



Leading the Fraud Fight

February 26, 2024

The Honorable C. T. Wilson and Members of the Committee
House Economic Matters Committee
Maryland General Assembly

RE: HB 871 – Catalytic Converter Recordkeeping Requirements – SUPPORT

Dear Chair Wilson 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 Maryland. Working hand-in-hand with our member companies and Maryland state and local law enforcement, we help to detect, prevent, and deter insurance crimes. 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 policy holders across the country every year.

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 reported to NICB more than quadrupled from 3,389 in 2019 to 14,433 in 2020. Thefts jumped dramatically yet again to over 64,422 in 2022, an increase of 1,800% since 2019. Thefts in Maryland increased by nearly 1,260% during this same period.

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. Beyond the financial impact to consumers, catalytic converter thefts can have second-order effects that can also result in more violent crimes.

House Bill 871 recognizes the significant rise in rates of catalytic converter theft both statewide and across the nation by implementing necessary regulation, including establishing additional recordkeeping requirements for automotive dismantlers and recyclers as well as scrap metal processors. These requirements will help deter thieves from selling stolen catalytic converters and provide regulators and law enforcement officials important records to investigate catalytic converter thefts, particularly those involving prolific thieves or organized rings.

Accordingly, we respectfully request your support for House Bill 871.

We thank you for considering our views as you deliberate the merits of this bill. We strongly encourage you to utilize NICB as a resource and partner in the fight against catalytic converter theft. If you have any questions or need additional information, please contact me at edecampos@nicb.org or 847.989.7104.

Sincerely,

Eric M. De Campos
Senior Director
Strategy, Policy and Government Affairs
National Insurance Crime Bureau