



February 14, 2023

Kansas House of Representatives
Kansas House Judiciary Committee

Dear Chairman Patton and Members of the Committee:

The National Insurance Crime Bureau (NICB) is a national, century-old, not-for-profit organization supported by approximately 1,200 property and casualty insurance companies, including many who write business in Kansas. Working together with our member companies and Kansas law enforcement, we help to detect, prevent, and deter insurance crimes, including vehicle theft and catalytic converter theft. While NICB provides value to our member companies, we also serve a significant public benefit by helping to stem the estimated billions of dollars in economic harm that insurance crime causes to individual policyholders across the country every year.

We write in support of House Bill 2326 which seeks to combat catalytic converter theft in Kansas by adding catalytic converters to the list of items under the regulated scrap metal law.

Catalytic converter theft has skyrocketed in recent years in part due to the significant rise in the price of various precious metals, including rhodium, platinum, and palladium. All are used in the construction of catalytic converters. Criminals are seizing the opportunity to profit off these increased prices by removing the catalytic converter from vehicles – in relatively easy fashion – and selling the stolen part on the black market. The component precious metals can be recycled into new products. Nationally, catalytic converter thefts more than quadrupled from 3,389 in 2019 to 14,433 in 2020. Thefts jumped dramatically yet again to over 52,000 in 2021, an increase of 1,215% since 2019.

Additionally, installing a replacement catalytic converter can cost thousands of dollars. Because thieves try to remove the converters as quickly as possible, their hastiness often causes higher repair costs due to incidental damage. Moreover, businesses with large vehicle fleets, such as vehicle dealerships or utility companies, are often targeted due to the number of potential marks in a small area. Thefts from commercial carriers can lead to replacement costs in excess of tens of thousands of dollars, and additional lost revenue due to halted operations.

Accordingly, we respectfully request your support for House Bill 2326.

We thank you for scheduling this hearing and for considering our views as you deliberate the merits of the bill. NICB is well positioned to serve as an informational resource to you and the Committee on vehicle theft, catalytic converter theft, and other insurance crime and fraud issues. If you have any questions or need additional information, please contact me at tlynch@nicb.org.

Regards,

A handwritten signature in blue ink, appearing to read "Tim Lynch", is written over a horizontal line.

Tim Lynch
Senior Director
Strategy, Policy and Government Affairs
National Insurance Crime Bureau