

Mailbox

Your readership is of paramount importance to us. That's why we would greatly appreciate your comments and suggestions. Please feel free to submit any ideas, comments, suggestions or questions to us. We welcome letters, faxes and e-mail.

Mail should be addressed to:

9280, de l'Acadie Boulevard, Montreal, Quebec H4N 3C5

Our fax number is: 514.385.1457 or 1.888.234.8641

Our e-mail address is: info@boomerangtracking.com

Are there any vehicles that should have a Boomerang2 versus the original Boomerang?

Both the original Boomerang and Boomerang2 offer unparalleled peace of mind and security for any vehicle owner. In addition, the Boomerang2 is specially designed for the complex electronics in several newer model vehicles, especially luxury European brands. We strongly recommend that the vehicles listed below are equipped with a Boomerang2 Tracking System:

- BMW
- Porsche
- Audi
- Volkswagen
- Volvo
- Acura
- Mercedes
- Jaguar
- Land Rover

Are there many false alarms with the Boomerang2?

Boomerang2's intelligence lies in the fact that it will instantly notify our tracking teams if the vehicle is moved without the presence of one of the Transponders on board. In such a case, the unit is flagged in our central computer system and the customer is immediately contacted to verify the status of their vehicle. In the event that none of the customer's contact numbers respond, our tracking team is dispatched. Since every effort is made to verify the true status of the vehicle with the customer before tracking begins, false alarms are very rare.

Is the tracking team's response time different with a Boomerang2?

Since the Boomerang2 instantly notifies us of any unauthorized movement of the protected vehicle, the response time is much improved. Especially in the cases of business travelers or others who may leave their vehicle unattended for extended periods, the Boomerang2 unit's instant theft notification means that we may well recover a stolen vehicle long before the owner is even aware of the theft!

Did you know that...

- That residents of Canadian port cities are 42% more likely to have their car stolen and shipped overseas than their land-locked counterparts?
- Insurance fraud is estimated to be the second leading source of criminal profits in North America - second only to illegal drug sales.



This quarterly publication for the insurance industry is an official Boomerang Tracking Inc. newsletter. This newsletter may be distributed to members of the insurance industry, employees, as well as at various Boomerang conferences, events and shows.

Boomerang Tracking Inc. assembles, markets and distributes the Boomerang, the central device in a wireless asset tracking system, capable of locating stolen automobiles, heavy equipment and valuable objects utilizing the wireless systems of major regional telecommunications companies. Boomerang is a registered trademark of Boomerang Tracking.

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Kindly direct all suggestions, comments and subscription request to the marketing department at: Boomerang Tracking Inc., 9280 de l'Acadie Blvd., Montreal, Quebec H4N 3C5 Canada, marketing@boomerangtracking.com
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Boomerang Insurance Quarterly

Contact us

Here's how to contact each department:

• Stolen Vehicle Reports

Be sure to provide your Boomerang number (e.g. E123456) and Client number (e.g. 3456789) to the operator, including vehicle details and its last known location.

T 1.888.234.8722

• Customer Service

info@boomerangtracking.com

T 1.877.777.8722

• Statistical Requests

To quickly get vital recovery data contact Antoinette Pennimpe at 514.234.8722 (extension 365). You may also write to: insurance@boomerangtracking.com

• Marketing Material

marketing@boomerangtracking.com

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April 2002

Road to recovery

Boomerang's Top 10 Recoveries (April 30, 2002)

- Jeep Grand Cherokee
- Dodge Caravan
- Dodge Durango
- Acura Integra
- Ford F350
- GMC Jimmy
- Honda Civic
- Chevrolet Blazer
- Nissan Pathfinder
- Jeep Cherokee

Boomerang Recoveries

Period	Vehicle Recoveries	Approximate Value
February 1 – April 30, 2002	176	\$7.2 million
Inception – April 30, 2002	1,602	\$78.9 million

To date, we have recovered over 1,600 vehicles and heavy equipment armed with the Boomerang, representing a total value of more than \$78 million (as of April 30, 2002).

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April 2002

Boomerang Insurance Quarterly

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Exclusively for the insurance industry

Speaker's Corner



Michel Allard
Account Executive, Insurance Division, Ontario Boomerang Tracking Inc.

In our business, nobody could really argue with the fact that well-managed risk helps policyholders and insurers alike. After all, risk management is what we're all about. Today, modern technology is providing the insurance industry and ours with new ways to protect property, minimize losses and, in turn, reduce premiums.

At the forefront of this technological change is Boomerang® and Boomerang2™. Both are considered Canada's most effective, cost-efficient asset recovery systems. Uninhibited by parking garages, buildings and even shipping containers, Boomerang and Boomerang2 can locate vehicles anytime, anywhere across North America. As a result, both can benefit insurers from a risk management standpoint.

A unique, effective approach to risk management

For the past few years, Boomerang Tracking has partnered with a growing number of insurers. As a RIBO-accredited continuing education course provider in Ontario, IBBC-accredited educator in British

Columbia and frequent speaker in Quebec, I have the opportunity to add value to these partnerships, working to educate the industry about auto theft and how to prevent it with the installation of our asset recovery systems.

Since assets that are "on the move" present special challenges for risk management practitioners, Boomerang and Boomerang2 represent a unique and effective approach to risk management for both policyholders and insurers.

A case in point: cargo risk management. For insurers, this poses questions that are difficult to answer with any certainty:

- Who loads the vehicle?
- Who drives the vehicle?
- Where is the vehicle parked?
- Is the vehicle ever left unattended and fully loaded?

Now for the biggest question of all: what can you do to minimize the risk in this situation?

The Boomerang Edge

Boomerang and Boomerang2 are proprietary wireless-based recovery systems that use Bell Mobility and TELUS Mobility's extensive wireless infrastructure to recover vehicles, on average, within 60 minutes. With the highest recovery rate in the industry, both devices have received widespread support from the insurance industry and law enforcement authorities, which have endorsed both tracking devices.

By comparison, GPS (Global Positioning System), a satellite-based system used for navigational purposes, only serves a fleet management solution. As long as its signal is not obstructed by underground parking lots or shipping containers, it can track a vehicle. That's it. Otherwise, you may have a total loss on your hands.

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Tracking Tale

Boomerang ends a carjacking in Toronto

On March 9 of this year, Boomerang Tracking successfully recovered a carjacked 2001 Lexus RX 300 in Scarborough, Ontario in less than one hour.

The crime

Four men forced the unsuspecting driver of the Lexus RX 300 from his vehicle at gunpoint at approximately 11:00 p.m. on Friday, March 8. Fearing for his life, the driver handed over his keys and was left standing in a parking lot as the thieves drove away in his car. The victim immediately contacted local authorities, notifying them that his car was equipped with a Boomerang Tracking System.



On March 9, Boomerang Tracking successfully recovered a 2001 Lexus RX 300, carjacked less than one hour before. Source: <http://autos.yahoo.com>

The recovery

Standing by every second of the day, our in-house Boomerang tracking team was immediately dispatched, leading to the recovery of the Lexus RX 300 — within an hour — in the parking lot of a nightclub in Markham, Ontario. When the thieves emerged from the club, jumped into the car, police promptly surrounded them. This led to the arrest of two individuals who had carjacked the stolen vehicle. Both the recovery and arrest took place less than 30 minutes away from the crime scene. Apparently, the thieves had carjacked the vehicle for a 20-minute joyride.

This is an excellent example of a growing problem in society. As vehicles become more theft-resistant, thieves are resorting to carjackings and home invasions to obtain them — defeating anti-theft devices such as car alarms and ignition disabling locks. With an after-market system like Boomerang, drivers no longer have to compromise their security. This device ensures that their stolen vehicle will be safely recovered (typically undamaged) within one hour.

With after-market systems like Boomerang and Boomerang2, drivers no longer have to compromise their security in the midst of a carjacking or home invasion.

True Crime

Boomerang and Boomerang2 are two of Canada's most effective devices to combat automobile theft. No other tracking systems provide the high recovery rate and full coverage offered by Boomerang and Boomerang2.

To date, we have recovered over 1,600 vehicles and heavy equipment equipped with Boomerang or Boomerang2, representing a total value of more than \$78 million. But these numbers alone tell only part of our success story. That's because they do not include incidental recoveries of other stolen vehicles.

On occasion, the signal from one stolen car can lead the police to a cache of stolen vehicles. Over the past year, for example, the recovery of a Boomerang-equipped vehicle stolen in Montreal led law authorities to a warehouse (i.e. "chop shop") crammed with 150 stolen luxury cars. What's more, a Boomerang device inside a stolen Mercedes led Toronto Police to a



Since the beginning of the year, the recovery of Boomerang-equipped vehicles has led to millions of dollars in incidental recoveries. Source: <http://autos.yahoo.com>

\$1-million auto-theft ring operating out of a warehouse filled with stolen BMWs, Mercedes and Ford utility trucks.

In March and April of this year alone, Boomerang Tracking saw close to \$450,000 in incidental recoveries:

Model	Year	Location	Estimated Value
Chrysler 300M	2000	Oka, QC	\$39,675
Dodge RAM	1999	Longueuil, QC	\$36,600
Ford F-250	2000	Longueuil, QC	\$36,995
Ford Mustang	2001	Laval, QC	\$43,710
Lexus LX 470	2001	Toronto, ON	\$92,400
Mercedes CL230	1999	Toronto, ON	\$57,750
Nissan Pathfinder	2002	Montreal, QC	\$44,500
Nissan Xterra	2002	Toronto, ON	\$33,298
Toyota 4-Runner	1999	Montreal, QC	\$25,300
Volkswagen Passat	1999	Montreal, QC	\$32,750
			\$442,978

Since the beginning of the year, incidental recoveries have resulted in a number of "chop shop" busts and arrests by police across Canada due to the recovery of Boomerang-equipped vehicles. The joint partnership between law enforcement and Boomerang Tracking has also led to the recovery of many stolen and carjacked vehicles and the busting of "chop shops" and vehicle crime syndicates.

Incidental recoveries have resulted in a number of "chop shop" busts and arrests by police across Canada due to the recovery of Boomerang-equipped vehicles.

Boomerang Briefs

Boomerang celebrates 100,000th client

Boomerang Tracking proudly celebrated its 100,000th Boomerang activation on Wednesday, March 20 with strategic partner Bell Mobility. Bell Mobility Vice-President Claude Rousseau and Boomerang President Peter Lashchuk congratulated the Boomerang team for its dedication and hard work before presenting the owner of the 100,000th activated Boomerang unit with various prizes from both companies.



Pictured from left to right: Claude Rousseau - Vice President, Bell Mobility; Louise Leroux - Director of Enterprise Sales, Bell Mobility; Tim Argento - owner of the 100,000th Boomerang unit and Peter Lashchuk - President of Boomerang Tracking.

Boomerang needs your feedback!

With this edition of the Boomerang Insurance Quarterly is a two-minute, easy-to-complete survey to gauge your opinions on our newsletter's design, content and relevance. Please take a moment to complete the survey and fax it back to 514.385.4719. We look forward to receiving your feedback.

Ontario office opening

Boomerang officially opened the doors of its sales office in Mississauga, Ontario on Friday, February 1, 2002. The office will serve as a base for Boomerang's expansion into Ontario and offer a central location for our growing sales team there. The Mississauga office can be reached at 905.405.0704.



Boomerang Alliances

Boomerang Tracking has received widespread support from insurance companies across Canada. To get the entire list of insurers who support us, simply click on *Partners* in the *Corporate* section of our web site at www.boomerangtracking.com.

Industry Primer

The differences between cellular and GPS-based location systems - cleaning up the confusion

Over the past few years, the North American market has seen a plethora of vehicle devices, both built-in and after market, providing a variety of solutions for stolen vehicles, concierge services and navigational assistance. We thought we would take this opportunity to provide some insight on some of the major differences.

In summary, the Boomerang Tracking System has been designed with a core business focus: the recovery of stolen vehicles. Although there are GPS-based systems that offer location services in conjunction with the use of cellular networks, the latter is used to communicate with the device and not for the location of the stolen property. GPS-based systems are well suited for roadside assistance and navigational solutions – a service clearly different and inherent to satellite-based technologies. The Boomerang Tracking System has not been devised for this purpose and maintains its raison d'être by being the most effective and cost-efficient method of stolen vehicle recovery and can do so with great precision. Vehicles can be located to as close to three feet of their actual location and normally within one hour from the time the theft has been reported.

	The Boomerang Tracking System	GPS-based systems
Signal strength	<ul style="list-style-type: none"> High in service areas Only required from one cell tower Can be simulated even when not within range of a cell site, including when the vehicle is located underground or in a remote geographical area Cellular signals are affected but not blocked and can be detected for tracking purposes 	<ul style="list-style-type: none"> Low since satellite coverage is very large A good signal is required from at least three satellites The GPS-based device's antenna must "see", without the interference of the vehicle's body and/or building to provide a position The small GPS signal can be totally shielded
Services Provided	<ul style="list-style-type: none"> Designed solely for the purpose of tracking stolen vehicles Strong insurance support as a viable solution to vehicle theft even for vehicles equipped with GPS-based systems 24/7 call center accompanied by a dedicated proprietary tracking team Periodic verification of the device's functionality Automatic theft notification 	<ul style="list-style-type: none"> Designed for concierge, navigational and road-side assistance Factory built-in systems not recognized as a solution to vehicle theft as the device is too easily detected. In addition, after-market systems are rarely considered as such. Usually offering call center only and no tracking services No scheduled verification of the device Not a standard feature
Effectiveness of the systems for the purpose of stolen vehicle recovery	<ul style="list-style-type: none"> Unknown to the owner and not easily detected Very difficult to locate the device Always hidden in a different location in every vehicle Back-up battery is standard with all units 	<ul style="list-style-type: none"> Normally visible by way of a display and/or antenna Easy to locate and disable the antenna and the device. The antenna must "see" the satellites Installed in the same location for factory-installed systems. There are very few locations available for after-market installations due to the requirements of the visibility to the satellites No back-up battery provided

Insurance Industry Perspective

Fighting Fraud

If you think only hardened crooks and large crime rings commit insurance fraud, think again. According to the Canadian Coalition Against Insurance Fraud (CCAIF), "there is no profile of the typical 'fraudster' — insurance fraud can be committed by anyone." The result? CCAIF claims that "10-15% of every dollar policyholders pay goes to pay for fraudulent insurance claims."

Auto insurance fraud on the rise

Auto insurance fraud happens when insureds and/or body shops fraudulently report that vehicle parts have been damaged or lost, or the vehicle itself has been stolen or vandalized to collect on insurance.

Zero tolerance for insurance scams

At Boomerang Tracking, we have zero tolerance for insurance scams. In response to the alarming rate of auto insurance fraud in Canada, we recently established special procedures to help both law enforcement and insurers investigate and prosecute these crimes. In addition, we provide ongoing training to

our in-house tracking team to familiarize itself with the latest trends in insurance fraud.

As a result, all vehicles that remain unrecovered are investigated further by Boomerang Tracking for cases of fraud.

Going the extra mile

An excellent example is the recent recovery of a 2001 Durango. Once this vehicle was reported stolen, we recovered it within an hour — only to discover that the owner himself was stripping the car clean. When the Durango was reported stolen a second time a few weeks later, Boomerang Tracking became suspicious and quickly alerted local law enforcement and the insurance company. The owner was subsequently charged with auto insurance fraud. Without the mandated or recommended use of a Boomerang device, this would have been an unsolved case for the police and a total loss for the insurer.

Boomerang Tracking will continue to "go the extra mile," preventing and detecting auto insurance fraud through awareness and concrete anti-fraud initiatives. In this sense, both the Boomerang and Boomerang2 asset recovery systems should become increasingly important to the police, insurers, policyholders and the public at large.

Speaker's Corner

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Insurers are also faced with risk management challenges when it comes to immobilizers. Vehicles equipped with immobilizers alone can be stolen with the use of a flatbed truck or counter-measured by increasingly experienced thieves. Once gone, the vehicle and its cargo will be lost forever. And because some thieves have not cracked certain vehicles equipped with immobilizers, they must take these vehicles by force, increasing carjackings and home invasions; leading to a higher risk of violence for policyholders and their families.

From a risk management perspective, Boomerang and Boomerang2 represent the difference between risk and just too risky.

For more details on risk management or upcoming conferences, please do not hesitate to contact Michel Allard at 416.985.0061.

Boomerang and Boomerang2 represent a unique and effective approach to risk management for both policyholders and insurers.

