



New Technology Combats Vehicle Theft

By James S. Spiller

Can the United States insurance industry benefit from new technology to combat vehicle theft?

The answer to this question is a resounding yes. To counter professional vehicle thieves, Australian and Canadian companies have developed revolutionary technologies that will take most, if not all, the profit out of professional vehicle theft and allow the recovery of stolen vehicles more quickly than is possible currently.

After years of technological advances by vehicle manufacturers and after-market security system developers, amateur thieves virtually were stopped in their tracks. Since 2000, however, Federal Bureau of Information Uniform Crime Reports show that vehicle theft has increased to more than 1.2 million vehicles per year at an estimated cost of approximately \$8 billion annually. These increases are attributed to professional thieves who have sharpened their skills and have found ways around many of the traditional anti-theft technologies.

In response, new technology has been developed that is designed to mark vehicles' major parts, similar to the part-marking labels mandated by the National Highway Traffic Safety Administration. Once the microdot marking system is applied to a vehicle through a spray-on process, it is virtually impossible to locate and remove all of the ten thousand

unique identification codes. Thus, a thief cannot resell, even on the black market, the vehicle or its component parts without finding and removing all ten thousand markings.

Nissan Motors of North America will be the first vehicle manufacturer in the United States to test the theft deterrence ability of this new technology. In response to an increase in the theft of Xenon headlights, which are very costly to replace, Nissan has allied with law enforcement agencies in the Northeast and Seattle-based DataDot Technologies USA to combat the problem. Nissan has planned a promotional recall of approximately 40,000 2002-2003 Nissan Maximas equipped with Xenon headlights so that the headlights may be marked with thousands of microdots.

These microdots will contain unique identification numbers that will be cross-referenced to the VIN of the vehicle and stored in DataDot's database. Law enforcement agencies worldwide will have access to this information and will be able to determine if the headlights or the vehicle is stolen. This most likely will deter thieves from stealing the vehicles or the traceable headlights.

Since early 2002, BMW voluntarily has been marking all BMW vehicles manufactured for sale in Australia. During the first 18 months of this pro-

ject, the National Motor Vehicle Theft Reduction Council reported a significant decrease in BMW thefts. As a matter of fact, some BMW lines have experienced a 90 percent decrease in thefts.

"It is our view that the microdot system is now the most effective vehicle and component identification system currently available in the world," said Ray Carrol, NMVTRC's executive director. "On the other hand, we do not regard immobilizers as an effective protection against professional vehicle theft." Immobilizers stop the novice thief, but not the professional. The microdot concept is designed to do just the opposite, by taking the profit out of trafficking in stolen vehicle parts.

The Insurance Industry in Australia has embraced the microdot technology and understands its potential benefit to their market. In the United States, Sentry Insurance Co. is the first insurer to offer its customers modest premium discounts once they have their motorcycles marked with microdots.

Speedy Recoveries

If the thief really wants a vehicle, however, he will find a way to steal it. Based on that fact, a Canadian company has developed enhanced technology that will assist law enforcement agencies in recovering vehicles more quickly. The



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TECHNOLOGY

DataDots drive down theft

BMW Group Australia has secured the maximum 100 points in the NRMA ID Security rating, thanks to a change in the way DataDot anti-theft deterrent microdots are applied.

Each new BMW has its own unique identifier laser-etched on up to 10,000 microdots, which are then sprayed over the vehicle's underbody and major components, including its identifying plates. These dots are having a decisive effect on theft rates.

DataDots have been applied to all BMW and MINI vehicles sold in Australia since 2001, and the latest theft statistics show a massive drop of 60 per cent in the appeal of BMWs to professional thieves.

Older cars are more at risk from theft for parts stripping, but BMWs should remain more secure, as their key components are all marked and thus traceable, making them harder to sell through black market parts traders.

The annual cost of vehicle theft in Australia exceeds \$1 billion. BMW is at the forefront of the fight, and has installed highly effective ignition transponder immobilisers to all its models since 1995.

DataDots add another layer of protection for BMW owners, and also help to lower BMW insurance premiums, as insurers recognise the declining appeal of BMWs as theft targets. DataDot technology was developed, enhanced and perfected in Australia and is now being employed around the world, from the USA to China and South Africa.

