



A key box is not a secure solution

WTW is seeing an increase in the number of cases where clients have their claims for theft rejected because the key in their key box has been stolen without obvious signs of damage.

By Kristine Seest

A four-digit code that can be shared with the people who need access to the company's premises. To the unwary business owner, this may seem like a secure and flexible solution – but that is not the case.

The problem is that key boxes with a keypad for a four-digit code are easy to open even if you do not know the code. This means that people with criminal intent can get the key in the key box without much effort and without using violence – and they can easily lock themselves in and gain free access to the company's assets. In such cases, the damage is not covered by insurance, and that is a widespread problem that many companies are all too familiar with.

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Bo Qvist | Head of Security Management

»You should stay away from key boxes with codes, as they can easily be opened by unwanted visitors without the use of force and without leaving visible signs of forced entry. If a key box has not been damaged in a criminal act, the act is categorised as simple theft and is not covered by insurance. At WTW, we therefore advise against all use of key boxes with a code,« says Head of Security Management Bo Qvist from WTW.

There are many key boxes on the market, but not all of them have been tested and approved in relation to the requirements set by insurance companies. The Security Guide from Insurance & Pension Denmark provides an overview of the mechanical and security-approved key boxes.

None of the approved key boxes in Insurance & Pension Denmark's overview can be opened with a code, but require a key to open, and therefore they cannot fulfil the desire for flexibility, which is precisely the reason why companies choose to use a key box in the first place.

New solutions emerging

Product development is ongoing in the key box market, and there are key boxes that are equipped with an alarm that is automatically triggered when the key box is opened. However, approved key boxes of this type still require mechanical opening using a key.

Companies can also purchase key boxes that require the use of an app to open them.

»There are currently no security-approved app solutions, but let's hope it's just a matter of time. Right now, all the approved key boxes have solid and powerful locking cylinders that require a key to open,« says Bo Qvist.

In addition to the requirements for the key box itself, there are – depending on the size of the company's assets – other security measures that must be in place to obtain insurance coverage in the event of theft.

Electronic monitoring of business and key box

Within business insurance, there are different security levels – from level 10, the lowest, to level 60, the highest, which places the most demands on a company's security and safety measures.

Businesses at security level 10 should pay attention to what their insurance policy states, as there may be special clauses regarding the use of key boxes and key safes.

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»An example of a level 10 organisation with a clause in the policy is a company with 15 employees that uses containers to store products, materials or equipment. The security requirements for these containers may be more rigorous than the other requirements placed on the company. Such stricter requirements will always be stated in a clause in the policy,« says insurance broker Henrik Isaksen from WTW.

Companies at security level 10 must ensure that their buildings and assets are securely and mechanically locked. Companies with higher security levels must also ensure that the company is monitored and that a burglar alarm is installed. In the event of theft and burglary, the insurance company may require

documentation that the security requirements have been met, meaning that companies insured above security level 10 must fulfil requirements for both mechanical and electronic security measures:

- **Mechanical security measures** include using security-approved locks and complying with requirements for the location and installation of locks, key boxes and key safes.
- **Electronic security measures** include the monitoring of company assets (including key boxes and key safes) and the installation of alarm systems.

Even if the mechanical security measures are met and the security-approved key box has been installed in accordance with all insurance company requirements, in the event of vandalism or theft, insurance coverage cannot be obtained if the electronic security requirements are not also met.

Companies that have their insurance solution through WTW can get advice and guidance on security and safety at any time – and receive an impartial review and an overall assessment of whether the company meets the current insurance company's requirements.

See the list of mechanical security products registered with [Insurance & Pension Denmark](#)