

DATE

January 20, 2021

BULLETIN NUMBER

5901

TO

Commercial Lines Agents

SUBJECT

Increasing Rate of Catalytic
Converter Thefts

Merchants Insurance Group is committed to fighting insurance fraud and helping our policyholders prevent insurance-related crimes.

We have seen an increase in catalytic converter thefts in 2020. These thefts have occurred in various states and with increasing frequency. Some of our insured businesses have suffered multiple crimes at one location.

These crimes are likely the work of organized criminal enterprises who are targeting businesses deemed easy targets. Businesses with multiple vehicles parked overnight in unsecured lots are particularly vulnerable.

While we are seeing these crimes mostly with commercial autos, auto repair garages storing passenger cars have also been affected.

The National Insurance Crime Bureau (NICB) has also identified catalytic converter theft as an ongoing problem. They attribute this to many factors including increased value of salvage metal generally and certain rare metals found in catalytic converters in particular. They also suspect underground auto parts markets and association with entities involved in the illegal drug trade.

There are measures you can share with your policyholders to help prevent these crimes. Merchants Special Investigation Unit, along with our Claim Teams and The NICB, suggest the following:

- Ensure vehicles are secured (locked) at all times
- Secure vehicles in locked, gated areas or indoor garages
- Use security lighting that stays on or is motion sensitive
- Install cameras and recording devices in areas where vehicles are stored
- Security cameras should be HD for better quality of video
- Promptly report any thefts or attempted thefts to your local police

For additional information, contact the Merchants Claim Team.

Attachment: Flyer on Catalytic Converter Thefts (F 950, 01-21)

Watch out for catalytic converter thefts!

There's been a recent increase in the theft of this valuable automotive part.

A catalytic converter is an important part of a vehicle's exhaust system, and the theft of such an item can be very lucrative to criminals, and costly for owners.



Information

The National Insurance Crime Bureau (NICB) has identified catalytic converter theft as an ongoing problem attributed to many factors, including the increased value of rare metals found in catalytic converters as well as the salvage metal itself.

- These thefts have occurred in many states and with increasing frequency.
- Some businesses have suffered multiple crimes at one location.
- Businesses with multiple vehicles parked overnight in unsecured lots are particularly vulnerable.
- While we are seeing these crimes mostly with business auto fleets, auto repair garages storing passenger cars have also been affected.
- While any vehicle may be a target, those vehicles with a high profile, such as vans, pick-up trucks and larger SUVs, are more vulnerable as it's easier to get to the catalytic converter.
- A knowledgeable thief can steal one in under 2 minutes.
- The damage to the vehicle is not only the loss of the catalytic converter, but also damage caused to the vehicle in the destructive manner used to get to the part.
- These crimes are likely the work of organized crime enterprises targeting businesses, underground auto parts markets and association with the illegal drug trade.

Here are some things you can do to keep vehicles safe

Merchants Special Investigation Unit, along with our Claim Teams and The NICB, suggest the following:

- Ensure vehicles are secured (locked) at all times.
- Secure vehicles in locked, gated areas or indoor garages.
- Use security lighting that stays on or is motion sensitive.
- Install cameras and recording devices in areas where vehicles are stored.
- Security cameras should be HD for better quality video.
- Promptly report any thefts or attempted thefts to your local police.