

Technical Talks is our series of risk management articles, produced by our in-house team of portfolio underwriting, risk managers and surveyors, offering support and guidance for you and your clients in relation to everyday business solutions.

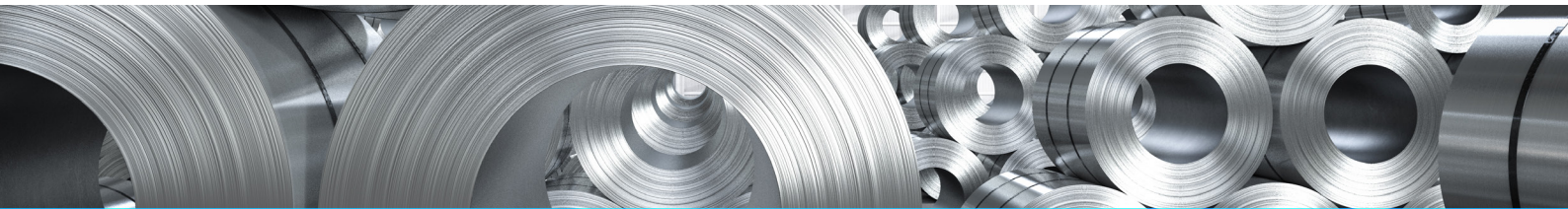
Introduction

According to the Association of British Insurers (ABI), historically, metal thefts have cost the UK economy around £770 million a year with over 1,000 incidents recorded each week. Also, costing the economy around £15m per week, for the time to replace stolen items and for disruption to trade and lost business.

In response, the Government introduced the Scrap Metal Dealers Act 2013, which amongst its terms, requires scrap dealers to be licensed by the local authority, requires the recording of the name and address of the seller and bans the payment of cash for scrap metal. Whilst the Act has had a beneficial effect, with the incidence of theft reducing by

as much as a third, metal theft remains a major Insurance claim area facilitated by rogue traders who flout the law.

Non Ferrous metals such as copper, lead and high value specialist alloys have always been attractive to thieves but, increasingly, traditionally less attractive metals such as aluminium, mild steel and stainless steel are being targeted with thefts not only of stock from buildings and yards, but also of roof coverings, flashings, gates, cables, parts from air conditioning units, manhole covers, sculptures and memorials. Vacant / unoccupied premises can be particularly susceptible to attack.



Source: Arch Insurance

Risk Assessment

Against this background, risks should be assessed to ascertain and quantify their potential exposure to metal thefts. This should include the types of metals involved, including ferrous and particularly non-ferrous, values of those metals, the locality – including perceived crime rates, and provision of any external metal storage.

Risk Reduction

- Ways of removing or reducing the risks and exposures include:
- Reductions of metal stockholdings in the buildings and yards by ordering on a just in time basis.
- Avoiding storage of valuable non-ferrous metals in yards.
- Keeping scrap and off cuts secured and collected on a frequent basis.
- Use of lower cost lead/copper replacement building & roofing materials.
- Use of plastic/glassfibre drain covers, gratings etc as an alternative to iron or steel products.

Visit www.archinsurance.co.uk to find out more.

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Risk Control

This can include the following measures:

a) Physical Security

- Installation of steel palisade, weld mesh or similar security perimeter fencing to a minimum height of 2.4 metres. Masonry walls are also effective.
- All buildings having suitably secured doors, shutters, accessible windows and roof lights (refer to a Risk Control Surveyor for specifications).
- Provision of internal secure stores for more valuable non-ferrous metals.
- Reducing access to roofs by provision of physical security measures and / or anti climb paint.
- Caging exposed outdoor equipment in weld mesh steel cages, anchored to the floor or buildings with cage doors suitably secured.
- For metal stocks held in steel containers, the doors are to be secured with high quality padlocks (ideally closed shackle) conforming to CEN Grade 5.



b) Electronic Security

- Installation of an intruder alarm by a company that is ISO 9001 certificated and approved by a UKAS accredited inspectorate. The system conforming with EN50131-1 in accordance with PD 6662 and with an alarm transmission system operating at performance level DP3 to an approved Alarm Receiving Centre (ARC).
- Provision of a detector activated CCTV surveillance system conforming to BS8418, with remote monitoring of detector activated units either at a manned security gate house or a remote monitoring centre. The system must be designed, maintained and installed by a company that is ISO 9001 certificated and approved by a UKAS accredited inspectorate. The remote monitoring centre must be a BS5979 Category II approved Remote Video Response Centre.
- Alarm detection / CCTV coverage to extend to outbuildings / containers where applicable.
- Provision of security lighting (including timer activation or motion activated systems).
- Provision of access control systems.

c) Manned Guarding

- Static or mobile guards employed by a manned guarding company.
- The guarding company to be certificated by the National Inspectorate of the Security Industry (NSI) to ensure compliance with British Standard 7499 Code of practice for static guarding, mobile patrol services and UKAS accredited.

d) Asset Marking and Recovery

- The use of propriety physical or forensic marking systems with suitable warning notices posted to deter thefts and increase the potential to recovery of stolen materials.