

A large yellow excavator is the central focus of the image, positioned at a construction site. The excavator's arm and bucket are visible, extending from the top right towards the center. The background shows a clear blue sky and a pile of earth or rubble. The text '2013 THEFT REPORT' is prominently displayed in the center in a large, white, bold, sans-serif font.

2013 THEFT REPORT

NICB[®]
NATIONAL INSURANCE CRIME BUREAU

NER
NATIONAL EQUIPMENT REGISTER

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AN ALLIANCE WITH A PURPOSE

Through a joint alliance, the National Equipment Register (NER) and the National Insurance Crime Bureau (NICB) continue to make life more difficult for equipment thieves. By combining services and areas of expertise, we're providing an efficient conduit for law enforcement and insurers to identify any type of heavy equipment at any time of day and to help contractors reduce the likelihood of unknowingly purchasing stolen equipment.

Our alliance ensures that NER will continue to provide, manage, and expand its database of insurer-supplied theft reports and information about manufacturers, owners, and damaged equipment. NICB will extend the reach and value of that information through its nationwide network of special agents, who are trained in heavy-equipment theft and available to respond to law enforcement calls for investigative assistance or identification requests.

Better ownership documentation, accurate equipment identification, proper reporting, and greater site security will continue to increase the ability of law enforcement to combat equipment theft. Awareness, education, and training are key components of an overall fraud-prevention plan that may lead to immediate economic benefits for contractors, owners, and insurers.

Through our joint efforts, we're reducing the cost of theft for equipment owners and insurers by increasing the likelihood of recovery and arrest. We're also limiting the ability to fence stolen equipment, thus making heavy equipment a riskier target for thieves.



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OVERVIEW

The National Equipment Register (NER) and National Insurance Crime Bureau (NICB) annual report on equipment theft in the United States is based primarily on data the NICB drew from the National Crime Information Center's (NCIC) database of more than 10,000 thefts of construction and farm equipment in 2013 and information reported to ISO ClaimSearch.[®] We'll publish similar reports every year to help track trends using the growing volume of data available to NER and the NICB.

AIM

Our study provides equipment owners, insurance companies, and law enforcement with information to guide theft-prevention efforts and allocate investigative resources. The study puts the information into context through footnotes, analyses, and conclusions that relate to the protection, investigation, and recovery of heavy equipment.

As in the past, the 2013 report seeks to answer key questions: Who steals heavy equipment, and how do they do it? How much and what types of equipment do they steal? Where do they steal equipment from, and where does it go?

DATA SOURCES

The NICB has access to all the data in the NCIC vehicle theft file, and it maintains a mirror image of that file. The FBI and other federal, state, local, and foreign criminal justice agencies as well as authorized courts submit data on stolen vehicles, stolen vehicle parts, and mobile off-road equipment and components. The NICB uses the data to assist insurance companies in recovering stolen vehicles and mobile off-road equipment.

Since 2001, NER has developed databases of heavy-equipment ownership and theft information. Owners and law enforcement agencies report thefts directly to NER's database through its website. Insurers report thefts through ISO ClaimSearch, the insurance industry's all claims database. Through an alliance with the American Rental Association (ARA), NER can capture loss and ownership data from many of the world's largest rental fleets and hundreds of smaller fleets.

Although statistics can't reveal all underlying reasons for the high level of equipment theft, we can draw conclusions from trends and the daily contact that NER staff members have with theft victims, insurers, and law enforcement.

PRESENTATION AND ANALYSIS

We've presented each set of data in graphs or tables to allow easy comparison and to highlight trends. Notes explain data sources and gathering techniques. Analyses discuss the relative importance of the factors that affect each set of results. We provide additional commentary where results suggest a particular action or response.

Theft by State

Top Ten States for Equipment Theft in 2013

Rank	State	Thefts
1	Texas	1,494
2	North Carolina	913
3	Florida	892
4	California	734
5	South Carolina	691
6	Georgia	609
7	Tennessee	526
8	Oklahoma	525
9	Alabama	398
10	Arkansas	358

The top five states account for 41% of all thefts.

The top ten states account for 62% of all thefts.

NOTES

1. Although equipment thefts occurred in every state, the top five states accounted for 41% of the total number of thefts in 2013. In 2012, the top four states accounted for 37%.
2. The table represents 11,486 equipment theft reports captured by NCIC during 2013.

ANALYSIS

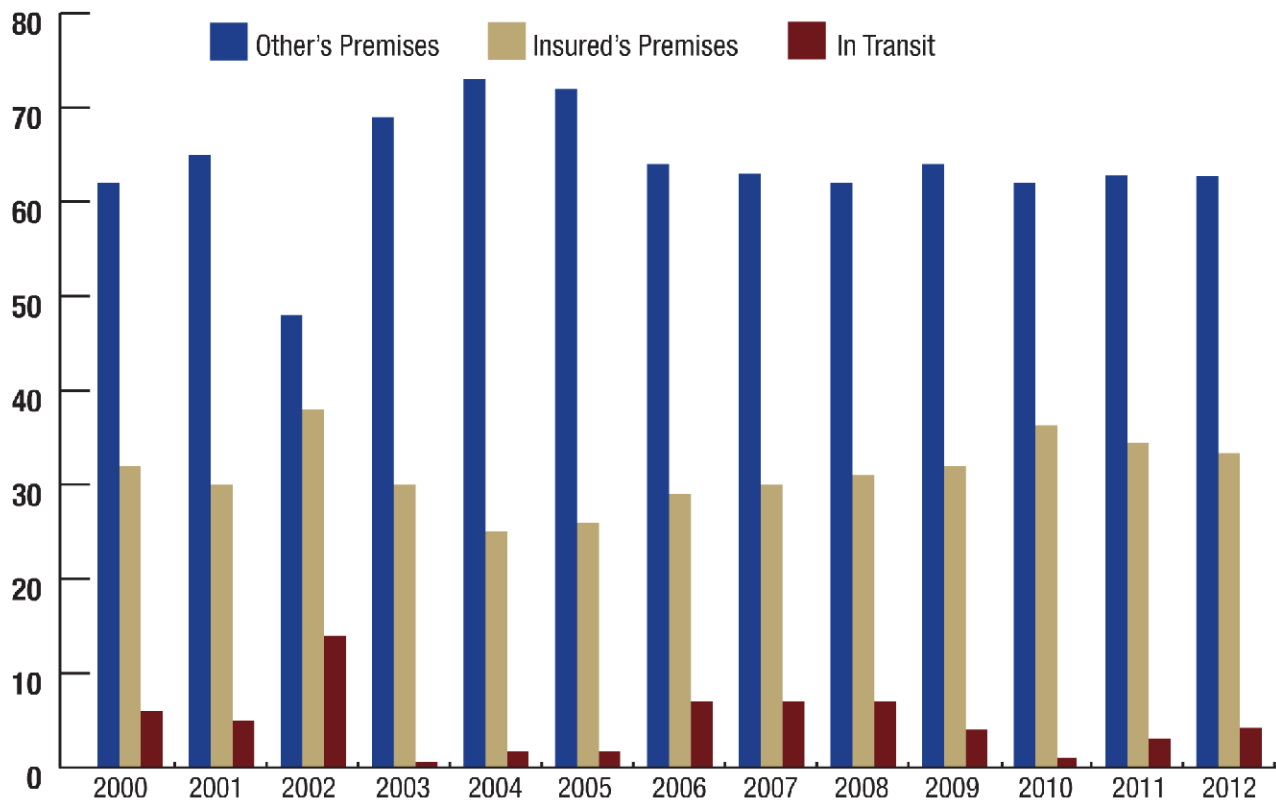
1. Theft levels closely correspond to the amount of equipment in a particular area. In other words, the states with the highest volume of construction and agriculture — and therefore the most machinery — have the largest number of thefts.
2. Organized theft rings are likely to develop in areas with a high concentration of equipment and a large number of potential buyers of used equipment, stolen or otherwise. Higher loss ratios for insurers in certain areas reflect that development.

COMMENT

Sometimes theft hot spots emerge when an organized group of thieves and fences is working in a particular area. NER's regional theft-trend alerts highlight such activity. Detecting and thwarting those groups often coincide with a noticeable drop in theft rates. Documented recoveries illustrate that correlation. Some examples are in the "Case Studies" section.

Theft by Type of Location

The graph below shows insured losses by the type of location of the theft:



NOTES

1. Losses by type of location of theft are displayed as a percentage of all claims.
2. Source is ISO Inland Marine Circular, Contractors Equipment, All Classes.

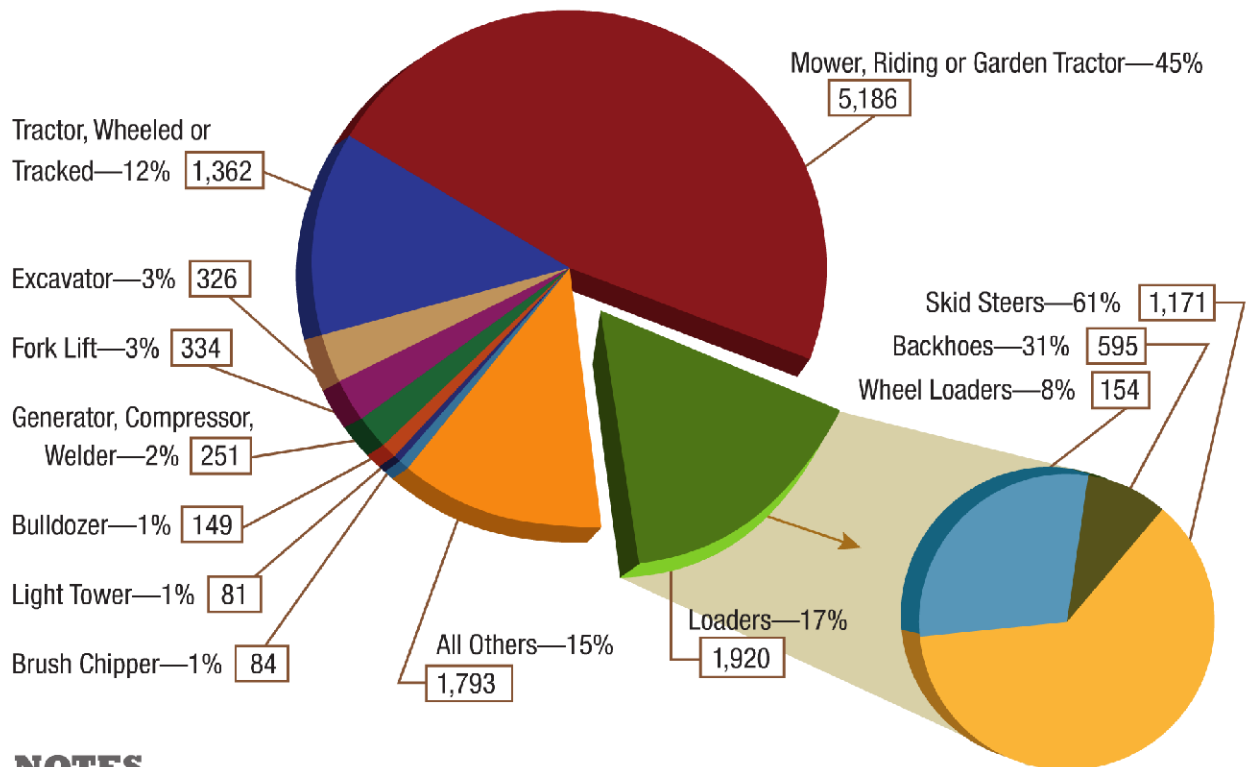
ANALYSIS

With regard to theft by type of location, two factors should be considered: the location where the equipment spends the most time and the level of security at each type of location. Most often, equipment is on a work site, labeled on the graph as “Other’s Premises.” Those work sites usually have lower levels of physical security than an “Insured’s Premises,” which is often a fenced-in compound.

COMMENT

It’s not enough to focus solely on the security of premises and work sites. Equipment users should secure machines, even if they can do so only temporarily. For example, a user could surround mobile equipment with hard-to-move objects when the equipment is not in use.

Types of Equipment Stolen



NOTES

1. The chart represents 11,486 theft reports submitted to NCIC in 2013.
2. The inclusion of landscaping equipment—mainly commercial riding mowers—reduces the percentage of all other categories.
3. The top five types of equipment account for 79% of all losses. In 2012, the top five represented 86% of all thefts.
4. “Tractor” is a broad category, including compact, utility, and agricultural tractors.
5. More than 50 types of equipment make up the “All Other” category. They include graders, scrapers, wood chippers, and rollers. Unidentified construction and farm equipment represent the majority (more than 900) of the “All Other” category.

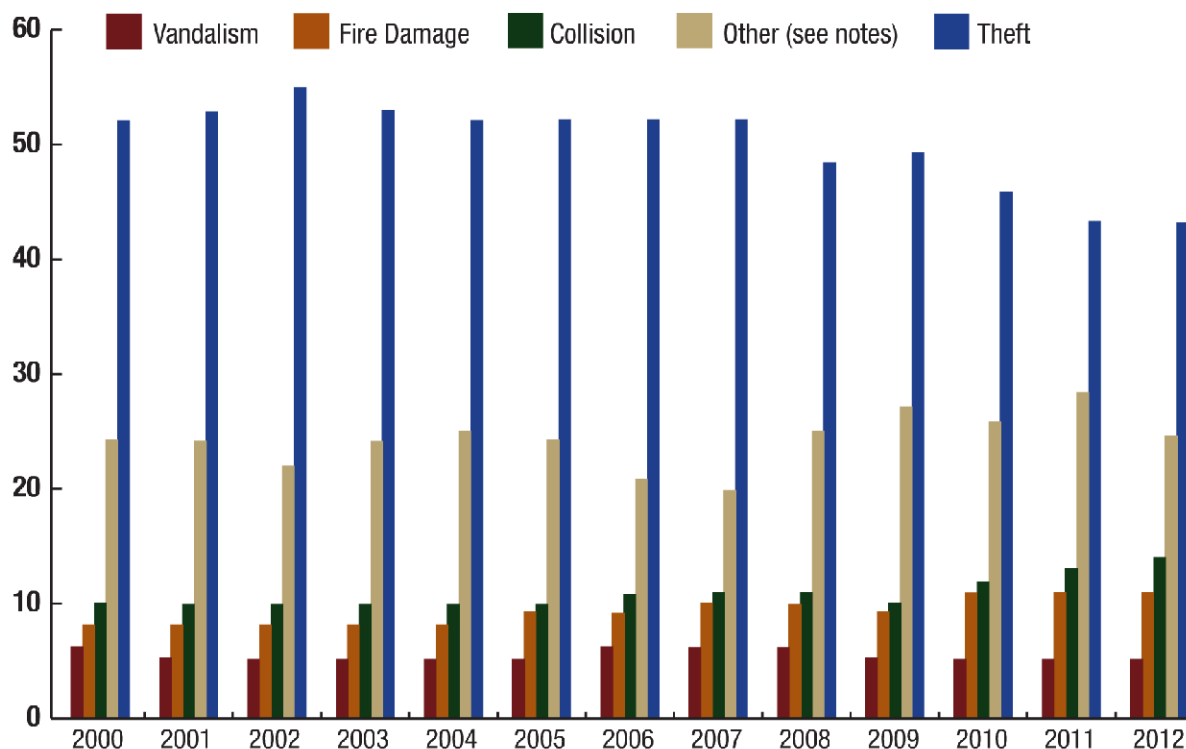
ANALYSIS

1. Two key factors determine the type of equipment that thieves are most likely to steal: value and mobility. Value is the primary factor, except for items too large to move on a small trailer. For instance, large bulldozers are valuable but seldom stolen, as they are difficult to move.
2. Another factor to consider is the number of each type of equipment in circulation. For example, skid steer loaders account for more than 30 percent of new construction equipment sold in the United States in the last five years.
3. Dozers and wheel loaders are the most valuable types of equipment in the top ten, but backhoes and skid steers are easier to transport. Therefore, the latter group represents a greater percentage of thefts.
4. The types of high-value equipment reported stolen frequently are wheeled machines, such as wheel loaders.

COMMENT

Equipment owners should consider mobility of equipment, as well as value, when planning security efforts.

Frequency of Theft Compared with Other Risks



NOTES

1. Frequency of risk is displayed as a percentage of all claims.
2. Source is ISO Inland Marine Circular, Contractors Equipment, All Classes.
3. We base the figures on frequency, not value. Theft still tops the list by value, although by a smaller margin.
4. "Other" includes claims involving windstorm, hail, water damage, flood, volcanic action, and earthquake.

COMMENT

Theft is the most frequent cause of loss, but it is also the type of loss that good prevention most dramatically affects. In other words, the level of risk varies greatly between equipment owners who take certain precautions and those who do not. Equipment owners can reduce the likelihood of theft and improve the chances of recovery by taking simple preventive steps that are both cost-effective and measurable.