



**IUMI**  
**International Union of Marine Insurance**

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## **Position Paper of the International Union of Marine Insurance (IUMI)**

### **Theft prevention**

*15 September 2015*

#### **1. Introduction**

IUMI encourages measures that reduce risk and support risk carriers, and has therefore amongst others an interest in preventing theft of cargo carried by road. While much is done by the industry, measures are also necessary from relevant authorities to prevent these losses. This paper focuses on the role of relevant authorities and suggestions for further measures for the prevention of cargo theft.

#### **2. Cargo Crime**

Throughout the Americas, Asia, Africa and Europe theft of cargo, alone or along with their means of transport, has reached alarming proportions.

High-quality and high value goods are far from being the only target. Nowadays, there is a market for almost any kind of stolen goods. These are no longer traded in a separate “black market”, but increasingly through openly available electronic trading platforms. This has a huge impact on the economy. According to an EU/Europol study based on TAPA<sup>1</sup> IIS figures from 2008, the annual economic damage in Europe amounts to EUR 8.2 bn. Although there are no similar official studies in the Americas, Africa or Asia to confirm this, IUMI suggest there is also a huge negative economic impact in these Continents.

Cargo crime is encouraged by a low risk of detection and limited law enforcement capabilities to stop the perpetrators. The imposed punishments are not sufficiently deterrent, especially when compared to the potential “profits” gained from the thefts. A number of initiatives such as “Operation Grafton” in the UK, the “fight against transport crime in the Netherlands” and the 2012 initiative in Colombia have proven successful. It is important to maintain and encourage similar initiatives, and communicate their results, methods and best practices.

In many cases, cargo crimes are not committed out of opportunity or as single incidents. The perpetrators or groups of perpetrators are proceeding in a well-organised and highly professional manner; the organisation of their operations often covers everything from the

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<sup>1</sup> Transport Asset Protection Association, a worldwide organization fighting against cargo theft



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gathering of information by insiders to sales planning in case of “theft to order”. The criminal structures behind the thefts are increasingly transnational and the internet is becoming more important for planning and executing these operations.

In most cases, these well-organised groups have committed other and similarly serious thefts before. The perpetrators follow many different approaches: thefts from trucks or storage facilities, robberies, hijacks and confidence tricks based on fake identity.

Given that companies need to compensate theft-related losses and additional costs for necessary security measures, cargo theft eventually leads to increasing prices for consumers. Consequently, the repercussions of cargo theft can be said to be all-encompassing affecting not only the stakeholders directly involved but also consumers, suppliers, as well as governments in the form of higher prices for consumer products and depleted tax revenues.

The increase in criminal activities indicates that more effort is necessary to improve security. Insurers are concerned that investigating authorities in many countries are still not doing enough to support the fight against cargo theft; possibly because cargo theft is looked upon as a victimless crime and there is a lack of public awareness. Investigations are often delayed due to a shortage of staff, lack of specialized knowledge, and inadequate cooperation between authorities and across borders. These delays are aggravated by ill-defined responsibilities of police and judicial authorities. Frequently it turns out that the place of damage cannot be determined, which is preventing the application of the *lex loci delicti* (“law of the place where the delict was committed”) and the territorial principle. Experience also shows that stolen cargo may quickly be brought across borders, in which case an immediate cross-border police intervention would be needed.

### 3. Current measures for theft prevention

To improve the situation, the insurance industry and other commercial sectors concerned are focusing on prevention measures. For instance, security standards<sup>2</sup> have been developed and are made available by TAPA. Marine insurers are also attempting to maintain the insurability of certain groups of goods through prevention programs. For example, the German Insurance Association (GDV) has developed a manual for the construction and operation of high-security truck parks (see <http://www.tis-gdv.de>), and the American insurance industry has developed data and recommendations on static and in transit cargo loss prevention as well as data on truck stop thefts pinpointing the locations of facilities victimized. Recommendations on loss prevention are also drafted to protect truck consignments from embezzlement.

Information about secure parking areas are available in several countries. A key issue to address is the low number of such secure parking places and the definitions of same. Latest statistics from TAPA IIS, which is confirmed by Ekwall and Lantz (2015), shows an increase in thefts from un-secured parking places.

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<sup>2</sup> FSR = Freight Security Requirements  
TSR = Truck Security Requirements



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### **4. Recommendations on further measures**

In addition to the current measures and continued theft prevention activities by the industry, IUMI<sup>i</sup> urges the following actions for the prevention of cargo theft:

- Relevant authorities should develop an overview of the cargo theft situation, including the theft of trailers and containers, in their respective country or region. Based on this, and in discussion with insurers and other industry stakeholders, decisions should be made on how to deal with the aforementioned hotspots and future measures against cargo theft.
- Exchange of best practices across borders on local initiatives proven to be successful.
- Improve law enforcement through transnational coordination and cooperation between countries and national law enforcements.
- Create special police units and specialised departments of public prosecution dealing with cargo crime.
- As criminals use the internet, there should be specific attention given to cyber fraud, such as with bills of lading and permits.
- Increase police presence in commercial truck parking areas and cargo storage facilities especially during nighttime, weekends and holidays.
- Create a network of high-security, accessible and affordable truck parks.

Introducing these measures would contribute to facilitate the safe and secure flow of goods within the global supply chain and increase the safety of people working in the transport sector.

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#### **<sup>i</sup> About IUMI:**

The International Union of Marine Insurance (IUMI) is a non-profit association established for the purpose of protecting, safeguarding and advancing insurers' interests in marine and all types of transport insurance. It also provides an essential forum to discuss and exchange ideas, information and statistics of common interest for marine underwriters and in exchange with other marine professionals. IUMI currently represents 48 national and marine market insurance and reinsurance associations.

The roles of IUMI are to

- act as a focal point and representative voice on behalf of the marine and transport insurance industries in dialogue with all interested parties,
- share information and research that are non-commercially sensitive with regard to marine and transport insurance,
- bring together marine insurance practitioners to facilitate the exchange of technical information and best practice, and
- provide information on positions taken by IUMI.