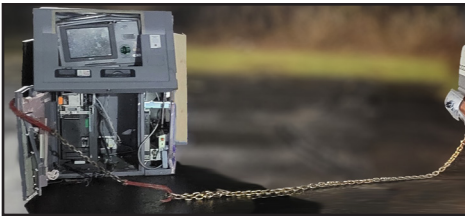

ATM crime continues to proliferate

We first reported a significant increase in ATM smash and grab style claims two years ago. Unfortunately, criminals continue to target ATMs at an alarming pace, hitting machines across the country in numbers never seen before. Nearly 50 ATM claims were reported in 2022, up from 30 in 2021 and under ten in 2020. Claims were reported in 22 different states, with Texas, Louisiana, Mississippi, and Georgia leading the way.

We first reported a significant increase in ATM smash and grab style claims two years ago. Unfortunately, criminals continue to target ATMs at an alarming pace, hitting machines across the country in numbers never seen before. Nearly 50 ATM claims were reported in 2022, up from 30 in 2021 and under ten in 2020. Claims were reported in 22 different states, with Texas, Louisiana, Mississippi, and Georgia leading the way.



Overwhelmingly, the most common scenario is the “hook and chain” attack, where thieves rip an ATM open with a hook and chain attached to a large vehicle. Once open, thieves remove the cash cassettes and flee the scene, leaving the damaged or destroyed machine behind. In other cases, vehicles are used to breach exterior walls or doors to gain access to ATMs placed inside. These crimes are prolific because they are profitable and easy to conduct.

ATM crime is particularly problematic from an insurance perspective because these crimes trigger coverage under multiple policies. Your financial institution bond responds to the stolen cash and your property policy responds to the damaged ATM. Based on our data, the average amount of cash stolen in a hook and chain attack is \$27,000, and it typically costs around \$75,000 to replace a machine.

There are steps that can be taken to mitigate exposure to ATM crime. In addition to enhanced lighting, cameras, and audible alarms, experts suggest physical barriers can be particularly effective. Bollards, cross bars, and ATM security gates are commonly used to deter theft. Some banks also use steel or concrete enclosures to help withstand attacks.

Innovative technologies, including the use of traceable liquid solutions, are beginning to gain popularity. Here, harmless liquid solutions are sprayed onto a criminal using a specially designed sprayer inserted into an ATM. The solution is only detectable under black light and can remain visible for long periods of time. Each solution has its own signature formula, allowing for a unique sequence that can be traced back to a particular machine.

Another emerging solution is the use of specially designed dye packs that can be set to deploy when the machine is hit with a certain level of force, similar to the technology behind vehicle air bags. These dye packs sit inside the ATM alongside the cash cannisters but do not take up valuable space in the cannisters themselves. The moment enough force is detected, the dye packs explode rendering the cash useless.

Regardless of your security protocols, you should conduct regular risk assessments to identify potential vulnerabilities and threats to your physical assets. An annual audit of your ATM security measures is a good proactive step to help deter threats from hook and chain or other security breaches.

Visit abais.com for more loss control information or to view this SafeAlert® online. To subscribe to SafeAlert, request reprints or if you have questions about this newsletter or articles, contact marketing@abais.com or 800-274-5222.

The facts of any potential claims situation which may actually arise, and the terms, conditions, exclusions, and limitations in any policy in effect at that time, are unique. Thus, no representation is made that any specific insurance coverage applies. This information provides guidance and is not intended as a legal interpretation of any federal, state or local laws, rules or regulations. ABA Insurance Services Inc. (“ABAIS”) does not warrant that all potential hazards or conditions have been evaluated or can be controlled. The liability of ABAIS and its affiliates is limited to the terms, limits and conditions of the insurance policies issued by ABAIS. © 2023 ABA Insurance Services Inc. dba Cabins Insurance Services in CA (CA license #0G63200, 2G63200), ABA Insurance Services of Kentucky Inc. in KY and ABA Insurance Agency Inc. in MI. 3401 Tuttle Road, Ste 300, Shaker Hts, OH, 44122 032023.SA21