

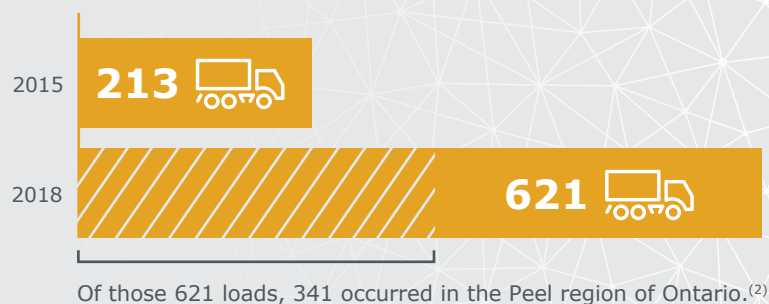
CARGO THEFT PREVENTION BEST PRACTICES DURING THE COVID-19 PANDEMIC

Prior to the COVID-19 pandemic, the Greater Toronto Area (GTA) had the highest rate of cargo theft in North America. Let's break down the numbers.

CARGO THEFT

The number of stolen cargo loads in Canada has increased from

213 loads in 2015
to 621 loads in 2018.⁽¹⁾



The next highest number of stolen cargo loads in North America was in California, at 208 stolen loads,⁽³⁾ which may not seem like a big difference, until you compare Peel region's population of 1.3 million people and surface area of 1,247 km²⁽⁴⁾, with California's population of 40 million people and surface area of 403,466 km²⁽⁵⁾.

Cargo thefts are estimated to have a \$5 billion impact on the Canadian economy, and a \$35 billion impact on the US economy.⁽⁶⁾ Unfortunately, the COVID-19 pandemic is expected to further increase the number of stolen cargo loads, especially in already vulnerable areas such as the GTA.

IMPORTANT:

- This bulletin is not a substitute for a thorough risk assessment and is intended to provide information only.
- The following content represents general guidance only.
- The content below should not be construed as a waiver of any terms, conditions, exclusions or other provisions of a valid policy of insurance issued by Sovereign, nor should they be construed as an extension of coverage not specifically provided for in a policy of insurance issued by Sovereign.
- Please refer to the terms and conditions of your policy for further details regarding your coverage. In the event of any conflict between this general guidance and your policy, the terms of your policy will govern.

Why is cargo theft expected to increase during the COVID-19 pandemic?

- Businesses are closed and industrial areas are often isolated from main traffic areas, allowing theft crews to stakeout potential loads without detection.
 - Police services have closed non-essential units and are focused on responding to priority calls. It's also anticipated that COVID-19 may eventually impact uniform policing resources as infection spreads.
 - Trucking is currently mandated by the Canadian and US governments as an essential service during the COVID-19 pandemic, and the demand for daily supplies places any commodity at potentially greater risk for theft.
 - Parked trailer loads or running reefers waiting to be transported are now at an even greater risk for theft due to the significant decrease in resources available for security patrols.
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Best practice recommendations for goods in transit:

Carrier management should consider the following best practices to protect cargo from being stolen while in transit:

Schedule delivery times with consignees.

- Whenever possible, confirm delivery times with your consignee, and put a contingency plan in place in case your consignee temporarily closes their operations without notice.

Identify goods in-transit and potential delays.

- Closely monitor border and seaport closures. Identify delays due to locations operating at limited capacity.

Give drivers clear instructions and stay in touch.

- Prohibit drivers from stopping in identified high risk areas. Secure safe parking for drivers, establish clear means of communication, and ensure drivers are instructed on contingency plans prior to leaving with the load.

Track goods in-transit.

- Use a reputable GPS tracking company to track loads in transit. GPS tracking capabilities should include real time location services and geo-fencing that notifies a carrier of a tractor/trailer detected to be in motion when it's expected to be stationary.
- Require drivers to check seal integrity at each stop while in-transit. Trailer configurations such as curtain wall trailers should be inspected regularly for signs of damage or tampering.

Review requirements for perishable products.

Products designated as 'critical need items' for the response to the COVID-19 pandemic have been given priority for temperature-controlled capacity. As a result, non-critical perishables may be subject to increased transit time, increasing opportunities for exposure to criminal activity.

- Check temperature thresholds and stability requirements for perishable cargo and develop contingency plans in the event such products are delayed longer than anticipated.

Monitor the developing situation.

The COVID-19 pandemic continues to be a developing situation and is subject to rapid change. Continue to monitor for the following:

- Full border closure due to government order. Develop a contingency plan for the handling of the load in transit.
- Further closures and restrictions. Businesses that were reported open prior to arrival may be closed by government order by the time the cargo arrives. Develop a contingency plan that includes calling dispatch, staging at a secondary secured yard, and arranging for alternate load assignment.
- Unpredictable situations like protests. Develop a plan to monitor such activities and communicate alternate routes to drivers in transit.
- Closures of driver services such as truck stops and food/washroom facilities. Monitor closures, research available options and provide a list of open facilities to drivers. Provide alternate routes as required.

Parked trailer loads or running reefers waiting to be transported are at high-risk for theft. Carrier management should consider the following best practices to protect cargo while stopped at cargo storage locations:

Ensure security and alarm functionality are available at cargo storage locations.

- Identify locations with CCTV coverage, fenced and gated compounds with electronic gate controls, security lighting, and onsite security.

Minimize preloading of trailers.

- Pre-loaded trailers are more susceptible to theft. When possible, do not pre-load trailers - determine pick-up times and schedule arrival accordingly to avoid the need to pre-load the truck. If pre-loading is required, do so in a secured compound.

☐ Identify alternative storage locations.

- The COVID-19 pandemic will potentially disrupt regular operations, which may result in an increase in inventory turn times and limited storage capacity. Identify secure alternative storage locations if the original storage location becomes unavailable.

With approximately 90% of all commodities within Canada delivered by road transportation⁽⁷⁾, now more than ever it's imperative for transport carriers to take additional steps to protect the critical cargo being hauled.

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