

Press Release

Theft of Contractor's Plant

Guest Presentation at IMIA Conference 2009, Gleneagles 16th September 2008

This very interesting topic was presented by Ian Elliott of the London Metropolitan Police who gave a clear picture of how the situation of thefts of contractors plant and machinery has developed.

Ian described the ways the plant is stolen and removed to be sold at different places even abroad. The consequence of such thefts is not alone the material loss mostly carried by machinery insurers but also the financial losses due to disturbance in the contract works. The presentation then goes on to advise on how to better protect against theft and how to improve security and identification of stolen equipment. The measures taken jointly by the police, contractors and machinery insurers are well described in the presentation under the heading of a newly introduced identification technology called CESAR (Construction Equipment Security and Registration Scheme). To search for more information of this security system, please use this link: www.cesarscheme.org.

See also attached newspaper clipping from Insurance Day.

Expand Cesar to combat theft of plant: Met Police

Met's Ian Melliott tells IMIA conference registration scheme should be worldwide

Amy Tiernan, Gleneagles

THE METROPOLITAN Police has called for an insurer-backed plant machinery registration scheme to be expanded into other countries to help reduce the annual bill from theft.

Plant theft costs the insurance industry more than £400m (\$729.7m) a year in the UK, with roughly £1m of plant stolen a week.

Detective constable Ian Melliott, representing the Metropolitan Police stolen vehicle unit at the 41st International Association of Engineering Insurers (IMIA) conference in Gleneagles, urged the UK to support the new Construction Equipment Security and Registration (Cesar) scheme and called on worldwide representatives to expand it into their own countries.

Cesar has been set up by the Home Office, in partnership with insurers and the construction industry, to deter theft of plant machinery and to aid recovery of machinery if it is stolen. This is achieved by providing a facility for plant to be marked and registered for ease of identification. The project also

aims to provide a single point of contact for the police to establish the registered keepers.

"Plant theft is high return and low risk," said Melliott. "Despite law-enforcement efforts, less than 10% of the stolen plant is recovered, compared with a recovery of 60% of motor vehicles."

Previously, there has been no equivalent registration system for plant machinery as there is with motors. Criminals are exploiting this and also the "ease of transporting plant machinery across Europe", said Melliott. In addition, registration documents are not required for purchasing plant machinery.

This makes it increasingly difficult when plant machinery is stolen to identify the stolen item and, indeed, track it down. This not only causes a significant financial burden to the construction industry but also leads to delays to major construction projects and increased business interruption claims.

Some of the biggest UK insurers are part of the plant theft task force, which was responsible for establishing Cesar, including Allianz Engineering, which was the first to commit £60,000 over two years, RSA, Zurich, HSB Haughton and Norwich Union, which

work together to fund the task force in association with the Metropolitan Police.

Allianz was initially keen to get involved because of the high losses attributed to plant theft. The insurer said that over the past three years plant theft has cost the company £14m in losses, with 366 instances of plant theft in 2007. The £30,000 outlay can therefore easily be recouped if the police recover only a couple of stolen items a year.

Melliott told delegates at the IMIA conference: "If we don't recoup the money put in by insurers I will be very disappointed."

Martin Ball, underwriting and operations manager at Allianz Engineering, told Insurance Day: "With instances of contractors' plant theft rising year-on-year, the UK IMIA insurers thought that enough was enough. We are all delighted to support the Cesar initiative and the creation of the national plant unit and look forward to working in partnership with the police and the construction industry to tackle this issue head on."

The scheme's initial success means that some of the major manufacturers of plant machinery, including JCB, are fitting the Cesar to every machine made in the UK.