

## Classic Car – To Thatcham or Not to Thatcham....?

*In January 2019 Thatcham Categories for vehicle security changed, but is the change a benefit to Classic Car owners?*

Here at Classic Tracker, we offer both Thatcham accredited insurance trackers and our own proprietary, classic-specific solution; which would be difficult to accredit due to its self-installation nature and hence has no Thatcham accreditation. However, we are regularly asked 'should I buy a Thatcham accredited tracker for my classic?'

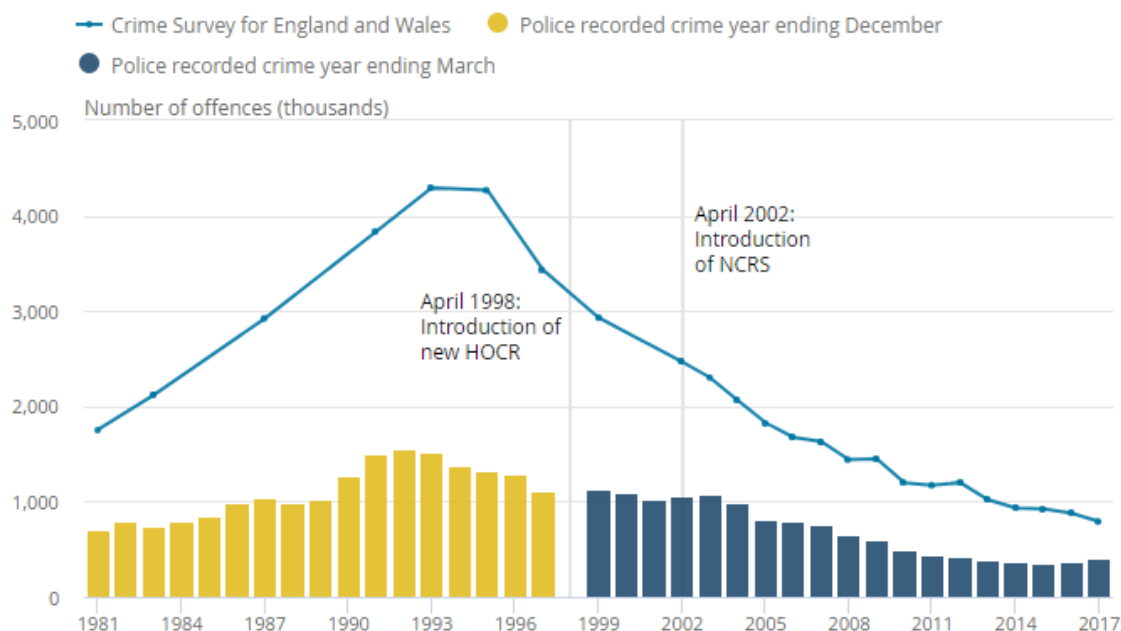
To understand that question and hence how-to best answer, it may be useful to explain the concept of Thatcham categorisation, and moreover its relevance to the world of classic cars.

### History

Classic cars were once modern cars, but time has transitioned them to something much more. Whilst still a vehicle which carries passengers from A to B, the increased rarity and hence value, coupled with sentimental attachment means that classic cars appear somewhere on a spectrum of high-value assets; not too dissimilar to that of fine art.

The history behind Thatcham CAT (categorisation) is relatively simple. In the 1980s car theft was rising out of control in the UK.

*Trends in Crime Survey for England and Wales and police recorded vehicle-related theft, year ending December 1981 to year ending March 2017*



**Source: Crime Survey for England and Wales, Office for National Statistics and Police recorded crime, Home Office**

The government at the time knowing they needed to react, sought the experience of a specialist automotive research organisation just outside Reading, Berkshire, in the village of Thatcham.

Thatcham Research is an independent non-profit making research centre. It was set up in 1969 by British insurers. Its main aim is to contain or reduce the cost of motor insurance claims whilst maintaining safety standards. The majority of Thatcham Research's work is funded by its member insurers. Over the years, Thatcham Research has developed and refined its activities and influence to encompass traditional damageability and repairability research, the publication of crash repair manuals and standard times, training and vehicle security.

Primarily with the accessible cost and availability of both digital mobile-cellular communications (2G GSM) and public access to global positioning systems (GPS) from 2000, tracking technology was now available to commercial organisation. Using this new technology, a very effective and closed loop-of-trust was organised between various parties; accredited tracking device, tracker installer and tracking service-operator. This still exists today and somewhat 'governed' by Thatcham Research, who as described above are funded by British insurance companies.

This loop-of-trust is a 'security-standard' known and trusted by insurance underwriters, who are generally the decision makers on which Thatcham CAT level your vehicle must be protected to.

## **Thatcham Vehicle Categories**

Thatcham allocate different categories to vehicle trackers and immobilisers. These have been known and understood by the public and insurance underwriters alike as CAT5, 6 & 7.

On January 1<sup>st</sup> 2019 these three categorisations merged into two; Category S5 and Category S7.

### ***Vehicle Tracking Systems (Category S5) – Superseding previous Category 5 or 6 from 1st January 2019***

The purpose of the Thatcham assessed Vehicle Tracking System is to detect unauthorised use of a protected vehicle and increasing the probability of the recovery of a stolen vehicle.

- 24/7 monitored meeting the requirements of 'BS 8591 Remote centres receiving signals from alarm systems – Code of practice' Category 1 or equivalent standard
- Passively and Remote set function
- Health Check program
- Roaming SIM
- Global Positioning System (GPS)
- Driver Identification Device
- Vehicle motion detection
- Data logging
- Bi-Directional data transmission
- Battery back-up power supply
- Resistance to attack for a minimum of 2 minutes

### ***Asset Location Systems (Category S7) – Superseding previous Category 6 or 7 from 1st January 2019***

The purpose of the Thatcham assessed Asset Location System is to increase the probability of the recovery of a stolen asset.

- 24/7 monitored meeting the requirements of 'BS 8591 Remote centres receiving signals from alarm systems – Code of practice' Category 1 or equivalent standard
- Passively and Remote set function
- Health Check program
- Means of locating Asset within a 1-mile radius in general terrain
- Precisely locatable within 15 minutes from signal receipt on Thatcham pursuit test
- A minimum of one means of transmission of signal
- Battery back-up power supply
- Resistance to attack for a minimum of 2 minutes

An alternative perspective on the factors which control & affect the loop-of-trust can be described as follows:

- **The physical tracking device.** This must operate to a given specification to ensure it can deliver the service operated by the Tracking Service Operator;
- **The Tracking Service Operator.** This is the company who exploit the data from the device to operate a tracking service (geolocation, monitoring, alerts, unauthorised movement, power and driver notification etc.).

- **The tracker installer.** The person who installs the Thatcham accredited tracker needs to have passed and be on Thatcham's TRI scheme (Thatcham Recognised Installer).

### Key Points to Recognise

- You rarely get to choose who installs the tracker into your vehicle, or where in your car it is installed;
- The installer is paid for each install and typically aims to achieve an installation as quickly as possible, to maintain as high a daily-income as possible.
- Beyond geolocation, the data delivered by the service operator is rarely shared with the vehicle owner.

### Notes

1. Many people who have a Thatcham accredited device installed by a Thatcham Recognised Installer (TRI) bother to check whether the installing company's TRI registration is still valid.
2. Thatcham discontinued the TRI scheme on 31<sup>st</sup> December 2018, meaning there will be no future proactive quality-supervision of installation companies, nor will new installers be able to accredit their work. The TRI scheme from January 2019 serves primarily as an on-line resource to record who installed which tracker to what vehicle on what date. This change is mostly driven by the fact that the greater majority of new cars today are supplied with connected, remote telematic devices which also provide some notion of tracking for the vehicle owner. Therefore, there is no need to consider the requirements of an after-market product.
3. In 2019 Category 5, 6 & 7 merged into just two categories; Category S5 & S7. The significant differentiator between S5 & S7 being be a Driver ID Device in an S5 category device.

### Result

As a result of this excellent collaboration, during the mid-1990s car theft began to drop and within ten years reports incidents had more than halved; much as a result of after-market devices being fit to cars during this period.

**Insurance underwriters** then and still today insist on a specific category of Thatcham accredited tracker, to ensure the vehicle can be insured within their given risk criteria and profile.

### So how is this relevant to Classic Cars?

A good example might be to consider a Thatcham CAT5/S5 accredited tracker and to evaluate its suitability for installation into a classic car. In the eyes of the underwriter Thatcham CAT5/S5 is presently one of the most stringent categories of after-market tracker; often applied to many high-value vehicles.

#### *Driver Recognition*

In addition to the core monitoring & tracking features made available to the tracking operator, CAT5/S5 also requires a *driver ID recognition device* to be installed. Using your car when fitted with a CAT5/S5 device, to avoid calls from your tracker service operator, you must present a separate small device (often a small fob) to a fob-reader prior to driving-off in your car. This fob-reader is installed at the same time as the CAT5/S5 tracker.

Though similar, it is not to be confused with a regular vehicle immobiliser, as the car will still be drivable even if your fob is not recognised. If it is recognised no alert is sent from the tracker to the tracker-operator. If the system does not identify your driver tag, an unauthorised driver alert will be sent to the tracker-operator and when your vehicle is moving, you will be contacted to confirm the location of your vehicle and driver ID.

Let's consider the fitment of this driver recognition device.

**RISK:** As you're often unable to select who fits the device to your classic, are you happy with allowing a potential unknown individual to perform all manner of damage to your vehicle?

**RISK:** Installation of the ID fob reader to your car will involve securing (screwing) the device to your car; often in a convenient location such as the dashboard.

#### *Take a drill to a Ferrari 250 GTO*

Let's assume that your classic car is a Ferrari 250 GTO. For the sake of example let's assume it's market value is £20,000,000.

Just like the 1977 MG BGT owner, the time has come to renew the annual insurance policy; simply to enable legal entitlement to drive the car on public highways. The insurance broker, agent or company will undoubtedly have to seek guidance from their underwriter due to the exceptionally high value of the Ferrari. For a high-value vehicle the insurance underwriter will simply specify the most stringent of Thatcham tracker, CAT5/S5. This prerequisite is then communicated back to the owner via the insurance sales agent and the owner then has two choices.

Option 1: Organise the procurement and installation of a CAT5/S5 tracker to comply with the insurance policy. As we have learned, this involves a very brave 'accredited installer' to place a drill bit into his battery-operated drill and create any number of holes into the cars' dashboard for fixing the driver ID fob reader. In doing so, the installer has irreparably damaged and inevitably reduced the value of that car, not to mention the degree of 'irritation' to the owner.

Option 2: Ignore the CAT5/S5 request and look to renew the insurance elsewhere.

He/she then phones around, but each and every insurance quote returns with the same prerequisite; a CAT5/S5 tracker. This is perhaps due to the small number of underwriters in the classic-car world. So, the request from the insurance sales-agent falls on the same underwriters' desk, who by this time, is more than familiar with the car.

What actually happens and has continued for many years is as follows: The insurance underwriter knows full-well that insisting on fitting a device designed for a modern vehicle has no place in a high value classic and so accepts the risk and subsequently issues the policy. This has been happening for years. *But hang-on, all classic cars are increasing in value, so this problem is surely not limited to a Ferrari 250 GTO...?!?*

### Alternatives

So, if fitting CAT 'X' tracker is black and not having one is white, over the years the grey between these two extremes has been populated by all manner of ineffective, inappropriate and alternatives;

- Fleet/truck management trackers;
- Redundant iPhones using where's my iPhone to establish the whereabouts;
- Bluetooth tags with an inadequate 30m range and battery life less than a week and;
- Low-cost eBay sourced devices which require you to enquire as to the whereabouts of your vehicle (i.e. no notification in the event of theft).

Many of these options involve the owner having to organise a monthly SIM which they forget to top-up or unbeknown to them costs a small fortune to use in Europe and automatically expires moments after heading further into France from Calais.

### Ownership cycles

Typically, most classic car owners tend to own their vehicles for many years; often tens of years. The typical ownership cycle of a modern performance car is three years. Therefore, to consider installing a device which was designed to map a three-year vehicle ownership cycle might not be prudent in a classic car.

### Motivation

Explore for a moment, why does the insurance underwriter want you to install a device at your own expense? Answer; to reduce risk, to reduce and maintain the pay-out ratios within his business.

Does the insurance underwriter have any concern for your personal sentimental value? Meaning, does he/she pay any concern for the personal hours of toil in preservation, the multitude of missed-breakdowns thanks to your good maintenance and the level of financial investment we make in classic-car ownership, often more than the value of the car itself? Moreover, does he care whether you get *your* classic back after theft? No, he cares primarily on maintaining the state of a very lucrative commercial venture which is simply making a profit on annual policies which historically have never had to make a pay-out (agreed value or otherwise). This commercially motivated position is not a crime of course, but equally and arguably, it is maligned

with the personal passion, interest and preservation that most classic owners are motivated to place on their cars.

## Solution

Classic Tracker have developed a classic-specific service which uses best-in-class componentry to protect your classic. Very much like Thatcham's original aims and intentions, its primary aim is to recover **your** car in the event of a theft.

A three-wire, self-install tracker which uses GPS & GSM to establish and maintain the secure-status of your classic. In the event of any unauthorised movement or tampering, you receive an alert via app/SMS/email and have access to real-time information on an app or the web. Additionally, we provide the ability for you to remotely immobilise your car during a theft situation.

An optional premium service is also available which will have us interact with the police 24/7 in the event of a theft situation.

- 3-WIRE SELF INSTALL
- REMOTE VEHICLE IMMOBILSER
- EU/UK/USA Coverage
- WEB & APP Tracking
- SMS-TXT, APP & Email ALERTS

Everything performs to an accredited specification, it simply is not been put through a process of testing to comply with an insurance company funded set of tests.

## Conclusion

- Is the present Thatcham model suitable for classics and their owners? Probably not.
- Do insurance companies invest emotionally in the protection and recovery of your car? Probably not.
- Does Classic Tracker have something unique? Probably not but goes a lot further to align the needs and wants of the average classic car owner than most.

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