

# A guide to prevent theft of contractors' equipment.



Locks and fencing are two key layers of equipment theft prevention.

The National Insurance Crime Bureau estimates that almost \$1 billion worth of contractors' equipment is stolen from construction job sites each year.<sup>1</sup> The types of equipment most targeted by thieves are loaders, skid steers, and excavators.

Contractors' equipment insurance, under the inland marine policy, can provide coverage for this equipment while it is in transit and on job sites; however, there are numerous ways to prevent these thefts (and their associated costly project delays) from occurring.

A quality risk management program for equipment theft will include security guidelines involving the concept of the "Three Es":

- **Establish:** Create clear, written policies that are easy for employees to understand and follow.
- **Educate:** Make equipment security part of new employee orientation and reinforce regularly in safety meetings.
- **Enforce:** Hold supervisors directly responsible for consistently enforcing the policies.

As with other theft-related exposures, the key to theft prevention is building layers of simple controls that, when added together, have a great impact on overall loss potential. While the "3 Es" framework provides a high-level context for equipment security, there are specific theft-prevention practices to consider:

- Do not leave keys in a parked vehicle and never leave the vehicle or trailer unlocked.
- On job sites, the essential component of theft prevention is deterrence. The more difficult it is to quickly gain access to the equipment, the less likely it is to be targeted. Overnight parking should be in well-lit, fence-enclosed areas equipped with security cameras. Secure vehicle and trailer cargo doors with high-security locks: pick-resistant, case-hardened or laminated steel. Use cab locks and immobilization devices to make it more difficult to move the equipment. Equip unattended trailers with high-security hitch locks and/or wheel locks. Many cab and wheel locks are brightly colored to provide the added value of discouraging theft.

## Contractor Equipment Theft

- Equipment (vehicles and trailers) used for transporting expensive machinery and equipment left on job sites should be equipped with alarms and/or tracking devices. Vehicle telematics/GPS devices can also be used for this purpose, and there are many companies who specialize in asset tracking systems. Providers include [Verizon](#), [NER Solutions](#), [Lojack](#), and [Tattletale](#).
- When staying overnight in a hotel, expensive portable equipment should never be left in a vehicle. The equipment should be removed and secured in the hotel room. GPS devices on contractors' equipment should always be a top priority to be secured and should never be left in vehicles, trailers, or on job sites.
- Quick reporting significantly increases the probability of recovery. Establish "check-out/check-in" system procedures for equipment and tools assigned to each job:
  - Require the crew supervisor to sign-out, sign-in, and reconcile equipment at the end of each work day.
  - Assign a supervisor or manager to regularly inventory equipment remaining on job sites for an extended period. This enables missing tools and equipment to be quickly identified and tracked down or reported missing.
  - Using one of the many available inventory logistic tracking systems (Gigatrack, Camcode, etc.) is an effective way to manage inventory.

While these aren't the only controls available to prevent equipment theft, they can go a long way in reducing a contractor's risks.



Security cameras can deter theft and assist in identifying suspected thieves.

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