Gas Station 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 gas station and fuel retail 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 Stoetzer

GETTING STARTED & COVERAGE BASICS

1. What insurance does a gas station need?

Commercial property (building, canopy, dispensers, signs and inventory), general liability, storage tank pollution coverage, workers' compensation, business income, crime and an umbrella. Add garage liability and garagekeepers if you do repairs, and car wash coverage if you have a wash.

2. How is a gas station different from a regular retail store for insurance?

Fuel brings environmental liability, fire and explosion exposure, vehicle traffic at the pumps, and federal and state tank regulations. Carriers underwrite the fuel system almost as closely as the building.

3. How do carriers rate a gas station?

Liability is often rated on gallons sold or gross receipts, split between fuel and inside sales. Pollution coverage is rated on the number, age, construction and leak detection of your tanks. Property is rated on building, canopy and equipment values.

4. What do underwriters ask about my fuel system?

Number of tanks and their size, installation year, construction (single or double wall, fiberglass or steel), release detection method, overfill and spill prevention, cathodic protection, testing records, and any prior releases.

5. Does my fuel brand require specific insurance?

Branded supply agreements usually require minimum liability and pollution limits, additional insured status for the supplier, and waivers of subrogation. Review those requirements before every renewal.

6. What liability limits should a gas station carry?

$1 million per occurrence and $2 million aggregate at minimum, plus an umbrella of $2–5 million. Fire, explosion and vehicle accidents at pumps can produce severe injuries.

7. Is gas station insurance only available from specialty carriers?

Many standard carriers write gas stations, but fuel and tank exposures often fit best with specialty programs. An independent agent can compare both.

8. Why does my pollution policy come from a different carrier?

Storage tank pollution is a specialty line written by a smaller group of environmental carriers. It's common for it to be separate from your package policy.

BUILDING, CANOPY, DISPENSERS & FUEL EQUIPMENT

9. What does property insurance cover at a gas station?

The building, canopy, dispensers, signs, POS systems, coolers and inventory against covered causes like fire, wind, hail, vehicle impact and vandalism. Underground tanks and piping are often excluded or limited — read carefully.

10. Are my underground tanks covered under property insurance?

Usually not, or only for limited perils. Tanks are largely protected through the pollution policy and maintenance. Ask how your policy treats tanks, piping and sumps.

11. Is my canopy covered?

Canopies should be scheduled with their own value. Wind, hail, snow load and vehicle strikes — especially tall trucks — are common canopy losses.

12. What happens when a vehicle hits a pump?

Your property coverage pays to repair or replace the dispenser, and your carrier pursues the driver's auto insurer. Bollards and pump island guards prevent many of these losses.

13. Are drive-offs with the nozzle still attached covered?

Damage to hoses and breakaway valves is a covered property loss, though often below the deductible. Properly maintained breakaway valves prevent larger damage and spills.

14. Should my dispensers be insured at replacement cost?

Yes. Modern dispensers with EMV readers cost far more than older units, and actual cash value can leave a major shortfall.

15. Is fuel inventory in my tanks covered?

Fuel is stock and can be covered if included in your values. Lost fuel from a leak is typically handled under the pollution policy or excluded — confirm how your policy treats it.

16. Does equipment breakdown cover pumps and submersible turbines?

Equipment breakdown can cover electrical and mechanical failure of pumps, submersible turbine pumps, compressors, coolers and POS systems. Confirm fuel system equipment isn't excluded.

17. Are price signs covered?

Outdoor signs, including electronic price displays, are often sublimited unless scheduled. List them separately with full values.

18. Is hail damage to canopies and roofs covered?

Generally yes, but many policies in the Midwest carry separate wind and hail deductibles, often a percentage of value. Know your deductible before a storm.

19. What about lightning strikes on electronics?

Lightning is a covered peril; electrical surge damage may fall under equipment breakdown. Surge protection is a good investment.

20. Is flood covered?

Flood is excluded; buy separate NFIP or private flood coverage. Flooding can also damage tanks and cause water intrusion into fuel — talk with your pollution carrier too.

21. What is ordinance or law coverage?

It pays to rebuild to current codes, which for gas stations can include updated fire codes and fuel system standards. Without it, older stations face large uninsured costs.

22. Are vending machines, air pumps and vacuums covered?

If you own them, include them in your business personal property. If a vendor owns them, their agreement should address insurance.

UNDERGROUND STORAGE TANKS, POLLUTION & COMPLIANCE

23. Why do I need storage tank pollution insurance?

General liability excludes pollution, and federal law requires underground storage tank owners and operators to demonstrate financial responsibility for cleanup and third-party claims. A pollution policy or qualifying state fund meets that requirement.

24. What are the federal financial responsibility amounts?

Under EPA rules, petroleum marketers and facilities handling more than 10,000 gallons a month generally need $1 million per occurrence, with an annual aggregate of $1 million for up to 100 tanks or $2 million for more than 100. States may set additional requirements.

25. What does a tank pollution policy cover?

Cleanup of releases on and off your property, third-party bodily injury and property damage, legal defense, and sometimes transportation pollution and tank closure costs.

26. Does Missouri have a state tank fund?

Yes. Missouri's Petroleum Storage Tank Insurance Fund (PSTIF) offers coverage to eligible tank owners for cleanup and third-party claims. Eligibility rules, deductibles and terms apply, so compare it with private policies.

27. What about Kansas?

Kansas has a state petroleum storage tank release trust fund that has helped owners with cleanup costs. Eligibility, deductibles and program status have changed over time, so confirm current details with KDHE and compare with private coverage.

28. Is a pollution policy claims-made or occurrence?

Most tank pollution policies are claims-made with a retroactive date. Keep coverage continuous and don't let the retro date be lost when switching carriers.

29. What is a retroactive date?

The date before which releases aren't covered. If you switch carriers, try to keep your original retro date — losing it can leave older releases uncovered.

30. Are pre-existing leaks covered?

Known pre-existing contamination is typically excluded. Unknown conditions may be covered depending on the retroactive date and policy terms.

31. What should I do before buying a gas station?

Get a Phase I environmental site assessment, and a Phase II if recommended. Review tank records, release history and regulatory compliance before closing.

32. What leak detection does the EPA require?

Tanks and piping must have release detection, commonly monthly monitoring through automatic tank gauges or interstitial monitoring. Keep records — carriers and regulators will ask for them.

33. What operator training is required?

Federal rules require designated Class A, B and C operators for each facility. Class C operators — often clerks — must know how to respond to alarms and spills.

34. What are the 30-day walkthrough inspections?

Federal rules require periodic walkthrough inspections, including monthly checks of spill prevention equipment and release detection. Document every inspection.

35. How often must spill buckets and overfill equipment be tested?

Under EPA's 2015 rule, spill prevention equipment is tested at least every three years and overfill prevention inspected at least every three years, with sump testing where used for interstitial monitoring.

36. Does my pollution policy cover fines for compliance violations?

No. Fines and penalties aren't covered. Compliance is also a condition for coverage — poor compliance can jeopardize claims.

37. Does pollution coverage include fuel delivery spills?

Spills during delivery may be covered under transportation pollution or loading/unloading provisions, and the fuel hauler's policy may respond. Confirm coverage and hauler insurance.

38. Does closing or removing tanks need insurance?

Tank removal and closure require regulatory steps and site assessment. Some pollution policies cover closure costs; know what happens to coverage after tanks are removed.

BUSINESS INCOME

39. What does business income cover for a gas station?
Lost profit and continuing expenses while you're closed or limited by covered physical damage — a canopy collapse, fire or pump damage.

40. Does business income cover a shutdown for a fuel leak?
Standard business income usually doesn't apply to pollution shutdowns. Some tank pollution policies offer business interruption — ask.

41. What if my fuel supplier can't deliver?
Without physical damage at a dependent property, supply disruptions aren't covered. Contingent business income may help when a supplier terminal suffers covered damage.

42. What is extra expense?
Costs to reopen faster — temporary equipment, expedited repairs, overtime. Getting pumps back online quickly often saves the most money.

43. Does it cover power outages?
Only with utility service interruption coverage. Without power you can't pump fuel, so consider a generator and the coverage.

44. How long should my coverage last?
Rebuilding a station, reinstalling fuel systems and getting permits can take a year or more. Choose a period that reflects that timeline.

LIABILITY AT THE PUMPS & PREMISES

45. What does general liability cover at a gas station?
Bodily injury and property damage to third parties from your premises and operations — slips, falls, falling objects — plus products liability for fuel and merchandise.

46. Am I liable if bad fuel damages a customer's engine?
Contaminated fuel — water in fuel, wrong fuel grade — can lead to claims. Products liability may respond, but some policies exclude fuel quality claims. Test tanks for water regularly.

47. What about fires at the pump?
Pump fires from static, smoking or vehicle malfunction can injure customers and damage property. Emergency shutoffs, extinguishers, signage and trained staff are essential.

48. Is a customer spilling fuel on themselves covered?
Injuries from your premises or equipment are covered under general liability, subject to the pollution exclusion. Maintained nozzles and auto shutoff features prevent claims.

49. Are slips on fuel-slick or icy pump areas covered?
Yes, under general liability. Fuel residue and winter ice make pump islands one of the most common fall locations, so clean spills immediately, keep absorbent and ice melt stocked at each island, and log your inspections.

50. Who's liable for accidents in my lot?
Drivers are usually responsible, but poor design, lighting or maintenance can draw you in. Clear traffic patterns and protected pump islands help.

51. Do I need additional insured endorsements?
Fuel suppliers, landlords and lenders usually require it. Blanket additional insured wording should match those contracts.

52. Are customers' cars damaged by my equipment covered?
Damage from your property — a falling sign, defective air pump — falls under general liability. Damage to vehicles in your care during service is a separate garagekeepers issue.

53. Are DEF and kerosene sales covered?
Generally yes, but disclose them to your carrier. Kerosene dispensing adds fire and products exposure — a customer filling the wrong container or using kerosene improperly — so keep dispensers clearly labeled and use approved containers only.

54. Does liability cover fuel tanker accidents on my lot?
The fuel hauler's auto liability should respond to their accident. Require haulers to carry adequate limits and pollution coverage.

55. What about loitering and assaults?
Assault and battery exclusions are common in some markets. Make sure your policy covers inadequate security claims.

56. Is medical payments coverage useful?
Yes. It pays modest medical bills for customers hurt on your premises regardless of fault, usually up to $5,000 or $10,000. Paying a minor injury quickly often keeps it from turning into a lawsuit.

SERVICE BAYS, REPAIRS & CAR WASHES

57. Do I need different coverage if I do repairs?
Yes. Repair operations need garage liability for your work and garagekeepers for customers' vehicles in your care. A standard general liability policy usually doesn't cover them.

58. What is garagekeepers coverage?
It covers damage to customers' vehicles while in your care, custody or control — fire, theft, vandalism or collision while being moved or tested.

59. What's the difference between legal liability and direct garagekeepers?
Legal liability pays only if you're at fault. Direct coverage pays regardless of fault, which preserves customer relationships.

60. Am I covered for faulty repairs?
Garage liability covers injury or damage caused by your completed work, but usually not the cost to redo the work itself.

61. Are employees' tools covered?
Employee-owned tools are often excluded or limited. Tools coverage or inland marine coverage can protect them.

62. What about test drives?
Damage to the customer's vehicle is a garagekeepers issue; liability to others from the test drive falls under garage or auto liability.

63. Is car wash damage covered?
Standard general liability usually excludes damage to vehicles in your care. You need car wash legal liability or garagekeepers coverage.

64. What are common car wash claims?
Damaged mirrors, antennas, wipers and trim; scratched paint; and vehicles damaged by equipment malfunction. Clear signage and maintenance logs help.

65. Do touchless washes have fewer claims?
Usually fewer vehicle damage claims than friction washes, since nothing physically touches the car. Equipment breakdown, water damage, freeze-ups and customer slips on wet or icy pavement remain real exposures.

66. Is car wash equipment covered?
Insure it as business property and add equipment breakdown for pumps, motors, controls and water heaters. Freeze damage to lines and water damage to the building are common winter losses — heat tape and freeze protection help.

67. Do I need towing coverage?
If you tow vehicles, yes. You need commercial auto for the tow truck plus on-hook coverage for damage to the vehicles you're towing — standard auto and garagekeepers coverage generally won't pay for a customer's car damaged on the hook.

68. Are inspections or emissions testing covered?

Errors in state inspections or emissions testing can create claims your garage liability may not cover, such as passing an unsafe vehicle. Disclose any testing services; professional or errors and omissions coverage may be needed.

PROPANE, EV CHARGING & OTHER SERVICES

69. Does propane exchange affect my insurance?

Exchange cages are typically owned by the propane vendor, who requires additional insured status and specific coverage. Keep cages secured and away from ignition sources.

70. What if I refill propane tanks?

Refilling is higher-risk and requires trained, certified staff and specific coverage. Many carriers rate it separately or decline it.

71. Do EV chargers change my insurance?

Add chargers to property values and equipment breakdown. Liability exposures include tripping hazards and electrical injuries.

72. Who insures charging stations owned by a third party?

The owner usually insures the equipment, but your premises liability still applies. Review the host agreement.

73. Are air and vacuum machines covered?

Yes — if you own them, include them in business personal property, and if a vendor owns them, their agreement should address insurance. Customer injuries from a poorly maintained machine fall under your general liability.

74. Do ATMs add exposure?

Yes. ATMs attract theft, smash-and-grab burglaries and robberies of customers, and add property and crime exposure. Clarify in writing who owns the machine, who insures it and the cash inside, and who is responsible for damage to your building.

ROBBERY, CRIME & PAYMENT FRAUD

75. Is robbery covered?

Money and securities coverage under a crime policy covers cash taken in a robbery inside the store and deposits stolen in transit. Property coverage handles physical damage and stolen merchandise. Check that cash limits match what you actually keep on hand.

76. What crime coverages should a gas station carry?

Employee theft, money and securities on and off premises, counterfeit currency, computer fraud, funds transfer fraud and social engineering fraud. Lottery proceeds should be factored into your money limits.

77. Are fuel drive-offs covered?

Generally not in any practical way — individual drive-offs fall below deductibles and some forms exclude them. Prepay policies, pump authorization controls and cameras that capture plates are the real defense.

78. What about card skimmers on my pumps?

Skimmers expose customers to fraud and you to reputational harm and possible chargebacks. Since the 2021 fuel-dispenser EMV liability shift, stations without chip-enabled pumps may bear counterfeit card fraud losses. Use tamper seals and inspect dispensers daily.

79. 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.

80. How common is employee theft at gas stations?

Very common — register skimming, voided sales, lottery ticket theft and inventory theft. Employee theft coverage with a realistic limit, plus POS exception reports and lottery reconciliations, protects you.

81. Are lottery tickets and lottery cash covered?

Lottery proceeds can be covered under money and securities, but your lottery agreement may make you responsible for ticket inventory and sales funds. Confirm limits and how your policy treats unsold tickets.

82. Do cameras really matter for insurance?

Yes. Quality video supports underwriting, helps police with robberies and drive-offs, exposes employee theft, and is often the deciding evidence in slip-and-fall claims. Keep recordings long enough to preserve incidents.

83. Is workplace violence covered?

Employee injuries are covered under workers' comp. Optional workplace violence or active assailant coverage adds crisis management, counseling, security consulting and business interruption.

84. What robbery training should employees have?

Comply, stay calm and never resist or chase. Use drop safes and time-delay safes, keep register cash low, post signage about limited cash, and keep windows clear so the counter is visible from outside.

WORKERS' COMPENSATION & EMPLOYEES

85. Is workers' compensation required?

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

86. What injuries are common at gas stations?

Slips on ice and fuel, lifting strains while stocking, burns from food equipment, cuts, and robbery-related injuries. Stations with service bays add lifting, chemical exposure and vehicle-related injuries.

87. How are mechanics and clerks classified?

Clerks fall under retail store codes; mechanics and service technicians fall under garage codes with higher rates. Keeping payroll split correctly avoids overpaying — or an unpleasant audit bill.

88. What is an experience mod?

A factor that compares your claim history to similar businesses; 1.00 is average. Preventing injuries, reporting claims promptly and returning workers to light duty keep it low.

89. Do I need employment practices liability (EPLI)?

Yes. EPLI covers claims of discrimination, harassment, wrongful termination and retaliation. Small staffs and high turnover make these claims more common than owners expect.

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

Usually not, or only limited defense costs. Accurate timekeeping, correct overtime and proper treatment of breaks are your protection.

91. What fuel emergency training should employees have?

Every clerk should know where the emergency shutoff is, how to respond to a spill or tank alarm, when to call 911, and how to use a fire extinguisher. Document the training — regulators and carriers ask for it.

92. How can I lower workers' comp costs?

Robbery and safety training, slip-resistant footwear, ice control, safe lifting practices, a return-to-work program and prompt claim reporting.

PRICING, CLAIMS & BUYING OR SELLING A STATION

93. How can I lower my overall premium?

Keep tank systems compliant and well documented, upgrade older tanks and dispensers, use alarms, cameras and drop safes, train staff, choose sensible deductibles and let an independent agent shop specialty markets.

94. What should I do immediately after a fuel release?

Stop the release if safely possible, activate the emergency shutoff, contain the spill, notify the state environmental agency within required timeframes, and report to your pollution carrier immediately — late notice can jeopardize coverage.

95. What should I do after a customer is injured?

Help the person and call 911 if needed, photograph the area, preserve video, collect witness names, complete an incident report and notify your carrier promptly. Don't admit fault or promise payment.

96. How should I handle insurance when buying a station?

Review the environmental history, tank compliance records, release reports and loss runs before you close. Get a Phase I environmental assessment, line up pollution coverage, and have all policies effective at closing.

97. Does the seller's pollution coverage transfer to me?

Usually not. Buyers need their own pollution policy; sellers should look at an extended reporting period on their claims-made policy so releases discovered later are still covered.

98. What is tail coverage?

An extended reporting period that lets claims be reported after a claims-made policy ends, as long as the incident occurred during the policy period. It's important when selling, closing or switching carriers.

99. Why did my pollution premium go up?

Tank age and construction, release history, compliance records and the overall environmental market all affect price. Replacing single-wall tanks or piping and improving release detection can bring it down.

100. Why work with an independent agent?

A gas station combines property, liability, pollution, garage and crime exposures that often require several carriers. An independent agent can access specialty markets, coordinate coverage so nothing falls through the cracks, and advocate for you at claim time.

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.

Jay Stoetzer
816-384-7738 (call or text)
jay@insure247.com
insure247.com
7001 N Cherry St Suite 201, Gladstone, MO 64118

This guide provides general information only and does not alter, amend or extend coverage under any policy. Coverage is subject to the terms, conditions and exclusions of the policy actually issued; availability and requirements vary by carrier and state. Consult your agent about your specific situation.