



Society of
Insurance
Broking
Standards, Professionalism, Trust.

Good Practice Guide

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Car Security for Brokers

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This paper is in response to members' requests to provide a summary of good practice within one source document and is based upon the Society of Insurance Broking's understanding of the regulator's rules and current stance. Whilst a summary, it is not intended to be exhaustive and should not be relied upon at the exclusion of other sources of information.

Introduction

Understanding vehicle security

Advancements in technology have been instrumental in reducing vehicle related crime. But with many different types of car alarm available, this can cause confusion for both the vehicle owner and insurer.

Thatcham Research, an independent institution, have rated the different types of car alarm and immobiliser available so that consumers and insurers can recognise what is a legitimate and effective device, therefore being able to set car insurance rates accordingly. When describing what a car thief is like today, Thatcham say:

"...gone are the days when your average thief breaks a window to gain access and then hotwires the car before driving away in it. Now, thieves don't even need a key to steal your vehicle.

The modern thief is more likely to be part of a criminal gang using sophisticated technology to gain access to a vehicle's OBD (On Board Diagnostic unit) and successfully immobilise the security system."

In order to respond to the technology used to steal cars, alarms and immobilisers need to be able to react effectively in the event of a break-in.

Categorised alarms will detect things such as unauthorised motions, broken glass or attempted entry through its sensors when activated. Depending on the device, the reaction from the vehicle may include triggering a siren and/or an immobiliser.

Thatcham Research define categorised immobilisers and alarms as follows:

Immobiliser

Immobilisation of the vehicle under its own power:

- Passively set
- Isolates a minimum of two operating circuits or systems, or a minimum of one operationally relevant vehicle control unit with coded intervention
- Immobiliser System resistance to attack tests for a minimum duration of 5 minutes

Alarm

The Alarm is to provide warning of an attempted intrusion into the passenger compartment or unauthorised interference with a vehicle:

- Perimeter detection
- Ignition detection
- Passenger compartment movement detection
- Audible warning with battery back-up power supply
- Siren Resistance to attack for a minimum duration of 1 minute

By having a categorised system in place that both the consumer and insurer can understand, this should create better transparency when quoting prices as well as recognising that industry-recognised devices are in place.

How do car alarms affect insurance rates?

Vehicle security is an important part of an insurance policy agreement, making them void if no security devices are in place. Electronic devices such as alarms and immobilisers are the most effective tools a car owner can use and can be used to quantify the price of an insurance premium.

Thatcham Research have rated the different types of alarm and immobiliser, categorising them by their effectiveness. The higher the category number the more secure a car is considered to be. Alarms and immobilisers are recognised as the minimum in security requirements beyond locks, with all cars manufactured after 1998 fitted with immobilisers as standard. However, devices that include detection, tracking, transmission and identification devices are considered to offer higher levels of security, as follows:

- Category 1 – electronic alarm and immobiliser
- Category 2 – electronic immobiliser
- Category 2-1 – electronic alarm
- Category 4 – wheel locking devices
- Category S5 – vehicle tracking systems
- Category S7 – asset location systems

These categories give insurers an industry-approved standard of how to measure the vehicle's security and can calculate a policy accordingly. The higher the category number, the more secure the vehicle is regarded to be. This means a client is much less likely to make a claim. This should be factored in when calculating insurance against car theft as the vehicle should in theory be more difficult to steal or break into. Insurers can insist on a Thatcham categorised device to be fitted or upgraded from an existing system, or offer their client a discount if one is already present. However, factors such as the value of the vehicle, age of the vehicle and claims history still need to be taken into account when calculating the total of the policy overall.

What risks are there with new technology?

As with all technology, there are ways that things can go wrong. Despite being designed as a security precaution there are some vulnerabilities in on-board electronic systems. The New Vehicle Security Assessment (NVSA) programme was set up in response to secure cars against the growing threat presented by digital compromise. This programme which will be updated in 2019 will give carmakers the opportunity to bring in fresh measures to address the challenges presented by digital theft techniques. The new criteria will be designed to shut down the Keyless Entry vulnerability, while anticipating other potential methods of digital and cyber-compromise.

Types of digital theft techniques include:

- **The OBD Hack:** This is where the network connected to the On-Board Diagnostic port (the OBD-II port) is hacked into, allowing a thief to take control of the electronically controlled unit that operates functions such as the engine, transmission, windows, locks, etc.
- **The Relay Attack:** This is where a keyless entry system is exploited at a vulnerable point by thieves diverting the signal from a nearby keyless fob, tricking the car to unlock and start.
- **Jamming:** This is where a thief will block a signal from a driver intending to lock their car, therefore leaving the car unlocked.

Some electronic devices may also develop technical faults such as:

- inactive key fob
- car alarm siren stuck
- immobiliser not deactivating

Most electronic devices come with a manufacturer's guarantee, but clients should be vigilant in checking that their devices are operated properly, reporting any faults at the first instance.

Good Practice

1. Check that systems are installed properly.

Car security systems need to be fitted properly in order to maintain their Thatcham approval. This needs to be checked by the insurer when validating an insurance policy. Devices are installed directly into the car wiring and the end result needs to be safe for the vehicle and its passengers. The only way to ensure alarm fitting standards are maintained is by making sure installers are members of a recognised body. As VSIB is defunct it is no longer officially recognised as the industry standard. Insurers should always guide their customers towards installers who are approved and regulated.

Find nearest [Thatcham car alarms TRI expert](#) from [ThatchamCarAlarms.co.uk](#) web site.

2. Promote digital safety techniques.

Even with the most expensive and up to date technology, your client may still get caught out by thieves if they don't know how to operate their car's security systems properly. Depending on what your devices you client has, consider suggesting the following:

- Switch keyless fobs off overnight to prevent hacking. Also check what software updates are available and if there are any new key fobs available with added security;
- Store keyless fobs away as far inside the home as possible, away from entry points, to prevent thieves from detecting and relaying its signal;
- Use shielding devices, such as Faraday pouches and containers; and
- Still employ additional traditional methods such as parking in well-lit areas and checking the car is locked.

Until strict regulations are implemented for the sale of hacking tools online, advise your client to always remain vigilant and not to assume that owning high-tech gadgets is all they need to remain secure.

3. Ensure certificates are up to date.

Any certificates of installation associated with a car alarm or immobiliser must be presented to the insurer once they have been fitted by an accredited installer (if not already installed). Previously these security standards were upheld by Vehicle Systems Installation Board (VSIB). However they dissolved in 2009 resulting in forged and counterfeit security certificates being passed as VSIB approved. Thatcham have their own Recognised Installer scheme (TRI) as well as being part of the MESF Mobile Electronics & Security Federation specialist scheme so that insurers can be more secure in the authenticity of certificates.

Thatcham also provide a list of recognised installers on their [website](#).

4. Think beyond alarms.

Car alarms and immobilisers are only the minimum security requirements beyond locking the vehicle. Other recommended security precautions include:

- Whole vehicle marking (eg security labels, UV footprinting, engraving and radio frequency identity tags)
- On-board diagnostics electronic port protection
- Non-categorised aftermarket systems (ie vehicle ID, signalling systems and improved door locks not approved by Thatcham)
- Physical steering column locks.

Conclusion

By fitting vehicles with a Thatcham categorised device, both the vehicle owner and insurer can rest assured that an industry approved safety precaution has been installed. With official certification and an entry onto the TRI database, it is now easier to track who has what installed on their car, making it easier for insurers to calculate cover appropriately.

By having a structured system in place, the category levels should make it easier for consumers to understand the level of security their car has which in turn should give them greater clarity on their insurance has been calculated. By setting categorised guidelines, Thatcham Research have simplified how security levels can be grouped so that understanding pricing should be easier. As the categories are industry recognised, as well as being available to any insurer via a database, this should provide more consistency in pricing.

Appendix – Primary Source Material

Thatcham

Name	Summary	Link
Driver Zone	How to keep your vehicle secure.	https://www.thatcham.org/files/pdf/Consumer/driver_zone_security_update.pdf
Thatcham Car Alarms	Thatcham approved car alarms and installers.	http://www.thatchamcaralarms.co.uk/index.html
Thatcham Fitters	Nationwide fitters.	http://thatchamfitters.co.uk/
Vehicle Rating & Security	Thatcham security certification.	https://www.thatcham.org/security
Vehicle Security Product Definitions Guidelines	Category definitions.	https://www.thatcham.org/files/files/TCS%20docs/Vehicle%20Security%20Product%20Definitions%20Guidelines.pdf

