



*improving the quality of lives of pets and their people.*

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Testimony by Alicia Maluafiti, Board President Poi Dogs & Popoki  
In strong support of HB 446 - Relating to Motor Vehicles  
House Committee on Consumer Protection and Commerce  
Thursday, February 4, 2021

Aloha Chair Johanson and members of the Committee,

Poi Dogs & Popoki (PDP) is a nonprofit animal welfare organization with a mission to help people and their pets. We operate The Big Fix, a mobile spay/neuter and wellness vehicle on the island of Oahu which provides affordable services for low income pet owners in rural and at risk communities.

In less than 2 years, the catalytic converter has been stolen from our mobile clinic three times. Our vehicle is 26 feet long and looks like a recreation vehicle. The first time, the thief was unable to completely remove the converter but it was significantly damaged and required replacement. In December, the converter was stolen while our vehicle sat parked in the parking lot at the Town Center of Mililani. We were unable to secure the safety check with the missing part and had to wait 30 days for the part to be ordered and shipped to Hawaii. The converter was replaced in January and we immediately secured the safety check. Three weeks later – the converter was stolen again from the same parking lot.

The cost to replace one catalytic converter is \$2000. The thief is receiving about \$180 from illegal dealers. We are a small nonprofit and cannot afford to replace another converter. We have 11 months to save up enough money before we need to take the vehicle in for another safety check. **We recommend amending the bill to allow safety checks to be approved even if a catalytic converter is missing to give the owner enough time to save up the money to replace the piece. Owners would get one pass on the inspection and would need the part replaced by the next safety check.**

Mahalo for the opportunity to provide testimony.



February 3, 2021

Chair Aaron Johanson and Members of the Committee  
Committee on Consumer Protection and Commerce  
Hawaii House of Representatives

RE: HB 117 – Catalytic Converter Theft

Dear Chair Johanson 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 Hawaii. Working hand-in-hand with our member companies and law enforcement, we investigate organized criminal conspiracies dealing with insurance and vehicle crime.

Catalytic converter theft is on the rise, in part due to the rise in prices associated with precious metals, including rhodium, platinum, and palladium which are used in the construction of catalytic converters as these metals act as catalysts, removing toxic elements from the exhaust stream.

The relative easy and speed in which a thief can remove a catalytic converter, coupled with the financial reward a thief can reap selling the scrap metal is what drives thefts.

Installing a replacement catalytic converter costs hundreds to thousands of dollars, and because thieves try to remove the converters as quickly as possible, their hastiness often causes repair costs to be higher due to other areas of the car being damaged.

Among the most targeted business establishments for catalytic converter thefts are vehicle dealerships and fleet operation such as shipping companies. This is due to the large number of converters all in the same place. Thefts from these type of places can lead to replacement costs in excess of tens of thousands of dollars, and additional lost revenue due to halted operations.

Subsequently, we ask for your support of HB 117 requires scrap dealers to follow the same requirements regarding a written statement for the purchase of a catalytic converter as is required for the purchase of copper, beer kegs, and urns.

Thank you for your review and consideration; if you have any questions or need additional information, please contact me at [hhandler@nicb.org](mailto:hhandler@nicb.org) or 847-544-7083.

Sincerely,

A handwritten signature in blue ink that reads "Howard Handler".

Howard Handler  
Senior Director, Government Affairs



- Government Employees Insurance Company
- GEICO General Insurance Company
- GEICO Indemnity Company
- GEICO Casualty Company

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TIMOTHY M. DAYTON, CPCU, GENERAL MANAGER ALASKA & HAWAII  
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HOUSE COMMITTEE ON CONSUMER PROTECTION

Representative Aaron Ling Johanson, Chair

Representative Lisa Kitagawa, Vice-Chair

Thursday February 4, 2020

**HB446 - RELATING TO Motor Vehicles**

**HB 117-RELATING TO Scrap Dealers**

Chair Johanson, Vice Chair Kitagawa and Members of the House CPC:

My name is Timothy M. Dayton, General Manager of GEICO. GEICO provides motor vehicle insurance for 178,000 Hawaii households which is more than one out of every three Hawaii households that have auto insurance. GEICO Supports this legislation aimed at preventing theft of motor vehicle catalytic converters.

Theft of Catalytic Converters is a relatively new and rapidly growing problem that we are seeing on Oahu. I have attached a simple chart of summary data on these claims that GEICO has covered which shows that it is growing. Replacement of these converters typically runs between \$2,500 - \$3,500 and the claim is covered by Comprehensive Coverage which most consumers carry on relatively newer vehicles which are the one targeted. The consumer pays the deductible (which can range up to \$1,000) and insurance covers the balance. In addition, most parts are not stocked in Hawaii, so the customer is without their vehicle for the time it takes to ship and install the part, typically a couple weeks.

The two (2) proposals seek to impose common-sense requirements which will help stem the theft of these parts. The proposals includes:

- HB 446 would define and make theft of a catalytic converter as a Class C Felony
- Requires purchasers of used car parts to ascertain the identity of the seller/vehicle owner and retain the records which is a standard practice for legitimate businesses
- Establishes a fine ranging from \$100 to \$2,000 for failure to retain the records

In addition, HB 117 would also add definitions of “catalytic converter” and “catalytic converter metals” to Section 445-232, Hawaii Revised Statutes, and include these objects and metals to the list of items in Section 445-233, Hawaii Revised Statute on which a licensed scrap dealer must obtain a copy of receipts from those seeking to sell such materials as “scrap” metal, or if they are unable to provide the same, report such sellers to the police. Such items or metals would be made subject to existing requirements imposed on scrap dealers to document and photograph the items being offered for sale and to confirm the identity of the seller.

**GEICO supports HB447 as well as HB 117, however, GEICO respectfully requests the Committee consider combining the substance of the two bills into one bill so that a comprehensive consideration and discussion can be had on all possible methods to combat this latest form of property crime. GEICO respectfully asks that both measures be passed.**

Thank you for the opportunity to submit this testimony.

Sincerely,



Timothy M. Dayton, CPCU

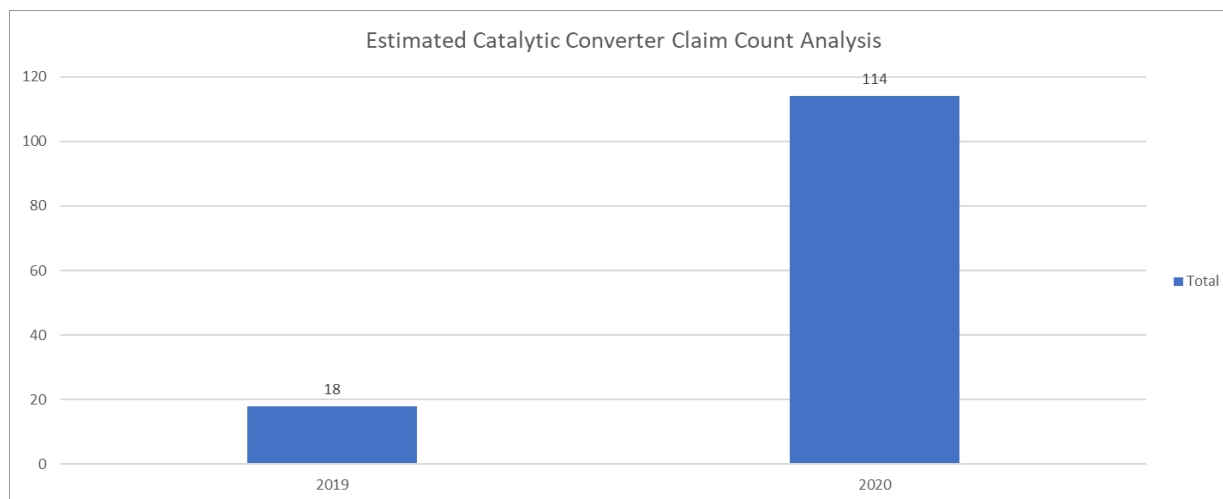
## Analysis of Catalytic Converter Claims

GEICO has experienced a five-fold increase in the claim count from 2019 to 2020. In January 2021, we had 13 confirmed Catalytic converter cases reported thus far.

GEICO's average claim payout (excluding customer deductible) is \$2254. There are some claims where the payout is higher when there are incidental damages to surrounding panels during attempt of catalytic converter losses. Most of the losses are isolated on Oahu.

**Toyota Prius** is the most frequent vehicle targeted. They make up 50% of reported CAT converter claims.

**Honda Element** are a distant second at 23%.



In 2020; we saw more than double the amount from Q32020 to Q42020 in number of claims coming into GEICO

## Estimated Catalytic Converter Claim Count 2020

