

Gasoline Stations - Full-Service and Self-Service

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BEST'S HAZARD INDEX

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SIC CODES AND CLASSIFICATIONS

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NAICS CODES AND CLASSIFICATIONS

44711 Gasoline Stations with Convenience Stores
44719 Other Gasoline Stations

RELATED CLASSIFICATIONS

Automobile Accessories Stores
Automobile Body Repair Shops
Automobile Repair Shops And Oil Change Centers
Convenience Stores and Delicatessens
Tire Dealers - Retail

RISK DESCRIPTION

Gas stations exist primarily to provide fuel to consumers for all types of vehicles, such as cars, motorcycles, light trucks, RVs, ATVs, snowmobiles, tractor-trailers, and boats. Self-service stations allow customers to pump their own gas, wash their own windows, and check their own oil. Although in recent years the number of full-service stations has dwindled nationwide, these are often more convenient for the consumer since an attendant is paid to perform such services. Some insureds may combine full- and self-service operations by providing two or more "islands" (i.e., a

concrete base on which one or more gas pumps are situated), some of which are self-service while others are full-service.

In addition to providing customers with petroleum-based fuels, a variety of additional products and services may be offered by gas stations. Many will sell various automotive products, such as windshield wiper fluid and replacement blades, antifreeze, motor oil, and fuel additives. Many insureds also have convenience stores, otherwise known as "mini-markets," built into their premises, offering hot and cold beverages, snacks and dairy products, prepared hot and cold foods (e.g., pre-wrapped deli sandwiches, hot dogs, pre-packaged salads, etc.), self-serve microwaveable foods (e.g., burritos, TV dinners, etc.), health and beauty aids, cigarettes, and in some states, alcohol. Many gas stations will also have an automated teller machine (ATM) on the premises. Some insureds will perform automotive services, state vehicle inspections, emissions testing, and/or repairs and may or may not offer towing services. A car wash may also be located on the premises, usually in a separate facility that is adjacent to the main building.

In 47 states, the majority of gas stations are run as independent franchise operations under a major oil company/refinery (e.g., Exxon/Mobil, Texaco, Sunoco, BP/Amoco, Shell); when an independent franchisee operates 10 or more gas stations, that individual is said to have a "chain" (e.g., "Bob's Citgo"). In three states - Connecticut, Delaware, and Maryland - as well as the District of Columbia, a policy known as "divorcement" makes it illegal for major oil companies to own or operate gas stations themselves. In general, the larger the oil company, the fewer gas stations it will own or operate since larger companies would rather lease these stations to independent franchisees. Franchised stations are contractually obligated to sell only "branded" petroleum products, that is, products from the particular oil company with which they are affiliated. On all of the insured's signage, the affiliated brand name will be prominently displayed, often because these names are easily recognizable to consumers. Sometimes, the major oil refinery companies will put special additives in their petroleum products and market these unique special blends to consumers under a specific name, such as "supreme" or "ultra." Non-franchised operations, on the other hand, may sell some branded products, but will often deal exclusively in "nonbranded" fuels that are produced by smaller, independent oil refineries, which are not affiliated with any of the major oil companies.

In urban areas, most franchised gas stations will purchase petroleum products directly from their affiliated company and are therefore obligated to pay what is known as a "tank wagon price" (i.e., whatever price the franchising oil company is charging at the time). However, in rural areas the arrangement between the oil companies and its franchisees tends to be somewhat modified. The oil companies do not sell their products directly to the franchisees; rather, they sell them to a petroleum wholesaler/distributor known in the industry as a "jobber". Typically, jobbers receive their petroleum products via tanker trucks or pipelines from various oil refineries and act as wholesalers, selling these products to the gas stations. In this situation, the franchised gas station operators are free to shop around and compare the prices offered by various jobbers in their area. However, even though they are buying their fuel from jobbers, franchised dealers are still contractually obligated to purchase and sell only their affiliated company's brand of products.

By contrast, non-franchised, independently owned and operated gas stations are free to shop around to various jobbers for the best possible prices on branded and non-branded petroleum products. As a result, they are often able to undersell their branded competitors. Federal regulations have certain requirements regarding the quality of petroleum products that all refiners and distributors must maintain. So while the price of gasoline will often be lower at non-branded stations, nothing is sacrificed in terms of the quality of their fuel.

When customers pull their vehicle into a gas station, they will typically drive up to one of the gas pumps (most insureds will have more than one). If the pump selected is labeled as a full-service facility, an attendant will approach the vehicle and ask the occupant what quantity and type of fuel, such as 86, 87, 89, 93, or 94 octane, is desired. (A higher octane level generally results in improved gas mileage and lower emissions.) Since most vehicles now have a latch inside the car that releases the gas tank cover, customers rarely have to get out of their vehicle at a full-service station. The attendant will then pump the customer's gas and may also perform other complimentary services, such as washing the vehicle's windows or checking the engine's oil level, usually upon the customer's request. The attendant then accepts payment from the customer, either in the form of cash, major credit card, bank debit card, check (insureds will usually accept checks only from frequent customers if at all), or a credit card that has been issued by the insured's affiliated oil company. [Note: In Oregon and New Jersey only full-service gas stations are allowed by law.]

At self-service facilities, the customer will unlatch the gas tank cover and get out of the vehicle. Some self-service gas stations will require prepayment on all fuel purchases, while others may only require prepayment during certain times of the day (e.g., from 9 p.m. to 6 a.m.). Others may not require prepayment at all and will only accept payment for fuel after it has been dispensed. Most insureds will have signs posted near the self-service pumps that clearly state their payment policy. Some insureds will have one or more cash booths (often enclosed in bulletproof glass) situated close to the gas pumps where a cashier sits. This employee handles all transactions and operates the pumps from a computerized console inside the booth, accepting credit card and cash payments through a self-closing, sliding drawer, never actually coming in direct physical contact with the customers. For other insureds, cashiers may be situated inside the insured's main building, either behind a simple countertop, or behind a convenience store-type of counter with a variety of candy and snacks displayed for sale across the front. When prepaying, customers must tell the cashier what pump number they will be using so the cashier can program the corresponding pump to dispense the correct amount of fuel; the pump will stop automatically when the prepaid amount has been dispensed. If the customer's payment has exceeded the actual dollar amount of the fuel sale (since some customers may misjudge the amount of fuel their vehicle needs), the cashier will usually give the customer back the difference in cash or credit, depending on which form of payment the customer used. If the station prefers payment after dispensing, the cashier will accept the necessary amount once the fuel has been pumped. Many insureds will also provide buckets with windshield squeegees as a courtesy so customers can clean their windshields while pumping their gas.

Many gas stations now have pumps that are electronically equipped to accept various forms of payment, including: ATM/bank debit cards, major credit cards, and/or the branded oil company's credit card (if the insured sells that brand of petroleum products). The customer activates the pump by first swiping the card through the slot on the gas pump and following the prompts that usually appear on a small viewscreen. When using this type of setup, the customer never even has to interact with a cashier. A fairly new innovation is something called a "speed pass." The speed pass is a small, electronically-activated device that attaches easily to any key chain and is directly linked to a customer's major credit card or bank account. When it is waved in front of the gas pump, the device emits a beep to tell the customer that it has been activated, and the necessary funds are electronically withdrawn from the linked account immediately after the fuel has been dispensed.

Most gas stations are one-story, freestanding buildings with one or more gas pumps that are situated closer to the road than the main structure for ease of access to customers. Insureds are likely to have two or more gas pumps (with or without an outdoor cash booth), restrooms, one or two offices, and/or vending machines, coin-operated air pumps (for inflating tires) and vacuum hoses (for cleaning vehicles' interiors). Most have partial roofing over the gas pumps to shield customers and attendants from rain or snow. Layouts will vary but may also include an auto repair shop, a car wash, a convenience store setup (possibly with a small deli counter), and/or a franchised restaurant operation.

Petroleum-based fuels are typically kept in one or more underground storage tanks that are connected to the gas pumps through a system of underground pipes. Depending on the insured's volume of business, these tanks may hold as much as 11,000 gallons each. Many insureds use a device

called a tank monitoring system (TMS) to monitor the fuel levels in their underground storage tanks. Operated from a small wall-mounted console, the TMS notifies managers when fuel supplies are getting low by providing an up-to-the-minute gallon total for each tank, either on a liquid crystal display (LCD) screen or on a receipt-sized print-out. It also reminds station operators which tanks need to be refilled and how many gallons are needed for each type of gasoline. The TMS assists managers in tracking which types of fuel they are selling the most and helps take the guesswork out of reordering. The TMS automatically runs air pressure tests on the insured's tanks and connecting pipe systems throughout the day to check for leaks and weak connecting joints. Some states have already enacted laws requiring gas stations to have a TMS installed, and other states are expected to pass similar legislation in the near future. In addition to gasoline storage tanks, many insureds will also have a supply of kerosene or propane gas for sale that is stored in above- or underground tanks.

The hours of operation for gas stations will vary. Although an increasing number of insureds are open around the clock (particularly in more heavily populated areas), many will be open from early morning (e.g., 6 or 7 a.m.) until late evening (e.g., 10 or 11 p.m.) to accommodate consumers' work schedules and truck drivers' long hours on the road. Most are open seven days a week, although they may close or shorten their hours to recognize major holidays. Although there is no real peak season for this business, insureds that are located just off major routes or in resort areas will often experience an increase in business during tourist seasons or major holidays when more travelers are on the road. Gas stations that offer towing services can also expect to see an increase in this part of the business during the winter months (particularly in northern climates) when vehicle breakdowns and weather-related accidents are more likely to occur. Stations that are located in remote rural areas can expect to see less business overall than those situated in more heavily traveled locations.

The number of employees for gas stations will also vary depending on the scope of services offered, the number of hours it operates daily, and whether or not it is a full-service or self-service station. Some station owners may have several different locations, and some employees (e.g., district managers) may be required to work at more than one of these locations. Workers will range in age from 16 to 65. Most insureds will have a full-time staff of two or more and several part-time workers as well. Workers' duties and training will depend on their position. Most convenience store workers, tow truck drivers, and car wash or gas attendants will be trained on the job. Mechanics will often receive their training from vocational schools and may or may not be certified in automotive service excellence (ASE). Gas station managers may have a background in retail management, automotive sales and service, or food service management. Some insureds may have a franchised restaurant that subleases space on their premises; workers for these restaurants are generally employed by the restaurant, not by the gas station and are not considered to be employees of the insured.

It has recently been discovered that serious environmental damage is being caused by methyl tertiary-butyl ether (MTBE), an emissions-reducing gasoline additive that oil refineries were strongly encouraged by the Environmental Protection Agency (EPA) to add to gasoline products since the passage of the Clean Air Act in 1990. A potential carcinogen, MTBE has been added to gasoline in concentrations of 8 - 15% since the early '90s. However, it has proven to be capable of eating through tank and pipe seals on both old and new underground gasoline storage tanks, thus seeping into nearby soil and water supplies and causing contamination problems. MTBE is capable of traveling through soil very rapidly, is highly soluble in water, and is resistant to biodegradation. While gas station operators and oil companies will contend that they have been following EPA auto emission-reduction guidelines by selling petroleum products that contain MTBE, they could still be named as co-defendants in any resulting lawsuits.

MATERIALS AND EQUIPMENT

Fuel products: Gasoline, diesel fuel, and kerosene; propane gas.

Commonly used or replace auto parts: Tires, auto batteries, spark plugs, hoses and belts, windshield wipers and/or replacement blades, etc.

Commonly used auto additives and accessories: Windshield wiper fluid, antifreeze, motor oil, car wax, brake fluid, window decals, car air fresheners, etc.

Cash registers; gas pumps; air pumps; computerized gas pump operations consoles; tank monitoring system (TMS, for monitoring underground gasoline storage tanks); calculators; camera surveillance system with video monitor and taping equipment; vending machines; hand-trucks and dollies; brooms and mops.

For insureds with repair shops on the premises: Automotive repair and servicing equipment; electronic testing instruments; air compressors; powered and non-powered tools, such as drills, wrenches, screwdrivers, and other handheld tools; hand-operated portable jacks; hydraulic lifts; battery chargers; lubrication equipment; wheel alignment machines; body measuring/alignment systems; brake service equipment; engine diagnostic and/or reconditioning equipment; tire changing and repairing machinery and tools; small chain hoists.

For insureds with convenience stores on the premises: Vending machines; an ATM machine; shelving; built-in or movable freezer and refrigeration units; various types of food preparation equipment; food and beverage dispensing devices; various snacks, hot and cold beverages, prepackaged and frozen food items, deli meats and cheeses, health and beauty aids, and paper goods.

For insureds with car washes: Auto cleaning and waxing solutions, polishing rags, water hoses with power nozzles.

NARRATIVE LINES OF BUSINESS

Automobile Liability

Exposures:

Employee-owned vehicles. Increased exposure for those that offer towing services.

On-Site Inspection:

- r Vehicles - number; age; type; condition
- r Tilt-bed and tow trucks equipped with flashing yellow warning lights

Items to Investigate:

- r Drivers - ages; training; experience; MVRs
- r Do employees ever run business-related errands in personally owned vehicles?
- r Personal insurance at acceptable limits
- r Frequency of travel; radius of operations
- r Are any employees required to travel between multiple locations that are owned by the insured?
- r Does the insured offer towing services? If so, are these services available 24 hours a day? What is the limit on how far they are willing to travel to perform a particular job?
- r What are the hazards of typical routes used?
- r Are drivers ever required to travel at night?
- r Have all tilt-bed and tow truck drivers been thoroughly trained in proper loading and unloading procedures for disabled vehicles?
- r Less experienced tow and tilt-bed truck drivers paired with more seasoned ones until an acceptable level of competence is demonstrated
- r Does the insured sell used vehicles from its premises? If so, are prospective buyers required to be accompanied by an employee on test drives? Is a photocopy of the customer's driver's license made prior to test drives?
- r Vehicle maintenance program
- r Unless they are licensed mechanics themselves, employees prohibited from repairing or assisting in the repair of any company-owned vehicle

General Liability**Exposures:**

Large number of daily visitors. Slips, trips, and falls. Burns. Electrical shocks. Benzene fume inhalation. ("Full-service only" facilities will face reduced exposure.)

On-Site Inspection:

- r What type of fuel dispensing services are offered by the insured - full- service, self-service, or both?
- r Layout of the premises
- r Is the insured located just off a major route or in a resort area?
- r Does the insured run a convenience store, car wash, or auto repair shop on site?
- r If the insured repairs or services vehicles on the premises, is a separate customer waiting area provided?
- r Walkways and aisles well maintained and free of debris or clutter
- r Cords routed away from heavily trafficked areas or covered with rubber or metal slipguards
- r Is the facility equipped with automatic doors that are laser-, weight-, or motion-activated?
- r Rubber-backed floor mats placed inside all customer entrances if the insured has tile or concrete flooring
- r Is all electrical equipment properly grounded and NRTL-listed?
- r If the insured has black cords (i.e., that cause a bell to ring) stretched across the pavement where cars pull up next to gas pumps, are such cords securely tacked down?
- r At self-service facilities, are the control levers, fueling nozzles, windshield squeegees, and credit card slots at gasoline pumps easily accessible, even to handicapped persons?
- r At self-service gas pumps, are fueling instructions given in precise steps and explained in clear, understandable language?
- r If the insured has racks of automotive products displayed near gas pumps, are they situated in such a way that customers are unlikely to trip over them while fueling their vehicles?
- r Gas pump nozzles equipped with rubber collars to minimize escaping benzene fumes
- r Do signs posted at gas pumps include such messages as: "No Smoking"; a warning to turn off engines before fueling vehicles; and/or a warning to not overfill or "top off" gas tanks?
- r If there is a convenience store on site, what types of self-serve machines (e.g., soda or coffee dispensers, ice cream or "slushee" machines, hot dog broilers, microwave ovens, etc.) are present? Are warning signs posted alerting users to the potential for burning or scalding on all devices that have heated surfaces?
- r For insureds that operate a self-service car wash on site, do posted, written instructions remind customers to roll up all windows before pulling into the facility?
- r "Employees Only" signs posted on entrances to all restricted areas
- r Public restrooms - handicapped accessible; surrounding areas well lit and well maintained
- r All outdoor areas well lit
- r What type of aboveground hatches are the insured's underground gasoline storage tanks equipped with? Are they color coded? Are they flush with the pavement or slightly raised (e.g., 1/2" - 2")?
- r Are there designated parking areas for delivery personnel and/or for customer-owned vehicles that are awaiting automotive repair or customer

pickup?

- r Separate rear entrance for delivery personnel
- r Paved areas free of cracks or potholes

Items to Investigate:

- r Are the premises owned or leased?
- r If the insured is a franchised operation and has a contract with a major oil company, does the contract specify areas of liability for both parties? What portion of liability falls on the insured?
- r Are any areas of the premises subleased (e.g., to car wash operations, fast food restaurants, etc.)? If so, are contracts signed specifying which areas of the premises the sublessee is responsible for?
- r Hours of operation
- r Visitors - average and maximum number daily
- r Level of housekeeping - trash and rubbish removed daily; restrooms sanitized daily
- r Furniture in waiting areas - routinely inspected and replaced as needed
- r Floors - worn, torn, or loose coverings repaired or replaced immediately; swept or vacuumed daily; wet spills mopped up promptly and "Caution-Wet Floor" signs displayed over affected areas
- r Does the insured use a grease-absorbing substance or grease-dissolving agent when cleaning up spills that contain motor oil?
- r How often are fuel pumps checked to ensure that they are functioning properly?
- r Routine maintenance schedule in place for all electrical equipment; servicing and repairs to such devices performed by qualified professionals only
- r Inexperienced and/or unqualified workers discouraged from attempting to repair malfunctioning machines
- r Does the insured place "Out of Order" signs on any malfunctioning gas pumps or food dispensers until they can be properly serviced?
- r At full-service stations, do attendants advise customers to keep vehicle windows rolled up during fueling so their inhalation of benzene fumes will be minimized?
- r Routine maintenance plan in place for all automatic doors
- r Customers not permitted in repair or car wash areas unless accompanied by an experienced employee
- r Workers designated to periodically check on and straighten out hoses on car vacuums and air pumps (i.e., for inflating tires), if such are present
- r Worker designated to double-check that hatch lids to underground gasoline storage tanks are properly secured after fuel shipments have been delivered
- r Should the gas station offer full-service pumps, how thoroughly have attendants been trained in their use before being allowed to wait on customers by themselves?
- r Where propane gas is sold and dispensed, is the insured in compliance with all applicable state and local regulations regarding the special training of any employees who dispense this type of fuel?
- r If the insured sells alcoholic beverages, does it hold a valid state liquor license and comply with all state and local regulations concerning the sale of alcohol? Have all personnel been instructed not to sell alcohol to persons who appear to be intoxicated?
- r Have all employees been trained in proper age verification procedures regarding the sale of alcoholic beverages and/or tobacco products?
- r What pest control measures are in place? Are pest control services contracted out to licensed or certified professionals?
- r Grassy areas mowed regularly
- r Who does the insured contract out its paving repairs to, and what is their reputation?
- r Are deliveries generally made through the same entrance that is used by customers, or through a separate rear entrance?
- r Delivery personnel required to use proper materials-handling equipment (e.g., hand trucks, dollies, etc.) when passing through areas where customers are likely to be present
- r Does the insured include any sexual harassment awareness training as part of its employee training program?
- r Are full-service station attendants ever scheduled to work by themselves, or do they only work in pairs to provide an additional witness in the event of a sexual harassment claim?
- r Is a loaded firearm kept on the premises for employees to protect themselves in the event of a robbery attempt? If so, have all employees received proper training in how to operate the firearm?
- r Arrangements made for prompt removal of ice and snow

Product Liability and Completed Operations

Exposures:

"Watered down" gasoline. Installation of faulty parts or substandard repair work. Sale of tainted food products or inferior automotive products. (Insureds with convenience stores face greater exposure from products sold. Insureds with car wash or repair shop face greater exposure from completed operations.)

On-Site Inspection:

- r Vending machines - number; type of products sold
- r Freshly prepared foods (other than beverages) marked with date and/or time of preparation
- r Food and beverages stored away from cleaning supplies
- r Does the insured sell any automotive accessories (e.g., floor mats, air fresheners, wiper blades) and/or additives (e.g., windshield washer fluid,

motor oil, gas additives, etc.)?

- r Are mostly name brand automotive products sold?

Items to Investigate:

- r Does the insured's state have a mandatory octane testing program in place? If so, does the station comply with all mandatory state or local octane testing programs?
- r Are attendants at full-service pumping stations required to undergo training before being allowed to dispense fuel or perform other services?
- r Other than dispensing gas in vehicles, have all attendants been instructed to only dispense gasoline into EPA-approved, metal, sealable gasoline containers?
- r For insureds that maintain a repair shop on the premises, is at least one experienced, ASE-certified mechanic on duty at all times?
- r How are customer complaints regarding repair work handled?
- r Does the insured offer any guarantees or warranties on its repair work for a specific number of days, months, or miles? If so, what warranties does the insured provide?
- r What is the reputation of the supplier(s) that the insured purchases its auto parts from? Are parts that were purchased from junkyards ever used for repair jobs? If so, who is responsible for inspecting and/or cleaning these parts prior to installing them?
- r If the insured performs state inspections or emissions testing, does it consistently comply with all state requirements regarding such inspections?
- r Have the products sold out of vending machines been purchased from reputable vendors?
- r How often are deliveries made to vending machines to assure product freshness? What is the degree of liability assumed by the insured in any contracts with these vendors?
- r In the case of insureds that prepare food items (e.g., deli sandwiches, fresh salads, hot dogs, coffee, etc.) on site, are all appliances, utensils, or food preparation equipment properly cleaned and sanitized at the end of each work day or in 12-hour shifts? Are foods kept properly refrigerated?
- r Compliance with Centers for Disease Control and Prevention (CDC) and the U.S. Food and Drug Administration (FDA) regarding the proper storage and handling of beef, pork, and poultry products
- r All meats, cheeses, and freshly prepared salads properly refrigerated and disposed of after a designated number of hours or days have passed
- r Fresh fruits and vegetables thoroughly rinsed and checked for signs of spoilage before being put on display for sale to customers
- r Level of housekeeping in food preparation areas - floors swept or mopped daily; trash bins lined with plastic bags and emptied frequently; containers rinsed and sanitized daily
- r How often are the premises sprayed for pests?
- r Have all workers been trained in proper hygiene methods, including frequent hand washing?
- r What is the reputation and loss history of the station's suppliers of automotive accessories and/or additives?
- r Do the manufacturers of automotive products offer any quality guarantees?

Garage Keeper's Legal Liability

Exposures:

Vandalism, theft, weather damage, and/or accidental damage to customer-owned vehicles that are left in the care, custody, and control of the insured. (Only required for insureds that offer towing services or that perform automotive repairs or vehicle maintenance services.)

On-Site Inspection:

- r Are signs posted in reception and customer waiting areas that the insured will assume no responsibility for any items left inside vehicles that are dropped off for service or repair?
- r Where are customer-owned vehicles stored during off hours?
- r All keys to customer-owned vehicles kept on a keychain and/or locked in a secure location when vehicles remain on the premises overnight
- r Parking area for customer-owned vehicles well lit at night
- r Is the parking area for customer-owned vehicles fenced in?

Items to Investigate:

- r If the insured offers towing services, what is the level of experience of the insured's tilt-bed or tow truck drivers? Are less experienced drivers paired with more seasoned ones until they demonstrate an acceptable level of competence at loading, unloading, and transporting disabled vehicles?
- r Does the insured have Legal Liability coverage, Direct Excess coverage, or Primary coverage?
- r If the insured has Legal Liability or Direct Excess coverage, are customers who drop off vehicles for servicing required to sign a standard automotive work order form authorizing the station to perform only the work specified and absolving it from any loss or damage to the vehicle (or its contents) resulting from fire, theft, or other causes beyond the insured's control?
- r If the insured has Primary coverage, does the gas station operate in an area that is prone to floods, tornadoes, hurricanes, and/or hailstorms where vehicles that are left outdoors might be damaged by severe weather conditions?
- r Have all repair shop personnel been trained in proper key control methods?
- r Regular police patrols during off hours

Environmental Impairment Liability

Exposures:

Methyl tertiary-butyl ether (MTBE). Disposal of used tires and motor oil. Hydraulic fluid leakage. Wastewater disposal from car wash operations.

On-Site Inspection:

- r Are all of the insured's fuel storage tanks equipped with a tank monitoring system?
- r Is there a repair shop on site?
- r Are there hydraulic lifts on the premises? If so, are the hydraulic fluid tanks situated above or below ground?
- r Does the insured have a car wash on site?

Items to Investigate:

- r Is the gas station in compliance with all applicable state laws requiring the installation of tank monitoring systems (TMSs)?
- r How long does the insured maintain hard copies of TMS reports for its records?
- r Are soil and water samples from surrounding areas periodically tested by an objective third party outfit? If so, how frequently are such surveys conducted - semi-annually, annually, or bi-annually?
- r Does the insured contract out the disposal of its used motor oil and/or tires to a qualified recycling contractor? If so, what are the reputation and loss history of the recycling contractor used by the insured? What degree of liability is assumed by the insured in any contracts?
- r Does the gas station collect certificates of insurance from its recycling contractors and ask to be named as an additional insured?
- r If the insured's hydraulic tanks and pipes are situated underground, how often are they checked for deterioration (e.g., rust) that might cause leakage or seepage of hydraulic fluid into the ground?
- r Who is responsible for inspecting the insured's hydraulic fluid storage and lift systems, and what are that person's qualifications and experience?
- r If the insured has a car wash on site, what are the insured's methods of recycling and/or disposing of its wastewater?
- r Is all wastewater from car wash operations diluted prior to disposal so that permissible exposure limits (PELs) as required by the insured's municipality are not exceeded?
- r How is the insured's wastewater analyzed before being discharged into public waterways?

Workers' Compensation

Exposures:

Slips, trips, and falls. Burns. Cuts, lacerations, and dismemberment. Electrical shocks. Benzene fume inhalation. Back injuries. Repetitive motion injuries (RMIs). Skin irritations. Robbery attempts (particularly for insureds with convenience stores operations). High employee turnover. Student interns in repair shop operations. (Exposure increased for insureds that run 24-hour operations.)

On-Site Inspection:

- r Layout of the premises
- r Is the insured located just off a major route, or in a resort area where an increase in business during tourist seasons or major holidays can be expected?
- r If the insured has racks of automotive products displayed near its gas pumps, are they positioned in such a way that pump attendants are unlikely to trip over them?
- r Is all electrical equipment properly grounded and NRTL-listed?
- r Does the insured have black cords (i.e., that cause a bell to ring) stretched across the pavement where cars pull up next to gas pumps? Are such cords securely tacked down?
- r Are "No Smoking" signs prominently displayed in all fuel dispensing areas?
- r Gas pump nozzles equipped with rubber collars to minimize escaping benzene fumes
- r What type of aboveground hatches are the insured's underground gasoline storage tanks equipped with? Are they color coded? Are they flush with the pavement or slightly raised (e.g., 1/2" - 2")?
- r If the insured is a self-service operation, does it have a bulletproof cash booth where an employee handles all transactions and gas pump operations via a computerized control console without any direct, physical contact with customers?
- r Cash booths and cashier's main counter equipped with emergency call button and/or telephone to quickly notify local police in the event of a holdup
- r Does the insured have tile or concrete flooring?
- r Rubber-backed floor mats placed inside all main entrances
- r Electrical and telephone cords routed away from heavily trafficked areas or covered with rubber or metal slipguards
- r Floors and floor coverings in good condition
- r If there is a convenience store on site, what types of food preparation or dispensing machines (e.g., meat slicers, soda or coffee dispensers, ice cream or "slushee" machines, hot dog broilers, microwave ovens, etc.) are present? Are warning signs posted alerting users to the potential for burning or scalding on all devices that have heated surfaces?
- r Signs posted throughout the premises stating that only small amounts of cash are available to cashiers

- r Are repair areas equipped with special nozzles that drop down from the ceiling and fit over the end of a vehicle's tailpipe to funnel exhaust fumes outside through a system of vents? If not, are hoses that attach to vehicle tail pipes used to funnel carbon monoxide fumes outside under the garage door?
- r Emergency hand- and eye-wash stations installed in auto repair areas
- r Lockable, NRTL-listed, key or combination safe located near the cashier's counter or in a back room where frequent cash deposits are dropped throughout the day
- r Tilt-bed and tow trucks equipped with flashing yellow warning lights
- r If the insured has a car wash on site, are cleaning agents contained in keg- type containers that attach directly to nozzles so that workers do not come in direct contact with the detergents?
- r Repair areas, gas pump islands, food preparation areas, and main cashier's counter equipped with emergency first aid kits
- r If the insured uses space heaters, are they situated at a safe distance from any flammable or combustible substances or materials?
- r Paved areas free of cracks or potholes
- r Strategically situated surveillance cameras located inside and outside the facility
- r All outdoor areas well lit

Items to Investigate:

- r Hours of operation
- r Workers - number; ages; training; experience levels
- r Does the insured have any franchised restaurants that sublease space on their premises? If so, whose payroll are these workers on?
- r If vocational-technical (vo-tech) students ever work as paid or non-paid interns in auto repair shop operations, what is the arrangement between the cooperating educational institution and the insured regarding coverage of these interns? Are all applicable state labor laws adhered to regarding the interns' hours, pay, insurance coverage, etc.?
- r Level of housekeeping - walkways and aisles well maintained and free of debris or clutter; trash removed daily; uniforms and rags that have been tainted with automotive fluids kept in self-closing, metal containers until removed from the premises; wet spills cleaned up promptly with "Caution-Wet Floor" signs displayed over affected areas
- r Floors and floor coverings swept or vacuumed daily, and repaired or replaced as needed
- r Is a grease-absorbing substance or a grease-dissolving agent used to clean up any spills involving motor oil?
- r How often are fuel pumps checked to ensure that they are functioning properly?
- r Routine maintenance schedule in place for all electrical equipment; servicing and repairs to such devices performed by qualified professionals only
- r Inexperienced and/or unqualified workers discouraged from attempting to repair malfunctioning machines
- r Are "Out of Order" signs placed on any malfunctioning gas pumps or food dispensers until they can be properly serviced?
- r Does the insured offer 24-hour towing services?
- r If the insured operates more than one gas station, are any employees required to travel between various locations?
- r Are student interns' duties limited strictly to auto shop operations (as opposed to the dispensing of gasoline or ringing up other sales)? Who is responsible for their training and supervision?
- r How much training do employees receive before being allowed to operate food preparation equipment on their own?
- r Are workers who use sharp knives or operate food slicers as part of their duties required to wear appropriate hand protection (e.g., steel mesh gloves) when using these utensils or devices?
- r What provisions are made to ensure outdoor workers' comfort during weather extremes (e.g., space heaters in cash booths during winter months, fans or water coolers in summertime, etc.)?
- r If applicable, does the insured designate workers to periodically check on and straighten out hoses on car vacuums and air pumps (i.e., for inflating tires)?
- r Is a worker designated to double-check that hatch lids to underground gasoline storage tanks are properly secured after fuel shipments have been delivered?
- r Where propane gas is sold and dispensed, is the insured in compliance with all applicable state and local regulations regarding the special training of any employees who dispense this type of fuel?
- r Are attendants instructed not to dispense gasoline until drivers have turned off their engines? Does the insured instruct its attendants not to overfill or "top off" customers' gas tanks?
- r Repair personnel prohibited from wearing jewelry of any kind while working; required to keep long hair tied back
- r Where applicable, less experienced auto repair workers (and student interns) paired with a more experienced technician, preferably one with Automotive Service Excellence (ASE) certification until they become familiar with the insured's equipment and machinery
- r Is there at least one ASE-certified mechanic on duty when less seasoned auto repair personnel are working?
- r Workers in auto repair areas provided with appropriate hand protection
- r Annual audiometric hearing tests given and NIOSH-approved hearing protection devices provided for all workers who are exposed to noise levels at or above 85 dB
- r Working in noisy areas limited to brief periods of time
- r Do auto technicians ever use slide boards to move under vehicles that have been raised with a jack?
- r Are repair personnel encouraged to use hydraulic lifts whenever possible, as opposed to hand-operated jacks, when repairing or servicing vehicles?
- r Inspection schedule and maintenance program in place for all hydraulic lifts
- r What are the qualifications and experience of the individual who services the insured's hydraulic lifts?
- r Workers whose duties involve repetitive motions or the use of vibrating equipment encouraged to take a 15-minute break every three to four hours
- r Are vehicles in need of servicing ever test driven to help determine the nature of the problem? If so, are mirrors, safety belts, and seating

- adjusted to suit the driver's comfort before the vehicle is engaged?
- r Automotive technicians skilled at driving both manual and automatic transmission vehicles
- r Do workers ever help delivery personnel in unloading merchandise? If so, have they received instruction in proper lifting techniques?
- r Tires rolled instead of carried whenever possible
- r What is the insured's procedure for collecting payments on gasoline purchases and for making cash deposits? Are fuel attendants instructed to make frequent cash transfers between the cash booths, which are situated outside near the gas pumps, and the cashier's counter, which is usually located inside the station's main building? Are they also discouraged from "flashing" large wads of bills in front of customers?
- r Are night shift employees ever scheduled to work by themselves, or do they work in pairs, as is recommended by OSHA?
- r Does the insured keep a loaded firearm on the premises for employees to protect themselves in the event of a robbery attempt? If so, have all employees received proper training in how to operate the firearm?
- r Are all employees trained in how to handle themselves during a robbery attempt? Are they discouraged from taking heroic measures?
- r Grassy areas mowed regularly
- r Who does the insured contract out its paving repairs to, and what is their reputation?
- r Arrangements made for the prompt removal of ice and snow
- r What is the availability of emergency health care and first aid on the premises? Have any employees received basic first aid training?

Crime

Exposures:

Large amounts of cash on hand. Easily transported products, such as cigarettes and gasoline. Employee dishonesty. (Reduced exposure for insureds that only accept credit or debit cards as form of payment.)

On-Site Inspection:

- r Checks, charge receipts, and petty cash stored in a tool-, torch-, explosive-resistant, NRTL-listed, time-delay safe until they can be deposited
- r Other than cash, what types of valuable items are on the premises?
- r Mechanics tools - number; age; type; condition
- r Diagnostic and repair equipment - number; type; age; condition
- r Are identification numbers etched onto all mechanics' tools and/or diagnostic or repair equipment?
- r If the insured is a self-service operation, does it have a bulletproof cash booth where an employee handles all transactions and gas pump operations via a computerized control console without any direct, physical contact with customers?
- r Where applicable, cigarettes located behind cashier's counter
- r For insureds with convenience store operations, is the sales floor equipped with strategically placed mirrors and/or cameras to allow employees to view the entire store from a central location?
- r Cash booths and cashier's main counter equipped with emergency call button to local police department
- r Signs posted throughout the premises stating that only small amounts of cash are available to cashiers
- r Notices posted at all entrances regarding insured's prosecution policy for shoplifters
- r Payment policy for gasoline (e.g., prepaid) clearly posted at all gas pumps
- r What security equipment does the insured have in place to deter shoplifters?
- r Strategically situated surveillance cameras, both inside and outside the premises
- r Are signs placed near gas pumps advising customers that the facility is equipped with surveillance cameras?
- r All non-automatic doors equipped with double-cylinder, deadbolt locks
- r Windows equipped with tamperproof locks
- r Central-station alarm monitoring system installed

Items to Investigate:

- r Is the gas station open for business 24 hours a day?
- r Average and maximum amounts of cash on hand daily
- r Does the insured accept personal checks, bank/debit cards, credit cards, or speed passes as forms of payment? If so, what percentage of sales are comprised of cash payments on a typical day?
- r If the insured accepts personal checks as a form of payment, are they stamped "For Deposit Only" immediately upon receipt? Have the appropriate personnel been trained in proper credit card verification procedures?
- r Deposits made daily at staggered times to avoid suggesting a routine
- r Night-shift employees scheduled to work in pairs whenever possible, as per OSHA recommendations
- r Are all employees trained in how to handle themselves during a robbery attempt? Are they encouraged to cooperate with the robber's demands and discouraged from displays of heroics?
- r Does the insured keep a loaded firearm on the premises to be used as self-defense in the event of a robbery attempt? If so, are all employees instructed in how to handle the firearm and under what circumstances it should be used?
- r Racks of automotive supplies or stacked cases of soda stored in a locked, secure area during off hours
- r Areas where mechanics' tools are stored locked securely during off hours
- r What procedures does the insured have in place to deter shoplifting?
- r Have all employees been properly trained in how to handle situations involving possible shoplifters?

- r What is the insured's payment policy for gasoline purchases? Is prepayment required all of the time, or only during late evening or early morning hours?
- r At full-service stations, gas pump attendants instructed not to work with more than two customers at a time
- r How are workers screened prior to employment? Are all references checked and previous employment verified?
- r Are accounting functions performed by more than one employee?
- r Frequent cash deposits made throughout the day; deposit amounts counted and verified by more than one employee whenever possible; deposit slips require two employees' signatures
- r Periodic, unannounced audits conducted
- r For insureds that operate a convenience store on site, how often are stock inventories conducted?
- r Are stock inventories performed by more than one employee and verified by a third person (preferably a manager) whenever possible?
- r Location and response time of the local police department
- r What is the frequency of local police patrols?

Fire and E.C.: Property

Exposures:

Ignition sources include, malfunctioning electrical equipment, portable space heaters, and smoking. Fire load will include large quantities of petroleum-based liquids (e.g., gasoline, diesel fuel, motor oil, kerosene), stored on site, trash, and (for some insureds) store merchandise, and/or propane gas. Sophisticated tank monitoring systems (TMSs) will be among values exposed to loss. (Self-service facilities face slightly higher risk.)

On-Site Inspection:

- r Building - age; type; condition
- r Layout of the premises
- r Number of gas pumps/islands on site
- r Does the insured have an above-ground propane gas storage tank on site?
- r If kerosene is sold, is it stored in above- or underground tanks?
- r Wiring - condition; sufficient to handle the insured's electrical load
- r Electrical equipment - type; condition; properly grounded; NRTL-listed
- r "No Smoking" signs posted near gas pumps and in auto repair areas
- r In areas where smoking is permitted, are self-closing, fire-resistant receptacles provided?
- r Level of housekeeping - aisles and walkways free of debris and clutter; rags tainted with flammable substances kept in fire-resistant, self-closing, metal trash containers until they can be disposed of properly
- r Flammable substances stored away from potential ignition sources.
- r Fire detection and suppression system - age; type; condition; installed throughout the premises
- r Annually tagged, Class ABC fire extinguishers conveniently located throughout the facility, especially near gas pumps, in repair bays, and in food preparation areas

Items to Investigate:

- r Average and maximum values exposed to loss
- r Average and maximum amounts of fuel stored in underground tanks
- r How much training do workers receive before they are allowed to pump fuel, dispense propane gas, or monitor gas pump consoles?
- r New employees paired with more experienced workers until competence in their duties has been demonstrated
- r Workers who dispense propane gas hold the appropriate certification to do so, where required by law
- r Has the building been renovated?
- r Does the insured have its wiring routinely inspected by a licensed electrician?
- r Compliance with NFPA 70, National Electrical Code
- r Is there a maintenance and inspection plan in place for all electrical equipment?
- r Qualifications and experience of the person who services the insured's electrical equipment
- r Are space heaters ever used in cash booths during cold weather? If so, are they positioned away from flammable materials (e.g., paper trash, oily rags) and in a spot where they are unlikely to get knocked over?
- r What is the insured's smoking policy? Is this policy strictly enforced among employees?
- r Is trash removed from the premises on a daily basis?
- r Are spills involving flammable automotive liquids (e.g., motor oil, gasoline) cleaned up promptly using a grease-dissolving agent?
- r Have workers been properly trained in spill containment and good housekeeping practices?
- r Compliance with NFPA 30, Flammable and Combustible Liquids Code
- r All employees properly trained in the use of fire extinguishers
- r Has the insured taken part in any pre-fire planning? If so, how often is this plan practiced and updated?
- r Response time of the local fire department
- r How long has the insured been in business? What is its financial situation?
- r What is the level of competition in the area?

Business Interruption

Exposures:

Location typically more important than reputation due to high volume of repeat customers. Changes in local zoning and building codes may cause unexpected delays in rebuilding. Insureds with a convenience store, repair shop, or car wash may require more time to rebuild. Basic materials, supplies, and equipment fairly easy to replace.

On-Site Inspection:

- r Location - in a resort area where business may be affected seasonally; near a major highway; in a high traffic area; in a more rural/small town area
- r Is the insured a branded franchise station or an independent (non-branded) operation?

Items to Investigate:

- r Are the premises owned or leased?
- r Is the insured more likely to rebuild or relocate?
- r How long would it take to rebuild or make repairs in the event of a loss?
- r Could the insured continue any part of its operations (e.g., running a convenience store or car wash) while repairs were being done?
- r Does the insured rely more on its location or reputation for business?
- r What percentage of the insured's business is generated by repeat (i.e., local) customers?
- r What is the availability of replacement materials, supplies, fuel, and equipment?
- r Does the insured rely on more than one supplier for its petroleum products and other goods for sale (e.g., food items, automotive products, etc.)?
- r Reputation of the oil company(ies) or jobber(s) that are dealt with most frequently
- r Peak season
- r Does the insured offer towing services?

Inland Marine

Exposures:

Electronic data processing (EDP) equipment. Valuable papers and records. (For insureds with a repair shop or oil change center on site, mechanics' tools along with automotive diagnostic, repair, or servicing equipment will present additional exposures.)

On-Site Inspection:

- r Computers, computerized gas pump consoles, and cash registers - number; age; type; condition; permanently etched with identification numbers
- r Does the insured have a repair shop or oil change center on site? If so, what are the amounts, types, ages, and conditions of all diagnostic, repair and service equipment that is not permanently situated?
- r Essential replacement parts for vital automotive equipment kept on the premises
- r Outdoor surveillance cameras installed
- r Premises well lit during hours of darkness
- r Central-station monitoring alarm system
- r Outdoor signs - number; age; type; condition; freestanding or attached to the insured's building or roofing

Items to Investigate:

- r How dependent is the insured on computers for its daily operations?
- r Backup copies of all essential software stored off-premises in NRTL-listed, fire-resistant safe
- r For insureds that have a repair shop or oil change center on the premises, what is the approximate value of all automotive diagnostic, service, and repair equipment that is not permanently situated?
- r Are service contracts obtained from the manufacturers when new automotive diagnostic, repair, or service equipment is purchased?
- r Does the insured have a routine maintenance program in place for all such equipment?
- r Who is responsible for maintaining and inspecting auto repair equipment?
- r Approximate value of all tools owned by the insured's mechanics
- r How often do police patrol the premises during off hours?
- r Is all important documentation kept in a fire-resistant, NRTL-listed safe, and are copies of these documents kept off site in a similar type of safe?

OSHA REFERENCES

OSHA Standards: (Pertinent OSHA standards that apply to this classification; for other appropriate OSHA standards, see the Introduction.)

1910.37	Means of Egress, General
1910.38	Employee Emergency Plans and Fire Prevention Plans
1910.94	Ventilation
1910.95	Occupational Noise Exposure
1910.106	Flammable and Combustible Liquids
1910.138	Hand Protection - General
1910.157	Portable Fire Extinguishers
1910.164	Fire Detection Systems
1910.171	Handling Materials - General