

MONTHLY REPORTS

Financial Statements – October 2021 - DRAFT

Monthly Activity Reports – September & October 2021

Large-Loss Claims

Board Action: None requested.

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

DRAFT

ASSETS:

Cash		\$42,250,269
Cash - Central Bank		\$14,620
Transport Load Fee Receivable, net allowance of \$501		\$2,004,438
Interest Receivable		\$39,673
Receivable - Other		\$11,773
Fixed Assets		
PSTIF	\$21,600	
DNR	\$132,332	
Less: Accum Depreciation	<u>(\$139,798)</u>	
		\$14,134

TOTAL ASSETS \$44,334,907

DEFERRED OUTFLOWS OF RESOURCES \$753,178 NOTE 3

LIABILITIES:

Accounts Payable		\$358,429 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		\$89,158,809
Net Pension Liability		\$3,089,639
Net OBEP Liability		\$903,396

TOTAL LIABILITIES \$94,066,975

DEFERRED INFLOWS OF RESOURCES \$154,379 NOTE 3

TOTAL NET POSITION (Accumulated Deficit) (\$49,133,269)

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
OCTOBER 31, 2021

	<u>OCT 21</u>	<u>FY 22 YTD</u>	<u>BUDGET</u> <u>OCT FY22 YTD</u>
REVENUES:			
Transport Load Fee	\$1,492,229	\$5,334,560	\$5,266,667
\$100 Initial Tank Fee	\$1,000	\$6,600	
\$100 Initial Tank Fee Refunded	(\$400)	(\$2,500)	
Net \$100 Initial Tank Fee	\$600	\$4,100	\$4,000
Participation Fees - UST	\$26,700	\$258,287	
Participation Fees Refunded - UST	(\$2,595)	(\$15,250)	
Net Participation Fees - UST	\$24,105	\$243,037	\$266,667
Participation Fees - AST	\$67,468	\$136,229	
Participation Fees Refunded - AST	(\$786)	(\$2,327)	
Net Participation Fees - AST	\$66,682	\$133,902	\$105,000
Miscellaneous Income	\$202	\$1,476	\$0
Interest	\$6,132	\$44,370	\$47,333
TOTAL REVENUE	<u>\$1,589,950</u>	<u>\$5,761,445</u>	<u>\$5,689,667</u>
EXPENSES:			
Claims			
Claims Paid - UST	\$308,478	\$1,321,564	\$2,666,667
Claims Paid - AST	\$276,510	\$753,133	\$1,000,000
Third Party Legal Defense	\$0	\$3,156	\$66,667
Subrogation Recovery	\$0	\$0	\$0
Net Claims	<u>\$584,988</u>	<u>\$2,077,853</u>	<u>\$3,733,333</u>
Compliance & Loss Prevention			
Underwriting	\$55,001	\$224,248	\$218,175
Inspections	\$44,514	\$44,514	\$115,831
Training & Loss Prevention Services	\$475	\$1,900	\$2,000
Net Compliance & Loss Prevention	<u>\$99,990</u>	<u>\$270,662</u>	<u>\$336,007</u>
Operating			
Loss Adjusting & Subrogation Expenses	\$166,278	\$586,231	\$596,733
Other Contracted Administrative Costs	\$33,650	\$133,710	\$134,600
Board Expenses	\$29,863	\$119,362	\$140,228
AGO Expenses	\$4,249	\$16,904	\$15,484
DNR Expenses	\$163,265	\$650,918	\$742,789
Department of Revenue Expenses	\$4,513	\$16,693	\$16,408
Other Legal Expenses	\$6,205	\$6,854	\$250,000
Audit Services	\$0	\$10,924	\$21,000
Actuarial Services	\$13,950	\$13,950	\$13,950
Net Operating	<u>\$421,973</u>	<u>\$1,555,546</u>	<u>\$1,931,193</u>
Other Expenses			
Contingency & Special Projects	\$2,835	\$3,235	\$25,000
Office of Administration	\$31,442	\$62,884	\$62,884
OA State Accounting Software	\$0	\$0	\$25,347
Section 319.107 Expenses	\$0	\$0	\$3,333
Pension Expense	\$0	\$0	\$0
OPEB Expense	\$0	\$0	\$0
TOTAL EXPENSES	<u>\$1,141,228</u>	<u>\$3,970,180</u>	<u>\$6,091,751</u>
NET INCREASE (DECREASE)			
 IN REVENUES/EXPENSES	\$448,722	\$1,791,265	(\$402,084)

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

DRAFT

	OCT 21	FY 22 YTD	BUDGET OCT FY22 YTD
GAIN/(LOSS) ON SALE OF FIXED ASSETS	\$0	\$0	
LOSS CONTINGENCY	\$0	\$0	
NET INCREASE (DECREASE) IN NET POSITION BEFORE RESERVES	\$448,722	\$1,791,265	
CLAIM RESERVES			
Increase (Decrease) in Insurance Claim Reserves	\$359,919	\$2,268,357	
Increase (Decrease) in Remedial Claim Reserves	\$26,762	(\$322,436)	
Increase (Decrease) in "Incurred But Not Reported" Reserves	\$0	\$0	
Net Increase (Decrease)	\$386,681	\$1,945,921	
NET INCREASE (DECREASE) IN TOTAL NET POSITION	\$62,041	(\$154,656)	

ACTIVITY REPORT - SEPTEMBER 2021



PARTICIPATION

	<u>UST</u>	<u>AST</u>	<u>TOTAL</u>
Sites where Coverage is in Force:	2387	965	3352
Sites where Coverage Lapsed:	2789	638	3427
Applications Under Review:	44	7	51
ERP Endorsements in Force:	141	45	186

TANKS COVERED BY PSTIF AGREEMENTS

No. of Tanks	6383	3060	9443
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PARTICIPANT CHARACTERISTICS

No. of Owners w/1-12 Tanks:	1056	614	1670
No. of Owners w/13-99 Tanks:	61	30	91
No. of Owners w/100+ Tanks:	10	1	11
Total No. of Owners:	1127	645	1772

	CLAIMS - USTs			
	"Insurance"	ERP	Remedial	Total
No. of Claims Opened this month	3	1	2	6
No. of Claims Closed this month	7	1	5	13
No. of Claims with Payment this month	24	3	11	38
Total Dollars Paid this month - EN, PD & BI	\$170,971	\$43,355	\$104,188	\$318,514
Total Dollars Paid this month - LE	\$1,762	\$0	\$0	\$1,762
Reserves for Known Open Claims	\$20,769,373	\$2,863,944	\$15,432,253	\$39,065,570
No. of Sites with Approved Cost Proposals	203	28	117	348
Amount of Approved Cost Proposals	\$4,285,390	\$509,548	\$2,757,040	\$7,551,978

	CLAIMS - ASTs			
	"Insurance"	ERP	Remedial	Total
No. of Claims Opened this month	4	0	0	4
No. of Claims Closed this month	1	0	1	2
No. of Claims with Payment this month	8	2	1	11
Total Dollars Paid this month - EN, PD & BI	\$118,626	\$7,003	\$280	\$125,909
Total Dollars Paid this month - LE	\$1,394	\$0	\$0	\$1,394
Reserves for Known Open Claims	\$12,937,883	\$1,171,343	\$2,452,332	\$16,561,558
No. of Sites with Approved Cost Proposals	64	10	10	84
Amount of Approved Cost Proposals	\$2,019,556	\$224,149	\$536,180	\$2,779,885

ALL CLAIMS
Total
10
15
49
\$444,423
\$3,156
\$55,627,128
432
\$10,331,863

	CLAIMS - to Date - USTs			
	"Insurance"	ERP	Remedial	Total
No. of Open Claims	271	33	199	503
No. of Closed Claims	2542	205	3556	6303
No. of Claims with Payment	1383	139	1223	2745
Total Dollars Paid - EN, PD, BI & LE *	\$139,709,047	\$9,574,624	\$129,555,307	\$278,838,978
Total Dollars Paid - LE **	\$1,818,962	\$0	\$0	\$1,818,962

	CLAIMS - to Date - ASTs			
	"Insurance"	ERP	Remedial	Total
No. of Open Claims	90	15	18	123
No. of Closed Claims	235	18	352	605
No. of Claims with Payment	197	23	62	282
Total Dollars Paid - EN, PD, BI & LE *	\$33,711,713	\$2,009,199	\$11,331,156	\$47,052,068
Total Dollars Paid - LE **	\$89,851	\$0	\$0	\$89,851

ALL CLAIMS
Total
626
6908
3027
\$325,891,046
\$1,908,813

"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.

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

UST Remedial reserves includes sites where tanks not yet removed; no data on contamination.

* Includes legal expense paid inside the coverage limits on claims closed prior to 8/28/2021.

** Includes legal expense paid outside the coverage limits.

ACTIVITY REPORT - OCTOBER 2021



PARTICIPATION	<u>UST</u>	<u>AST</u>	<u>TOTAL</u>
Sites where Coverage is in Force:	2388	963	3351
Sites where Coverage Lapsed:	2773	646	3419
Applications Under Review:	41	8	49
ERP Endorsements in Force:	137	42	179

TANKS COVERED BY PSTIF AGREEMENTS

No. of Tanks	6387	3042	9429
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PARTICIPANT CHARACTERISTICS

No. of Owners w/1-12 Tanks:	1055	612	1667
No. of Owners w/13-99 Tanks:	61	30	91
No. of Owners w/100+ Tanks:	<u>10</u>	<u>1</u>	<u>11</u>
Total No. of Owners:	1126	643	1769

	CLAIMS - USTs			
	"Insurance"	ERP	Remedial	Total
No. of Claims Opened this month	4	0	1	5
No. of Claims Closed this month	2	0	0	2
No. of Claims with Payment this month	15	5	8	28
Total Dollars Paid this month - EN, PD & BI	\$112,354	\$69,935	\$126,189	\$308,478
Total Dollars Paid this month - LE	\$0	\$0	\$0	\$0
Reserves for Known Open Claims	\$21,216,962	\$2,972,708	\$15,505,900	\$39,695,570
No. of Sites with Approved Cost Proposals	202	27	121	350
Amount of Approved Cost Proposals	\$4,540,628	\$467,683	\$2,767,562	\$7,775,873

	CLAIMS - ASTs			
	"Insurance"	ERP	Remedial	Total
No. of Claims Opened this month	0	0	0	0
No. of Claims Closed this month	1	0	0	1
No. of Claims with Payment this month	6	1	1	8
Total Dollars Paid this month - EN, PD & BI	\$268,391	\$1,426	\$4,885	\$274,702
Total Dollars Paid this month - LE	\$0	\$0	\$0	\$0
Reserves for Known Open Claims	\$12,739,501	\$1,173,291	\$2,405,447	\$16,318,239
No. of Sites with Approved Cost Proposals	64	10	11	85
Amount of Approved Cost Proposals	\$2,085,910	\$233,694	\$557,775	\$2,877,379

ALL CLAIMS	
Total	
5	
3	
36	
\$583,180	
\$0	
\$56,013,809	
435	
\$10,653,252	

	CLAIMS - to Date - USTs			
	"Insurance"	ERP	Remedial	Total
No. of Open Claims	273	33	200	506
No. of Closed Claims	2544	205	3555	6304
No. of Claims with Payment	1384	139	1223	2746
Total Dollars Paid - EN, PD, BI & LE *	\$139,821,401	\$9,644,559	\$129,681,496	\$279,147,456
Total Dollars Paid - LE **	\$1,818,962	\$0	\$0	\$1,818,962

	CLAIMS - to Date - ASTs			
	"Insurance"	ERP	Remedial	Total
No. of Open Claims	89	15	18	122
No. of Closed Claims	236	18	352	606
No. of Claims with Payment	198	23	62	283
Total Dollars Paid - EN, PD, BI & LE *	\$33,980,104	\$2,010,626	\$11,336,041	\$47,326,771
Total Dollars Paid - LE **	\$89,851	\$0	\$0	\$89,851

ALL CLAIMS	
Total	
628	
6910	
3029	
\$326,474,227	
\$1,908,813	

"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.

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

UST Remedial reserves includes sites where tanks not yet removed; no data on contamination.

* Includes legal expense paid inside the coverage limits on claims closed prior to 8/28/2021.

** Includes legal expense paid outside the coverage limits.

SUMMARY
LARGE-LOSS CLAIMS
(as of November 2021)

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

	Closed	Open	Total
No. of Claims	199	187	386
Estimated Exposure	\$88,254,513	\$94,187,023	\$182,441,536
Paid Out to Date	\$88,254,513	\$61,791,324	*\$150,045,837

**82.2% of total Large-Loss exposure has been paid to date*

Four large-loss claims CLOSED in September/October.

Occurrence Date	Total Incurred	Notes
5/10/2000	\$520,688	Remedial claim involving MTBE in drinking water wells. An NFA was issued in 2005 and rescinded in 2008 when contamination above target levels was discovered during tank closure. After the claim was reopened, significant site characterization took place to fully identify the impact to drinking water wells in the area and vapor intrusion risks. Access issues posed a challenge, but ultimately the risks were adequately addressed and an NFA was issued 2/26/2021.
11/7/2002	\$348,321	Insured claim filed when tank owner discovered through inventory records that they had been losing +/- 10 gallons per day for 2 months. Tightness tests failed, but it took another 2 months to confirm a release. Several years were spent recovering free product from this site and a settlement was reached with the tank manufacturer. Site characterization took several years, including additional delineation required after plume stability monitoring began. A restrictive covenant was placed on the property and an NFA was issued 6/29/2021.

5/31/2007	\$364,246	Insured claim was filed during closure activities in May 2007. Site characterization did not begin until mid-2012 due to consultant delays. Delineation was determined to have been achieved in mid-2014 but in May 2015 MoDNR requested additional site characterization and that the land use should be considered residential. Cleanup was further delayed in 2016 when LNAPL was encountered during groundwater monitoring for plume stability. It was determined later that there were two plumes on the site. Consultant and MoDNR continued to disagree regarding land use (residential vs non-residential), therefore while the LNAPL investigation was happening, the cleanup still did not have clear delineation targets. Ultimately MoDNR determined the delineation should be non-residential. LNAPL was resolved by over-excavation and monitoring for plume stability resumed. An NFA was issued 6/19/2021.
3/26/2019	\$253,664	Insured release was discovered during line tightness tests of an AST system. The source was quickly identified during EER activities. HVE was used to address LNAPL impacting the site and a creek and ~640 tons of impacted soil was removed from the point of release, a nearby creek and the area around it. Site characterization and risk assessments determined no unacceptable risks on or offsite. Plume stability monitoring was completed and an NFA was issued 5/27/2021.

There were four claims moved into the category of a “large loss” in September/October.

Occurrence Date	Paid to Date	Notes
5/16/2000	\$207,473	Remedial claim on a geologically complex site with a nearby public well and on-site private well. The current property owner requested an eligibility determination to take over the cleanup when the previous land owner was no longer able to continue. Reserves increased and costs have been approved to continue the cleanup.
12/29/2015	\$92,728	Remedial claim. Reserves increased when site characterization determined the path forward.
12/12/2013	\$133,136	Reserves were increased when it was determined that the domestic use pathway is complete.
9/7/2021	\$0.00	New release with free product and potential future drinking water risk.