Convenience Store Insurance

100 Frequently Asked Questions — Straight Answers for Owners and Managers

After more than 46 years helping Kansas City–area business owners with their insurance, I hear the same questions from convenience store owners again and again. Here are straight answers to the 100 I hear most, grouped by topic. Every policy is worded differently, so treat this as a starting point for a good conversation about your own coverage — not a substitute for reading your policy. **— Jay**

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GETTING STARTED & COVERAGE BASICS

1. What insurance does a convenience store need?

The core is commercial property, general liability, workers' compensation and business income. Most c-stores also need crime coverage, liquor liability for beer and wine sales, equipment breakdown, spoilage, cyber, an umbrella, and — if you sell fuel — storage tank pollution coverage.

2. Can a convenience store use a Business Owners Policy?

Some small stores without fuel or with limited food service qualify for a BOP. Stores with gas pumps, high alcohol sales, 24-hour operations or hot food programs usually need a commercial package policy with endorsements built for c-stores.

3. How do carriers rate a convenience store?

Liability is rated mainly on gross sales, often split between fuel, alcohol, tobacco and inside merchandise. Property is rated on construction, age, protection class and values. Hours of operation, location crime scores and prior robberies weigh heavily.

4. Do 24-hour stores pay more for insurance?

Usually. Overnight operation increases robbery, assault and employee injury exposure. Carriers want to see controls like drop safes, cameras, good lighting, two-person shifts or bullet-resistant enclosures before offering their best pricing.

5. What liability limits should a c-store carry?

$1 million per occurrence and $2 million aggregate is standard, with a $1–5 million umbrella on top. Fuel suppliers, franchisors, landlords and lenders often dictate minimums — read those agreements before you shop.

6. Does my fuel supplier or brand require specific insurance?

Usually. Branded fuel supply agreements commonly require specific liability limits, pollution coverage, additional insured status for the supplier and waivers of subrogation. Missing a requirement can put you in breach of contract.

7. What do underwriters want to know about my store?

Sales by category, hours, building details and updates, alarm and camera systems, cash handling procedures, robbery history, food service type, fuel system details and tank ages, and three to five years of loss runs.

8. Why is my c-store hard to place with some carriers?

Robbery, assault, liquor and fuel exposures make some carriers shy away from c-stores. Specialty programs and E&S markets that understand the class often offer better coverage and pricing than a generalist carrier.

PROPERTY, COOLERS & EQUIPMENT

9. What does property insurance cover for a convenience store?

The building (if owned), coolers, shelving, counters, POS systems, signs, ice machines, food equipment and inventory against covered causes like fire, wind, hail, theft and vandalism. Special-form coverage is the broadest choice.

10. Is my fuel canopy covered?

Not always automatically. Canopies are often scheduled separately or need to be listed with their own value, and some forms limit coverage for structures away from the main building. Canopy collapse from wind, snow load or vehicle impact is common — confirm it's covered.

11. Are gas pumps and dispensers covered?

Dispensers are usually covered as property if they're listed and valued, but some policies treat them as outdoor property with sublimits. Each modern dispenser can cost $20,000 or more, so schedule them accurately.

12. What if a car crashes into my store?

Vehicle impact is a covered cause of loss under most property forms. Your carrier pays your claim and then seeks reimbursement from the driver's auto insurer. Bollards in front of glass storefronts and pumps prevent many of these losses.

13. Should I insure at replacement cost?

Yes. Replacement cost pays to rebuild or replace without deducting depreciation, while actual cash value can leave you far short on older equipment and buildings. Make sure limits reflect today's construction costs.

14. What is spoilage coverage and how much do I need?

Spoilage pays for refrigerated and frozen stock lost to power outage or refrigeration failure. Base the limit on the value of everything in your walk-in, reach-in coolers and freezers at peak — summer beer and ice inventory can be substantial.

15. Is a walk-in cooler compressor failure covered?

Not under standard property; mechanical breakdown is excluded. Equipment breakdown coverage pays for the repair and usually the resulting spoilage. It's inexpensive and essential for a c-store.

16. Are lottery tickets covered if stolen or destroyed?

Unsold lottery tickets are often considered property of the lottery and may need specific coverage, and your lottery agreement may hold you responsible for them. Ask how your policy treats lottery tickets and lottery cash.

17. Are my outdoor signs and price signs covered?

Many policies limit outdoor signs unless scheduled. Pylon signs with electronic fuel price displays can be very expensive, so list them with their full replacement value.

18. Is storefront glass covered?

Usually under special-form property, sometimes with sublimits or separate deductibles. Smash-and-grab burglaries commonly start at the glass — security film and bollards help.

19. Does my policy cover flood or sewer backup?

Flood is excluded and requires separate NFIP or private flood coverage. Sewer and drain backup is excluded unless you add a water backup endorsement — an inexpensive addition worth having.

20. What about ATMs in my store?

If you own the ATM, insure it and the cash inside under property and crime coverage. If a third party owns it, their agreement should spell out who insures the machine and cash — usually them, but verify in writing.

21. How should I insure ice machines and outdoor ice merchandisers?

They're business personal property and should be included in your values; outdoor units may need to be listed as property away from the building. Equipment breakdown should cover their mechanical failure.

22. What is ordinance or law coverage?

It pays the extra cost to rebuild an older store to current codes and covers the value of undamaged portions that must be demolished. Without it, older buildings can leave owners short after a major loss.

BUSINESS INCOME

23. What does business income insurance do for a c-store?

It replaces lost profit and pays ongoing expenses — payroll, rent, loan payments — while your store is closed or limited by a covered property loss. A fire or wind loss can close a store for months.

24. Does business income cover me if my pumps are down but the store is open?

Only if the pump outage stems from covered physical damage. Partial losses still count — business income pays the reduction in profit, not just total closures. Document fuel and inside sales before and after.

25. Will I be paid if a fuel supply disruption stops deliveries?

Generally only if you have contingent business income tied to physical damage at your supplier. Market shortages or price spikes without physical damage aren't covered.

26. What is extra expense coverage?

It pays costs to reopen faster — temporary trailers, equipment rental, overtime and expedited shipping. Many c-stores can partially reopen quickly with extra expense spending.

27. How long should my business income period be?

Long enough to rebuild, reinstall equipment, re-permit fuel systems and restock — often 12 months or more. Consider extended period of indemnity to cover the time it takes regulars to come back.

28. Does business income cover power outages?

Only with utility service interruption coverage, sometimes after a waiting period. Ask whether overhead power lines are covered, since that's how most outages happen.

GENERAL LIABILITY & PREMISES

29. What does general liability cover for a c-store?

Third-party bodily injury and property damage from your premises and operations — slips, falls, falling merchandise, parking lot accidents involving your property — plus products liability for what you sell and personal and advertising injury.

30. What are the most common c-store liability claims?

Slips and falls at entrances and coolers, trips in parking lots and on curbs, falls on ice at pumps, injuries from fuel spills, and assaults on the premises. Floor mats, cleaning logs and good lighting address most of them.

31. How can I defend slip-and-fall claims?

Timed floor inspection logs, video retention, wet floor signs and clear incident reporting procedures. Coolers that drip and ice merchandisers are frequent trouble spots — inspect them often.

32. Who is responsible for snow and ice at the pumps and lot?

Usually you, unless your lease says otherwise. If you hire a contractor, require their liability coverage, additional insured status and a hold-harmless agreement. Keep service logs.

33. What is medical payments coverage?

It pays modest medical bills for customers injured on premises regardless of fault. It can resolve minor injuries quickly and help avoid lawsuits.

34. Am I liable if a customer is hurt in a parking lot crash?

Drivers are generally responsible for their own accidents, but you can be named if design, lighting or maintenance contributed. Clear traffic flow, signage and pump-island protection reduce risk.

35. What about loitering and panhandling-related incidents?

Incidents involving loiterers can lead to claims of inadequate security. Posting no-loitering signs, good lighting and consistent enforcement help; train staff never to physically confront anyone.

36. Are injuries involving propane exchange cages covered?

Your general liability generally covers premises injuries, but propane exchange vendors often require additional insured status and their own coverage terms. Keep cages secured, signed and away from ignition sources.

37. Do I need additional insured endorsements for landlords and suppliers?

Landlords, fuel suppliers, franchisors and lenders often require it. Most packages have blanket additional insured wording for written contracts — confirm it matches each requirement.

38. Are vendors who stock my coolers covered?

Route vendors and DSD drivers should carry their own liability and workers' comp. Collect certificates; their insurance should respond first if they cause an injury.

39. Does liability cover a confrontation with a suspected shoplifter?

False arrest and detention claims fall under personal injury coverage, but confrontations often escalate into assault claims. Train staff to observe and report rather than detain or chase.

40. Are car wash damages covered under my general liability?

Usually not — damage to vehicles in your care during washing is commonly excluded. You need car wash legal liability or garagekeepers coverage if you operate a car wash.

41. What about air pumps and vacuums?

Injuries from poorly maintained equipment are covered under general liability, but regular inspection and maintenance logs are your best defense.

42. Are parking lot events or food trucks covered?

Not automatically. Events with outside vendors, tents or entertainment may need special event coverage, and outside vendors should name you as additional insured.

ROBBERY, VIOLENCE & SECURITY

43. Is robbery covered?

Money and securities coverage under a crime policy covers robbery inside the premises and theft of deposits in transit. Property coverage handles damage to the building and stolen merchandise. Check limits for each.

44. How much cash coverage do I need?

Enough to cover the maximum cash and lottery funds on hand, including the safe and bank deposits in transit. Many base policies include only a few thousand dollars, which is often too little.

45. Does liability cover a customer injured during a robbery?

The customer may claim inadequate security, which falls under general liability — unless your policy has an assault and battery exclusion. Make sure that coverage isn't excluded or too low.

46. What is the assault and battery exclusion?

Some carriers exclude or sublimit claims arising from assaults on premises. For c-stores, full assault and battery coverage or a meaningful sublimit is important.

47. How do I protect employees during a robbery?

Train employees to comply, stay calm and never resist. Use drop safes and time-delay safes, keep register cash low, post signs saying staff can't access the safe, and maintain clear sight lines to the street.

48. Do cameras lower my premium?

They can help with underwriting, especially combined with alarms, drop safes and robbery training. More importantly, quality video defends claims and helps police recover losses.

49. Should I have bullet-resistant enclosures?

In high-crime areas, enclosures, pass-through windows or overnight window service significantly reduce violence. Some carriers require them for overnight operations in certain locations.

50. Is workplace violence covered?

Employee injuries are covered by workers' comp. Some carriers offer workplace violence or active assailant coverage that pays for crisis management, counseling, security consulting and business interruption.

51. Does insurance cover burglary after hours?

Yes — burglary damage and stolen inventory are covered under property, and stolen cash under crime coverage. Policies often limit money in a locked safe, so check the limits and safe ratings.

52. Are cigarettes and lottery tickets covered if stolen in a burglary?

Usually, but some policies have sublimits for high-theft items like tobacco. If you carry large cigarette inventory, confirm the limit and security requirements.

FOOD SERVICE & PRODUCTS

53. Do hot foods and roller grills change my insurance?

Yes. Prepared food adds products liability and fire exposure. Carriers ask about fryers, hood systems and food handling procedures, and may reclassify your store.

54. What fire protection is needed for fryers?

Carriers commonly require a UL 300 fire suppression system, semiannual hood and duct cleaning, and Class K extinguishers near cooking. Missing service tags can cause coverage problems.

55. Is foodborne illness covered?

Yes, under products-completed operations within general liability. Temperature logs, hand-washing procedures and food handler training are your best prevention and defense.

56. Am I liable for packaged products I sell?

You can be sued as a seller, but your products coverage defends you and your carrier can pursue the manufacturer. Vendor's endorsements from suppliers add protection.

57. What about franchise food programs inside my store?

Franchised food programs usually carry insurance requirements in the franchise agreement, including limits and additional insured status. Review those terms with your agent.

58. Are customer allergic reactions covered?

Yes, as bodily injury under products liability. Accurate labels and allergen awareness training for food service staff reduce the risk.

59. Does insurance cover a product recall?

General liability excludes recall costs. For c-stores without manufacturing, recall risk is mostly in prepared food — a contamination endorsement can cover lost inventory and income.

60. Are energy drinks and supplements covered?

Usually, but some carriers exclude dietary supplements or certain energy products. If you sell kratom, delta-8 THC, CBD or similar items, disclose them — many policies exclude them.

61. Does a seating area change my coverage?

Seating for on-site consumption can shift your classification and adds premises exposure. Tell your agent before adding tables.

62. What records help defend food-related claims?

Temperature logs, supplier invoices, cleaning schedules, food handler certificates, health inspection reports and hot-holding time records.

ALCOHOL, TOBACCO, VAPE & LOTTERY

63. Do I need liquor liability for package beer and wine?

Often yes. Many general liability policies exclude liquor liability for businesses that sell alcohol, including package sales. Some carriers include off-premises coverage; others require a separate policy. Confirm in writing.

64. What's my exposure for selling to minors or intoxicated people?

Missouri allows claims against sellers who sell to minors or visibly intoxicated persons; Kansas has historically been more limited, but defense costs and license consequences are real anywhere. ID scanning and training are critical.

65. How do I reduce liquor liability claims?

Use ID scanners or register prompts, train staff on refusing sales, post signage, and document refusals in a log. Many carriers give credit for server or seller training programs.

66. Does selling tobacco create insurance problems?

Tobacco sales are generally covered, but selling to minors brings fines and license penalties that insurance doesn't cover. Federal law sets the minimum age at 21 — enforce ID checks for everyone who looks under 30.

67. Are vape and e-cigarette products covered?

Some carriers exclude vape products entirely, including battery explosions and lung injury claims. Confirm your products coverage includes them before you stock them.

68. Are CBD, delta-8 or kratom products covered?

Many carriers exclude hemp-derived and kratom products. Specialty markets may cover them with an endorsement. Selling undisclosed products risks claim denial.

69. Are lottery funds covered?

Lottery proceeds can be covered under money and securities, but your lottery agreement often makes you responsible for sales receipts and ticket inventory. Make sure your crime limits account for them.

70. Do I need a bond for lottery sales?

Some state lotteries require retailers to post a bond or participate in a bonding program. Check your state lottery's retailer requirements.

71. Does selling alcohol affect my umbrella?

Your umbrella should extend over liquor liability. Some umbrellas exclude it unless the underlying liquor policy is scheduled — confirm.

72. What if an employee sells alcohol to a minor in a sting operation?

Fines and license penalties aren't insurable. Liquor liability responds only to injury or damage claims. Training and ID technology are your real protection.

FUEL SALES & POLLUTION (IF YOU SELL GAS)

73. Do I need pollution insurance if I sell fuel?

Yes. General liability has a pollution exclusion, and federal rules require underground storage tank owners to demonstrate financial responsibility for cleanup and third-party claims. A storage tank pollution policy or state fund typically meets that requirement.

74. What does a storage tank pollution policy cover?

Cleanup of releases from your tanks and lines, third-party bodily injury and property damage, and legal defense. Many policies also cover off-site migration and certain transportation pollution.

75. Are fuel spills at the pump covered?

Small surface spills from dispensing may fall under the pollution policy or a limited exception in general liability. Spill kits and staff training keep small spills from becoming bigger problems.

76. Am I responsible for contamination from before I bought the station?

Possibly, under environmental law. Pollution policies usually exclude known pre-existing conditions. A Phase I environmental site assessment before purchase is critical.

77. What insurance applies to drive-offs?

Fuel drive-offs are generally not practical to insure — they're usually below deductibles and some forms exclude them. Prepay policies and camera coverage are your best defense.

78. Does my insurance cover card skimmers at my pumps?

Skimming losses mostly hit cardholders and banks, but since the 2021 fuel-dispenser chip card liability shift, stations without EMV-enabled pumps may bear counterfeit card fraud. Cyber and crime coverage may help with related costs — check terms.

WORKERS' COMPENSATION & EMPLOYEES

79. Is workers' comp required?

In Missouri, most employers with five or more employees must carry it; in Kansas, most employers with over $20,000 in annual gross payroll must. Even below thresholds, coverage protects you against lawsuits.

80. What are common c-store employee injuries?

Lifting strains while stocking coolers, slips on wet floors, cuts, burns from food equipment, and injuries during robberies. Robbery-related injuries can be the most serious.

81. How is workers' comp priced for c-stores?

By payroll per class code times a rate, adjusted by your experience mod. Convenience store class codes reflect higher robbery exposure, so loss prevention matters.

82. Do part-time and family employees count?

Part-time employees count. Family members on payroll generally count; owners and officers may be able to include or exclude themselves depending on entity type and state rules.

83. What is an experience mod?

A factor comparing your claims to similar stores; 1.00 is average. Prevent injuries, report promptly and return employees to work quickly to keep it low.

84. What is employment practices liability?

EPLI covers employee claims of discrimination, harassment, wrongful termination and retaliation. High turnover and small management teams make c-stores vulnerable.

85. Does EPLI cover wage-and-hour claims?

Usually not, or only limited defense costs. Accurate timekeeping, paid breaks per policy and correct overtime calculations are your protection.

86. Can minors work at my store?

Yes, with restrictions. Federal and state child labor laws limit hours and prohibit certain equipment like power-driven slicers and balers. Some states also limit alcohol sales by minors.

87. Should I run background checks on employees?

Yes, consistent with law. Background checks help reduce employee theft and workplace violence. Apply your policy uniformly to avoid discrimination claims.

88. How do I lower workers' comp costs?

Robbery training, slip-resistant floors and shoes, safe lifting practices, a return-to-work program and prompt claim reporting.

CRIME, CYBER & CARD PAYMENTS

89. Does my policy cover employee theft?

Only if you add employee theft coverage. C-stores face register theft, lottery theft and inventory theft by employees — losses that add up quickly.

90. How do I prove employee theft for a claim?

Video, POS exception reports, inventory audits and lottery reconciliations. Many policies exclude losses proven only by inventory computation, so documentation matters.

91. Is shoplifting covered?

No — inventory shortages discovered by counting are excluded. Cameras, mirrors, staffing and store layout are your defense.

92. Is counterfeit currency covered?

Counterfeit money coverage is available under crime policies, usually with modest limits. Counterfeit detection pens and training help.

93. Do I need cyber insurance?

If you take credit cards, sell online or keep customer email lists, yes. Cyber insurance covers breach response, customer notification, card industry fines and ransomware — costs that general liability and property policies don't cover.

94. What is PCI compliance and how does it relate to insurance?

PCI DSS is the card industry's security standard. A breach at a non-compliant merchant can bring fines and assessments; cyber policies with PCI coverage help pay them.

95. Are fake vendor invoices or phone scams covered?

Social engineering fraud — tricking employees into sending money or gift card codes — requires specific crime or cyber coverage. Gift card scams targeting clerks are common.

96. Is gift card fraud covered?

Losses from gift card scams often fall outside standard coverage. Training clerks to recognize phone scams and requiring manager approval for large gift card sales helps.

CLAIMS & PRICING

97. What should I do after a robbery?

Ensure everyone's safety, call police, preserve video, document losses, and report to your carrier promptly. Offer employees support and counseling if needed.

98. How can I lower my premium?

Install alarms, cameras and drop safes, document safety procedures, use ID scanning, train staff, maintain fuel systems and choose sensible deductibles. Shopping specialty markets also helps.

99. Why did my rates increase?

Rising property values, severe weather, legal verdicts and robbery frequency in your area all affect rates. An independent agent can compare multiple carriers.

100. Why use an independent agent for a c-store?

C-stores combine retail, food, alcohol and fuel exposures. An independent agent can access specialty programs and multiple markets to find the right fit.

Have a question that isn't on this list?

Every operation is different, and the right answer depends on your building, your people and your contracts. I'm glad to review your current policies and give you a straight opinion — no pressure.

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