



WARNING: CATALYTIC CONVERTERS ARE THEFT TARGETS

A recent influx of theft claims under the Texas Water Conservation Association Risk Management Fund's automobile physical damage coverage has highlighted a national trend of catalytic converter thefts. The Risk Management Fund has paid for several of these thefts from fleet vehicles parked overnight in fenced or open lots. The thieves have been so bold that they spent time to remove converters from three vehicles in one lot. Their target is the valuable metals that are in the catalytic converters. Much like the theft of air conditioning compressors for their copper content that some Risk Management Fund members experienced several years ago, when metal prices rise, so do thefts. In the current craze, the metal is rare earth metals that are part of the converter. (*Car and Driver*, "Why thieves are Coveting your Catalytic Converter..." December 24, 2020) With current shortages of some rare earth metals per ounce they are worth more than gold (\$1,714 per ounce as of April 1, 2021). The three metals and their current market prices as of April 1, 2021, are:

- Palladium \$2,560 per ounce
- Rhodium \$24,800 per ounce
- Platinum \$1,192 per ounce

Prices for these metals were affected in 2020 by reduced demand due to COVID-19 with even greater reductions in production of the metals. Therefore, prices have risen and are also supported by demand in catalytic convertors and electric vehicle systems. (*Mineral Prices.com*, "Platinum Group Metals," March 31, 2021)

Measures to help prevent catalytic convertor theft include storage in fenced lots that are well lit and subject to camera surveillance. Police recommend etching the vehicle's VIN or license plate number on the convertor to help identify stolen convertors. Aftermarket metal guards are also available that can make theft much more difficult. Trucks and other high clearance vehicles are particularly susceptible because they are easier to crawl under and remove the convertor. Some previous victims of theft have resorted to letting the air out of their tires to reduce clearance under their vehicle. (*New York Times*, "Thieves Nationwide are Slithering under Cars, Swiping Catalytic Convertors," February 20, 2021) Claims for repairing member vehicles range from \$1,500 to \$2,500 depending on the age of the vehicle and if a used or re-built convertor can be used.