



## NEWSBLAST

## Crime Alert

# Catalytic Converter Thefts on the Rise

**T**HERE IS a new and lucrative target for thieves: your car's catalytic converter. Thefts of the devices jumped by 325% in 2021 compared to 2020. Reported claims rose by more than 11,000 in 2021, and not all claims get reported.

If the catalytic converter on your vehicle is stolen, it can cost you on average up to \$2,000 to replace it, and it is illegal to drive your car without one. The resulting gap in your exhaust system also makes the car run poorly until it is fixed. Depending on what type of insurance you have, it may or may not cover the theft.

## The attraction for thieves

A vehicle's catalytic converter takes in raw exhaust from the vehicle's engine. It then converts the harmful chemicals in the exhaust to carbon dioxide, nitrogen and water vapor. The process reduces harmful emissions into the air. Federal law has required vehicles to include catalytic converters since the 1975 model year.

The devices contain three rare and expensive metals – platinum, palladium and rhodium. Catalytic converters are attracting thieves because of the prices fetched by these metals:

- An ounce of rhodium sells for more than \$15,000.
- Palladium goes for more than \$2,100 an ounce.
- Platinum is worth more than \$1,000 an ounce.

Stolen catalytic converters can fetch up to \$1,500; thieves net an average of \$200 per unit. Theft of catalytic converters is also a low-risk crime.

A thief can remove one in just a couple of minutes. Manufacturers do not stamp serial numbers or other identifiers on them, so a stolen converter is very difficult to trace.

The recent increase in rates of violent crime has caused police to give less priority to property crimes. Consequently, the odds of catching a thief are low.

## The cost to you

In addition to the cost of purchasing and installing a new catalytic converter, the victim of a theft may have a long wait. Supply chain disruptions resulting from the COVID-19 pandemic have meant that it can take weeks for a new unit to arrive.

If the catalytic converter on your vehicle is stolen, your auto insurance may pay part of the cost of replacing it if you purchased comprehensive coverage.

This insurance covers loss of or damage to the vehicle from causes other than collision. The policyholder is responsible for paying the deductible, however.

In some cases, the deductible may be almost as much as the cost of replacing the converter. Call us to discuss submitting a claim.

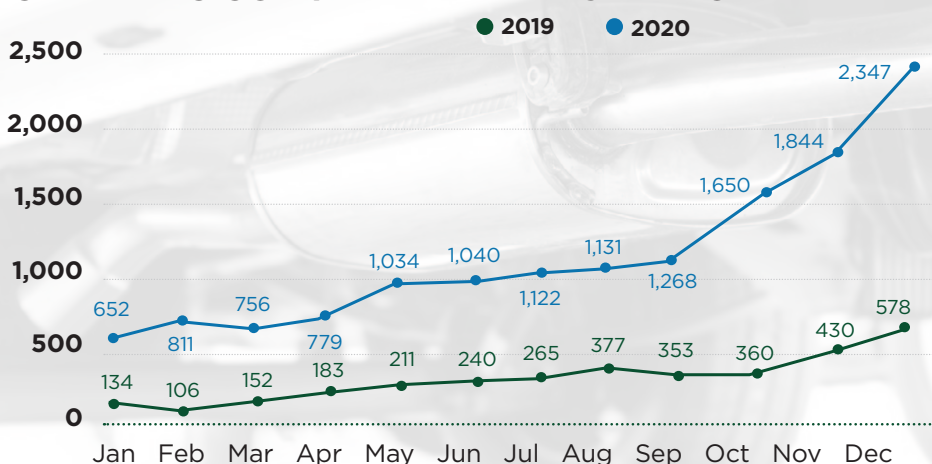
## Protecting your vehicle

You should also report the theft to the police, even if it seems unlikely that you will recover the stolen unit.

There are steps you can take to avoid becoming a victim of this crime:

- Park in well-lit garages or lots.
- Have the vehicle identification number (VIN) engraved on the converter.
- Install a catalytic converter anti-theft device.
- Install an alarm system. ❖

## CATALYTIC CONVERTER THEFTS BY MONTH



Source: National Insurance Crime Bureau



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## Essential Coverage

# Renter's Insurance and Misconceptions among Millennials

**I**N A RECENT study, researchers discovered that millennials are renting in larger numbers than ever before.

Researchers also found that most (75%) of the people surveyed did not know they could obtain renter's insurance for about the same cost as a pair of movie tickets and had therefore not purchased coverage for their belongings.

They concluded that there was a clear misconception with this group of young people about how important it is to have renter's insurance, and the true cost of coverage. Leaving belongings at risk when about \$20 per month can buy adequate coverage is an unwise move.

Renters often live in properties with multiple units, and they may not always realize how high the risk of fires and other disasters is in these places.

Although property owners are responsible for repairs to the structure in the event of most disasters, they are not responsible for tenants' belongings. It is up to renters to make sure their possessions are protected.

In their research, experts also found that about 40% of people who did not have renter's coverage did not think it was necessary. They said nearly 70% of all young adult renters replied that the cost to replace all of their belongings would exceed \$5,000.

Renters who had coverage said they bought policies because they wanted the peace of mind to know they were protected.

## Renters' biggest fears

- Two of respondents' biggest fears were theft and fires.
- About 40% said their biggest fear was fire damage.
- About 30% said their biggest fear was theft.
- Believe it or not, nearly 5% said that their biggest fear was a zombie apocalypse!
- Nearly 25% of the renters surveyed said they would rescue their laptops first, ahead of mobile phones, hidden cash and heirlooms.
- About 40% of respondents said they did not know stolen property was covered in a renter's insurance policy.
- About 30% said they did not believe party mishaps would be covered, and they were surprised to find that many types of damage to personal property or the structure that are typical at parties were covered.

## Inexpensive peace of mind

A plan that costs around \$300 a year generally covers up to \$50,000 worth of property. But most people won't need that much coverage as renters.

A policy that covers \$15,000 to \$20,000 worth of property should be enough for most millennials. The average renter's insurance premium cost about \$195 in 2022, according to the Insurance Information Institute.

Renter's insurance is quick and easy to buy, and millennials everywhere should make sure they always have it. To learn more about this type of coverage and how affordable it is, call us today. ❖





## Natural Catastrophes

# Risks of Uninsured Losses Grow for Affluent Households

**A** FAMILY THAT has accumulated substantial assets knows that it needs insurance protection. But, they may not be aware of how their risk of loss has changed over the last few years. Their home and assets have all become more expensive to replace, and they are facing growing threats of loss from natural catastrophes.

Homes on the coast and remote locations – on mountainsides, near forests or overlooking the ocean – may have inflated construction costs due to the expense of rebuilding in those areas.

Also, the cost of rebuilding a home has skyrocketed during the COVID-19 pandemic, thanks to rising labor and materials costs. And high-end homes also often have unique features that may be expensive to recreate.

In fire-prone areas of California, there are additional costs if a home has to be rebuilt using non-combustible materials. You may want to check with us to see if your current limits are enough to cover rebuilding and contents replacement costs.

### Many affluent households underinsured

With these realities in mind, high-net-worth individuals need to make sure they are properly insured.

An underinsured home also has ripple effects because limits on the policy are based on the amount covering the home.

For example, the amount of insurance covering other structures on the grounds is often 10% of the amount on the home. That means that your gazebo, guest house, servants' quarters or stables are also likely underinsured.

Also, coverage for your personal property may be inadequate. The prices of high-end furniture, electronics, computer equipment and other types of property have risen sharply.

The same goes for any collectibles you have, including art work, jewelry, wine collections, musical instruments and more.

### Review your coverage

If you live in a luxury home, you should already have high-value homeowners' insurance, as a typical policy would be insufficient.

This homeowner's insurance includes higher policy coverages and expanded limits for specialty items.

Some of the coverages with the expanded limit for luxury homes:

**Guaranteed replacement cost coverage** – This covers the payment for the full cost to repair or replace your high-net-worth home after a total due fire or natural disasters like a hurricane. If you have this coverage and you exceed your limit, you do not need to pay for an extra cost.

**Structure coverage** – This typically covers other structures that may involve your gates, fences, garages, terraces, and gazebos.

**Sewer and drain backup coverage** – This covers broader protection for plumbing issues during a flood incident.

**Second-home/vacation home coverage** – This coverage may allow you to fold a second home's coverage into your high-net-worth home insurance especially for a second home or vacation home that is located in the coastal area. You can combine this coverage into one policy and get the full coverage you need.

**Living expenses coverage** – This helps pay for lodging and meal allowance if your home is uninhabitable after a claim.

**Rebuilding to code coverage** – If your home needs rebuilding after being destroyed then it must meet current regulations in place at the time of the loss – which can be extremely costly. This coverage may help compensate for those added costs.

**Scheduled jewelry protection** – This ensures that your pieces have protection. And, that some of them may not be in your schedule. Some high-net-worth insurance may allow coverage of \$50,000 per piece for lost, stolen or destroyed jewelry.

**Specialty and additional insurance and coverage** – Home insurance coverage for high-net-worth homeowners also often includes specialty and additional insurance coverage.

In light of the increasing risks highlighted above, as well as higher rebuilding costs, we recommend that you meet with us to evaluate your coverage and look for any gaps that could leave you exposed. ❖



# Larger Vehicles More Likely to Strike Pedestrians



IN OCTOBER 2019, a teenager driving a sport utility vehicle (SUV) made a left turn at a tree-lined intersection in Norfolk, Virginia, and struck a 59-year-old woman in a crosswalk. The woman died a few days later without regaining consciousness.

A recent study by the Insurance Institute for Highway Safety concluded what this story illustrated: Larger vehicles such as SUVs, pickup trucks and minivans pose a particular danger to pedestrians.

The Institute looked at federal data on the most common types of single-vehicle, single-pedestrian crashes at or near intersections and at other locations for the years 2014 through 2018.

It also examined pedestrian crash data from North Carolina for the years 2010 through 2018. Below are some eye-opening findings.

Pedestrians can protect themselves by:

- Wearing bright clothing or reflectors when walking or running in darkness.
- Walking on sidewalks when they are available.
- Walking or running toward traffic in areas that do not have sidewalks.
- Waiting for signals at intersections and paying attention to drivers entering or exiting driveways and parking spaces.
- Avoiding distractions such as looking at cell phones while crossing streets.

## The Dangers of SUVs and Large Trucks

- One out of every seven fatal pedestrian crashes at U.S. intersections involved a large vehicle making a turn.
- An SUV making a left turn at an intersection (versus one going straight) was twice as likely to kill a pedestrian as was a car. Vans and minivans were three times as likely, and pickups were four times as likely.
- SUVs were 51% more likely to kill a pedestrian walking or running on the side of the road than were cars (versus head-on crashes with pedestrians). Pickups were 25% more likely.
- The results were similar in North Carolina, where turning crashes with pedestrians accounted for 38% of crashes at or near intersections.

The study's authors speculated that driver visibility in these vehicles may be a cause. It quoted a staff transportation engineer as saying, "It's possible that the size, shape or location of the A-pillars that support the roof on either side of the windshield could make it harder for drivers of these larger vehicles to see crossing pedestrians when they are turning."

However, the authors cautioned that more research would be needed to understand the role of visibility in these crashes.

The engineer suggested that improved vehicle design, better road infrastructure and reduced speed could lower the number of pedestrian crashes and fatalities.

## SUV Driver Tips

- Be constantly vigilant for the presence of pedestrians
- Slow down and be prepared to stop when turning or entering a crosswalk
- Yield to pedestrians in crosswalks and stop well back from the crosswalk to enable other drivers to see pedestrians
- Reduce your speed
- Use extra caution when visibility is poorer than normal

Regardless of the type of vehicle you drive, you should always drive at appropriate speeds when pedestrians are present, particularly at intersections and while making turns.

If you have a large truck or SUV, you will need to be extra vigilant. ❖

