

The Insurance Industry's Contribution to Crime Prevention

By John Janicke*

(* Executive Director, Insurance Council of Australia)



Few people, confronted daily with graphic evidence of increased criminal activities, would neglect to safeguard their property by taking out insurance. In many cases, however, they overlook basic precautions that would deter criminals in the first place. Businessmen, shopkeepers and people in enterprises of all kinds are often as careless as some homeowners in this regard. Many insurance companies today place great emphasis on advising their clients about measures that should be taken to make their possessions or premises more secure.

In some cases, lowered premiums can be offered to policyholders who install recommended or approved systems or devices that make it difficult for criminals to gain entry to their property. Some companies now refuse to even consider issuing certain policies until there are suitable safeguards.

Burglary Policy

Many insurance companies today have stringent requirements that must be met before underwriting any burglary policy. At branch offices, inspectors can often make recommendations to policyholders, but security experts are usually called in to make detailed surveys of larger or more intricate structures. Depending on the requirements of the individual premises, recommendations are made about different types of locks, grills and alarm systems, as well as simple structural changes that can be made to render a building less accessible to unauthorised entry.

In addition to field work carried out for policyholders, insurance companies endeavour to keep up-to-date on the latest developments in crime prevention measures. As information is received by Insurance Council of Australia from within Australia or overseas, it is passed on to member companies (after evaluation, where necessary, by the Technical Division of the Council). Specialists in this division work closely with security personnel and police departments and also represent the insurance industry on committees investigating various aspects of crime prevention — for example, the Standards Association of Australia's Committee for Intruder Alarm Systems.

Money Policy

As the incidence of armed robbery rises at an unprecedented rate, increased attention is being given by the insurance industry to the protection of money — both on premises and in transit. Not only banks, building societies and finance companies are targets for this type of crime but smaller enterprises such as chemist shops, milk bars and service stations. When clients seek money insurance, field experts from the underwriting companies check the total physical layout of the premises and make recommendations designed to protect money held inside and transported into and out of the building. As with burglary cover, most companies today consider adequate security precautions of prime importance when underwriting money policies. The protection of cash in transit presents many problems because not only the physical safeguards must be considered, but also the procedures followed by personnel carrying the money. To help businessmen

improve the security of their own premises, as well as their money-carrying operations, I.C.A. is distributing a leaflet titled, "This is a Hold-Up". This was prepared in consultation with the armed robbery squad of the Victoria Police for release, as a pilot project, in Victoria and later, if warranted, throughout Australia. A cut-off coupon on the back of the leaflet enables interested readers to send in for a free technical booklet, called "Security of Cash", which describes more detailed precautions that can be taken against armed robbery.

Fire Policy

Quite naturally, where fire policies are concerned, the insurance industry's major efforts are directed at preventing, and reducing the spread of, fire. Although, to a certain extent, this may limit the amount of damage done by arson, it cannot prevent the crime from taking place. Most of the activities in this area are centred around I.C.A.'s close liaison with loss adjusters, police and various fire fighting services. As a result of this co-operation, it has been possible to pool useful information in cases where the cause of the fire could not be satisfactorily established. Arson detectives believe a national computerised information system of fire-loss records would help police to identify patterns of suspicious fires and would also assist insurance officials to identify possible fraudulent claims. Consideration is now being given to setting up a data bank that in no way infringes a citizen's right to privacy.

Another aspect of I.C.A.'s ongoing efforts to combat arson is the acquisition and distribution of films examining various facets of non-accidental fires. These films will be made available to crime-prevention agencies and other organisations concerned with arson.

Marine Policy

Whether it is transported to its destination by air, sea, land or some combination of these three, cargo is insured under a marine policy — and it is always a tempting prize for criminals. Today, the insurance industry is playing an increasing part in the investigation and development of crime resistance measures designed to discourage the pilfering and theft of goods in transit or in storage.

Since the growth of containerisation, special emphasis has been placed by I.C.A. on the study of crimes involving containers, especially those awaiting transportation. Work in this area can include projects as diversified as research into different types of seals and locking systems for securing container doors and the investigation of improved methods of cargo stacking and warehouse illumination.

As in other areas of crime prevention, I.C.A. works closely with security and law enforcement agencies and collects and disseminates to member companies all kinds of pertinent information from within Australia and abroad.

In addition to representing the marine insurance industry on national and international bodies, I.C.A. maintains a close liaison with other organisations concerned with loss prevention. An example of this is its membership in the Port of Melbourne Security Group. This is a group of people, all involved in dockside security, who meet regularly to exchange views and discuss ideas for improving port security. Although similar groups do not yet exist in other Australian ports, the results of the Melbourne meetings would seem to justify others being set up in the near future.

Houseowners and Householders Policy

One of the few ways that the insurance industry can help to prevent criminal attacks from taking place on Australian homes is to warn the owners of the dangers of inadequate protection and provide information that will assist them in achieving greater security. Articles prepared and distributed by I.C.A. to newspapers and magazines have carried this message into every state. News releases have also been sent out by I.C.A. at holiday-time, accompanied by a specially-prepared diagram illustrating anti-burglar precautions that houseowners can take to safeguard their homes while they are away.

I.C.A. believes there is evidence that a person who is truly security-conscious will tend to adopt safety precautions in most situations — whether in the home, at business or out on the street. One of the aims of the insurance industry is to encourage citizens to become security-conscious and help themselves by taking personal measures to protect the lives of their own families and their property and possessions.