

Construction Equipment Theft

Building and Construction work is a tough, expensive business. It is critically important to have the right type and quantity of equipment available in order to complete projects. This means that medium and larger contractors have a lot of money invested in their machinery. Unfortunately, contractors face a problem that appears to be inherent...equipment theft.

The National Insurance Crime Bureau estimates that, in the U.S., annual losses from theft of heavy equipment (and tools) is nearly \$1 billion. Other sources reveal worse statistics. Nearly two-thirds of the firms in the construction industry have suffered equipment theft losses and well under 20% of stolen equipment is ever recovered. The most popular theft targets are:

- Skid steers
- Backhoe Loaders
- Loaders
- Excavators
- Dozers

There are a number of reasons why construction equipment theft is so prevalent.

1. Since equipment theft is very profitable, professional theft rings are common. Naturally, a large number of thieves with a high level of proficiency increases the volume of thefts.
2. Unlike autos, trucks, SUVs and vans, there is no comparable level of registration or title documentation for construction equipment.
3. There is no standard for placing unique identification numbers on such equipment. The poor ability to track ownership makes the stolen equipment easy to sell. This is the major reason that stolen equipment is not usually recovered.
4. In order to make equipment easy to use, different equipment manufacturers use a similar key entry system, so a master key can be acquired and used by thieves.
5. Most large construction projects are outdoors and at various sites; equipment is often stored without special security or locks.
6. Construction sites are usually unoccupied and unsupervised on weekends, so thefts may go unreported for long periods of time.
7. Equipment components are highly standardized, so equipment is vulnerable for theft for purposes of chopping and re-selling the parts

There are ways to help minimize thefts losses. One method is the registration of construction equipment. Registered equipment should be conspicuously marked with the registration information. Engine, serial and transmission numbers are all suitable for use with an equipment registry. Other theft deterrents are mechanical security devices (for instance, tire clamps or boots), electric lockdown devices, and/or use methods (such as LoJack or GPS systems) to track equipment deployed at remote job sites and after they are stolen. It is also helpful to weld company name and other information onto otherwise unmarked equipment (such as buckets, skids, booms, frames, cranes, etc.) and report theft losses quickly.

As an incentive to promote anti-theft efforts, some insurers award companies that use various security measures by applying premium discounts, reimbursing vehicle registration fees or waiving deductibles for stolen equipment. An insurance professional would be just the person to contact to discuss this very important issue.

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