

# WHY YOU NEED EMPLOYMENT PRACTICES LIABILITY



## Convenience Stores and Gas Stations

### *Services provided: Retail sales, automotive supplies and fuel services*

Convenience stores and gas stations are retail businesses that offer a range of products such as snacks, beverages, tobacco products, and automotive supplies, along with fuel services. They are typically small in size and offer extended operating hours, catering to customers seeking quick and easy access to essential items and gasoline. These stores are often located on busy streets or near highways to serve both local customers and travelers.

## KEY EXPOSURES AND INSURANCE SOLUTIONS



**Wage and Hour Disputes:** Due to the operational nature of convenience stores and gas stations, which often involve shift work and overtime, there's a high risk of wage and hour disputes. These can arise from misclassification of employees as exempt from overtime, miscalculation of wages, or failure to provide legally mandated breaks.



**Harassment and Discrimination:** The diverse workforce and customer base at these locations can lead to incidents of harassment or discrimination based on race, gender, age, or other protected characteristics. These incidents can occur among employees or between employees and customers.



**Retaliation Claims:** Employees who report violations of workplace policies or engage in legally protected activities, like filing a workers' compensation claim, may face retaliation. This could include unfair disciplinary actions, demotion, or termination.

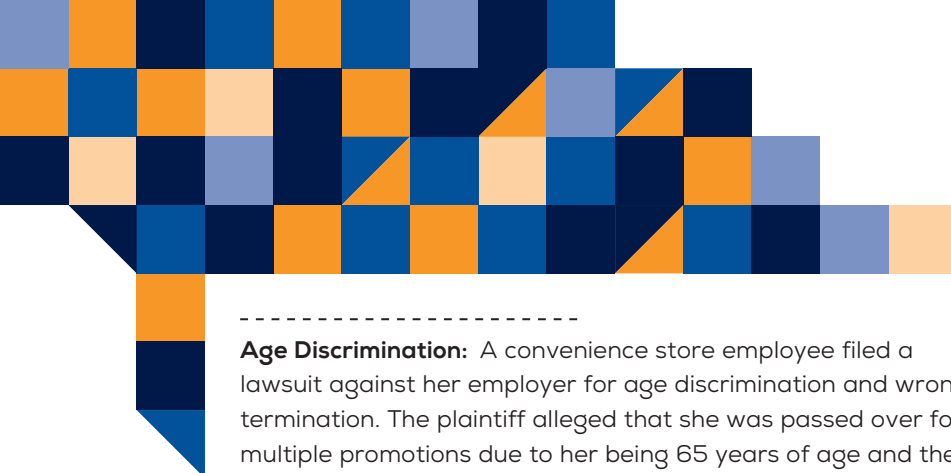


**Disability Accommodation Issues:** Given the physical nature of some jobs at these establishments, there's a potential risk for disability discrimination claims. This can stem from failing to provide reasonable accommodations for employees with disabilities.

## CLAIM EXAMPLES

**Sexual Harassment:** A female employee filed a lawsuit against the owner of a convenience store alleging that she was the subject of constant sexual harassment throughout her entire employment. Her lawsuit included allegations that both her supervisor and owner of the convenience store were aware of her co-worker's inappropriate actions but failed to put a stop to them despite numerous complaints from her and other female employees. An investigation of these allegations found that despite numerous complaints being filed against this employee, no action was taken to put a stop to it. The case was settled out of court and the plaintiff received a \$50,000 settlement. Defense costs for the claim were \$35,000. In this case, the female employee's lawsuit against the convenience store owner for sexual harassment highlights a lack of effective response to complaints. The failure to address multiple complaints from female employees about a co-worker's behavior resulted in a significant financial settlement and defense costs, emphasizing the importance of taking prompt and appropriate action in response to harassment allegations.

**Fair Labor Standards Act:** A convenience store owner was ordered to pay one of his managers \$40,000 in unpaid overtime for three years of employment for misclassifying the manager as an exempt employee. The claimant's attorney successfully argued that since the claimant was docked pay for not working the full 40 hours in certain weeks, then she should be paid overtime for the weeks she worked in excess of the 40 hours. It cost an additional \$10,000 to defend this case. The overtime payment issue for the misclassified manager at the convenience store underscores the complexities of correctly classifying employees under applicable wage and hour laws. The significant settlement and defense costs highlight the importance of understanding and adhering to wage and hour laws to avoid costly legal disputes.



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**Age Discrimination:** A convenience store employee filed a lawsuit against her employer for age discrimination and wrongful termination. The plaintiff alleged that she was passed over for multiple promotions due to her being 65 years of age and the promotions were given to individuals significantly younger than her. The claimant was eventually terminated when she stated she was going to get an attorney. The case was settled out of court, and the plaintiff received a \$65,000 settlement. Defense costs for the claim were \$15,000. The age discrimination and wrongful termination case at the convenience store, involving an older employee being overlooked for promotions and later terminated, underscores the need for non-discriminatory employment practices. The out-of-court settlement and defense costs emphasize the legal and financial risks associated with age discrimination.

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**Third-party Liability and Americans with Disabilities Act:** A customer at a local gas station threatened to file a lawsuit alleging the gas station was non-compliant with the Americans with Disabilities Act (ADA) for not having adequate handicapped parking spaces on the premises and entrance doors that were too narrow for wheelchairs to fit through. The covered portion of the claim settled for \$20,000 and cost an additional \$10,000 in defense costs. Furthermore, the owner was also responsible for modifications to bring the parking lot and entrance into compliance with the ADA cost an additional \$15,000. The ADA non-compliance lawsuit against the gas station illustrates the importance of ensuring accessibility for all customers. The settlement, defense costs, and additional expenses for necessary modifications to the premises highlight the financial and legal implications of failing to comply with ADA standards.



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