

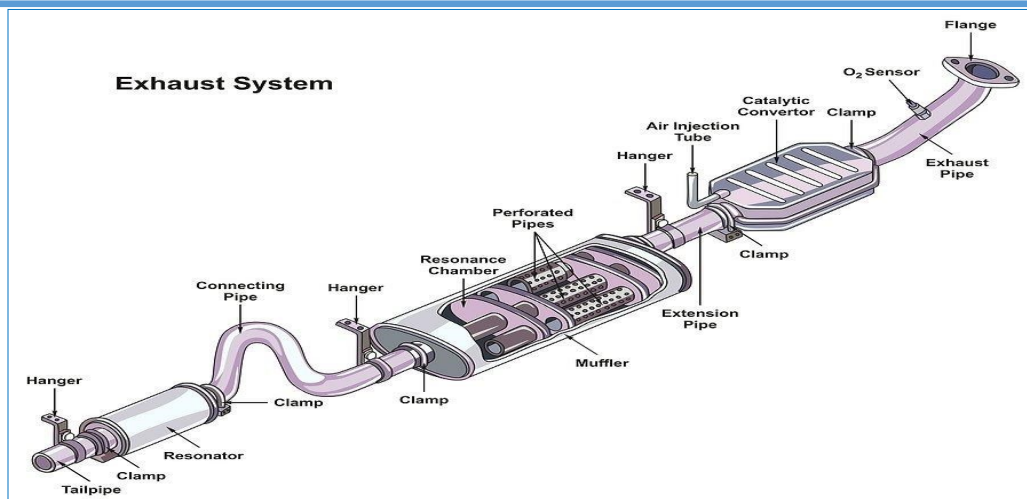
# Catalytic Converter Thefts on the Rise

by Sue C. Quimby, CPCU, AU, CIC, CPIW, DAE, and Kaitlyn Emory

Catalytic converters are a prime target of thieves. According to the National Insurance Crime Bureau (NICB), more than 1,200 catalytic converters per month were stolen in the United States during 2020. Thefts increased almost 300 percent in the period from July 2020 to October 2021 on a national level. BeenVerified has reported that California, Texas, and Washington are the top states for theft. Following dramatic increases, Texas ranked second for the most catalytic converter thefts in 2021, after ranking fourth in 2020. One insurer reported nationwide payouts in the first eight months of 2021 at \$28.5 million according to the Texas news station, WFAA. New York is not immune to the theft increases and has seen spikes of a 613 percent in 2021 and already a 230 percent increase in 2022. Insurers need to be aware of the risk of catalytic converter theft and look to help educate policyholders on how to prevent this type of theft.

The catalytic converter is a key component of a car's exhaust system. It is at the front of the exhaust system before the muffler. It looks like a muffler, and converts hazardous gases emitted by the vehicle's engine into less harmful gases, including water vapor and carbon dioxide according to the NICB. Without it, vehicles no longer reduce harmful emissions such as carbon monoxide, hydrocarbons, and nitrogen oxides. This is bad for the environment and presents a hazard if the emissions seep into your home once the car is parked in the garage.

There are a number of reasons catalytic converters are so popular with thieves. They are made of precious metals such as palladium, platinum, and rhodium, and can be sold to recyclers for \$50 – \$250. In November 2021, Rhodium cost \$11,000 per ounce. Palladium and plati-



num are about \$2,000 and \$1,000, respectively. Catalytic converters usually cannot be traced, since there is no registration or identification number on them. They are very easy to steal. The only tool needed is a battery-operated reciprocating saw – readily available at any hardware store for about \$50 – to cut it out of the car. Usually, the thief does not even need to jack up the car. It can take as little as a minute, but usually three to five minutes, to complete the process.

Hybrid vehicles such as the Toyota Prius, SUVs from any maker, trucks, and vans are prime targets since they use the highest amount of precious metals. In a report by CarParts, Honda passenger vehicles are also popular because of their hybrid systems. All-electric vehicles are the only ones that do not require catalytic converters because they do not have an internal combustion engine. The car can still run without a catalytic converter, so the owner won't get stranded. The car, will, however, sound very loud – a key clue that there has been a theft. The catalytic converter must be replaced to avoid potential fines due to increased pollution.

Nationwide, law enforcement is working to combat the theft problem. In addition, at least 18 states are working on

or have enacted legislation to attempt to reduce the theft problem, including making theft of catalytic converters a felony and requiring recyclers to maintain detailed electronic records of their purchases. Another option to reduce thefts would be to re-engineer the exhaust system to use less expensive materials.

In New York, legislation to reduce theft sponsored by Senator Diane Savino and Assemblymember Marianne Buttenschon recently passed both houses. A press release from Assemblymember Buttenschon's office states the "bill would prohibit selling stolen car parts back to metal scrap yards, as well as make it easier to identify when a catalytic converter has been stolen. In the future, only scrap yards that have been licensed by the state Department of Motor Vehicles will be able to purchase catalytic converters, and no retail dealer will be authorized to purchase a vehicle unless the catalytic converter has been properly etched. The legislation also requires motor vehicle dealers to offer etching kits and etching services." Many organizations, including NYIA, are seeking for the bill to be enacted into law by the Governor.





Theft of a catalytic converter is more than a noisy inconvenience. The catalytic converter must be replaced to avoid fines for air pollution and even noise pollution. Comprehensive insurance coverage on the automobile will cover catalytic converters, but only above the deductible amount. This is important since the cost to replace the catalytic converter can be \$1,000 to \$3,000 – not to mention the cost of alternate transportation and the overall

inconvenience and annoyance. These additional costs for insurance make policies more expensive for everyone. Helping insureds avoid becoming a victims of catalytic converter thief is a sign of the true insurance professional.

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Monroe County in New York is taking proactive measures after seeing increases in 2021. According to Sgt. Keith Ball of the Monroe County Sheriff's Office in Rochester New York, 796 converters were stolen in the county, and it's believed that number is grossly understated due to a number of factors. On a larger scale, the Sheriff's Office determined that 1,068 converters associated with suspects from Monroe County were sold at metal recycling facilities across the state for a total payout of more than \$250,000. Sgt. Ball worked with Brad MacAreavy of the Rochester Auto Dealers Association in helping to advance the New York legislation and outlined ways recyclers could take a more active role in curbing this crime.

Together they proposed an additional element that would require metal recyclers to report all converter purchases along with the identity of the seller to a company called LeadsOnline. The LeadsOnline software is only accessible to law enforcement and would help police agencies across the state identify suspects. Monroe County already requires all pawn shops to use LeadsOnline and it does not cost the pawn shops anything to use the service. At this time, LeadsOnline does not appear to be part of the recently passed legislation but is a voluntary tool that can be utilized to help reduce the theft of catalytic converters.

There are simple ways to reduce the chance of becoming a victim of catalytic converter theft. Parking the car in a locked garage or well-lit parking lot is always a good idea. Motion detector lights in the driveway may also deter thieves. Etching or painting the vehicle identification number (VIN) or license plate number on the catalytic converter can dissuade thieves and assist law enforcement. Anti-theft devices and shields are available from some manufacturers. Increasing sensitivity on the car alarm may cause it to sound if the thief jostles the car. Report suspicious sawing sounds to the police.



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