

NICB

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INFORMER

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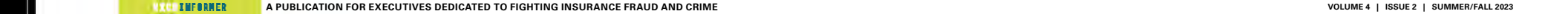
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DRIVING AWAY A BILLION-DOLLAR CRIME BUSINESS

INSIDE:

A LOOK INTO NICB'S INTELLIGENCE PRODUCTS



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NICB is honored to have won Gold, alongside TGD Creative Strategies & Solutions, in the Excel Awards. These awards recognize excellence and leadership in association media, publishing, marketing and communication.

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CRIME THREATS ARE NEVER STATIC

Vehicles are inevitably an enduring category of insurance crime threats. That's why our continued work in the vehicle space remains at the heart of NICB's mission.

We remain committed to advancing our intelligence capabilities and investigative efforts to fight these insurance crimes now and into the future.

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Get more predictive with your investigations by utilizing our vehicle theft analysis and other insurance crime intelligence products.

Addressing the Vehicle Theft Problem



DAVID J. GLAWE
President & CEO
National Insurance
Crime Bureau

July was National Vehicle Theft Prevention Month and NICB remains dedicated to combat this crime by bringing our unique expertise and capabilities on behalf of the insurance industry. Vehicle theft is a multi-billion-dollar industry in the United States with more than 1 million vehicles stolen last year alone. This reflects a significant increase in vehicle theft totals since the start of the pandemic. Sadly, these statistics show that approximately one motor vehicle is stolen every 32 seconds. To help combat this issue, we partnered with the U.S. Department of Transportation's National Highway Traffic Safety Administration (NHTSA) to warn Americans about the threat of vehicle theft as part of Vehicle Theft Prevention Month in July. Our goal is to highlight the importance of addressing the vehicle theft problem and its significant economic impact on the nation.

July is historically the busiest month of the year for vehicle thefts, which is why we focus on raising awareness and offering helpful tips and advice on preventing this crime. As part of this effort to raise awareness on vehicle thefts, NICB recently released a new report focused on theft trend rates involving different vehicle types. In our analysis, we found that while vehicle theft rates have been soaring since 2020, recovery rates have also risen. More than 85% of passenger vehicles reported stolen in 2022 were subsequently recovered by law enforcement or other means, with 34% recovered within a day of the vehicle being reported stolen.

In our eleventh issue of *The NICB Informer*, we take a look at efforts by law enforcement agencies across the country, NICB, and vehicle manufacturers to fight the surge in theft rates for Hyundais and Kias, which could be linked to recent social media trends (p. 8), as well as an update on cargo theft rates (p. 12). This issue also highlights the outstanding efforts by NICB's Government Affairs team as they work with state legislatures across the country to increase and support new legislation targeting various aspects of vehicle theft (p. 16).

Additionally, the issue includes a sit-down interview with Jessica Rust, Director of Data Analytics, and Raun Bass, Director of Intelligence Production, both with the Office of Intelligence and Analytics, who discuss the various reports and intelligence products produced by their department (p. 39).

All of these efforts to raise public awareness on new crime trends highlights our continued focus on advocacy, education, data collection, and providing resources for our members to help prevent insurance fraud.

Thank you for your continued support as we work to benefit our members, the law enforcement community, and insurance consumers across the nation.

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The Technology to Steal Cars



Countering the dogged determination and operational expertise of law enforcement is a full-time job for criminals. As police departments and other agencies work overtime to make the lives of car thieves harder and harder, criminals are forced to find new ways to make a score. Recently, NICB released two intelligence reports that detail technology that thieves may be pursuing: the Flipper Zero and radio-frequency identification (RFID) cloning kiosks.

The Flipper Zero Device

While none of the technology housed within the Flipper Zero is new exactly, it does combine multiple functions into one unassuming, handheld device. As detailed in the NICB report, with the ability to read, record, and manipulate over the air signals such as radio frequency (RF), near-field communication (NFC), infrared, and the previously mentioned RFID, the potential criminal uses for the Flipper Zero are concerning. Conceptually, the device could not only obtain valuable personal information from NFC signals, such as a person's banking information, it could also be used to initiate vehicle theft.

A Flipper Zero user may be able to intercept, record, and possibly mimic the signal of a vehicle's key fob. If intercepted, the signal could be used by the device to open and start a vehicle. Perhaps an even scarier possibility is the use of the Flipper Zero to record and emulate a garage door signal. This would not only give a thief access to a person's vehicle, but also their home.

Though the Flipper Zero is not illegal to possess, Amazon has removed it from their marketplace due to security concerns. While it is available through the company that makes the device and

A Flipper Zero user may be able to intercept, record, and possibly mimic the signal of a vehicle's key fob.



The NICB Insight Reports highlighted in this article can be accessed by members via ISO ClaimSearch® (NICB Services > NICB Intelligence Reports). Law enforcement can access applicable reports through either the Law Enforcement Enterprise Portal (LEEP) or Homeland Security Information Network (HSIN) website.

on other online stores, the ban enacted by Amazon could mean other marketplaces may take similar steps.

Manufacturers have taken steps to help safeguard vehicles from the type of hacking attacks the Flipper Zero is capable of. Currently, the possible threats posed by the device appear to apply to older model year vehicles, for the most part, that use fixed numeric codes for their fobs. A fixed code is a numeric code that doesn't change whereas newer vehicles employ rolling codes. Rolling codes change the numeric code transmitted from a key fob with each use. Presently, rolling codes limit the use of devices like the Flipper Zero, as a user of the device would likely have to account for too many variables to successfully scan and use a code, but with technology advancing faster than ever, this might not be the case for long.

RFID Cloning Kiosks

The other NICB report released in 2023 concerns kiosks with the ability to copy/clone the RFID signals of key fobs and key cards. RFID uses radio frequencies wirelessly to initiate an interaction between an RFID tag and a receiving device. This interaction is usually done within a limited distance and is most widely utilized by organizations and entities to control access to their facilities.

Kiosks that replicate the RFID signals of key fobs and key cards physically scan a fob or card and produce a new one. Some kiosks can create a new key or fob within a 15-minute window, but some can take anywhere between 3 to 5 days or more to make and send via mail delivery. Additionally, some kiosks have the ability to house RFID scans for future use and make these scans available to share with others via a propriety application.

RFID scanning technology is not illegal, but as these kiosks start to appear more often in retail stores, gas stations, and grocery or convenience stores across the country, it is possible that individuals may abuse their services in pursuit of criminal activities. Criminals could potentially use these kiosks to copy key fobs that were stolen from vehicle owners or taken from a rental in order to steal a targeted vehicle at a later date. The key cards of private businesses or government agencies may be copied to access sensitive items and information. Furthermore, some kiosks allow for users to create RFID copies in various shapes and sizes, including stickers. These stickers could then possibly be affixed on a cell phone or other item to conceal it while in use.

Other Device Threats

NICB is also aware of two other devices that may be used by criminals to steal vehicles: Apple AirTags and key programming devices meant for use by automotive industry professionals.

Apple AirTags are intended to give users the ability to track various items that may go missing, such as a set of keys or a mobile phone. However, there is some concern that this technology may allow car thieves to track a vehicle they are targeting for theft. A possible scenario is that a thief places an AirTag on a vehicle in a public parking lot or even at a dealership. They then track that vehicle via an app on their phone to a location that is more advantageous for theft, such as a vehicle owner's home.

Key programming devices present possible logistical issues for criminals, such as the cost of the devices and the ability to obtain one without arousing

suspicion, but once acquired, these devices are powerful tools. Intended for use by locksmiths, dealership employees, and others in the automotive industry, these devices can house the data necessary to create new keys for vehicles. Criminals using these devices have been known to target dealerships in order to take newer, more in-demand vehicles off the lot after business hours.

While these potential threats may seem alarming, NICB and our partners in law enforcement and various government agencies are not only aware of their existence but are working together on ways to counter their use. NICB will continue to use its position as the industry leader in the fight against fraud in order to keep our stakeholders and the public aware of new schemes. Only together can we stop emerging vehicle crime before it starts. ■

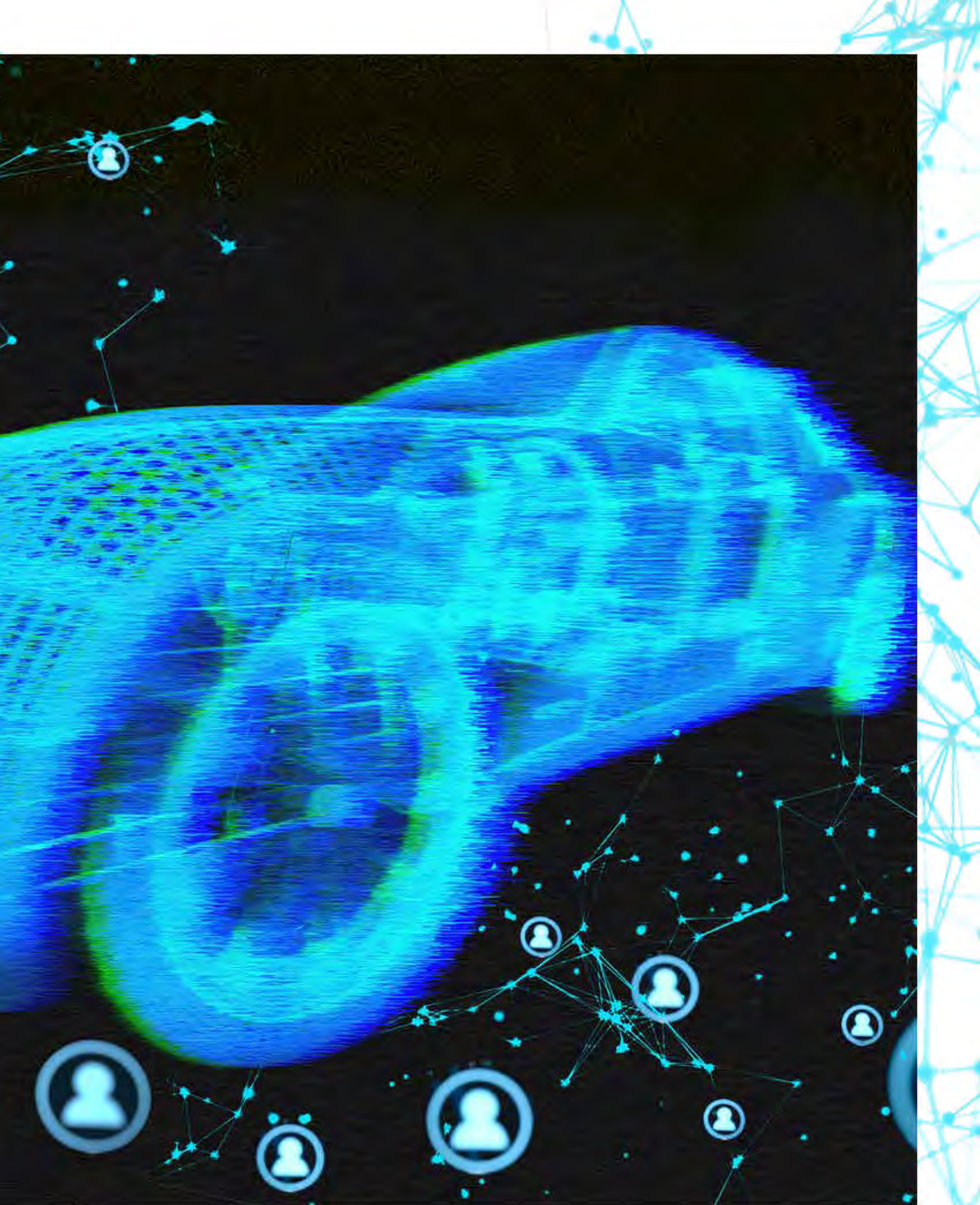
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CHALLENGING A VIRAL VEHICLE THEFT DARE

An uptick in vehicle thefts to gain social media notoriety.

By Kristen Shapiro





The desire to be accepted, and the consequent peer pressure that accompanies it, is part of the human experience. For a subset of the population, this desire is amplified by the potential for notoriety on social media platforms. Constant strings of new trending videos on social media challenge users to recreate similar content to gain as many viewings as possible by performing popular choreographed dances, lip synching, dumping ice water buckets over themselves, and more. Unfortunately, not all challenges circulating on these platforms are innocent, or in some cases legal.

Social Challenge Fuels Thefts

A group of teenagers in Milwaukee, Wisconsin, referring to themselves as the “Kia Boys,” began posting videos in 2021 demonstrating how to quickly steal certain model Hyundai and Kia vehicles. Thefts of these vehicles saw a drastic increase in the Milwaukee area. Theft data from the National Crime Information Center (NCIC) shows that there were 542% more Hyundai and Kia thefts in 2021 in the Milwaukee-Waukesha, WI core-based statistical area (CBSA) than in the prior year. By May 2022, the videos went viral and quickly spread beyond Wisconsin to states across the nation.

Hyundai and Kia vehicle thefts surged nationwide in the summer of 2022, increasing 95% from 2021. Los Angeles, Denver, and Chicago were among the top cities with the highest number of Hyundai and Kia thefts in 2022, and of the top theft locations across the country, the Memphis, TN-MS-AR CBSA saw the highest theft percentage increase of Hyundai and Kia vehicles from 2021 to 2022 of 653%.

Stolen for the Thrill

The trending Kia Challenge enticed teenagers across the country, many of whom were not even old enough to obtain a driver’s license, to film themselves stealing Hyundai and Kia vehicles. The viral videos exploited certain 2011–2021 Kia and 2015–2021 Hyundai vehicles not equipped with engine immobilizers. Without these anti-theft mechanisms to prevent the vehicle

from starting without the appropriate key inside, thieves are able to rip open the steering column and start the vehicle. A May 2023 press release issued by Hyundai estimated that 9 million Hyundai and Kia vehicles on the road in the U.S. lack engine immobilizers, making them targets of this theft trend.


The targeted vehicles are most often stolen to use for joyriding and to gain notoriety on social media. Once stolen, the vehicles are driven recklessly through neighborhoods, often causing accidents, injuries, and sometimes even fatalities. Eventually the damaged and vandalized vehicles are abandoned. In Florida, the St. Petersburg Police Department has reported an uptick in Hyundai and Kia thefts. Recently, a Kia stolen in St. Petersburg was found in Pinellas Park, FL, after two 12-year-olds driving the vehicle crashed into a fence and ran from the scene.

Insurance Industry Responds

As a result of the skyrocketing theft numbers, dozens of insurance companies have increased rates or denied coverage for select Hyundai and Kia vehicle models in certain parts of the country. In response, Hyundai partnered with a carrier in April 2023 to implement a program offering insurance options to owners of susceptible vehicles who are unable to secure automobile insurance.

Manufacturer Solutions

Hyundai and Kia are providing free wheel locks to eligible owners of targeted vehicles through local law enforcement agencies and direct shipments. Thefts in Milwaukee have continued decreasing since August 2021 after a steering wheel lock program was announced in July 2021, allowing Hyundai and Kia owners who live, work, or attend school in Milwaukee to obtain a free steering wheel lock from the Milwaukee Police Department, provided by the vehicle manufacturers. Analyses of NCIC data found a 33% decrease in Hyundai and Kia vehicle thefts in the Milwaukee-Waukesha, WI CBSA from 2021 to 2022, a trend that has continued into 2023. Sim-



“NICB works closely to keep our manufacturing partners informed of ongoing theft issues, discuss theft trends, and educate them on issues facing law enforcement.”

ilar programs have since been initiated in other high-impact areas across the country to combat Hyundai and Kia thefts. In May, Hyundai stated that over 65,000 steering wheel locks had been distributed.

To combat the problem from a tech angle, Hyundai and Kia started rolling out free anti-theft software updates to affected customers earlier this year. The update extends the length of the theft alarm and utilizes the vehicle's key fob to activate an ignition kill feature that can only be deactivated when the same fob unlocks the vehicle. Once equipped with the update, vehicles are provided stickers to help deter would-be thieves. In mid-May, Kia stated that over 3 million owners and lessees, covering more than 96% of eligible vehicles, had been notified of their eligibility for the upgrade and that all Hyundai owners should have been notified by the end of the month.

Legislative Efforts to Protect Consumers

Despite the efforts made to combat Hyundai and Kia thefts, nationwide theft numbers continue to rise. Attorneys general in 18 states sent a joint request in April 2023 urging the National Highway Traffic Safety Administration (NHTSA) to recall millions of Hyundai and Kia vehicles, citing a public safety crisis. The NHTSA has since denied the request, stating that the theft trend did not meet the criteria for a national recall.

New York City recently filed a lawsuit against Hyundai and Kia, joining a growing list of cities spanning from coast-to-coast that have done the same. The lawsuits all similarly assert that the vehicle manufacturers caused an epidemic of Hyundai and Kia thefts by failing to equip certain models with engine immobilizers that have become industry standard in the past two decades. They allege that the manufacturers' decision to cut costs and boost profits was done at the expense of public safety.

In May, Hyundai and Kia reached an agreement to settle a class-action lawsuit filed against them. The agreement, pending preliminary approval, could be valued up to \$200 million and will provide compensation to consumers for theft-related losses not covered by insurance and reimbursement for insurance deductibles and increased premiums. The settlement requires anti-theft software updates to be installed on any eligible vehicle that is being serviced at Hyundai or Kia dealerships and provide reimbursement up to \$300 for the purchase of anti-theft devices to owners with susceptible vehicles that are not compatible with the update.

NICB Responds

NICB has also joined in the fight against the rise in Hyundai and Kia thefts. The organization sent letters to social media companies requesting that the videos related to the Kia Challenge be removed and are working to combat the problem with our industry partners and local law enforcement agencies.

“NICB works closely to keep our manufacturing partners informed of ongoing theft issues, discuss theft trends, and educate them on issues facing law enforcement,” said Rusty Russell, NICB's Director of Vehicle Operations. “We also partner with law enforcement to raise awareness of crime trends and participate in anti-theft campaigns.”

Addressing this problem is not just the responsibility of one group. NICB remains committed to working with our partners in law enforcement, the insurance industry, and vehicle manufacturers to park this theft issue across the country. ■

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Trouble in Transit

6500 4 4
4561

MAX. WT.	22,500 KGS
TARE WT.	71,650 LBS
	3,200 KGS
PAYLOAD	0,560 LBS
	25.50 KGS
CU. CAP.	63.70 LBS
	28.7 CU. M

Transit

Cargo Theft Continues to Plague Carriers as New Threats Emerge

By Josh Cahill and Ryan Elliott

Cargo theft poses a significant threat to supply chains, impacting businesses, consumers, and economies worldwide. As the global economy expands and supply chains become increasingly complex, cargo theft trends have also evolved. Insurers must make every effort to fully understand the current threats to cargo so they can put effective measures in place to mitigate risks.

Spikes in Thefts

CargoNet, a collaboration between NICB and Verisk, is a national information-sharing system that was established to share cargo theft data between theft victims, their insurers, and law enforcement. A recently released report from CargoNet focuses on trends in Memorial Day cargo theft that highlighted the upward trend of cargo thefts that occurred over this particular holiday weekend. There was a total of 144 cargo theft events reported from 2017 to 2021 for the Thursday prior to Memorial Day to the Wednesday after, averaging 29 events per year. Each cargo theft event was worth an average value of over \$298K, with five thefts being worth over \$1 million. Memorial Day thefts for 2023 were reported to be valued at a staggering \$16.9 million,

resulting from 125 cargo theft events, averaging \$394K per theft. Cargo theft events were up 331% over the 2023 Memorial Day week compared to the average of 29 events per year from 2017 to 2021. This holiday theft increase also coincides with a larger trend of surging national cargo thefts.

According to the FBI, cargo theft is estimated to cost trucking companies and retailers at least \$15 to \$30 billion annually. In the first 20 weeks of 2023, there has been a 41% increase in criminal activity in the supply chain when comparing to 2022, equating to over 900 incidents. Additionally, CargoNet reports that fictitious pickup and fraud complaints are 675% higher in the first 20 weeks of 2023 when compared to the first 20 weeks of 2022. The most targeted commodity in cargo theft this year has been food and beverage. While the American public is already paying a higher price for essentials due to inflation, cargo theft losses are also contributing to higher prices at the grocery store.

Threats to Cargo

While technical advancements are essential to a company's growth and success, they may also be a double-edged sword when it comes to cargo theft. In order to store, analyze, and exchange data, carrier operations



NICB oversees the National Commercial Vehicle and Cargo Theft Prevention Task Force (NCTTF), comprised of law enforcement, insurance carriers, and transportation companies from across the country. The task force members have identified a need for additional information sharing and national partnering on cargo theft.

Contact NCTTF@nicb.org or go to ncttf.org for more information or to join the task force (no membership fees).



In the first 20 weeks of 2023, there has been a 41% increase in criminal activity in the supply chain when comparing to 2022.

Empower Yourself

To help prevent other incidents like this one, NICB is sharing these tips provided by CargoNet in hopes of empowering those with a vested interest in the safe transport of cargo:

- End-of-day transactions should have strict vetting processes; a second look by a supervisor prior to tendering a load to a carrier may prevent a theft.
- A trucker who is willing to take an undesirable load for a lower rate than the industry standard may be setting you up for a theft.
- Secure all tractors with high-security locking devices, such as air-cuff and steering column locks.
- Remind drivers to arrive at point of pickup well-rested, showered, and fed and with a full tank of fuel.
- Avoid having loaded trailers sit unattended when employees are not present.
- Remove keys from all facility equipment and place them in a secure location, especially motorized pallet jacks and forklifts.
- Never treat any alarm signal as a false alarm. When targeting warehouse locations, cargo thieves tend to trip facility alarm systems multiple times before a break-in to give law enforcement and facility managers the impression that the alarm system is broken.

are heavily reliant on electronic systems. The location and contents of certain shipments are frequently included in this data, making it a target for thieves. Tech-savvy criminals can breach these carrier systems to track high-value shipments and subsequently target the distribution centers which house them. If carrier networks fall victim to security breaches, thieves can also obtain data on a driver, cargo contents, or an asset that may help them perform a fictitious pickup by modifying driver assignments, rerouting shipments, or changing a shipment's destination all together.

Nearshoring is also something that may be contributing to the rapid increase of cargo thefts. Nearshoring is the practice of businesses relocating their offshore activities to nations that are geographically closer than what the public generally thinks of when it comes to offshoring. Since the start of the coronavirus pandemic, there has been a spike in interest in nearshoring by U.S.-based companies who seek to move operations to Mexico. Unfortunately, the increase of operations in Mexico poses a higher risk for cargo theft due to the prevalence of organized crime. Last year alone, roughly 20,000 cargo thefts were reported in Mexico, some of which were carried out by armed groups, compared to 1,800 in the U.S. Some interior areas of Mexico are highly patrolled by cartels who target goods like electronics, appliances, tequila, and tires.

Successes and Tips

Cargo theft remains a significant threat to global supply chains and insurers as highlighted by recent arrests in connection to a cargo theft operation in California. In early May, the California Highway Patrol (CHP) announced they arrested 40 people connected to a statewide cargo theft operation that stole over \$150 million in goods. As a result of the dedicated men and women of the CHP, \$50 million in stolen merchandise was

recovered, along with 20 stolen cargo trailers, several vehicles, over \$500K in cash, 13 gold bars, and multiple firearms, including ghost guns (firearms that are homemade, unserialized, and untraceable). It is believed that the thieves stole over 200 cargo loads. ■

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Legislatures React to Trends in Vehicle Thefts

There is a growing epidemic of vehicle thefts happening across the country. From 2020 to 2022, vehicle thefts have increased by 13% in the U.S. Thefts of Hyundai and Kia vehicles increased by 95% in 2022, due, in part, to a scheme that originated on social media. Criminal groups perpetuating these crimes have become more organized and more violent in their tactics. This has forced state and federal legislators to formulate and enact bills attempting to combat this growing problem.

As one of the core policy issues related to NICB's mission, Government Affairs tracks vehicle theft bills throughout the country. From 2020 to 2023, the department has seen a 230% increase in bills related to combatting vehicle theft. During that period, half of all U.S. states introduced at least one such bill. In 2023, nine vehicle theft bills were enacted at the state level.

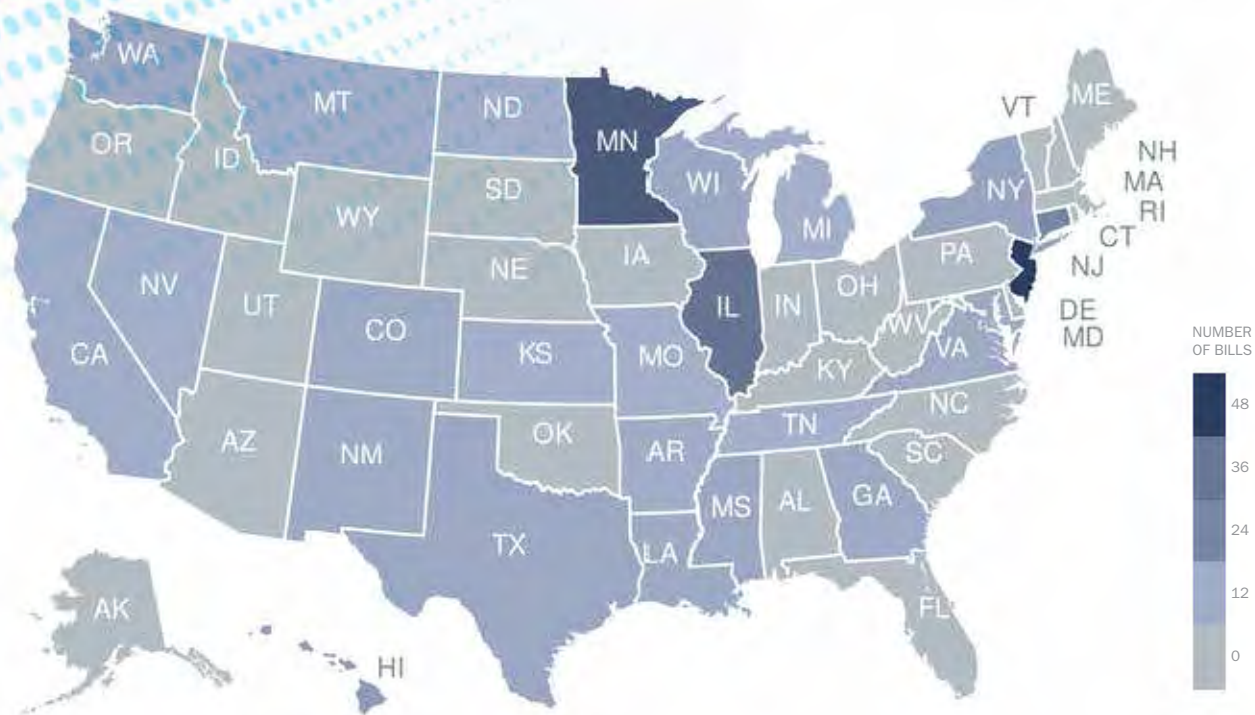
State, federal, and issue-based legislation to note regarding vehicle thefts are:

Colorado

In 2022, Colorado ranked 5th in the number of vehicle thefts amongst all states, and 1st per capita. The state legislature reacted in 2023 by sending three vehicle theft bills to the governor's desk. One of these bills would make vehicle theft a felony regardless of the car's value. Another bill would award grants to "eligible entities for programs for theft prevention, enforcement, prosecution, or offender rehabilitation."



For questions about the bills that NICB is tracking, contact a member of the Government Affairs Department at nicb.org/how-we-help/government-affairs or consult the legislative tracking map at nicb.org/how-we-help/government-affairs/legislative-tracking to see active legislation by clicking the highlighted states on the map.



Vehicle Theft Legislation Map 2021–2023

MAP COURTESY OF NICB QUORUM | BEST-IN-CLASS PUBLIC AFFAIRS SOFTWARE

New Jersey

The state with the most vehicle theft-related bills introduced from 2021 through 2023 was New Jersey, with 50 bills filed. One of these bills was Senate Bill 3006, which “makes it a 1st-degree crime for a leader of an auto theft trafficking network to conspire with others to engage in an organized auto theft scheme for profit.” Another bill would establish an Automobile Theft Prevention Authority. The role of this authority would be to fund activities intended to combat vehicle theft and support vehicle theft prosecution.

Carjacking

Over the last few years, many states have made attempts to legislate the crime of carjacking. Three states passed such legislation. Wisconsin passed legislation that increases the penalty for carjacking from a Class C felony to a Class B felony if the person possesses a weapon and uses or threatens to use force or the weapon. Legislation passed in Mississippi increased the minimum penalties for carjacking and armed carjacking to five- and 10-years imprisonment, respectively. In Louisiana, the legislature increased the minimum penalty for armed carjacking to 10 years. Additional carjacking-related legislation was introduced in many other states.

Federal

The growing issue of vehicle theft has also gained the attention of the United States Congress. On March 1, 2022, NICB President and CEO David J. Glawe testified before the Senate Judiciary Committee on the rise of vehicle theft and carjackings. In February 2023, this same committee introduced the Auto Theft Prevention Act, which would “provide funding to State and local law enforcement agencies to combat auto theft and stolen automobile trafficking.” Also, early this year, President Joe Biden signed a resolution overturning a local Washington, D.C. crime bill that, amongst other things, would have lowered penalties for carjacking. ■

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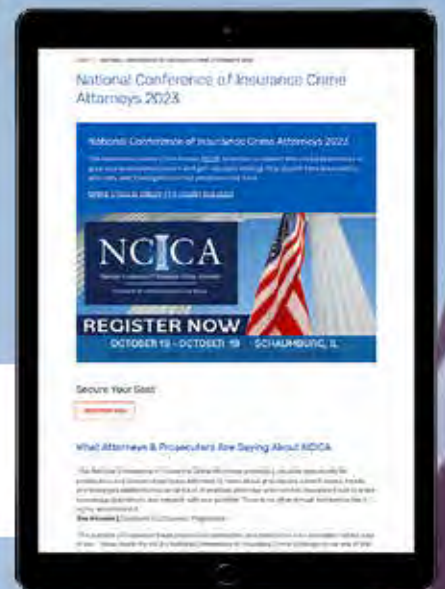
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What Attorneys & Prosecutors Are Saying About NCICA

“

The National Conference of Insurance Crime Attorneys provides a valuable opportunity for prosecutors and insurance company attorneys to learn about and discuss current issues, trends, and strategies related to insurance fraud. It enables attorneys who combat insurance fraud to share knowledge, brainstorm, and network with one another. There is no other annual conference like it. I highly recommend it.”

JIM WHEELER
CORPORATE SIU COUNSEL, PROGRESSIVE

“

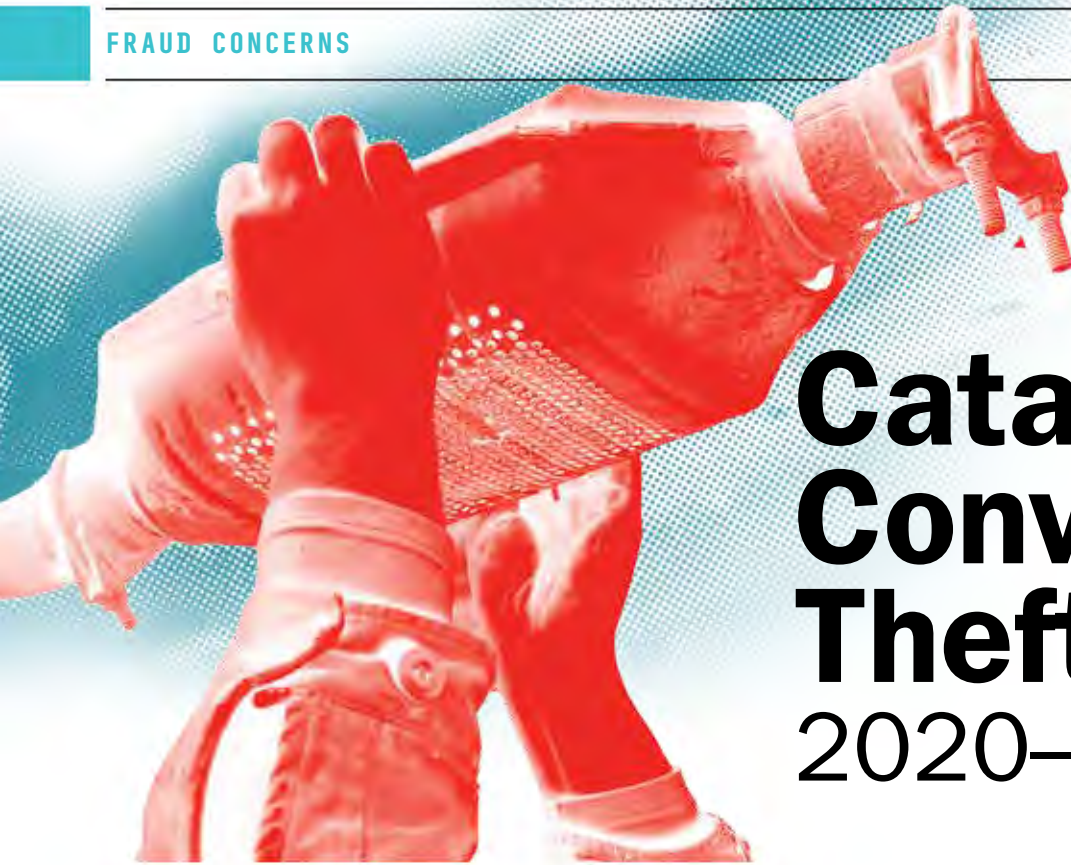
The practice of insurance fraud prosecution, detection, and prevention is an incredibly niched area of law. I have found the NICB's National Conference of Insurance Crime Attorneys to be one of the best resources to learn about recent trends in insurance fraud, get expert advice on how to best prosecute these cases, and to network with other attorneys in similar positions.”

HELENE J HERAUF
FIRST ASSISTANT ATTORNEY, CO ATTORNEY
GENERAL OFFICE

“

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JOHN BOYLE
NATIONAL COORDINATING COUNSEL, LIBERTY
MUTUAL SPECIAL INVESTIGATION UNITS



Catalytic Converter Thefts

2020–2022

Thefts of catalytic converters continue to be a costly headache for drivers. Local and national news outlets have routinely reported on these theft increases around the country for the past few years.

Catalytic converters are a necessary part of the exhaust system of a vehicle that converts pollutants from the engine into less harmful emissions. Each converter contains a honeycomb shaped piece of ceramic that is coated with precious metals, including rhodium, palladium, and platinum, that act as catalysts for chemical reactions and filter out harmful engine exhaust pollutants. Thieves target catalytic converters due to their ease of access, high value, and lack of traceability.

A thief can remove a catalytic converter with a battery-powered saw in about one minute and make anywhere from \$45 to \$300 for a standard converter or up to \$1,400 for one from a hybrid vehicle at a recycling facility. Black market prices are more than \$1,000 for each converter. Since these vehicle parts cannot be cross-referenced to a vehicle identification number (VIN), it is nearly impossible for law enforcement to track them.

A total of 132,570 catalytic converter theft claims were reported in ISO ClaimSearch® from 2020 through 2022.

- There was a 207% increase of catalytic converter theft claims from 2020 to 2021.
- Catalytic converter theft claims have continued to rise slightly with a 26% increase from 2021 to 2022.

- Thefts increased steadily in 2020 from April through the end of the year. January 2020 saw the lowest number of thefts of the year with 745 while December 2020 saw the highest number of thefts of the year at 2,764.
- In 2021, the lowest number of catalytic converter theft claims occurred in February with 3,242 thefts. Theft numbers increased steadily from February to August, dropping slightly in September before peaking for the year in November with 5,154 thefts.
- Although 2022 had higher theft numbers than the previous two years, monthly theft claim numbers began a downward trend in the fourth quarter. Unlike preceding years, the highest number of claims occurred at the beginning of the year in March with 6,077 theft claims and the lowest number was reported at the end of the year in December with 4,731 claims.

Precious Metals

A strong correlation was observed between the price of rhodium and catalytic converter theft claims. In short, the number of claims increased when the price of rhodium increased, and claims decreased when the price of the metal decreased. The price per ounce of platinum and palladium have exhibited a similar trajectory from 2020 through 2022, with prices remaining fairly consistent. All three precious metal prices dropped to the lowest price per ounce recorded between 2020 and 2022 on March 20, 2020, following COVID-19 economic shutdowns announced that week.

Vehicle Make and Model

Toyota, Honda, and Ford vehicles were listed on 75% of all catalytic converter theft claims from 2020 through 2022. The number of Ford vehicles involved in catalytic converter thefts increased 183% from 2020 to 2022. Ford was the only manufacturer in the top 10 list with less than a 200% increase during this time. Mitsubishi vehicles had the largest increase of catalytic converter theft claims of the vehicle makes listed above, increasing by a staggering 5,026% from 2020 to 2022.

The Toyota Prius, Ford E-350, and Honda Element were the only three models listed in over 1,000 catalytic converter theft claims in 2020. All top 10 models were listed in more than 1,700 claims in 2022. The Toyota Prius was listed on 21% of all catalytic converter theft claims from 2020 through 2022 and 58% of claims listing Toyota vehicles. The vehicle model with the largest increase of catalytic converter theft claims from 2020 to 2022 was the Mitsubishi Outlander Sport with an increase of 7,423%. The Outlander Sport was listed on 79% of all Mitsubishi-related catalytic converter theft claims.

Thefts by State

California was the state with the highest number of catalytic converter theft claims from 2020 through 2022, with 51,585 catalytic converter thefts reported to insurers. The top 10 states accounted for 71% of all catalytic converter theft claims reported nationwide during the analysis period. Of the 132,570 total catalytic converter theft claims from 2020 through 2022, 39% of the thefts occurred in California. Texas had the largest increase of theft claims, increasing by 798% from 2020 to 2022. Rounding out the top five were Pennsylvania, Illinois, and Washington.

Curbing the Thefts

Catalytic converter theft claims have increased each year from 2020 through 2022. Despite a downward trend of claims and decreasing price per ounce of rhodium through the end of the year in 2022, overall theft claim numbers were still higher than in previous years. Replacing a catalytic converter can cost a consumer up to \$3,000. Unfortunately, supply chain disruptions and the high value of precious metals used in catalytic

converters, paired with the fact that the parts are easily accessible to steal and are untraceable due to a lack of identifiers on them, make it likely that thefts will continue at high rates in 2023.

To combat catalytic converter thefts, the NICB has partnered with law enforcement agencies and businesses across the country to host VIN etching events where mechanics etch catalytic converters with the VIN on the vehicle and mark it with a bright colored, high-temperature paint. VIN etching allows law enforcement to track stolen converters and can help deter thefts all together.

Legislative efforts are also underway to address the rising number of catalytic converter thefts. Some states are trying to address the surge of thefts with new laws that restrict who can recycle catalytic converters. Some are also increasing fines and jail time for thieves. Even Congress is considering requiring automakers to etch a VIN code onto converters to make it easier to trace stolen parts. That idea stalled in committee last fall.

Twenty auto industry partners, NICB included, recently sent a letter to the U.S. House and Senate Commerce Committee leaders urging the passage of bipartisan legislation aimed at combating catalytic converter theft.

The Preventing Auto Recycling Theft (PART) Act would require new vehicles to have traceable numbers stamped on the catalytic converter during assembly. It also would increase record keeping requirements for purchasers.

Under the bill, the federal criminal penalty for the theft, sale, trafficking, or known purchase of stolen catalytic converters would be up to five years in jail.

This intelligence product is provided for informational purposes only and is not intended to be the basis for claims or other operational decisions. NICB's intent is to share pertinent information for the proactive detection, prevention, and deterrence of insurance related crime. This information is provided "AS-IS" and independent investigation and verification should be conducted prior to making any decisions based upon the information contained in this document. NICB retains all rights, title, and interest to this document. ■

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To view the full Catalytic Converter Thefts 2020-2022 Trend Report, members can log into **ISO ClaimSearch®**, click NICB Services, and then NICB Intelligence Reports. Law enforcement can access the report through either the Law Enforcement Enterprise Portal (LEEP) or Homeland Security Information Network (HSIN) website.



Goodbye La Niña,

Hello El Niño

After 2 1/2 years, La Niña is saying adios for now. This is potentially good news for the Atlantic coast, which typically sees above-average hurricane activity when La Niña is present in the summer months. In the winter, La Niña can bring wet weather to the Pacific coast, like the atmospheric river events of late 2022 and early 2023.

As of their June 8 update, the National Oceanic and Atmospheric Administration's Climate Prediction Center (CPC) has issued an El Niño Advisory, which means El Niño conditions are observed and expected to continue. As the sea surface temperatures in the equatorial Pacific continue to warm above average, there is a 56% chance of a strong El Niño in the winter months.

NOAA's National Hurricane Center is predicting a near-normal Atlantic hurricane season with 12 to 17 named storms, five to nine hurricanes, and one to four major hurricanes (Category 3 or higher). El Niño can contribute to a slower-than-average Atlantic hurricane season. This is due to the atmosphere being more stable and having stronger winds aloft, which work against tropical storm formation. In La Niña years, more hurricanes are likely in the Atlantic due to weaker winds aloft and a less stable environment, which are conducive to tropical development.

Despite the presence of El Niño, other climatological factors contribute to the forecast. This includes conditions favorable for systems to come off the coast of Africa into the Atlantic and potentially become tropical systems. Warmer-than-normal sea surface temperatures in the Atlantic and Caribbean may also help fuel storm activity.

A typical winter El Niño pattern in the United States can bring wetter and cooler conditions to the southern part of

the United States, from southern California to the Carolinas. In addition, the Pacific Northwest and even parts of Alaska may experience a warmer-than-average winter. Keep in mind these conditions are not a definite; it's just what is likely to happen based on previous years' data. Also, it should be noted that not every El Niño-Southern Oscillation (ENSO) cycle produces the same amount of extremes because there are other climate patterns involved and varying degrees of El Niño and La Niña strength.

The CPC issues an ENSO discussion monthly, which tracks the onset and potential strength of the cycle. Likewise, NICB continues tracking catastrophe-related claims and questionable claims relative to the ENSO cycle for further analysis. NICB members are reminded they can access the latest National Catastrophic Event Fraud Threat Assessment in ISO ClaimSearch,[®] which summarizes the areas most at risk in the United States and what types of fraud to look out for. Law enforcement can access the threat assessment through either the Law Enforcement Enterprise Portal (LEEP) or Homeland Security Information Network (HSIN) website. ■

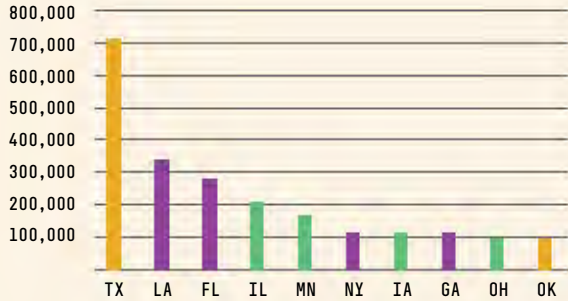
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Catastrophic (CAT) Event Claims and Questionable Claims Data

According to NICB’s National Catastrophic Event Fraud Threat Assessment, between 2020 and 2022, there were a total of 3,748,675 catastrophe-related claim losses. Over those three years, CAT claim submissions decreased 31%. Over the same time period, questionable claim (QC) submissions decreased 39%, from 1,465 QC submissions in 2020 to 891 in 2022.

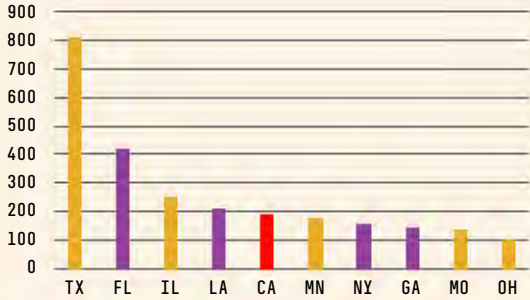
CAT LOSS STATES



STATE	GRAND TOTAL	MOST COMMON LOSS
TX	721,806	HAIL
LA	345,287	HURRICANE/TROPICAL STORM
FL	289,277	HURRICANE/TROPICAL STORM
IL	219,277	TORNADO/HIGH WIND
MN	170,457	TORNADO/HIGH WIND
NY	118,262	HURRICANE/TROPICAL STORM
IA	117,821	TORNADO/HIGH WIND
GA	117,699	HURRICANE/TROPICAL STORM
OH	102,228	TORNADO/HIGH WIND
OK	100,217	HAIL

The policy types “Personal Property–Homeowners” and “Personal Auto” made up 88% of all CAT claims, as well as 96% of CAT QC submissions. “Wind” and “Hail” loss types made up 62% of all CAT claims and 42% of all CAT QCs. Finally, “Prior Loss/Damage” and “Hail Damage” were the most common referral reasons for CAT QCs.

CAT QC STATES

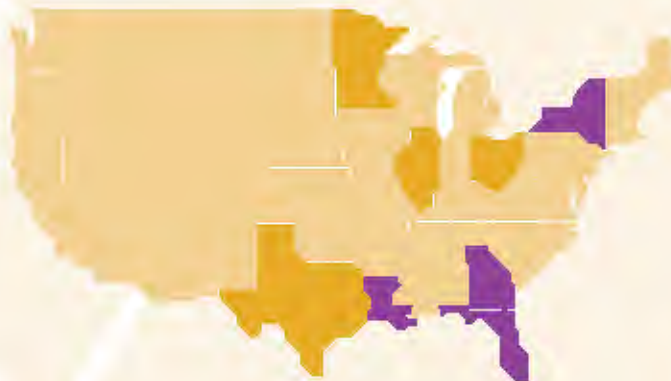


STATE	GRAND TOTAL	MOST COMMON LOSS
TX	821	HAIL
FL	414	HURRICANE/TROPICAL STORM
IL	249	HAIL
LA	208	HURRICANE/TROPICAL STORM
CA	196	FIRE
MN	176	HAIL
NY	164	HURRICANE/TROPICAL STORM
GA	146	HURRICANE/TROPICAL STORM
MO	136	HAIL
OH	109	HAIL

As noted in the above chart, 80% of the top 10 loss states had a majority of CAT claims that were related to tornado/high wind damage or hurricane/tropical storm damage. In the top 10 loss states for CAT QCs, 50% were related to hail damage and 40% were related to tropical cyclone/hurricane.

Based on a combination of CAT-related claims and CAT-related questionable claims (QC) data, NICB considers the following states to be the Catastrophe High Impact Areas: Texas, Florida, Illinois, Louisiana, Minnesota, New York, Georgia, and Ohio. Each of these states face multiple catastrophic hazards and are in the top 10 of both claims and QCs, which makes them particularly susceptible to fraud schemes. This map shows these high impact areas, such as Texas, which makes up 19% of all catastrophe claims and 22% of all catastrophe QCs.

HIGHEST IMPACT AREAS 2020-2022



1. Texas
HAIL
2. Louisiana
HURRICANE/TROPICAL STORM
3. Florida
HURRICANE/TROPICAL STORM
4. Illinois
HAIL
5. Minnesota
HAIL
6. New York
HURRICANE/TROPICAL STORM
7. Georgia
HURRICANE/TROPICAL STORM
8. Ohio
HAIL

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Continued on p. 37



Where There's Smoke,



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Go to nicb.org/
NICBInformer for a brief
update on the Maui/
Big Island wildfires and
NICB's response.

There's Claims

It's official. Canada is having its worst wildfire season in recorded history.

By Michelle Curtis

Starting in March and perpetuated in June, the cross-country Canadian wildfires were still burning into the summer and began adversely affecting the U.S. as well. According to the Canadian Interagency Forest Fire Centre, as of early August, over 5,000 fires were recorded since the beginning of the year with more than 1,000 being active, and of that active number, just over 650 are deemed out of control with over 200 under control. An astounding 32 million acres of land have burned year-to-date.

With a wildfire season typically ending in October, the situation north of the border could continue to progress well into the fall. This is especially true as many of the fires are being left alone due to their low impact against people and infrastructure as well as the lack of firefighting resources available.

While the Canadian wildfire response agencies are tirelessly battling the most-threatening blazes

at their roots, Canada, the U.S., and even further out to parts of Europe are engulfed in a battle to breathe fresh air. Hazardous smoke from the Canadian wildfires made its way initially down into the U.S. northern states and then continued its path south and west, affecting more states and major metropolitan areas of Chicago, New York, and everything in between. And the smoke even crossed the Atlantic.



Stay up to date with NICB's gold standard curriculum for the industry in insurance crime prevention, detection, and investigation. For those with access, investigative materials can be ordered online through the NICB Services tile of ISO ClaimSearch®. The latest course information can be accessed at nicta.org. NICB's Workers' Compensation Fraud Conference is taking registration at nicblearning.wixsite.com/website/copy-of-rates.

“NICB has a wealth of training on arson, general fire, and smoke and ash claims that members and our law enforcement partners should be aware of,” said Jim Berry, Vice President of Learning and Development.

Investigative Materials

See the previous page for how to order these materials.



A.



B.



C.

- A. *Fire Pocket Investigation Guide for Law Enforcement*
- B. *Property Fires Investigation Guide*
- C. *Vehicle Fires Investigative Guide*

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Smoke and Ash Fraud Investigation



Arson For Profit



Vehicle Arson Involving Insurance Fraud

Virtual Instructor-Led Training (vILT) FraudSmart® Courses

Every week, NICB hosts live, interactive, one-hour virtual presentations on different training topics. Courses have been approved for CE credits in certain states. Register through NICTA.org.

NASA's Terra satellite captured imagery on June 26 showing the plume of black carbon particles, or soot, reaching parts of Spain and Portugal. It's expected that the dangerous air quality levels likely will not affect individuals overseas as the smoke is much higher in the atmosphere. However, for those in the Midwest and Eastern U.S., the effects have been felt. An estimated more than 100 million people were under air quality alerts in late June. Images circulating around the news and social media show hazy, yellowish hued skies thick with smoke residue. And to fraudsters? Those same images show opportunity.

No doubt fraud-minded individuals and groups have already plotted ways to expunge insurance companies of funds from the after-effects of these massive wildfires. Since air quality from smoke is of most concern for the U.S., claims related to smoke inhalation or smoke damage to property could see their way into the claims system.

NICB wants to remind members and law enforcement that there are educational opportunities and materials that are offered—often at

no cost—to combat issues related to fire and smoke.

“NICB has a wealth of training on arson, general fire, and smoke and ash claims that members and our law enforcement partners should be aware of,” said Jim Berry, Vice President of Learning and Development. “Our educational offerings include instructor-led virtual courses, on-demand eLearning, and several specialized academies throughout the year. We also provide curriculum tailored toward workers' compensation claimant fraud.”

NICB develops and continually refines anti-fraud resources that can be accessed at times, locations and from devices most convenient for learners. Our learning and development methodologies are reshaping how NICB members and law enforcement agencies learn to fight insurance fraud and vehicle theft crimes.

While we can't fight fire with fire, per se, we can educate those dedicated to fighting insurance fraud and crime so they can smoke out fictitious claims. ■

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NASA Earth Observatory. (2023, June 26). Canadian Smoke Reaches Europe. <https://earthobservatory.nasa.gov/images/151507/canadian-smoke-reaches-europe>

NICB'S MOST POPULAR CONSUMER TOOL JUST GOT AN UPGRADE



VINCheck® users can now take a picture of a vehicle identification number with any camera-ready device, and VINCheck will take care of the rest. With the new photo capability, NICB makes it easier than ever for consumers to make an informed decision before making a big-ticket purchase.

We encourage you to share this new feature with your contacts!

[NICB.ORG/VINCheck](https://www.nicb.org/VINCheck)

NICB's VINCheck is a free lookup service provided to the public to assist in determining if a vehicle has been reported as stolen, but not recovered, or has been reported as a salvage vehicle by participating NICB member insurance companies. The information in VINCheck is concerning vehicles insured in the United States. A maximum of five searches can be conducted within a 24-hour period per IP address.

Success Around the States

NICB Operations achieves success by leveraging special agents and analysts who employ sophisticated crime-fighting technology coupled with old-fashioned gumshoe detective work. Hop in and ride around the country with us as we spotlight a successful crime-related case in the seven operational regions and our foreign operations division.

Northwest

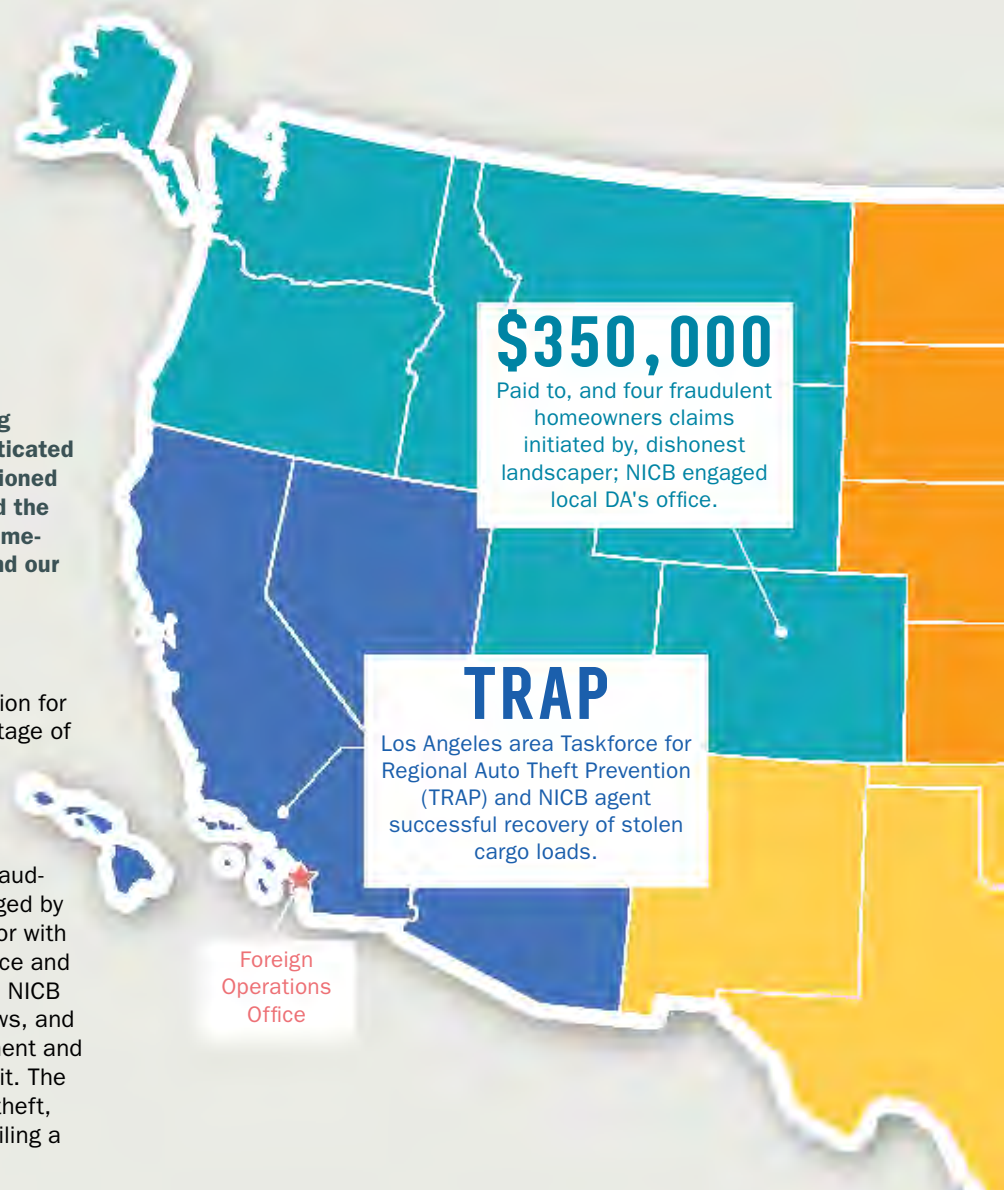
For three years, a landscaper with a prior conviction for theft from an at-risk adult may have taken advantage of another homeowner with a cognitive impairment by allegedly convincing the homeowner to mail him more than \$350,000 for home repairs he claimed to have made. He also reportedly instructed the Colorado homeowner to file four fraudulent homeowners claims, one of which was flagged by a member company. NICB assisted an investigator with a local district attorney's office with the experience and willingness to take on this complex investigation. NICB assisted with claim file transfers, claim file reviews, and helped facilitate meetings between law enforcement and the member company's special investigations unit. The landscaper was charged with multiple counts of theft, identity theft, insurance fraud, tax evasion, and filing a false tax return.

West

Likely motivated by money rather than a love of BLTs, a cargo thief who absconded with a semi-trailer loaded with bacon was caught when the Los Angeles area Taskforce for Regional Auto Theft Prevention (TRAP) received a tip on the semi-trailer's location. TRAP quickly closed in on the location and recovered the semi-trailer and its cargo. An NICB agent assigned to TRAP assisted law enforcement with the investigation, which allegedly linked the arrestee with other cargo thefts. As a result, an additional cargo load was located and recovered.

Southwest

While the National Crime Information Center's (NCIC) theft records are purged after five years, NICB's unique relationship with law enforcement means that NICB maintains a mirror image of those records, which helps support the return of many types of motorized vehicles and trailers, even if recovered many years later. Such was the case in Texas when investigators asked NICB to help identify a trailer with all conspicuous identifiers removed. An NICB agent located additional identifying information on the trailer, and the trailer was able to be returned.



Midwest

A heated argument between an Indiana boyfriend and girlfriend, after he picked her up from jail on an unrelated incident, led to the woman igniting a pile of her boyfriend's clothes on fire. A subsequent fire claim was made with a member insurance company. The local sheriff's office, who was investigating the arson claim, requested NICB assistance. In addition to NICB facilitating information sharing between the insurer and law enforcement, an NICB agent assisted law enforcement in the development of a pattern of travel of the suspect's vehicle, leading to the suspect's location and arrest.

ARSON

Crime of passion led to fraudulent fire claim.

500

Stolen catalytic converters and other crimes led to arrest of seven.

3-BROTHER SCAM

NICB analysts uncovered QC pattern related to renters insurance claims; evidence presented to law enforcement.

RECOVERED

Stolen cargo trailer recovered in Texas thanks to NICB's records.

DOUBLE THEFT

NICB assisted Alabama police in recovering vehicle stolen a week after nabbing keys in home robbery.

Northeast

A joint effort by the FBI, Massachusetts State Police, and over 70 local police departments across New England, with the help of NICB, resulted in the arrests of seven members of an alleged organized theft crew in connection with nearly 500 stolen catalytic converters, the removal of three automatic teller machines with use of stolen trucks, and the burglary of two jewelry stores. Dubbed Operation "Cut and Run," NICB assisted in the task force centered on this ring, including conducting claims research. On the day of the arrests, NICB agents were on-hand to provide expertise on identifying vehicles found at the locations used in the alleged commissions of the crime.

Mid-Atlantic

Renters insurance and parcel insurance fraud may not seem especially lucrative, but for three brothers, it was enough to pocket hundreds of thousands in sham claims. Using numerous fictitious names, addresses, and corporations, the brothers relentlessly filed false renters insurance claims and claims against USPS and UPS falsely claiming that valuable packages were lost or stolen in transit. NICB analysts identified a questionable claims pattern related to the renters insurance claims and conducted additional research leading to significant evidence of fraud. NICB assisted law enforcement with the investigation. The brothers were convicted in federal court on mail fraud, wire fraud, bank fraud, and money laundering. They have also been charged by New Jersey prosecutors.

Southeast

It's bad enough to get robbed, but worse when the suspects return nearly a week later and steal the victim's car with keys obtained from the robbery. Local police in Alabama were actively looking for the vehicle but were coming up empty handed. NICB obtained information related to the possible whereabouts. Then NICB agents reached out to law enforcement with the lead, and the vehicle was pulled over and the occupants taken into custody. Both the stolen vehicle and a stolen handgun were recovered. ■

Foreign Operations

A glass claim submitted to a member company raised the eyebrows of an NICB analyst when the vehicle, insured in California, was flagged as impounded in Mexico on the reported loss date. An NICB agent reached out to the insurer, who then initiated an investigation. Further investigation indicated that the insured may have been planning on filing a second, much more expensive claim for damage that occurred in Mexico despite the lack of policy coverage abroad. With NICB's assistance, the member company avoided the uncovered claim.



Intelligence Reports Provide Effective Vehicle Theft Analysis

NICB released two reports in 2023 that aimed to inform our stakeholders and collaborators of the ongoing trends in vehicle thefts. The 2022 Vehicle Theft Threat Assessment was produced to highlight the schemes and tactics employed by criminals targeting vehicles. Following the release of this assessment, NICB issued the 2023 Q1 Vehicle Theft Trend Report. This report was created to demonstrate how the methods of theft highlighted in the 2022 Vehicle Theft Threat Assessment were continuing to affect trends in vehicle theft in the first quarter of 2023.

According to the 2022 Vehicle Theft Threat Assessment, familiar methods of vehicle theft are still being employed by criminals across the country. The rise in carjackings has made national headlines, and according to a recent

NICB report, thefts facilitated by keys are still occurring at a concerning rate. Over 100,000 thefts were facilitated by keys in 2021, according to the NICB's 2019–2021 Vehicle Thefts Facilitated by a Key *ForeCAST*SM Report. Seasonality appears to affect the trajectories of this type of theft as thefts facilitated by keys have been shown to increase in the winter and summer months. Often, owners will leave their vehicles running and unattended while getting ready in the morning or running errands to keep them warm or cool depending on the season. Within seconds, a thief can get in and drive off before the owner knows what happened.

Vehicle Theft Trends

While some common theft tactics are still popular among criminals, bad actors and organized crime groups continue to evolve to evade the persistent determination of those in law enforcement and the insurance industry.

Finance fraud has been a favored tactic employed by criminals in recent years. This method enables criminals to secure a vehicle through seemingly legitimate means. With the stolen identity of a non-criminal, or an identity created out of thin air using phony social security numbers, better known as a synthetic identity, a thief can walk into a dealership and buy a vehicle without raising any red flags. Stolen or synthetic identities are often coupled with falsified documents that inflate income or credit information, or provide fake residency documentation and job status, further adding legitimacy to a criminal's supposed identity.

An emerging trend in vehicle theft is the use of key learning technology. Criminals are able to obtain key programming devices that can be used to create keys and fobs for vehicles they are targeting for theft. Two other pieces of technology are also on the radar of the insurance industry: the Flipper



Zero device and Apple Air Tags. The Apple Air Tags, small, circular GPS devices meant to find lost household items, have allegedly been planted on vehicles, usually in an inconspicuous place like the wheel well. From there, a phone application is used by criminals to track the vehicles from parking lots and dealerships to locations where thieves can then pounce and make the steal. The Flipper Zero is a device that can intercept signals like radio frequencies and infrared, mimic the signal, then use it for a specific task. Capabilities like this could possibly allow for criminals to intercept signals like those emitted from a key fob, allowing them to then open and start a vehicle. [For more information on key learning technology, Apple Air Tags, and the Flipper Zero, check out the Virtual Dealings article on p. 6.]

Thefts by Locale

The effects of the threats identified in the 2022 Vehicle Theft Threat Assessment can be seen in NICB's 2023 Q1 Vehicle Theft Trend Report. This new report includes geographical analysis of vehicle theft trends present in the United States at the state, core-based statistical area (CBSA), and city level.

Though vehicle thefts are still at or near record highs, thefts are down overall in the first quarter of 2023 when compared to the same time period in 2022. While states with large populations like California and Texas usually rank the highest when analyzing geographical theft data, the 2023 Q1 Vehicle Theft Trend Report also contains sections that are intended to highlight less populous areas. Spotlight sections are included for the Northeast, Mid-Atlantic, Southwest, Midwest, Southeast, West, and Northwest regions as defined by NICB's operation map.

Each section highlights a state, CBSA, or city in the region where notable trends have been identified. This was done

with the intention of fostering awareness for areas of the U.S. that may not usually be included in the top 10 lists of an NICB report. By including these sections, states like Vermont and Connecticut—where vehicle theft has increased by a statistically significant amount relative to the population of each state—can be highlighted, allowing for more of NICB's allies and stakeholders to take notice.

Positive trends are highlighted in these sections as well. In the Midwest, vehicle thefts in Wisconsin have trended down from Q1 2022 to Q1 2023. By including areas where thefts have decreased, NICB is able to paint a wide-ranging and balanced view of vehicle theft in the U.S.

Both the 2022 Vehicle Theft Threat Assessment and the 2023 Q1 Vehicle Theft Trend Report were created to provide all who have an interest in turning the tide on criminals when it comes to vehicle theft with detailed, effective analysis. For more information on these reports and operational assistance, contact the NICB office in your area. ■

By including areas where thefts have decreased, NICB is able to paint a wide-ranging and balanced view of vehicle theft in the U.S.

 By Steve Beltz

Introducing a New Virtual Vehicle Crimes Academy



An exciting new event is available for NICB members and our law enforcement partners! Brand new for 2023, NICB's Learning and Development Department is launching an innovative two-day virtual training program—the Vehicle Crimes Academy. Designed for insurance investigators and law enforcement professionals new to vehicle-related fraud and crimes, the academy aims to equip these professionals with the necessary tools and expertise to enhance their ability to combat automotive crimes effectively.

Sessions will provide an in-depth examination of each topic (some of which are previewed below), exploring the various methods used by criminals and ways to prevent these crimes from occurring.

Catalytic Converter Theft

In this course, participants will delve into the rising issue of catalytic converter theft and its impact on vehicles and insurance claims. Participants will learn investigative techniques to effectively identify, and what's being done to prevent, this specific type of theft.

Auto Repair Fraud

This course focuses on familiarizing participants with common types of auto repair fraud, such as billing for repairs that weren't needed or billing for OEM when used parts were applied. The attendees will be provided the tools to identify warning signs. Through investigative approaches, attendees will gain the skills needed to combat fraudulent practices within the automotive repair industry.

Vehicle Theft/Burglary

Participants will explore emerging trends and criminal techniques related to vehicle theft and burglary. The course will equip them with strategies to discover stolen vehicles and recognize vehicle fraud and how to implement preventive measures to reduce future incidents.

Fraudulent Vehicle Documents

Detecting forged or altered vehicle documents and titles is crucial in combating fraudulent activities. This course will teach participants investigative methods to uncover such fraudulent practices related to vehicle registration and ownership.

On-Board Vehicle Data and Key Data

Understanding the importance of on-board vehicle data and key data in investigations is the focus of this course. Attendees will learn advanced techniques to retrieve and analyze vehicle data, enabling them to conduct more effective investigations.

Fake and Synthetic IDs

This course aims to enhance participants' ability to identify fraudulent identification commonly used in insurance-related crimes. Investigative tactics will be taught to identify individuals utilizing fake or synthetic IDs.

Vehicle Finance Fraud

Identifying various forms of vehicle finance fraud and understanding their impact are the key objectives of this course. Participants will learn investigative procedures to combat fraudulent activities within the realm of vehicle financing.

Rideshare Theft and Fraud

The unique challenges and emerging trends in rideshare theft and fraud will be explored in this course. Participants will gain insights and strategies to prevent and investigate crimes involving rideshare services.

Vehicle Identification Numbers—Current Trends

Staying up to date with the latest trends and techniques in vehicle identification numbers (VINs) fraud is vital. This course will provide participants with the knowledge to utilize VIN-related data effectively, enhancing their investigative capabilities.



By Kim Lawrence

NICB Foreign Operations

This course offers participants a dive into the NICB's international repatriation program. Understanding how international efforts contribute to combating vehicle-related crimes will be a key focus, providing valuable insights into global initiatives.

Understanding these wide-ranging topics is essential for staying informed and up to date on the latest threats and technologies in the automotive industry. Learn more about the new academy below! ■

REGISTER



Virtual Vehicle Crimes Academy

September 25–26, 2023

Open to Insurance Investigators and Law Enforcement



Scan for more details
and to sign up!



NICB's Learning and Development offers members and the law enforcement community a range of unique programs designed to address their fraud-fighting educational needs. For more information, contact learning@nicb.org.



Monthly Course Offerings to Meet Your Staff's Needs

Did you know that NICB offers virtual FraudSmart® courses twice a day on most Tuesdays and Thursdays? We have nearly 50 courses on a variety of fraud and insurance crime topics. And the best part is that all NICB members can take advantage of the offerings!

Tuesdays and Thursdays

10:30 a.m. CDT

2:00 p.m. CDT

Our catalog includes many vehicle topics, including Auto Physical Damage Claims, Hit While Parked, Vehicle Inspections "101" for Insurance Agents, Auto Finance Fraud, and more.

Most of the 1-hour courses are approved for CE credit (in Delaware, Florida, North Carolina, Oklahoma, and Texas), CFEs, and CIFIs. Let NICB help you accumulate your team's credits! We encourage you to take advantage of this member benefit. Review our Q3 calendar and pass along to your front-line professionals so they can carve out an hour to attend the session(s) that fits their schedule and needs.

Enrollment is open via NICTA at nicta.org. Not active on NICTA? Contact learning@nicb.org for the virtual calendar and direct registration links. ■



If you didn't request it, reject it!

This Year's CFAW the Most Successful Yet

“Our goal, in coordination with industry and government partners, is to equip consumers with the tools needed to spot a bad actor looking to take advantage of their vulnerable situation after a catastrophe.”

In 2022 alone, there was \$99 billion in insured CAT losses, with upward of 10% or \$9.9 billion lost to post-disaster fraud.*

Why Contractor Fraud Awareness Week?

Contractor Fraud Awareness Week, or CFAW, was founded in 2021 when NICB saw a need for a broader industry conversation on the dangers post-disaster fraud posed to the public. CFAW was created as a week dedicated to consumer education through partnering with associations and government officials to provide helpful resources to prevent post-disaster fraud. Our goal, in coordination with industry and government partners, is to equip consumers with the tools needed to spot a bad actor looking to take advantage of their vulnerable situation after a catastrophe.

Highlights from CFAW 2023

NICB's Communications and Government Affairs teams and field agents partnered with trade associations, insurers, government officials, and news stations across the U.S. to bring attention to contractor fraud using the CFAW campaign as our foundation.

*Credit: Insurance Information Institute



Media Interviews Reached

8.8

million across the country

Social Media Engagement

Up 33%



Proud Partner Signups

Up 41%



See the official 15 state proclamations issued for CFAW 2023.



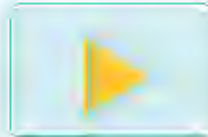
Our Contractor Fraud Twitter Chat, co-hosted with Florida Consumer Advocate (leaders of providing an active voice for Florida's insurance consumers), generated thoughtful conversation around the signs of a fraudulent contractor and how disaster victims can navigate hiring a reputable contractor as they rebuild their homes, businesses, and lives.

Press conferences were held to raise awareness at a state level, and NICB President and CEO David J. Glawe personally spoke to 18 news stations. These interviews reached more than 8.8 million people across the country.

This year, 15 states issued official proclamations to recognize CFAW. These proclamations from officials of Alabama, Florida, Georgia, Hawaii, Illinois, Massachusetts, Mississippi, New Hampshire, New York, North Dakota, South Carolina, South Dakota, Utah, Washington, and Wisconsin helped draw attention to contractor fraud awareness and this important issue facing the public.

Join the Movement

Thank you to all our incredible partners who joined CFAW 2023! If you were not able to partner with us this year, save the date for next year's Contractor Fraud Awareness Week, which will be held May 20-24, 2024. Together, we can help prevent disaster victims from becoming victimized twice. ■



Watch CFAW Press Conference

with Bucks County, PA District Attorney's Office & NICB Agent Terri DiGiorgio.



If you missed it, watch **NICB's Facebook LIVE** with partner **AARP Fraud Watch Network**

Save the Date!

CFAW 2024 will be held May 20-24! Become a proud partner.



Disaster fraud is a year-round issue.

You can always find helpful resources to share on NICB's Disaster Resources page.

Vehicle Theft



Prevention Month

NICB is partnering with the U.S. Department of Transportation's National Highway Traffic Safety Administration (NHTSA) to help deter vehicle thefts as part of Vehicle Theft Prevention Month, which is held every July.

This op-ed piece has appeared nationally in The Hill newspaper/TheHill.com and the Times of San Diego. The goal of the piece was to highlight the preventive measures vehicle owners should take, the importance of addressing the vehicle theft problem, and its significant economic impact.

NICB encourages you to share any of the information with your policyholders and communities.

As Americans, we love our cars. They provide us with freedom, mobility, and perhaps most importantly, opportunity. They allow us to travel to our jobs, attend our schools, and visit our families. Unfortunately, though, thieves do not care if a single parent needs a car to get to work or a family needs their vehicle for daily activities. Because of this, NICB is partnering with the U.S. Department of Transportation's National Highway Traffic Safety Administration (NHTSA) to warn about the threat of vehicle theft as part of Vehicle Theft Prevention Month in July.

Vehicle theft is a multi-billion-dollar industry in the United States. According to data analyzed by NICB, more than 1 million vehicles were stolen in the U.S. last year, accounting for a huge increase in vehicle theft totals over the previous few years. Sadly, these statistics show that approximately one motor vehicle is stolen every 32 seconds.

Vehicle theft disrupts lives, causes financial hardship, and undermines community safety. Addressing this problem is not just the responsibility of law enforcement agencies; it requires

a partnership between vehicle owners, community members, as well as federal, state, and local governments. By working together, we can build stronger communities where everyone feels secure and personal property is protected.

Effective prevention begins with education, such as the importance of parking in secure locations, and the benefits of utilizing anti-theft devices. Empowering vehicle owners with information and education allows them to take proactive measures to safeguard their assets.

At the same time, new advancements in technology offer significant opportunities to curb the rise in vehicle thefts. Vehicle manufacturers are continuously improving anti-theft systems, including immobilizers, GPS tracking devices, and encrypted key codes. This new technology can assist investigators as they recover stolen vehicles and catch these thieves, and if integrated with law enforcement databases, can provide authorities with immediate alerts.

Additionally, public awareness campaigns, neighborhood watch programs, and educational classes build important connections between law enforcement and the communities they serve. These partnerships can also form a network of support that works to deter criminals and recover stolen vehicles promptly.

Comprehensive legislation focused on auto theft prevention is also essential to combating this surge in vehicle theft. Stricter penalties for offenders, effective deterrence strategies, and targeted enforcement initiatives can make a huge difference. Lawmakers, law enforcement agencies, and community advocates

Effective prevention begins with education, such as the importance of parking in secure locations, and the benefits of utilizing anti-theft devices.

must work together to develop policies that address the root causes of auto theft and implement effective prevention measures.

By raising awareness, promoting education, strengthening community ties, and leveraging technological advancements, we can create a culture of prevention, ensure the safety of our vehicles, and protect our neighborhoods. ■

Continued from p. 23

Catastrophic (CAT) Event Claims and Questionable Claims Data

A review of the highest impact months is shown below. The months of April and August were the most robust, with 33% of claims occurring during those two months during the three years reviewed.

MONTHS	2020	2021	2022	GRAND TOTAL
JANUARY	33,190	32,288	35,461	100,939
FEBRUARY	37,308	184,158	31,617	253,083
MARCH	106,624	96,600	67,177	270,401
APRIL	318,157	179,567	121,832	619,556
MAY	195,793	91,435	202,069	489,297
JUNE	84,114	90,678	92,679	267,471
JULY	75,667	74,491	60,449	210,607
AUGUST	343,979	242,723	36,952	623,654
SEPTEMBER	92,607	145,665	213,523	451,795
OCTOBER	126,261	35,494	20,098	181,853
NOVEMBER	42,484	9,435	27,720	79,639
DECEMBER	16,344	79,182	104,854	200,380
GRAND TOTAL	1,472,528	1,261,716	1,014,431	3,748,675

By Maggie Shimkus

NICB is Back on the Road



After years of not seeing our stakeholders, we are excited to see our members, prospects, and partners in person!

In March 2020, NICB was alerted that our first industry conference of the season was cancelled due to the coronavirus pandemic. We had seen the news and assumed this was a precaution but wouldn't affect the rest of our shows. The next one was in June. Plenty of time for this to turn around. What followed was the rest of our conference and tradeshow schedule being modified to virtual or postponed indefinitely.

Like the rest of the insurance industry, most of our interactions with members the last couple years were via Teams or over the

phone. While we were able to participate in online trainings and virtual conferences, we missed the face-to-face interactions that happen organically at events we attend around the country.

Being together in person put us all in a space to make strong connections. Without the distractions of home life, in-person conferences give everyone the opportunity to focus on the person in front of you. And that's just what NICB aims to do!

We are looking forward to discussing your needs and continuing to build on our great relationships—up close and personal—at an upcoming event. Here are some of the shows we will be at this year. ■



Events



SEP
17-20
2023 **2023 IASIU Annual Conference**
DALLAS, TX
web.cvent.com/event/386e9257-5975-4982-ae68-a7e6eca92588/summary

SEP
17-20
2023 **NAMIC's 128th Annual Convention**
NATIONAL HARBOR, MD
namic.org/edu/convention

SEP
25-26
2023 **NICB Vehicle Crimes Academy**
VIRTUAL
nicb.org/news/events/vehicle-crimes-academy

OCT
23-25
2023 **NJSIA Seminar and Networking Conference**
ATLANTIC CITY, NJ
njsia.wildapricot.org/page-371623

OCT
25-26
2023 **Workers' Compensation Fraud Conference**
VACAVILLE, CA
nicblearning.wixsite.com/website

NOV
5-7
2023 **APCIA Annual Meeting**
BOSTON, MA
apci.org/events/conferences

NOV
12-18
2023 **International Fraud Awareness Week**
fraudweek.com

NOV
13-15
2023 **SCFIA Conference**
PALM SPRINGS, CA
scfia.org/meet-reg1.php?id=19



Jessica Rust
Director of Data Analytics



Raun Bass
Intelligence Production
Manager

A Look into NICB's Intelligence Products

Over the past three years, NICB has been committed to increasing the frequency, volume, and utility of the intelligence products we create and share with members and law enforcement. In this special Leader Perspective, we're talking with Jessica Rust, Director of Data Analytics, and Raun Bass, Intelligence Production Manager, from the OIA team about the new products we've rolled out, how the team has evolved to create these new products, and how NICB is making sure our stakeholders receive the information they need, when they need it.

NICB has put an increased emphasis on data-driven intelligence and analysis in recent years. Can you talk about some of NICB's most important intelligence products?

RB: I see our written intelligence products fitting into three different buckets. The first are the high-level strategic threat assessments, which are more in-depth and less frequent. We typically aim for six to seven threat assessments per year. Those are true deep dives and risk assessments into a broad fraud topic such as medical fraud. The second type of product is our analytic reports. This year our legacy "ForeCASTs" were recalibrated into true "predictive analytics" reports. We're now looking 6 months into the future and providing predictions on specific insurance crime trends. We've spent a lot of time and effort leaning into predictive analytics because we know how valuable that analysis is for our members. Additionally, we launched the "Trend" report this year, which is focused on the descriptive analytics traditionally covered by our legacy "ForeCAST" reports. The last bucket is our high-velocity bulletins, which include our new "Insight" reports that identify emerging fraud schemes and our "ForeWARN" alerts that discuss specific cases about fraudsters. We do more than a thousand of these types of bulletins per year.



Go to nicb.org/NICBInformer for an exclusive video with Jessica discussing more on the importance of NICB's intelligence products.



“We know that our members are looking to NICB for the type of intelligence that only we can provide.”

Who are your audiences for these intelligence products?

JR: Certainly, a large majority of our intelligence products are designed for our member insurance companies. We know that our members are looking to NICB for the type of intelligence that only we can provide. We also have a number of intelligence products designed specifically for law enforcement partners. What I think is most interesting in our new approach is that we’re creating products for our own internal teams to use. Both field agents and intelligence analysts at headquarters are sharing intelligence reports to ensure our teams

are aligned in our efforts. We also have some products that are designed for our Government Affairs team as they engage with elected officials at the local, state, and federal levels.

With so many products and a wide range of audiences, how does your team keep its focus and ensure you’re staying on track?

JR: We make it a priority to focus on those respective audiences to ensure they’re getting what they need. Many of our stakeholder groups want the same or similar data. Something like a trend report can be used for multiple stakeholders, reformatted slightly to tailor to what that specific audience cares most about. We’ve spent a lot of time rethinking how we deliver our products to make them as user-friendly as possible. Providing executive summaries to give our readers the “why” up front is one change that has received very positive feedback.

RB: Just to add to that, we’ve really focused on what I’d call “de-siloing” our analyst families. We’re bringing all of our units together as one cohesive team. We’re making comprehensive decisions on topics for intelligence products and ensuring a certain stakeholder group

doesn’t fall through the cracks. We’ve also utilized our field analysts to talk to our stakeholders. Our field team members are great communicators, and we’ve leveraged that capability to conduct high-level focus group meetings to understand what stakeholders want and need in our intelligence reports.

What are you most excited about given your role in this new approach for intelligence products?

JR: It’s really exciting to come in with fresh eyes and take a hard look at all of our processes and products. It’s been fun to follow this process and try new actions. We really have focused not only on creating more reports but also reports that work better for our members. And our increased collaboration with our field team and the other sides of our operations function has been amazing.

RB: I couldn’t agree more. I’m really proud of the fact that we’ve been able to evolve our team to create a better product for our members and law enforcement partners, ultimately providing them with the type of intelligence that allows them to make better policy and strategic resource decisions. ■



All of NICB’s intelligence reports can be accessed by members through ISO ClaimSearch® (NICB Services > NICB Intelligence Reports). Law enforcement can access applicable reports through either the Law Enforcement Enterprise Portal (LEEP) or Homeland Security Information Network (HSIN) website.



Since 1998, the Matthew Shepard Foundation has worked tirelessly to **ERASE HATE** from every corner of America. Through local, regional and national outreach, including hate crime prevention trainings for law enforcement officers and prosecutors, we strive to replace the seeds of hate with those of compassion and acceptance.

SHARE Matt's story

STAND UP for civil rights

SUPPORT the Matthew Shepard Foundation

VISIT MatthewShepard.org



**Matthew
Shepard
Foundation**
Erasing Hate since 1998

TEXT TO GIVE

Text MATTHEW to 844-333-5897



VEHICLE CRIMES ACADEMY

If you work in vehicle theft and fraud, this new virtual academy is tailor-made for you. Our expert speakers will make sure you're informed and up-to-date on the latest threats and technologies facing the auto industry today.

Hear Expert Instructors Present On:

- Auto Theft/Burglary
- Fraudulent MV Documents
- On Board Vehicle Data/Key Data
- ID/Synthetic IDs
- Auto Finance Fraud
- Catalytic Converter Theft
- VINs - Current Trends
- Vessel/Maritime Theft

JOIN US



September 25 - 26, 2023



Virtual

REGISTER NOW



Contact Learning@nicb.org
for more information.