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INSURANCE



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JEWELLERS BLOCK INSURANCE

GUIDELINES FOR THE TRADE



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JEWELLERS BLOCK INSURANCE - GUIDELINES FOR THE TRADE

They say that “familiarity breeds contempt”. According to one on-line definition this means “**extensive knowledge of or close association with someone or something leads to a loss of respect for them or it.**”

Having been closely associated with the trade for over 50 years, here at M&N we have seen this “saying” coming home to roost on more than one occasion. When someone walks around with £10,000 cash, it somehow triggers their mind to be watchful of surroundings. People will often touch that package from time to time to make sure it’s still there. Conversely, there are others walking around with a few £100,000 worth of jewellery, yet their senses are not as switched on as their goods are looked upon as a potato or just an everyday item. Such is life. The important thing as far as we are concerned is to protect the person who is looking after these goods, then limit any risk as far as possible without become neurotic in the process.

The following pages contain a wealth of information and provide guidance to anyone working within the Jewellery Trade that will assist any newcomer or a seasoned Jeweller with years of trading under their belt. These guidelines have evolved over the years and reflect the everyday needs and requirements in our changing world. We are indebted to Donna Bullock, Director of Acanthurus Ltd who specialises on Security & Risk Consulting for her input relating in particular to “situational awareness” (Pages 7-10).

The first thing you need to check is that your policy is fit for purpose as it constitutes your contract with Insurers. You must check that it meets all your requirements and that you are happy with the declared sums insured and the terms and conditions that are applicable to you. Furthermore, as your proposal form forms the basis of the contract with Insurers you should make certain that all the information shown is accurate and to the best of your belief.

It is vital that your risk has been presented to Insurers in the correct manner. From 12th August 2016, new legislation is in force which makes it your responsibility to provide a fair presentation of the insurance risk based on you conducting a reasonable search for information. This could require you to obtain information if appropriate from senior managers within your organisation or other parties to which the insurance relates or who carry out outsource functions for your business. You must disclose every material circumstance which you know or ought to know, or failing that disclose sufficient information to put your insurer on notice that it needs to make further enquiries. You must ensure that any information you provide is correct to the best of your knowledge and representations that you make in expectation or belief must be made in good faith. Here are a few examples that can cause problems if not disclosed.

details of other businesses (past or present) that you have or are involved with that have suffered a loss(es) even after a five year period, or
if underwriters have imposed terms on your business as a result of a single or series of claims or have refused to issue or have cancelled cover or
if you have any criminal record (even if this might have occurred for a trading standard issue) or if you have been made bankrupt
If there is or has been any change in your circumstances which could affect your risk, you must notify us immediately
If any matter or incident occurs which might result in a claim under the terms of your policy, it is again imperative that you let us know immediately, reporting all the relevant facts

In summary, once these guidelines have been taken to heart, it should help to reduce and control your risk - thereby presenting fewer opportunities for misfortune to occur and your premiums will remain in check.

If you require any further assistance, please contact M&N’s Jewellers Bock department at M & N Insurance Service Limited 248 Hendon Way London NW4 3NL on 020 8202 4474 or send an email to info@insure.com.

Introduction

Regrettably, crime is an ever-present reality for any business and the luxury jewellery market presents a very attractive target for criminals. You should have taken account of the risks facing your business and invested in the highest levels of physical and technical security to ensure that your shops are well protected. However, this is only part of the equation. Security involves teamwork and cooperation and is not just the responsibility of the security guard or senior management. Everyone, whatever position in the business, has a duty of care to keep themselves, their colleagues and your customers safe.

Are you being watched?

Criminals want to find out as much as possible about your business and it may take place immediately before a loss or it may be conducted over a period of hours, days or even weeks. Unfortunately, thieves don't walk around with signs identifying themselves as such and some are very professional at disguising themselves and their intentions. We have seen claims occur with bogus Post Office Staff collecting goods from clients. Still, when thefts occur, most jewellers can recall a suspicious situation that might have tipped them off.

They may practice different things to see how you react:-

- They may approach during opening and closing routines
- They may come into the store and browse or even make a purchase
- They may ask to use your bathroom
- They might show undue interest in security systems
- Look for individuals or vehicles positioned for an unusual length of time with a line of sight to your business.
- If you are suspicious of someone, watch them and make it obvious you are watching them.
- Vary times and routes for trips outside your shop to avoid setting a predictable routine.
- Keep a suspicious incident log and ensure that staff know how to report suspicious incidents.

Theft – Distraction & Sleight of Hand Distraction techniques

- Couples or children have been used to create a commotion, an argument or feign illness.
- They might want you to leave a showcase unlocked, leave the keys on the counter, to leave goods unattended to turn your attention elsewhere or leave doors insecure in the hope they can get to the safe.
- The theft might not be discovered until some time after they have left the shop.

Sleight of hand switch

- These criminals are highly skilled at what they do.
- They operate in concert with a distraction technique and or
- They may wear imitation jewellery in readiness for a switch.
- They may 'case' your shop to find out about your stock before returning later to conduct the switch.
- Chewing Gum may seem innocent enough. However, a notorious Jewel Thief used it to steal millions of Euros from high quality jewellers by sticking gum strategically on a piece of jewellery then sticking the "selected item" on to it. She was a master of her trade. CCTV didn't spot it at the time.

Theft – How can you prevent it?

- Greet each customer who enters the store and make immediate eye contact. Your customers will appreciate the attention; however, anyone casing your store to plan a crime will feel uncomfortable.
- Serve one customer at a time. This makes customers feel important and deters thieves who prefer sloppy customer service. Minimise the number of items shown to reduce the risk of sneak theft, grab and run, or “switching”.
- If a customer causes a commotion or engages in a loud disagreement, be alert to the possibility of a distraction theft by an accomplice. Either lock jewellery away or call for another member of staff to assist you.
- If a customer wishes to compare two items, display the second item on your wrist or finger. You could also enlist another member of staff to wear the items by way of display.
- In a suspicious situation when no criminal act is under way, an employee could visibly leave from the front of the business with a mobile phone in hand. The employee should observe from a safe distance and be prepared to call police.
- Don't get caught up in a customer's hurry and neglect sound security procedures.
- Examine and quickly polish each item when the customer hands it to you and replace it in the showcase. This gives you time to determine whether it's the authentic item.
- If you believe someone is a thief, watch them intently, make it obvious and don't try to make a sale.

Robbery

How to reduce the risk of being targeted by a Robbery

- Train staff to be vigilant and encourage them to report/record suspicious circumstances. Potential robbers may be deterred immediately before a robbery or when 'casing' your premises. They are also then more likely to provide useful information to the Police.
- Opening and closing procedures should be established (see also page 6). These could include:
 - Do not open or close the store alone.
 - One person should observe at a safe distance with a mobile phone;
 - Don't wait outside the premises waiting for other staff members if you have premises keys;
 - Never let anyone into your premises before or after business hours, including whilst dressing/undressing windows.
- When operating the door, make sure your staff take the opportunity to have a good look at who they are letting in the shop. This is not an exact science but are they your usual type of client? Are they carrying a holdall or rucksack which could be concealing weapons? Are their faces obscured by hats, sunglasses or scarves in an attempt to avoid being caught on CCTV?
- Have at least two employees on the shop floor at all times.
- Look at and greet all customers to the shop.
- Have an alert system in place in the store for staff to use if they are suspicious, such as a code word or phrase.
- Fit a bell/chime that sounds in other parts of the premises (*away from the shop floor*) to alert other staff members that someone has entered the shop.
- Make sure staff know how to report suspicious incidents, especially 'casing'. This is your best opportunity to prevent a robbery.
- Display security signage – CCTV in use/Time delays and time locks on the safes

Burglary - Three types of Burglars:

- **Quick entry burglars** – these burglars smash through a jeweller’s front door or window and don’t care whether they set off an alarm. They plan to be out before the Police or alarm company can respond.
- **Burglars who enter by stealth** – will try to enter through an opening which is unprotected by the alarm or may even try to disable the alarm. This group is seeking exposed goods out of the safe.
- **‘Professionals’** – These make up a very small percentage of burglaries. These burglars are usually highly knowledgeable and well equipped to enable them to enter the safe or vault.

How to minimise the risk of Burglary

- “In the safe or out of sight” is the best security practice to follow when your business is closed;
- Ensure that the intruder alarm is properly maintained and is set at all times when the business is closed;
- Ensure that premises keys are strictly controlled and are not held by the same people that hold safe keys;
- When people leave your business, you should change codes for the intruder alarm and any safe combinations;
- Ensure that your CCTV is in working order at all times and backed up locally or in the cloud.

During a Robbery

- Expect to be threatened and assume the robber will harm you if you resist.
- Stay calm and try to keep others calm.
- Cooperate and obey the robbers orders, but do not volunteer to help.
- Remain still. If you must move, or the robber gives you an instruction, tell the robber what you are going to do. If you are warned not to move, then don’t.
- Activate the holdup alarm, if possible, **BUT** only if it can be safely done without being obvious to the robber.
- Avoid eye contact with the robber. This may be seen as an attempt to memorise his features for later identification.
- If the robbers start smashing display cases, try to get to a safe place in the premises if possible.
- If you are instructed to empty display cases and place jewellery in a bag, you could also remove display plinths to fill up the robbers bags.
- If you are not on the shop floor when the robbery begins, then stay where you are and do not draw attention to yourself. Raise the alarm only if you can do so without being compromised. If you are able to call the Police, do so and remain on the line with them. If you are in a room with a CCTV monitor, use this to monitor the incident and relate what is happening to the police.
- Be observant. Plan to be a good witness. Try to notice as much as possible about the robber/s.
- Make mental notes of the following:
 - The number of robbers.
 - The robber’s physical characteristics, including: race, sex, age, height, weight, facial characteristic (head shape, colour of hair, colour of eyes, shape of eyes, nose and mouth, etc.) speech patterns (i.e., accents), scars, marks and/or deformities, right or left-handed.
 - The robber’s clothing description
 - Any names used by the robbers
 - Any peculiarities exhibited by the robber (i.e., smelled of alcohol, appeared to be “high” on drugs, etc.).
 - Description of any weapons used. Try to notice barrel length, barrel colour, colour of grips, whether a pistol is automatic or a revolver.

After a Robbery

Immediately after a robbery, but only when you are certain that the robber has left the premises:

- **Do not chase the robber.** If he has a firearm, he may discharge it.
- Lock all the doors and stop all business operations. This ensures that the robbers cannot return, protects any injured people and helps preserve evidence for the police.
- Call the police.
- Do not let anyone in except the police and emergency services.
- Care for any injured people.
- Do not touch anything. Try to preserve potential evidence, including fingerprints.
- Have each individual member of staff write down their own recollection of the robbers.
- Ask witnesses to remain until the police arrive. If they insist on leaving, try to obtain their names and addresses.
- Contact any other individuals who may need to be contacted. Emergency telephone numbers should be accessible and the notification policy clearly established.
- Do not discuss the crime with outsiders until police give permission to do so. Refer all questions to the police.
- Don't underestimate the effect of being involved in a robbery that can have on staff
- If a statement of fact is given to the police, always ask them for a copy before you sign it so that you know what you have signed. Insurers like to see this information and it helps to record the circumstances of the incident for future reference.

'Opening & Closing Procedures'

This is the time when you are most vulnerable. Whenever opening or closing the premises you should keep to the procedures adopted whenever possible. As a general rule, it is a task that should not be undertaken alone. It is far better for two responsible alert colleagues to carry out this procedure acting in tandem.

- The person with the keys or codes to any safe or strong room etc. should ideally wait outside while a colleague enters the premises.
- The person inside should then undertake a thorough search of the premises, criminals often effect entry overnight and secrete themselves on the premises to await the arrival in the morning of staff carrying keys to safes.
- When the search is complete, a suitable visual sign or a call should be made to your colleague carrying a mobile phone to inform them that it is safe for them to enter the premises. If available, always carry your portable panic alarms.
- If you share premises with other tenants and there are WCs or rooms on the landing/s, please make sure that the door of these rooms are kept locked as thieves often use these locations to secrete themselves to launch their attacks. This applies especially during business hours.

Whatever method you chose, you should agree a code or system in advance, so if anything untoward happens, you can alert the waiting colleague outside that all is in order - or alternatively that the alarm be raised immediately!

A similar procedure should be adopted when securing the premises at the close of business. One person leaves with the safe / strong room keys, and only when a suitable distance away gives a pre-arranged signal to a waiting colleague that everything is in order. The waiting colleague then secures the premises on leaving it.

Please remember that at night, or during temporary closure during the day, you may only leave goods out of the safe/s up to the declared sum insured if this has been agreed with Insurers. If you intend go above this limit, you must notify us beforehand, failure to do so can result in Insurers refusing indemnity in the event of a claim.

GENERAL SECURITY PROCEDURES

Whenever dressing or undressing the windows or cabinets, do not admit anybody until you are ready to commence trading – unless of course these people are known to you. Keep all stock out of public reach by locking the counters, displays, pods or window enclosure doors. Make sure that the glass on your display cabinet/s is secured with strong glue and brackets to prevent thieves from lifting the glass with a coin to steal the stock.

If the entrance to your premises is on a landing, we suggest that mirrors are fitted and set at an angle and consider installing CCTV cameras to eliminate those "hidden" areas.

- *Never: allow customers to view more than one item at a time.*
- *Never: display a pad or roll, as one item across counters.*
- *Never: leave customers alone with goods.*
- *Never: leave the premises unattended - always make sure that you have sufficient sales staff*
- *Never: leave goods unattended.*

In so far as retail shops are concerned, it is worthwhile adopting a procedure whereby the front door is closed if you are showing unknown customers expensive pieces of jewellery. Consider hiding your main CCTV recorder and have a working dummy recorder on view. Monitor the quality of your discs or tapes and change them as appropriate or upload your recordings in the cloud.

- *Avoid working alone in the premises. If you need to work outside hours, co-ordinate this work with colleagues so that you are never left alone.*
- *Change or dress the window displays only when the shop is closed.*
- *At night, remove all keys to the safe/s and lock keys to the display units inside a safe.*
- *Vary the times of visits to the bank, Assay office or customers etc and when carrying large sums of cash, ensure you are accompanied.*
- *Use panic buttons when under attack – or even if in doubt – better safe than sorry.*
- *Consider the installation of smoke screens to protect the stock.*
- *Consider the installation of a door vacuum system to reduce the risk of someone snatching goods*

SECURITY - STAFF AWARENESS **A practical guide to situational awareness**

INTRODUCTION

The ability to respond to a crisis lies in the preparation you make! What if you could predict that an event is about to take place and be one step ahead as the event unfolds? How cool that would be?

Paying attention to your surroundings or "Situational Awareness" increases your response time to enable you to safely handle an unexpected event. Knowing what is going on around you is so important, not only from a workplace security perspective but also for your own personal security. Here we explain the fundamentals of situational awareness and describe how you can practice and improve the technique in a sustainable way. **Under no circumstances should staff share security procedures with anyone unrelated to the business.**

Levels of awareness

People typically operate on five distinct levels of awareness. Here we illustrate the different levels by comparing them to the levels of attention we practise throughout the day.

Tuned out. Switched off! Unprepared and unready to take action. You are oblivious to what is going on around you and you are a potential victim!

Relaxed Awareness Prepared, Alert but calm and relaxed. You are relaxed but are alert to your environment and are aware of other people and their body language. You are alert but not paranoid. In this state it is difficult for someone to surprise you.

Focused Awareness Specific potential threat spotted and you are ready to take action. You sense that something is not right. Your attention is focused on the potential threat and this is the time to evaluate and take some preparatory actions to avoid the threat.

High Alert Threat confirmed and you are in action mode and totally focused on dealing with the threat. Recognising the precursors to an attack helps to avoid this level.

Comatose Panic. Breakdown of physical and mental performance. this is what happens when you literally freeze and cannot respond you go into shock and cannot react to the reality of the situation- "This cannot be happening to me"

Finding the Right Level

When you are sitting at home watching a film or reading a book, it is perfectly fine to be **tuned-out**. However, some people will maintain the **tuned-out** mode in decidedly inappropriate environments- think about the "phone zombies" on your journey to work! Similarly, some people have a mindset where they deny that criminals can victimise them. "That couldn't happen to me, so there's no need to watch out for it." this results in their being **tuned-out** to any potential threats.

If you are **tuned-out** while you are at work and something happens- say, a thief grabs a piece of jewellery and runs from the shop - you are caught unaware and unprepared. This usually means that you either do not see the problem in time to do anything to prevent it or you totally panic, freeze and cannot react to it- neither is good.

These are reactions (or lack of reactions) occur because it is very difficult to change mental states quickly, especially when the adjustment requires moving several steps, say, from **tuned out** too **high alert**. It is like trying to shift your car directly from first gear into fifth and it shudders and stalls.

It is so important to stress that situational awareness does not mean being paranoid or obsessively concerned about security. In fact, you simply cannot operate in a state of focused awareness for extended periods, and **high alert** can only be maintained for very brief periods before fatigue sets in. The "fight or flight" response can be very helpful if it can be controlled. When it gets out of control, however, a constant stream of adrenaline and stress can also hamper security.

Because of this, the basic level of situational awareness that should be practised most of the time is **relaxed awareness**, a state of mind that can be maintained indefinitely without all the stress and fatigue associated with **focused awareness** or **high alert**. **Relaxed awareness** is not tiring, and it allows you to enjoy life while rewarding you with an effective level of security.

When you are in an area where there is a potential threat (which, in reality, is almost anywhere), you should go through most of the day in a state of **relaxed awareness**. Then if you spot something out of the ordinary that could be a threat, you can “dial up” to a state of **focused awareness**, take a careful look at that potential threat and possibly take some pre-emptive actions. If the possible threat proves innocuous, or is simply a false alarm, you can dial back down into **relaxed awareness**. If, on the other hand, the potential threat becomes a probable threat, seeing it in advance allows you to take actions to avoid it. In such a case, you may never need to elevate to a **high alert**, since you have avoided the problem at an early stage.

Consider the suspicious person you earlier failed to see. This time you have seen them and their behaviour has led you to think they might be a potential thief, but you are not sure they could be a bona fide a customer. Just in case, you ask a couple of extra members of staff to come onto the shop floor and position one of them by the door which is now closed. A potential thief may well be deterred by your actions but at the same time you have not alienated a genuine customer.

The point is, once you are in a state of **focused awareness** you are far better prepared to handle the jump to **high alert** if the threat does change from potential to confirmed.

More mindset than skill

Recognise and accept that threats exist and understand what they are. Avoid complacency. Take responsibility for your own security and look out for yourself. Learn to trust your “gut” or intuition. Don't ignore those feelings of danger before an incident because you want things to be okay. It's better to be safe than sorry!

Don't get distracted. When you focus on one thing so hard that you are too distracted to identify potential threats around you, that is referred to as “**focus lock**”. A common example of **focus lock** causing a dangerous situation is looking at your phone instead of the road while driving. Consciously choose to be switched on!

Situational awareness is more of a mindset than a hard skill. Because of this, it is not something that can be practised only by law enforcement personnel or corporate security teams. It can be exercised by anyone with the will and the discipline to do so.

Firstly, you must recognise that bad things can happen. Ignorance or denial of a threat makes your chances of quickly recognising an emerging threat and avoiding it highly unlikely. Conversely, acknowledging potential threats in a given situation enables you to take action to avoid it.

Secondly, learning the normal sights and sounds of your working environment and the surrounding activity will help you identify activity out of the norm - A car parked with someone watching the shop, the hoodie videoing on his phone, shouting / disturbances, unusual vehicle sounds - especially if you are in a pedestrian shopping centre!

Another important facet of this mindset is learning to trust your “gut” or intuition. Often a person's subconscious can notice subtle signs of danger that the conscious mind has difficulty quantifying. Similarly, be aware of ignoring your gut feelings because of a desire for things to be okay. Trusting your gut may cause a bit of inconvenience - you might lose a sale for example, but ignoring such feelings could give rise to a loss. Treat every disturbance to the norm as a potential threat. This might make you appear (and feel!) paranoid for a while as you develop your ability but that's okay! 😊

Actively choose to be switched on! The discipline part of practising **situational awareness** refers to the conscious effort required to pay attention to gut feelings and to surrounding events even while you are busy and distracted. At such times, even obvious hostile activity can go unnoticed, so you need to learn to be observant even while doing other things.

Consider practising some simple drills to hone your situational awareness ability:

Consciously move your awareness level up to a focused state for short periods of time during the day. Some examples might be identifying all the exits when you enter a building, counting the number of people in a restaurant or tube carriage or noting which cars take the same turns in traffic. Intentionally look for details in your environment you'd ordinarily overlook. Take note of peculiar features in the landscape, what people are wearing, side roads, alleyways, car makes and models, signs, graffiti on the wall - whatever.

People watch with a purpose! Look at the people around you and attempt to figure out their story. Practice people watching with more deliberation than is usual. Notice the clothing, tattoos, and accessories of passers-by, and observe their manner and how they carry themselves. Then try to guess their background and occupation.

With enough practise your senses will be heightened, your powers of observation will increase, and your situational awareness will be strengthened. You will have changed yourself to notice what you see!

Practice makes perfect – Suggestions to assist

Play “The Generation Game” to improve your ability to notice and remember things. Expand and enhance your field of vision. Intentionally look for details in your environment you'd ordinarily overlook. Use your imagination to plan for different situations. Think the unthinkable and plan for ways to address them.

If you notice a group of individuals heading in your direction, think about what you might do if they attempted to attack you. Look for ways out of your current environment if you need to leave quickly. Imagine someone drawing a weapon or attacking you in your current situation. What can you do now to make it less likely? What will you do if it happens anyway?

In the event of a hold-up, staff should follow their own health and safety rules when faced in such a situation. There should be no heroics and staff must not put themselves at risk at any time.

Whilst we arrange cover for the different aspects the company's insurance requirements, we try to make our clients aware that it is the “man or woman sitting behind that desk” who is the driving force in any business. It is our view that it is YOU and your Staff who are the business, without the key people you have nothing. Strangely enough, many of our clients are more concerned with insuring their stock or tables and chairs yet they forget about insuring the people who drive the company forward.

We mention this not to persuade you to arrange any Relevant or Key man insurance which should of course be considered in all cases (see page 19 of these guidelines), but to make you aware that all your employees, in particular the key employees / decision makers and moreover their direct family members can also be potential targets. This is because you operate with high value goods. Having been in this business for over 70 years, we have seen a number of instances where staff have been put under tremendous pressure when coming face to face with people who just do not respect life or limb when they carry out a crime. The criminals more often than not, have that key element of surprise as their main weapon and they use it very well to their advantage.

Technology - Social Media Warning

With the proliferation of modern technology, not only do sites help businesses advertise and drive revenue, they also allow criminals unprecedented access into an employee's family's life, something that was previously unheard of.

Whilst we understand the commercial need with regards to Social Media, LinkedIn, Instagram, Face Book, Twitter etc, these areas are now becoming more targeted sites for the criminal community, as they can learn so much and are able to target the family members as the “soft” option to get access to the real objective. We would

strongly recommend removal of photos and open access, making accounts purely private for long term friends etc, extra vigilant on any and new invitations, especially in light of banking fraud that's occurring on an unprecedented scale at present.

Staff should be careful at all times when sharing their details / photographs of themselves on social media (see above). There should be no link to what they are doing within their working hours. We are suggesting this for their own safety and it would be good to make them aware of this matter for their own well-being.

In your premises

Display security posters in a prominent position, ie. "CCTV with recording". "Time Lock" stickers should be displayed on your safes or in an area where they can be seen by callers or visitors. It is a good idea to have this in place even though your safes may not operate with a time delay.

Whenever deliveries are made to the premises, always check the quantities and weights carefully. Note any discrepancies on the documentation before you sign it and report the matter accordingly. Keep safes closed as much as possible during the course of trading.

Always be on the lookout for:

- Snatches
- Diversions - watch for thieves working in pairs or bigger teams as "confusion" can often be a creative ruse.
- Theft by trick, substitution, or sleight of hand as mentioned earlier.
- Bogus delivery men, tradesmen, sales representatives, or anybody suspicious-especially when you are opening or closing.

PROTECTIONS MAINTENANCE

Your Insurers have agreed to underwrite certain risks of your business based on the information that has been supplied to them. This includes details of security protections and any safeguards, and those referred to in the proposal form or having been declared to them. This information forms the basis of their acceptance of your risk. Therefore, the protections and safeguards must not be withdrawn or varied in such a way that it could be interpreted as a being to the detriment of your insurance. If at any time your protections are reduced (as a result of faulty equipment, or withdrawal of police response etc.) then your insurers must be notified immediately. Whenever such a problem occurs or if you are in any doubt, call us and we will advise you accordingly.

Please ensure that following an activation of the alarm, either you or a key holder or a key holding service are able to attend the premises immediately.

FALSE ALARM PROCEDURE

Continual false alarms can eventually result in police response being withdrawn. Good communication, and a good quality alarm system with a 2 point verification, can reduce the likelihood of having your service withdrawn. Immediately a false alarm occurs in it is imperative to:

1. Identify and rectify the problem.
2. Renew any faulty parts, if it persists. If the problem is a line fault, report it in writing and ensure that you obtain an acknowledgement.

3. Keep copy correspondence to show your policing authority as evidence of your attention to the problem.
4. If you should receive a letter from the police warning of a service being withdrawn, advise us immediately.
5. After consulting with us, monitor the alarm condition yourself by instructing your alarm Central Control to call you or your appointed key holders to attend your premises. Never do this alone – as it may be a genuine alarm condition or a ruse to get you to the premises. There are many helpful security aids such as mobile phones, portable panic alarms etc. to assist you in these circumstances. Of course, if the alarm is a genuine one, call the police directly.
6. If your service is ever suspended, it is vital that you adopt a procedure similar to that indicated above. Please feel free to ask us about anything you may wish to implement, so that we may obtain Insurers agreement. Most police forces will respond to a citizen's report of a crime, even if the response to that particular premises has been suspended. Police forces also usually respond when a panic alarm is activated - even if service has been withdrawn.

Whatever you do, take steps to avoid suspension - respond to police notices and let them know that you are attending to the problem and always keep us advised. Your business is at risk and the benefits of your policy may be seriously reduced if your alarm is not operating fully.

STOCK RECORDS

Many small businesses consider it unnecessary to maintain detailed stock records - their system is often gauged by their stock held or balance of funds (or overdraft) at the bank. In the distant past, Insurers went along with this situation, but just as nobody pays for goods without tangible proof of receipt, Insurers are unable to issue payment of claims which cannot be substantiated by supporting documentation.

When dealing with stock, please remember the basis of valuation that you selected when you completed the proposal form. If you opted for cost price plus 10%, then you must reflect this value in all the subsequent sections of cover.

The trauma of armed robbery, for instance, is unpleasant enough, but when insufficient records are kept the situation is further compounded. Inadequate records and inability to demonstrate a loss will inevitably lead to a compromised settlement. With some Insurers, they make having detailed stock records a precedent before they accept liability. This means that if you fail to keep the stock records as they might require, they do not have to indemnify you following a claim.

Stock record systems can vary from customer to customer and there are no hard and fast rules. Insurers expect you to be able to demonstrate what stock is under your control at any time. Claims are treated on their own merits, and factors such as personal injury, previously losses and a trading history can colour an Insurer's attitude to a claim. This can reflect the degree of compromise in the settlement offered. If insured, your consequential loss of profits policy will only provide cover for the agreed indemnity period required to reinstate business to its former level. It is likely that the delays caused by inadequate records will not be allowed within a commercial environment.

One point worth mentioning is that you will NOT receive the uplift referred to in the basis of valuation on goods that are entrusted to you. The uplift applies only to your own stock unless otherwise agreed.

Most companies maintain purchase and sales ledgers and undertake annual stock checks. If these are the only available records, then with a great amount of work, it may be possible to reconcile the purchases and sales right back to the last stock check and estimate the amount of that has been stolen. This rarely leads to an exact settlement, and the delays caused can be lengthy. It is our experience that losses incurred in a compromise settlement generally outweigh cost-savings achieved through inadequate record keeping.

For manufacturers and wholesalers, it may not be possible to have an itemised stock record like an owner of a retail shop, however, a continuous record of goods sold or purchased by weight would be acceptable to Insurers. This fact should be noted on the proposal form. For retailers, it might be worthwhile taking a weekly or monthly video of stock held on display as this would also assist matters in substantiating a loss.

Additionally, there are other benefits in maintaining a comprehensive record system. For example:

1. *All stock movements are automatically recorded.*
2. *The ability to trace from supply through the manufacturing process to sale.*
3. *Historical and current stock valuations.*
4. *Replacement cost ability allowing for fluctuating gold prices.*
5. *Simple stocktaking.*
6. *Management reporting and analysis of sales and costs (agents, setters, polishers, Assay costs)*

There are a number of computerised stock recording systems suitable for various aspects of the jewellery trade. Many policyholders appear to believe that their business is unlikely to suffer an armed robbery. Such an attitude is foolhardy and short-sighted. Think ahead and make the investment in comprehensive up-to date, stock-keeping records.

In the event of a claim, the company that is in a position to demonstrate concisely the loss it has suffered, should receive favourable treatment from its Insurers by swift settlement.

For the wholesaler who buys charms by weight, be watchful where a single charm may exceed the permitted weight and it should have been hall marked by the Assay Office. The current weight thresholds as of August 2021 are: Gold 1 gram. Silver 7.78 grams. Platinum 0.5 gram. It becomes a criminal offence if you supply goods that have not been hallmarked appropriately.

OUTWORK AND APPROBATION NOTES

It is often common practice for goods to be entrusted to an outside party, sometimes as part of the manufacturing process or for repair or on approval. A formal approbation note traditionally establishes that ownership remains with the supplier, and that responsibility lies with the outside party when goods are released on approval. However, the terms between manufacturers and outworkers, for instance, are often not so clearly defined. In order to establish correct trading terms, the following procedures are recommended:

Ideally, each "outwork" or delivery note should state that goods entrusted are the outworker's responsibility, and that any loss, damage or shortage is to be borne by them. It is advisable to incorporate a wording such as:

"These goods are passed to you, but shall remain our property at all times. They are passed to you on the express understanding that you are your responsible at all times for any loss or damage, howsoever caused, and that you will insure and take all responsible steps to ensure their safekeeping".

Where documentation of such procedures is less formal, it may well be easier to establish Terms of Trading with regular outworkers by dispatching a letter to them. This will casually establish a form of contract between you, and you will be able to state the responsibility of each party therein.

Goods on Approbation APPRO

There are several accepted forms of wording to be used on Approbation Notes which should accompany goods entrusted to an outsider. It is always advisable to use one of them. Here is a good example:

"The goods listed below are delivered for inspection only and remain the property of (insert your name here) and are subject to their order. The goods will be returned immediately upon demand, and until returned to them and actually received will remain at your risk from all hazards, regardless of loss or damage. No right or power is given to you to pledge or otherwise dispose of this merchandise regardless of prior transactions. A sale of this merchandise can only be affected and title will pass only if, as and when the said (insert your name here) shall agree to such sale and a bill of sale tendered."

It is essential to state clearly the quantities and / or weights of the entrusted goods. It is not sufficient to accept traditional informality and trust as a precedent for lax trading terms. These days it is imperative to demonstrate where responsibility lies. Normally each party, if adequately covered, will be insured to protect their own rights and interests. Wording so used in this section are for guidance only.

The laws regarding ownership and title are complex and you are always advised to take expert legal advice.

Please be careful to whom you entrust your goods as you should remember that the policy will not cover you for loss of or damage by theft or dishonesty or dishonest deception committed by:

- a) any servant or traveller or messenger in your exclusive employment, or
- b) any customer or broker's customer or agent in respect of property entrusted to them by you, or your servants or agents.

TRAVELLING WITH JEWELLERY

A Jewellers block policy has traditionally provided extensive cover for sales people who carry expensive jewellery, precious stones or metals. As stated earlier, always be on the look-out for anything out of the ordinary. Once in your car, lock the doors and windows and keep goods out of sight. If your car tyre suddenly develops a puncture or the car has engine trouble or the like, be very wary and be on the alert and make contact with the Police and seek immediate advice if you are concerned.

We strongly recommend that when carrying goods that you are in possession of a mobile phone. It would also be prudent to carry a list of the items that are in your control during the trip. This should not be kept in the same case as the goods.

Never put business papers in the same bag /s as your goods, as these may be required to substantiate your loss. If you think that you are being followed, or if the environment does not seem safe, you should make contact with the Police. Always vary the routes you use. Although appointments with customers have to be made, try not to be too specific about the time, especially when meeting new customers. High value items should be kept on your person using the special trade carrying jackets where possible. Be careful when showing your goods in a jewellers shop. The public in a shop may notice your goods or you carrying a large case and may follow you.

The carrying bag should attract the least attention. There are now bags on the market that have detonating devices that emit smoke in the event of a snatch. Please contact us for further information. Whilst the scope of cover is very wide, there are few specific exclusions, however this does not really relieve the policy holder of their duty of care, - a prerequisite of any insurance policy, so beware of the implications.

HOTEL ROOMS

This is generally not excluded, which means that the risk is covered, however, each set of circumstances must be considered on its own merits. Always use the hotel safe/s whenever possible. If you have arranged the benefit of unattended vehicle cover between specified business hours, it might be better to leave the goods in your car whilst you have dinner or breakfast, but always remove the goods to the hotel safe/s or your room when you retire for the night. You must not leave jewellery in any hotel room when it is unattended.

GOODS KEPT AT HOME

If you have requested cover for taking goods home, this commonly known as Private Dwelling House (PDH) cover, goods must not be left unattended at any time unless you leave them in an approved safe. If goods are left in a bedroom and they are stolen whilst you are downstairs, there is an argument to say that those goods were left unattended. Do not leave anything to chance.

We can arrange cover for goods being taken home for an early trip the next day or for a late return to save you from going into your work premises. This has to be agreed with Insurers in advance.

UNATTENDED VEHICLES

Unattended: What does the word Unattended mean? that goods must never be left Unattended? The best way of understanding what Unattended means is to understand the converse, what does the word attended mean. There is extensive case law on this point. Lord Denning tried to keep it simple by saying that if the goods are attended it makes it easier for a person to stop the crime being committed or they are able to interfere with the attempted crime or raise an alarm. This area is far from clear cut and we always say that it's best not to get involved in litigation!

Unless unattended cover has been specifically requested and agreed by Insurers you are not covered. If you wish to avail yourself of this additional cover, then a clear definition of what you actually need must be clarified at the outset. Cover can be considered providing the car has the appropriate security system fitted and on the following basis:

- Full Unattended cover for any 24 hour period providing a chain mechanism is installed in the boot.
- Limited cover between certain hours providing a chain mechanism is installed in the boot.
- Restricted cover to leaving the goods unattended whilst in a petrol forecourt.

Please do not rely upon the legal precedent definition of unattended vehicles for your peace of mind as each claim is considered on its own merits.

Leaving goods with customers

This is generally not excluded. This is a good way to offload your range. Remember that each situation must be assessed on its own merits. Only leave goods with customers if the location is safer and more secure than the alternatives. A good practice is to obtain a receipt from the people with whom you have deposited the goods.

The boot or passenger compartment

How should one transport the goods? Over the years many clients have suffered losses whilst carrying goods within the confines of the vehicle. We strongly recommend that the car boot is the safest place, providing of course there is adequate security. For example, a very stout hardened steel chain which ought to be threaded through your sample case(s) and padlocked to a security point in the car boot. For added protection against surprise attack you may also fit a padlock and chain which has to be undone in order to release the boot lid more than say 6 - 9 inches.

Remember that even if you do have these protections in operation, you will not be insured for unattended goods from vehicles unless you have specifically requested cover in the first instance.

Estate cars should not be used, when carrying stock.

Car alarm

An up to date good quality alarm is essential (Thatcham 1, is a minimum requirement), even if you do not purchase the extra unattended vehicle cover. It is likely to cause delays and aggravation to a thief. It needs to incorporate a back-up power supply, ignition immobiliser, and automatic setting with silent entry gained by key switch.

Car identification

Remove any ID relating to the garage that supplied you with the vehicle. It tells a thief who to ask for a set of duplicate keys! It is said that the best of security codes used for genuine customer identification have a failure rate of 20%. Personal number plates are fun, but make it easy to identify your car as do stickers on windows etc., so it is best to avoid these.

On the Road

Be wary of people asking you for directions as they approach your car or as you approach your car. If after leaving your car in good order and on returning you notice that one or more of your tyres appear/s flat, please inform the police immediately of your suspicions as this is a classic ruse used by thieves. Be aware that people might try to stop and attack you by appearing to be helpful. Pointing at your wheels or asking you for directions is the classic ruse. We have seen cases whereby some agents have been distracted and robbed of their stock when thieves have thrown £50 notes in the air near their car to distract them.

Sending goods by Royal Mail

All goods sent through the post must be sent using Special Delivery, previously known as Registered Post. When the highest compensation is selected (usually £2,500), Insurers normally waive the standard policy excess in the event of a claim, provided of course that this basis has been agreed with Insurers. Where a maximum limit per parcel has been agreed, you must not exceed the overall Outside Limit for any one loss.

It should be noted that in relation to items sent by Royal Mail Special Delivery (Guaranteed by 9am the next day) that they will not cover items where the value is more than £2,500. Please therefore do not use this service. We understand that they do not make this stipulation with regards to the 1pm next day delivery.

The following was a clause that was introduced in 2003 by the Royal Mail and you should be aware of the implications. "4.3 the customer shall not post any package under the terms of this agreement which contains any item whose value is more than £2,500 or if the contents are a prohibited item in terms of this scheme. If the customer does post such items in breach of this clause then the customer shall indemnify Royal Mail against all such costs incurred and all claims made against Royal Mail resulting from such a breach."

This means that any customers sending items over £2,500 will not receive compensation from Royal Mail if the item is lost. They will normally be able to claim from the loss from their own Insurers. Whereas at present the excess is deemed to have been paid by the Royal Mail, if they refuse to pay compensation where goods are valued at over £2,500, the customer will have to pay any excess.

Meetings have been held with Royal Mail who advised that this limit has been agreed with their trade union as part of their assessment of risk to staff from this service and it is possible that Royal Mail will be unable to raise this limit without revising safety and security procedures.

Following a telephone conversation M&N had with Linda Sicolo who operates from the Chairman's office she has confirmed to us on 05.07.04, that the above condition applies ONLY to Special Delivery items where the guaranteed delivery time is before 9.00am the following day. If however customers send items of value that are in excess of £2,500 when the guaranteed delivery time is before NOON the following day, they will receive full compensation and will not be held liable for costs incurred referred to above.

In light of the above, we recommend that you should always check and refer to the Royal Mail's website at all times and check their up to date Terms & Conditions.

Only approved courier services such as Brinks Matt, Regency, Malca Amit should be used.

Selection of unusual claims - Yes the unusual does happen

Six Motor bikes crash through a jewellers front window

Motor Bikes ride through shopping centre after robbing a shop during the day.

After causing a series of false alarms, thieves hid in air ducts after the key holder went away thinking the premises was secure.

Over 15m Euros were stolen from high class jewellers in Europe by a "magician" using sleight of hand using chewing gum and a magazine as a prop.

Shop owner held at gun point at home with family used as hostages. He was forced to hand over keys to the Shop.

Client claimed a Jeweller failed to make a secure setting which caused the loss of a £30,000 centre stone, despite markings on the shank.

Petrol Forecourt attacks take place even though the garages have CCTV

Bag switches on the street, Jewellery switched in front of the eyes of staff

Robbers hid in the boot of a car waiting for the shop owner to arrive home

Other areas of protection you must consider

Legal Expense Cover: Provides protection in a number of areas. It covers disputes between yourself and your customer or suppliers and covers issues relating to employment law such as unfair dismissal. A recent court case in October 2020 highlighted a very unusual case where a jeweller was held liable for a ring they supplied to a customer. It was found that the setting was inadequate, and it cost the Jeweller well over £100,000 in fighting the case.

Terrorism Cover: This cover has to be purchased as you are not automatically covered for this peril.

Directors & Officers: insurance can cover your personal liability on various issues such as the information you provide to your bankers and or trading partners as well as the way you handle your staff.

Cyber Insurance: In this day and age it is vital for any business to consider this important protection. Please call us to obtain a quotation.

Private Medical Cover: All firms should have this cover in place. It means that key people can obtain medical treatment quickly which is great for the business and keeps it afloat. Remember that staff are the business!

Personal Accident: This will pay out either a weekly wage and or an agreed lump sum in the event of loss of limb/s or other injuries. Those who travel on the road are more exposed to danger and it would therefore be considered prudent to take out additional protection. We strongly recommend that we arrange wider cover under a bespoke policy. If you wish to consider this matter further, please feel free to consult one of our Independent Financial Advisers.

Relevant Life Cover: Legislation has changed whereby the employer is able to pay Life Assurance premiums on behalf of its Directors and or Key Staff and this can be logged as a company expense but the benefits are paid to the staff's family. Payments that are made on behalf of the employee do not have to be declared on the P11D.

Other life cover can include: Shareholder Protection, Loans & Overdrafts to the bank, Regular Key Man cover, with or without critical illness, Tax Free Income for your family/ies. You can also consider insuring the lives of your key suppliers, as their illness or demise could also have severe repercussions on your business.

Pensions: The law now put the onus on firms to have the appropriate scheme in place for its employees.

Savings & Investments: Please feel free to call us and make an appointment with one of our Independent Financial Advisers.

In Conclusion

This document is given to you purely as a guideline on various aspects of cover that are applicable to a Jewellers Block Policy and it does not constitute part of your policy document. It is intended as a guideline only. For avoidance of doubt in relation to your own policy wording, we suggest that if you wish, you should contact your own legal advisers for clarification of any of the terms and conditions contained within your policy.

E.&O.E.