

# Commercial Risk Summary – Automotive Sales & Service

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## FILLING STATIONS

SIC CODE: 5541 Gasoline Service Stations

NAICS CODE: 447110 Gasoline Stations with Convenience Stores  
447190 Other Gasoline Stations

Suggested ISO General Liability Code: 13453, 13454, 13455

Suggested Workers Compensation Code: 8006, 8380, 8381

**Description of operations:** Filling stations are normally limited to the dispensing of gasoline, kerosene, diesel or fuel oil with incidental sales of auto accessories and pre-packaged snack food items. Larger filling stations may offer other services such as auto repair, retail sales of food or auto parts, snack bar or restaurant, propane tank exchange, towing, or baths and overnight lodging facilities for truckers.

**Property exposure** is primarily from fire and explosion in the dispensing of gasoline. All pumps and equipment should be well maintained, grounded, and operating properly. Smoking must be prohibited. Other flammables on premises may include lubricants, oils, degreasers, and solvents. These must be properly labeled, stored and separated. If there is a repair operation, welding needs to be evaluated for proper handling of the tanks and gases, as well as adequate separation from the other operations with either a separate room or flash/welding curtains. Cooking surfaces should be protected if there is a snack bar or restaurant on premises. Propane tanks used in tank exchanges should be stored outside the building in a locked cabinet away from vehicle traffic areas.

**Equipment breakdown exposure** is high as the business is dependent on its machinery for conducting operations. Replacement parts may be difficult to obtain on a timely basis.

**Crime exposure** is from employee dishonesty and theft of money and securities either from holdup or safe burglary. Employee dishonesty is controlled through background checks, inventory monitoring, control of the cash register, disciplined controls and division of duties. Theft of money and securities prevention requires controls of monies kept in the cash drawers and bank drops made throughout the day to prevent a buildup of cash on the premises. Filling stations are targets for holdups, and cashiers should be protected. Depending on the area, they may stay in a bulletproof enclosure. Security officers may be available for pickups, panic buttons may be in place, and other techniques may be used to help in curtailing crime.

**Inland marine exposure** is from accounts receivable if the station offers credit to customers, computers used to monitor inventory and for automated gas pumps and diagnostic equipment, signs, and valuable papers and records from customers' and vendors' records. There may be goods in transit if there are multiple locations.

**Premises liability exposure** is from slips and falls due to public access to the premises. Proper attention to housekeeping is required to prevent injuries due to spills. Floor coverings should be in good condition with no frayed or worn spots on carpet and no cracks or holes in flooring. Steps and uneven floor surfaces should be prominently marked. Sufficient exits must be provided and be well marked, with backup lighting systems in case of power failure. If there are repair operations, customer waiting areas should be provided. Customers must not be permitted in the garage area. Parking lots and sidewalks need to be in good repair with snow and ice removed, and generally level and free of exposure to slips and falls. If the premises is open after dark, there must be adequate lighting and appropriate security for

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the area. Customers may be injured during holdups. Cars in the parking lot awaiting repair present an attractive nuisance hazard. Chains may be required to prevent entrance after hours.

**Products liability exposure** from fueling operations is normally moderate due to the standards and controls in the grading and content of the products. If the station repairs vehicles, the exposure is higher due to the potential for an accident if the vehicle is not properly repaired. There should be a check off procedure in place prior to release of the vehicle to the customer to prevent its return with any vital functions not working properly.

**Environmental impairment exposures** are significant due to the storage of fuels and oils, and from the disposal of used oils, solvents and other hazardous wastes. Adequate procedures should be in place and must be followed to prevent any leakage or contamination. Both above- and below-ground tanks must be maintained and monitored regularly for leaks and spills. Contracts should be in place to dispose of all environmentally dangerous chemicals.

**Automobile exposure** is generally limited to the running of errands to pick up needed supplies. There may be a small fleet if there are multiple locations and the owner and managers travel between locations. All drivers should have an appropriate driver's license and their MVRs regularly checked. All owned vehicles should be maintained regularly with records maintained at a central location. Towing presents a more serious exposure due to the potential for damage to the vehicles being towed. All tow truck drivers must be experienced in towing. Towing vehicles must be regularly checked, particularly the hoists and tow bars.

**Garagekeepers exposure** comes from damage that can occur to customers' vehicles if there is a repair shop or towing operation. Access to these vehicles should be prevented. Keys to customers' vehicles should be kept in a locked box, with proper identification required to prevent handing the customer's car to the wrong owner. Lots must be well lighted, with chains in place to prevent transport. Fences and other security may also be appropriate.

**Workers compensation exposure** comes from holdups, lifting, slips and falls, and respiratory ailments. Brake turning, welding or other repair work must be handled only with appropriate safety equipment, especially eye protection. Lifting of a vehicle by hoists, jacks, and other mechanical means can result in injury should the equipment malfunction. Hoists must be well maintained and procedures in place to prevent vehicles from falling. Lifting by nonmechanical means could result in back injury, sprains, strains or hernias. If the shop sells batteries, leakage or spilling of battery acids can cause burns on contact with skin and respiratory problems when inhaled. Employees should be provided with safety equipment, trained on proper handling techniques, and have conveying devices available to assist with heavy lifting. Employees performing maintenance or repair work on customers' vehicles should be properly trained. Holdups are a major concern, especially if the station is open 24 hours per day. All employees must be trained in safety procedures to protect themselves and the customer in case of robbery. Protective equipment such as bulletproof cages, surveillance cameras, panic buttons and guards may be needed.

### **Minimum recommended coverage:**

Business Personal Property, Business Income, Equipment Breakdown, Employee Dishonesty, Money and Securities, Accounts Receivable, Computers, Signs, Valuable Papers and Records, General Liability, Employee Benefits, Environmental Impairment, Underground Storage Tank Liability, Umbrella, Hired and Nonownership Auto, Workers Compensation

Other coverages to consider:

Building, Earthquake, Flood, Computer Fraud, Forgery, Goods in Transit, Cyberliability, Employment-related Practices, Business Automobile Liability and Physical Damage, Garagekeepers, Stop Gap Liability

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**Agent:** The coverages listed below are suggested for consideration for automotive operations. After evaluating each of the listed coverages, check the recommended blank by those that apply specifically to this client. Make sure both the exposure and the coverage are explained to the client.

**Client:** For each of the coverages that the agent has recommended, initial whether you have chosen to accept or reject that coverage in the blanks provided.

## PROPERTY COVERAGES

		Recommend	Accept	Reject	Not Applicable
<b>Building and Personal Property Coverage Form</b>					
Building		_____	_____	_____	_____
Business Personal Property		_____	_____	_____	_____
Personal Property of Others		_____	_____	_____	_____
Improvements and Betterments		_____	_____	_____	_____
<b>Building and Personal Property Coinsurance</b>					
Percentages	None 80% 90% 100%	_____	_____	_____	_____
Bldg	___ ___ ___ ___	_____	_____	_____	_____
BPP	___ ___ ___ ___	_____	_____	_____	_____
PPO	___ ___ ___ ___	_____	_____	_____	_____
I&B	___ ___ ___ ___	_____	_____	_____	_____
<b>Alternatives to Coinsurance</b>					
Agreed Value		_____	_____	_____	_____

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Functional Replacement Cost	_____	_____	_____	_____
Peak Season	_____	_____	_____	_____
Reporting Form	_____	_____	_____	_____
Other _____	_____	_____	_____	_____

## Optional Property Coverage Forms

Commercial or Manufacturers Output Policy	_____	_____	_____	_____
Condominium-Unit-owners Coverage	_____	_____	_____	_____
Equipment Breakdown	_____	_____	_____	_____
Legal Liability	_____	_____	_____	_____
Standard Property Policy	_____	_____	_____	_____

## Optional Property Endorsements

Additional Debris Removal	_____	_____	_____	_____
Ordinance or Law	_____	_____	_____	_____
Outdoor Trees, Shrubs and Plants Enhancement	_____	_____	_____	_____
Replacement Cost Valuation	_____	_____	_____	_____
Utility Services-Direct Damage	_____	_____	_____	_____

## Other Property Options

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## TIME ELEMENT COVERAGES

	Recommend	Accept	Reject	Not Applicable
Business Income With Extra Expense Coinsurance Percentage ____	_____	_____	_____	_____
Business Income Without Extra Expense Coinsurance Percentage ____	_____	_____	_____	_____
Extra Expense	_____	_____	_____	_____
Leasehold Interest	_____	_____	_____	_____
<b><i>Alternatives to Coinsurance</i></b>	_____	_____	_____	_____
Agreed Value	_____	_____	_____	_____
Maximum Period of Indemnity	_____	_____	_____	_____
Monthly Limit of Indemnity	_____	_____	_____	_____
Premium Adjustment	_____	_____	_____	_____

## Optional Time Element Endorsements

Business Income from Dependent Properties	_____	_____	_____	_____
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Ordinance or Law Increased Period of Restoration      \_\_\_\_\_      \_\_\_\_\_      \_\_\_\_\_      \_\_\_\_\_

Utility Services      \_\_\_\_\_      \_\_\_\_\_      \_\_\_\_\_      \_\_\_\_\_

## Other Time Element Coverages

\_\_\_\_\_      \_\_\_\_\_      \_\_\_\_\_      \_\_\_\_\_      \_\_\_\_\_

\_\_\_\_\_      \_\_\_\_\_      \_\_\_\_\_      \_\_\_\_\_      \_\_\_\_\_

\_\_\_\_\_      \_\_\_\_\_      \_\_\_\_\_      \_\_\_\_\_      \_\_\_\_\_

## PROPERTY AND TIME ELEMENT CAUSES OF LOSS

		Recommend	Accept	Reject	Not Applicable
Bldg BPP PPO BI EE					
Basic      _____      _____      _____      _____		_____	_____	_____	_____
Broad      _____      _____      _____      _____		_____	_____	_____	_____
Special      _____      _____      _____      _____		_____	_____	_____	_____
Earthquake      _____      _____      _____      _____		_____	_____	_____	_____
Flood      _____      _____      _____      _____		_____	_____	_____	_____

## Other Cause of Loss Endorsements

\_\_\_\_\_      \_\_\_\_\_      \_\_\_\_\_      \_\_\_\_\_      \_\_\_\_\_

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_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

## **INLAND MARINE COVERAGES**

	<b>Recommend</b>	<b>Accept</b>	<b>Reject</b>	<b>Not Applicable</b>
Accounts Receivable	_____	_____	_____	_____
Difference In Conditions – DIC	_____	_____	_____	_____
Electronic Data Processing	_____	_____	_____	_____
Equipment Dealers	_____	_____	_____	_____
Fine Arts	_____	_____	_____	_____
Goods in Transit	_____	_____	_____	_____
Signs (Neon and Electric)	_____	_____	_____	_____
Valuable Papers and Records	_____	_____	_____	_____

## **Other Inland Marine Coverages**

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

## **CRIME COVERAGES**

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	Recommend	Accept	Reject	Not Applicable
<b>Money, Securities and Other Property</b>				
Employee Dishonesty	_____	_____	_____	_____
Including Customer's Goods	_____	_____	_____	_____
Computer Fraud	_____	_____	_____	_____
Destruction of Electronic Data or Programs	_____	_____	_____	_____
Extortion	_____	_____	_____	_____
Forgery or Alterations	_____	_____	_____	_____
Identity Fraud Expense	_____	_____	_____	_____
Lessees of Safe Deposit Boxes (Securities and Other Property only)	_____	_____	_____	_____
Telephone Toll Fraud	_____	_____	_____	_____
Unauthorized Reproduction of Computer Software by Employees	_____	_____	_____	_____
 <b>Money and/or Securities Only</b>				
Theft, Disappearance and Destruction	_____	_____	_____	_____
Robbery and Safe Burglary	_____	_____	_____	_____
Securities Deposited With Others	_____	_____	_____	_____
 <b>Property other than Money and Securities</b>				



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Premises Burglary	_____	_____	_____	_____
Premises Theft	_____	_____	_____	_____
Robbery and Safe Burglary	_____	_____	_____	_____

## Other Crime Coverages

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

## LIABILITY COVERAGES

	Recommend	Accept	Reject	Not Applicable
Commercial General Liability				
Occurrence Basis	_____	_____	_____	_____
Claims-Made Basis	_____	_____	_____	_____

## Optional Liability Coverages

Cyber Liability	_____	_____	_____	_____
Directors and Officers	_____	_____	_____	_____
Employee Benefits	_____	_____	_____	_____
Employment-related Practices	_____	_____	_____	_____

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Owners and Contractors Protective	_____	_____	_____	_____
Railroad Protective	_____	_____	_____	_____
Special Events	_____	_____	_____	_____

## Other Liability Coverages

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

## COMMERCIAL AUTO COVERAGES

	Recommend	Accept	Reject	Not Applicable
Liability	_____	_____	_____	_____
Physical Damage	_____	_____	_____	_____
Hired Cars	_____	_____	_____	_____
Non-Ownership Auto	_____	_____	_____	_____
P.I.P./No-Fault	_____	_____	_____	_____

## Optional Automobile Coverages

Automobile Dealers Policy	_____	_____	_____	_____
Garagekeepers	_____	_____	_____	_____

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Medical Payments	_____	_____	_____	_____
Uninsured Motorists	_____	_____	_____	_____
Underinsured Motorist	_____	_____	_____	_____

## Other Auto Coverages

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

## WORKERS COMPENSATION COVERAGES

	Recommend	Accept	Reject	Not Applicable
Workers Compensation and Employers Liability	_____	_____	_____	_____
Stop Gap or Employers Liability Coverage	_____	_____	_____	_____
Federal Employers Liability Act	_____	_____	_____	_____
Longshore and Harbor Workers Coverage	_____	_____	_____	_____
Voluntary Compensation	_____	_____	_____	_____

## Other Workers Compensation Endorsements

_____	_____	_____	_____	_____
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_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

## EXCESS LIABILITY COVERAGES

	Recommend	Accept	Reject	Not Applicable
Umbrella Policy	_____	_____	_____	_____
Excess Liability Policy	_____	_____	_____	_____

## AVIATION COVERAGES

Aircraft Policy	_____	_____	_____	_____
Passenger Liability	_____	_____	_____	_____

## SPECIALTY COVERAGES

Electronic Data Liability	_____	_____	_____	_____
Environmental Impairment Liability Policy	_____	_____	_____	_____
Fiduciary Liability Insurance	_____	_____	_____	_____
International/Foreign Operations Insurance	_____	_____	_____	_____
Rain or Weather Insurance	_____	_____	_____	_____
Terrorism Insurance	_____	_____	_____	_____
Underground Storage Tank Liability – UST	_____	_____	_____	_____

## Other Specialty Coverages

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_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

## **BONDS**

Bid Bond	_____	_____	_____	_____
Contract Bond	_____	_____	_____	_____
License and Permit Bond	_____	_____	_____	_____

## **Other Bonds**

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

## **OTHER OPTIONS**

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

## **Comments**

\_\_\_\_\_

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I certify that I have reviewed my coverage needs in accordance with this checklist with my agent and I have accepted or rejected the recommended coverages as indicated by my initials in the spaces above.

\_\_\_\_\_ Signature of Client \_\_\_\_\_ Date

\_\_\_\_\_ Title

I certify that I have reviewed the coverages outlined in this checklist with my client and that the initials of the client indicate the acceptance or rejection of the coverages recommended.

\_\_\_\_\_ Signature of Agent \_\_\_\_\_ Date