
FISCAL UPDATE Article

Fiscal Services Division

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UNDERGROUND STORAGE TANK BOARD, ADMINISTRATOR CONTRACT

Administrator Contract. At the January 26, 2018, meeting of the [Iowa Comprehensive Petroleum Underground Storage Tank \(UST\) Fund Board](#), the Board voted to approve a contract renewal with the current program administrator, Aon Risk Solutions (Aon). The approval extends an existing contract through the end of calendar year 2018. The renewed contract reduces the payment to Aon for program administration and claims processing by \$561,000, from the 2017 level of \$1,035,000 to \$474,000 for 2018.

The payment reduction comes after the recent transfer of 199 active UST claims from the UST Board to the Petroleum Marketers Management Insurance Company (PMMIC). The liability transfer included a \$13.1 million payment from the UST Program to PMMIC, including \$1.2 million for claims administration and insurance.

With transfer of the 199 sites to PMMIC, approximately 110 contaminated UST sites with projected Board cleanup and other costs totaling \$7.3 million remain as liabilities of the UST Board. As of the end of December 2017, the cash balance of UST funds totaled \$20.4 million.

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