



Thieves Are Swiping Catalytic Converters

A Growing Trend Threatening Vehicle Owners Across Colorado

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Catalytic converter theft is on the rise in Colorado, increasing by as much as 5000% over the course of the pandemic (Miller, 2022). Though Colorado lawmakers seem poised to act, that action has not come soon enough for many Coloradoans, including CSDSIP Members, who have already experienced thefts. Taking steps now to understand this problem could help save you time and money if this growing challenge lands on your doorstep.

What Makes Catalytic Converters Attractive to Thieves?

Catalytic converters are designed to reduce vehicle emissions by rendering the toxic gasses produced during combustion benign. Precious metals within each converter aid in this process but also sell for thousands of dollars per ounce at scrapyards. Thieves can make hundreds of dollars off a single stolen catalytic converter, and units stolen from heavier vehicles such as school busses and trucks fetch the highest prices. High-clearance vehicles are also much easier to maneuver around and under, meaning a thief requires mere minutes to complete their heist (ESD112, 2021). Taken together, this means Member parking lots and bus barns could be an especially attractive target to those who want to make a quick buck.

What is the Impact on CSDSIP Members?

Though the units can sell for hundreds of dollars each, replacement costs are much higher. A new catalytic converter from a reputable source can run up to \$2,500, and this does not even begin to account for the opportunity costs associated with having vehicles out of service for repair. To make matters worse, thieves are not known for being delicate and hasty removal methods involving a saw or torch can damage adjacent systems and require further repair.

Theft Claim

CSDSIP has seen claims as recently as January 2022, when a Member reported 12 vehicles rendered inoperable through catalytic converter thefts occurring in their maintenance parking lot. The total cost incurred was just under \$25,000.

CSDSIP Coverage

Theft of autos or parts of covered autos is a covered cause of loss under our School Auto Coverage Form; both under our Auto Physical Damage (APD) coverage and our Terminal coverage.

Under our APD coverage, CSDSIP will pay for all unforeseen, unexpected or unintended risk of direct physical loss or damage. Coverage applies to Member-owned autos or hired autos for which you have a written obligation to provide insurance for and for which APD coverage has been purchased. APD coverage is subject to your APD deductible per auto as stated on your School Auto Declarations.

Under our Terminal coverage, CSDSIP will pay for loss caused specific named perils including fire, lightning, vandalism, malicious mischief, theft, windstorm, hail, earth movement and flood. Coverage applies to autos owned by you and hired autos for which you have a written obligation to provide insurance for and for which Terminal coverage has been purchased. Terminal Coverage is subject to your Terminal per vehicle/ per occurrence deductible as stated on your School Auto Declarations.

Catalytic Converter Theft

Depending on the extent of the loss and what coverage was purchased for the autos involved, coverage may be applied under APD or Terminal Coverage. One of the biggest differences between the two coverages are how the deductibles are applied. With the Auto Physical Damage, if a loss occurs, the APD deductible is applied per each vehicle involved. With Terminal coverage, the Terminal deductible is applied on a per vehicle and per occurrence basis. If multiple vehicles are involved in the same loss, the deductible will be capped once the per occurrence deductible has been met.

We value autos on an Actual Cash Value basis. It is also important to note that our Auto Physical Damage and Auto Terminal Coverage does not extend to autos owned by your employees or volunteers.

We strongly encourage you to report, as soon as possible, all theft claims so that we can work with you to determine the appropriate coverage that would apply in your claim scenario. Coverage is subject to policy terms, conditions, limits, and exclusions.

Preventing Catalytic Converter Theft

Keeping vehicles in locked garages or other difficult-to-access storage facility is the easiest way to prevent and deter auto-parts theft. However, that is not a viable option for most Members. Other deterrents include:

- Surveillance equipment such as security cameras. Consider PTZ (pan, tilt, zoom) cameras that have low-light capability to avoid low-quality nighttime footage that can make suspect identification difficult or impossible.
- Warning signs indicating a lot is under surveillance.
- Bright, motion activated lights to flood the parking area with light when triggered.
- Difficult-to-scale fencing with gates that close and lock automatically after entry or exit.
- Etching vehicle VIN numbers onto their catalytic converter. Some law enforcement agencies suggest painting your catalytic converter with a high-temperature fluorescent orange paint, such as those sprayed on barbecue grills. This may deter a thief from stealing it, as it makes the part easily identifiable, and many scrap yards and recyclers will not purchase marked items.
- Adding security to the lot, such as a security patrol or ask your local law enforcement to increase their patrols near your vehicles.
- Reaching out to vehicle manufacturers to see if a deterrent device can be installed on at-risk vehicles. Aftermarket devices include:
 - <https://www.catstrap.net/>
 - <https://catshield.com/>
 - <https://catclamp.com/>
- Having the converter welded in place also makes it more difficult to remove.
- Adjusting vehicle security systems to their most sensitive setting so vibration causes the alarm to sound.
- Alerting staff to this risk and asking them to be vigilant about unknown people on lots.
- Parking busses as close to the building entrance as possible or near areas where pedestrian traffic is high and suspicious activity would be noticeable.

The Bottom Line

Though catalytic converter theft is a growing issue across Colorado, you can lower your risk of becoming a target with a few deterrence techniques. As always, if you have questions about reducing your risk of theft, or any other loss, reach out to our Risk Control team at 303.722.2600.

Catalytic Converter Theft

References

- ESD112. (2021, April 13). *Risk Alert: Thieves Nationwide are Slithering Under Vehicles, Swiping Catalytic Converters*. Retrieved from Insurance & Safety News: <https://www.esd112.org/news/risk-alert-thieves-nationwide-are-slithering-under-vehicles-swiping-catalytic-converters/>
- Miller, F. (2022, February 28). *Rash of Catalytic Converter Thefts Prompts Bipartisan Measures at Colorado Capitol*. Retrieved March 30, 2022, from Colorado Newline: <https://coloradonewline.com/2022/02/28/rash-of-catalytic-converter-thefts-prompts-bipartisan-measures-at-colorado-capitol/>