



IMIA Conference 16. Sep. 2008

**DC Ian Elliott**

**Metropolitan Police Stolen Vehicle Unit  
New Scotland Yard**



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# Machinery and Plant Insurance

**An impending financial disaster?  
or  
a profitable risk?**



**Britain is facing "arguably the worst"  
economic downturn in 60 years**

**Economy at 60-year low and it will get  
worse!**

**Alistair Darling**  
Chancellor of the Exchequer



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# Taylor Wimpey hit by massive loss!

96% reduction in profits hit by the lower value of its land in the UK, US and Spain, Profit of £4.3m, down from £119.8m last year.





## Reported Machinery and Construction Plant Theft

- Official figures state plant is stolen to the value of £70m per annum.
- Industry estimates this figure is much higher.
- Research by Insurance Industry estimate this figure could be as high as £750m.
- Once stolen very unlikely to recover lost equipment.
- Recovery less than 5% throughout the UK.
- Overall costs to Europe suggested to be £4.5 Billion/ (7.2 Euros)



## How does this effect the EU?

- Organised Criminal Networks free to integrate and infiltrate Construction Industry and building environment.
- Disruption to time sensitive projects with theft of equipment leading to contractor downtime, e.g. roadwork projects/ Underground etc
- Associated costs built into Tender Contracts by Utility Companies which lead to directly effect public purse.
- Plant theft results in added premiums to insurance costs.
- Security issues with variety of equipment left within Public domain i.e. criminal/ terrorist issues.
- No Registration system therefore Unable to identify rogue Equipment for both police/criminal/enforcement purposes or for Building Safety/HSE/CE type approval/Emissions legislation.



How do they do it?





Why do they do it? • Use in facilitating Crime & Resale throughout the World







How we would like all Plant Theft Criminals to be dealt with !





## Why is Recovery of Stolen Plant less than 5%

- Organised Criminal Networks who are extremely adept and professional.
- Geographical nature of worksites.
- Industry reliant on subcontracted equipment.
- Poor Security on both sites and Plant Equipment.
- No Registration or documentation system.
- Frequently transported by Third Party.
- Poor Knowledge/Lack of Specialist Police Units.



Typical problem encountered by Police when previously dealing with plant theft:

- No Registration system
- Most generic plant appears similar or even the same !
- No easy identification of type, model, VIN or Chassis number
- Poor security (one key !)
- No way of instantly checking the authenticity / provenance of plant.
- Difficulties with correct data for reports/ PNC/ identification.





## Subsequent Identification?

- What is it?
- How do the Police identify it?
- Is it registered?
- Who does it belong to?
- How can we tell if it's stolen?
- **Should it be There!!**





## Industry Concerns tackling the Problem

- Formation of Home Office Plant Theft Action Group (PTAG).
- Made up of representatives from Construction Industry, Plant manufacturers, Owners, Hirers, User groups, Insurers, Trade Associations and the Police
- Formation of a Code of Practice
- In 2006 Police Suggested Format adopted by the Construction Equipment Association (CEA) and PTAG.



Nov 2006 – Tender scheme announced by PTAG and the CEA to create the National Registration Scheme.

Jan 2007 –The scheme is named CESAR – The Construction Equipment Security and Registration Scheme

Vernon Coaker MP – Under Secretary for Police, Security & Community Safety Home Office welcomed the Construction industries combined efforts in the “fight against crime”

Assistant Commissioner Met Police responsible for the City of London Security and advisor to the Olympic Games confirmed his recommendation for the 2012 Games to adopt the CESAR Scheme and make it mandatory.





# • CESAR Identification Plate Specification

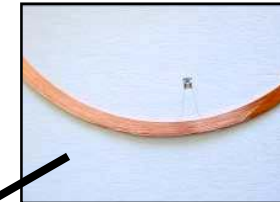
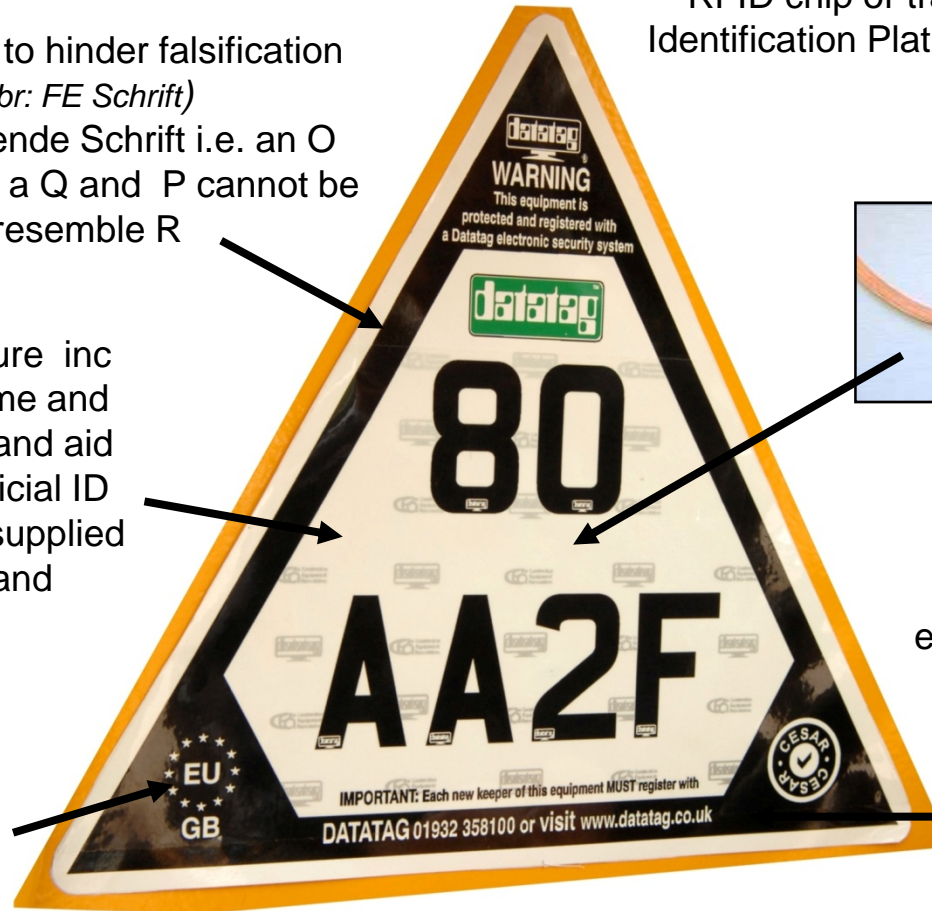
- Datatag Anti Counterfeit addition of unique RFID chip or transponder embedded within Identification Plate to allow instant verification with Datatag scanner.

- Use of special text to hinder falsification such as (*abbr: FE Schrift*)

Falschungerschwerende Schrift i.e. an O cannot be changed to a Q and P cannot be painted to resemble R

- Anti Counterfeit measure inc Datatag's registered name and trademark to help deter and aid prosecution when un-official ID plates manufactured or supplied
- Logo used on digits and background.

- EU & Int Country Code to aid country origin at border crossing and ports etc



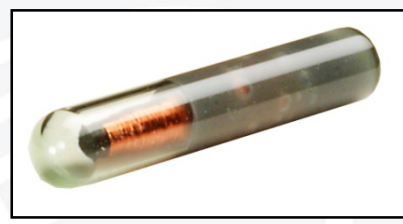
- Consulted with HOSDB & DVLA: Identification Plate manufactured from tamper evident non reflective material to LPS 1225 standard or similar

- Contact details of 24/7 Call Centre, Website and Official CESAR logo



# CESAR additional identification technology

Datatag miniature RFID transponders permanently concealed within each machine in wiring, acoustic foam, dashboard and cab area.



Datatag Datadots will be applied to protect many of the valuable parts of each machine making it virtually impossible for the thief to locate and remove.



Datatag DNA - Each machine will be protected with a unique chemical "DNA" coded invisible solution.







# Ease of Identification





## The Benefits to the Police

- 24/7 Access to database will allow verification of any Plant.
- Preventative effect of marked plant.
- Easy Identification allows Police, Hauliers, Customs, Local Authorities easy checking.
- Report of theft to either Police or Data handler.
- Data standards correct for subsequent theft reporting.
- User benefits with each piece of equipment obtaining Government licensing authority registration document .



## Benefits to the Industry

- Overall Costs to the Industry reduced.
- Fraud significantly reduced.
- Significant recovery of stolen plant.
- Easy and correct way to underwrite property/ Less risks.
- Defeat Organised Crime Networks who will move to softer targets.
- Free recovery of stolen Plant.
- Reduced risk of theft allows projects to finish on time.
- Insurance premium discounted. (Between 15-25%).
- New Asset Marking allows additional systems to be added, logistics, costing, billing, servicing, HSE requirements, operator/driver training. CPCS cards, Emissions Controls etc.





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# National Plant Intelligence Unit

**British Machinery Insurance Association  
CESAR.**

**A Partnership Approach to Reducing Theft of Plant**









## What future holds?

- Arrest the Criminals!
- Creating partnership with those Insurance companies to directly tackle issues/fraud prevention.
- Creation of 'Official' Police/Insurance loss register on CESAR database
- Campaign for Insurance companies to start asset registration when underwriting policies.
- Exciting 'blank canvas' to create change to bring it in line with car/van security.
- Working with Thatcham Insurance Research to promote 5 \* security rating.
- Working with utility companies to highlight and demand better security.
- Campaign for changes in Hirer's Agreements to promote more security.

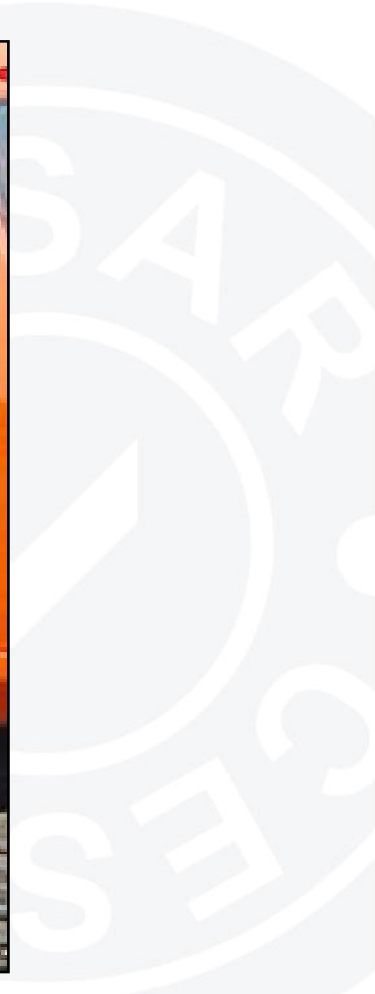


## Protection for your company ?

- European/Worldwide CESAR Registration to be considered.
- In UK demand all insured property is CESAR marked.
- Review way companies insure property, more asset registers less generic risk.
- Demand register of property.
- Don't be afraid not to insure ! Demand specifications/fleet.
- What is point of worrying losing business when all that business is high risk low returns anyway.
- Insurance companies are extremely powerful and can demand change.



If Only !





[www.cesarscheme.org](http://www.cesarscheme.org)

