

Combating Auto Theft

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FBI RECORDS SHOW THAT a vehicle is stolen every 44 seconds in the United States. (www.rmiaa.org) In 2013, that amounted to 699,594 stolen vehicles, totaling \$4.1 billion in value. Every vehicle owner is at risk of being the victim of theft. Helping clients reduce their chance of vehicle theft loss is another value-added service of the professional insurance agent.

California is the state with the highest incidence of vehicle thefts. Nine of the top ten cities for auto theft are in California. One reason is easy access to Mexico and seaports. High end vehicles are shipped overseas whereas many others are driven over the border to Mexico. There is no way to determine what percentage of stolen vehicles are exported, as they are usually not recovered. Personal trucks and vans are most commonly stolen, followed by commercial trucks and trailers, motorcycles, and all other vehicles (recreational and farm; construction). Carjackings occur most often in urban areas. It is interesting to note that they account for only about 3% of all vehicle thefts.

Older cars are more often stolen than newer ones. The average value of cars stolen in 2013 was \$5,972. 1996 Honda Accords are among the most commonly stolen vehicles. While this may not seem logical at first, it is because cars are most often stolen for their valuable parts rather than for the cars themselves. The parts are definitely more valuable than the entire vehicle. Newer cars also have more theft deterrent features and are more difficult to steal.

Auto theft is covered by comprehensive coverage. Comprehensive coverage also pays for vehicles that have been vandalized or set on fire. Stolen parts, such as air bags, hub caps, tires and permanently installed stereo systems, are also com-

prehensive claims. Each year, more than 75,000 air bags are stolen in the United States. (www.iii.org)

The good news is that the frequency of auto theft has declined in recent years. This is mostly due

to improved technology, such as ignition immobilization systems. These systems make it almost impossible to start a car without the ignition key. In fact, auto theft in New York City has decreased 96% since 1990. Many insurers offer discounts for the presence of anti-theft devices. It makes sense to buy a car with these devices.

Slightly more than half of stolen vehicles are ever recovered, and the most thefts occur in July and August. About 40% of vehicle thefts are due to operator error. (www.nhtsa.gov) Surveys of auto theft victims reveal that in 1 out of 3 cases, the car was left running. 40% had valuables in the open, and 47% parked in poorly lit areas. It goes without saying that cars should never be left running, even in the driveway. Vehicles should be parked in well lit visible areas whenever possible.

The costs of auto theft far exceed the need to replace the vehicle. Hidden costs include the time, inconvenience and cost to find alternate transportation. Filing reports with the police and insurance company and finding a new vehicle are also time consuming. Another hidden cost is



the risk of identity theft if personal information, such as wallets, bank statements or other mail, is left in the vehicle. Claims can mean increased insurance premiums or even loss of insurance.

Auto theft is an upsetting, time-consuming and costly occurrence. Fortunately, it is often preventable. Educating clients about the risks of, and suggestions for practices that can reduce or prevent, auto theft, are another sign of the true insurance professional.

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