

Motor Theft on the Rise

During recent months, *a sharp increase in severity of theft claims for motor traders and fleet owners has highlighted a market concern for clients, broker and insurers.* The increase has been primarily driven by claims involving multiple vehicles, parts and a resurgence of catalytic converter thefts.



Vehicle Theft

The number of instances of multiple vehicle thefts has also been on the rise. These thefts appear to be conducted by organised gangs, able to arrange for more than one vehicle to be stolen and moved on at a time. Again, there have been a number of commonalities:

- The premises have been “scoped out” beforehand, sometimes by people posing as potential customers.
- The highest severity instances occurred where access to multiple vehicle keys was possible alongside poor key security management.

Catalytic Converters Theft

Most modern cars are fitted with catalytic converters, a pollution-control device fitted to the vehicle’s exhaust system to reduce harmful emissions from the engine. By using catalyst metals – typically platinum, palladium and rhodium – gas emissions passed through the converter are transformed into less toxic substances such as oxygen and water. Although only very small amounts of these metals are used, they are valuable commodities fetching up to \$1000 USD per ounce. This means converters are an attractive target for thieves.

Although not all instances have followed the same pattern, the marked increase since the latter half of 2015 has a number of common trends:

- Light commercial vehicles have been specifically targeted (especially Mercedes Sprinters and VW Crafters). Vehicles with high vehicle axles are also being singled out as they give easier access to the catalytic converter, as are vehicles that have adopted the Euro 6 CAT standards of reduced exhaust emissions.
- The majority of thefts appear to be in the areas surrounding Sheffield, Leeds and notably Manchester in the North. Areas in the South and East of London are also highly affected.

The effect has been primarily to motor trade clients but we’ve seen some of our commercial fleet clients also being targeted.

Parts Theft

In addition, there has been an upsurge in the number of parts thefts. As above, these appear to have been carried out by thieves able to move large quantities of items. Common trends include:

- Particular targeting of BMW and Land Rover parts.
- High-performance tyres and alloy wheels especially where left unsecured.

It’s apparent that vehicle dealerships are particularly at risk of parts, vehicle and catalytic converter theft. This is especially so for risk locations with minimal physical security and protection deterrents.





A Search Dog has been trained to detect SelectaDNA marked property and criminals.*

Selectamark

From April 2016, Allianz has signed up to a new risk management partner, **Selectamark**. Negotiating a 15% discount for Allianz policyholders. Selectamark specialises in property marking, asset identification and registering of such property.

This not only provides a visible deterrent to potential thieves, but also allows **tracking of property through physical or DNA tags**. It also assists in the recovery of stolen property via their property register. Further information can be found at their website.

www.selectamark.co.uk

Impact

Although vehicle sales make up the majority of risks affected, repair garages and body shops that keep customer vehicles on site have also been targeted. Specifically for catalytic converters, the cost of each stolen item costs an average of £1,900, not to mention the inconvenience caused to businesses and their customers. This in turn adds Credit Hire (and associated costs), as well as the detrimental reputational impact to the client.

Mitigating the Risk

Alerting your clients of the current trends and advising of appropriate risk management measures can help to reduce the risk. In particular:

- Adopting deterrent measures such as detector-activated remotely monitored CCTV and monitored security alarms. Removing theft-attractive items from sight or to inaccessible areas, security lighting and property marking devices can also help.
- Physical protection measures for instance, vehicle bollards, defensive vehicle parking strategies, palisade fencing, use of robust locks and key cabinets, and fitting of catalytic converter guards.
- Effective key security management and access control including regular audit checks of where keys are and who has signed them out.
- Regular security audits, such as daily fence checks for damage and signs of attempted entry, ensuring lighting is working and fixed where appropriate, and reviewing CCTV coverage and detection.
- Where you or your client have specific questions, please continue to use the advice and guidance of your local Allianz underwriter who can liaise with our risk control surveyors to provide valuable insight in this area.



Allianz are currently liaising with industry groups such as Thatcham, RMI and the police to adopt a joint approach to tackle the issue, so keep an eye out for updates in the coming months. Further information about reducing theft losses can be found in the Motor Trade Risk Management Guide, available at:

www.riskdirector.co.uk

* Source: Selectamark