	Total
No. of Open Claims	274	35	208	517	84	15	19	118
No. of Closed Claims	2531	202	3547	6280	235	18	350	6883
No. of Claims with Payment	1379	138	1223	2740	197	23	60	3020
Total Dollars Paid	\$140,997,558	\$9,504,486	\$129,318,080	\$279,820,124	\$33,585,950	\$2,000,146	\$11,289,784	\$46,875,880

* "Remedial" claims are those which are not eligible under a participation agreement issued by the Fund; rather, the site is eligible for benefits as a result of HB251 or SB708.

** Includes sites where tanks not yet removed; no data on contamination.

***Cost Proposals are shown net of the \$10,000 deductible.



ACTIVITY REPORT - AUGUST 2021

PARTICIPATION

Sites where Coverage is in Force:	AST	TOTAL
	2384	3348
Sites where Coverage Lapsed:	2801	3439
Applications Under Review:	49	58
ERP Endorsements in Force:	138	183

TANKS COVERED BY PSTIF AGREEMENTS

No. of Tanks	3052	9441
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PARTICIPANT CHARACTERISTICS

No. of Owners w/1-12 Tanks:	612	1671
No. of Owners w/13-99 Tanks:	30	92
No. of Owners w/100+ Tanks:	1	11
Total No. of Owners:	1131	1774

	CLAIMS - USTs			CLAIMS - ASTs			ALL CLAIMS	
	"Insurance"	ERP	Remedial	Total	"Insurance"	ERP	Remedial	Total
No. of Claims Opened this month	10	0	0	10	3	0	1	4
No. of Claims Closed this month	6	2	6	14	0	0	1	1
No. of Claims with Payment this month	25	2	14	41	12	1	3	16
Total Dollars Paid this month	\$357,717	\$26,784	\$133,038	\$517,539	\$85,594	\$2,060	\$41,092	\$138,736
Reserves for Known Open Claims	\$20,360,562	\$2,778,884	\$15,546,225	\$38,685,671	\$12,261,397	\$1,178,347	\$2,331,318	\$15,771,062
No. of Sites with Approved Cost Proposals	206	26	119	351	65	11	9	85
Amount of Approved Cost Proposals	\$4,124,541	\$522,706	\$2,824,371	\$7,471,618	\$1,941,165	\$222,263	\$407,683	\$2,571,111

	CLAIMS - to Date - USTs			CLAIMS - to Date - ASTs			ALL CLAIMS	
	"Insurance"	ERP	Remedial	Total	"Insurance"	ERP	Remedial	Total
No. of Open Claims	278	33	202	513	87	15	19	121
No. of Closed Claims	2536	204	3553	6293	235	18	351	604
No. of Claims with Payment	1380	139	1223	2742	197	23	62	282
Total Dollars Paid	\$139,538,076	\$9,531,269	\$129,451,118	\$278,520,463	\$33,593,087	\$2,002,196	\$11,330,876	\$46,926,159

* "Remedial" claims are those which are not eligible under a participation agreement issued by the Fund; rather, the site is eligible for benefits as a result of HB251 or SB708.

** Includes sites where tanks not yet removed; no data on contamination.

***Cost Proposals are shown net of the \$10,000 deductible.

SUMMARY
LARGE-LOSS CLAIMS
(as of September 21, 2021)

Large-Loss Claims: Claims where Fund exposure is \$250,000 or greater

	Closed	Open	Total
No. of Claims	196	187	379
Estimated Exposure	\$87,288,281	\$93,068,444	\$180,356,726
Paid Out to Date	\$87,288,281	\$61,740,833	*\$149,029,115

**82.6% of total Large-Loss exposure has been paid to date*

Three large-loss claims closed in the past two months:

An insured claim was opened on 01/09/2002 due to the discovery of product in an observation well. Several factors posed challenges in the course of this cleanup. Tanks were installed at the site in 1986 and removed in 2014 and the site was redeveloped in 2019 to include an oil change facility. Due to inhalation concerns, the new building was constructed with a vapor barrier (which addressed current and future vapor pathways). At least four different consultants worked on this site and benefits were reassigned twice. Delineation of the extent of contamination was hampered by denied access. In addition, a significant effort was made to address the vapor inhalation pathway, which was challenging due to the presence of a shallow water table. LNAPL was present at the site until 2015. NFA was issued on 04/30/2021. PSTIF reimbursed \$383,654.29 for investigation/remediation of the site.

An insured claim was opened on 01/07/1998 when closure of the tanks was planned. Tanks were removed in March 1998. Multiple mobilizations occurred resulting in the installation of 25 monitoring wells throughout the life of the investigation. Both unconsolidated and bedrock wells were installed. Over the years, two consultants investigated the site. In 2014, MoDNR concurred with the consultant's weight of evidence that current and future drinking water pathways were not complete. Product was identified at the site and in 2016 an LCSM was completed which determined that there was no unacceptable risk posed by the LNAPL. Due to historic elevated soil data, the future inhalation pathway was a concern and required additional investigation. NFA was first requested in 2017, but was not granted until 12/30/2020. PSTIF reimbursed \$358,022.33 for investigation/remediation of the site.

A release was identified and a claim opened on 04/06/2016 related to vapor complaints from a residential neighborhood. Following trenching and investigation, the release was attributed to a PSTIF participating site. Multiple third-party claims were filed and addressed. The sanitary sewer was determined to be a preferential pathway and was

lined as a result. MoDNR issued two R#s and both claims were addressed together throughout the investigation. Following discovery of the release, a tank which had been emptied, was accidentally filled with gasoline and an estimated 3,000 gallons of fuel was lost. When tanks were removed in May 2016, significant holes were observed in one of the tanks. Two consultants completed investigation of the releases. A total of 40 wells were installed with 24 wells installed offsite. Due to the offsite vapor issues, this was a high-profile cleanup involving litigation. The consultant was working with attorneys, multiple property owners, MoDNR, and the EPA. Free product was historically in two onsite wells. Significant effort was put forth in demonstrating that the sewer was no longer a pathway after being lined, including sampling of select points in the sewer in order to satisfy MoDNR requests for conducting indoor air sampling. In addition, an industry expert was utilized to address the vapor concerns. PSTIF reimbursed \$482,261.68 for the original release and \$163,136.11 for the second release. NFA was received on 07/30/2021.

There have been four claims moved into the category of a “large loss” in the past two months.

Occurrence Date	Paid to Date	Notes
8/29/1994	\$267,347	Very old and slow-moving cleanup. Recent Assignment of Benefits to current property owner and new environmental consultant project manager has resulted in work plans, thus reserves have increased.
6/3/2002	\$167,397	Reserves increased for additional site characterization
12/19/2017	\$111,729	Reserves increased for additional site characterization
12/30/2009	\$186,824	Reserves increased for additional site characterization