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Analysis of Insurer Reports Received Pursuant
to Section 33112 of the
Title 49 of the United States Code

2004 Reporting Period

Annual Report

Prepared for
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Washington, D.C. 20590

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DISCLOSURE
"This research was supported (in part) by the National Highway Traffic Safety Administration (NHTSA), U.S. Department of Transportation under Contract No. DTNH22-02-C-00060. The opinions, findings, and recommendations contained herein are those of the authors, and do not necessarily represent those of the NHTSA."

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EXECUTIVE SUMMARY

This report was prepared by MYI Consulting, Inc. for the National Highway Traffic Safety Administration under Contract DTNH22-07-R-00060.

Measures to reduce and eliminate the theft of automobiles have been taken since the Dyer Act, enacted in 1919 also called the National Motor Vehicle Theft Act (18 U.S.C.A. § 2311 et seq.), was enacted to impede the interstate trafficking of stolen vehicles. Fifty years after the Dyer Act was implemented, Congress formed the National Highway Traffic Safety Administration (NHTSA) to issue Federal Motor Vehicle Safety Standards (FMVSS) and Regulations. In order to decrease the rate of motor vehicle theft and facilitate the tracing and recovery of stolen motor vehicles and parts, in 1984 Congress enacted the Motor Vehicle Theft Law Enforcement Act (Public Law 98-547). As a result, the Department of Transportation implemented the Federal Motor Vehicle Theft Prevention Standard (FMVTPS), requiring manufacturers of designated high-theft passenger car lines to put a Vehicle Identification Number (VIN) on the engine, the transmission, and 12 other major body parts.

In 2004, NHTSA published a final rule (69 FR 17967) extending the anti theft parts marking requirements, as mandated under the Anti Car Theft Act of 1992 (ACTA) and the subsequent finding by the Attorney General. The amended rule at 69 FR 17967, Apr. 6, 2004 extends the parts marking requirement to all passenger cars, multipurpose passenger vehicles (MPVs) with a GVWR of 2,722 kg (6,000 pounds) or less, and certain LDTs with a GVWR of 2,722 kg (6,000 pounds) or less that were previously not subject to the parts marking requirements (49 CFR Ch. V (10–1–08 Edition) APPENDIX A-II TO PART 541). The NHTSA has and will continue to monitor and analyze current auto theft trends and introduce new and innovative methods to address the problem of lowering vehicle theft as it relates to vehicle safety.

Overview of 2004 Insurer and Leasing Company Submissions under the Theft Act

For the 2004 reporting period, a total of 27 reports were received, 22 from insurance companies and 5 from rental and leasing companies. Vehicle theft and recovery data was also received from the Insurance Services Office for some of the insurers.

The information obtained from the 2004 data show that motor vehicle theft continues to be a major cause of insurer comprehensive losses. Seventy-two point one percent (72.1%) of stolen vehicles were recovered in 2004. This represented a slight increase of recoveries compared to that for the 2003 reporting period. For the calendar year 2004 reporting period there was an increase of 2.1 percent over the 2003 recovery rate (70.0%).

INTRODUCTION

This report was prepared by MYI Consulting, Inc. for the National Highway Traffic Safety Administration (NHTSA) under Contract DTNH22-07-R-00060, for the 2004 insurer reporting period.

This document which focuses on thefts and recoveries of insured motor vehicles and the premiums charged for comprehensive coverage was performed as part of NHTSA's obligation to inform, and to create and maintain awareness in the public, law enforcement agencies, and the United States Congress of issues concerning motor vehicle theft. The purpose of this information is to reduce, and ultimately eliminate, motor vehicle theft and the fiscal impact it has on the United States by evaluating the effectiveness of the theft deterrent provisions of Chapter 331 of Title 49 of the United States Code (USC).

The information contained herein was provided by insurance, rental and leasing companies through annual reports required by Section 33112 of Title 49. The information in this report covers the 2004 insurers' reporting period. This information was analyzed, organized and documented for this report by MYI Consulting, Inc.

1.1 Background

Measures to reduce and eliminate the theft of automobiles have been taken since the Dyer Act in 1919, also called the National Motor Vehicle Theft Act (18 U.S.C.A. § 2311 et seq.), was enacted to impede the interstate trafficking of stolen vehicles. Fifty years after the Dyer Act was implemented Congress established the National Highway Traffic Safety Administration (NHTSA) to issue Federal Motor Vehicle Safety Standards (FMVSS) and other regulations.

The abstract of the House of Representatives Report 98-1087, Part I reported "motor vehicle thefts total over 1 million annually and it has grown to a $5 billion per year national problem with costs borne by all Americans in increased law enforcement costs and higher insurance costs." (1984) In order to decrease the rate of motor vehicle theft and facilitate the tracing and recovery of stolen motor vehicles and parts, in 1984 Congress enacted the Motor Vehicle Theft Law Enforcement Act (Public Law 98-547).

As a result the Department of Transportation implemented the Federal Motor Vehicle Theft Prevention Standard (FMVTPS), requiring manufacturers of designated high-theft passenger car lines to put a Vehicle Identification Number (VIN) on the engine, the transmission, and 12 other major vehicle body parts. The VIN was created in an effort to assist law enforcement efforts to trace and recover stolen vehicles. Equipped with a validated means to distinguish and identify stolen vehicles and parts, the probability of prosecution of individuals involved in vehicle thefts and/or criminal activity has increased.

1.2 Legislative Requirements Affecting the Insurance Industry

Section 33112 of Title 49 was created to gain an accurate depiction of the impact the NHTSA would have on the prevention or discouraging of the theft of motor vehicles, particularly those stolen for the removal of certain parts; the prevention or discouraging of the sale and distribution in interstate commerce of used parts that are removed from those vehicles; and to help reduce the cost to consumers of comprehensive insurance overage for motor vehicles.

Section 33112 of Title 49 Part C required the insurance industry to provide information to the Secretary of Transportation on an annual basis describing:

(A) The thefts and recoveries (in any part) of motor vehicles;

(B) The number of vehicles that have been recovered intact;

(C) The rating rules and plans, such as loss information and rating characteristics, used by the insurer to establish premiums for comprehensive coverage, including the basis for the premiums, and premium penalties for motor vehicles considered by the insurer as more likely to be stolen;

(D) The actions taken by the insurer to reduce the premiums, including changing rate levels for comprehensive coverage because of a reduction in thefts of motor vehicles;

(E) The actions taken by the insurer to assist in deterring or reducing thefts of motor vehicles; and

(F) Other information the Secretary requires to carry out this chapter and to make the report and findings required by this chapter.

1.3 2004 Amendment to Legislative Requirements for the Insurance Industry

In 2004, NHTSA published a final rule (69 FR 17967) extending the anti theft parts marking requirements, as mandated under the Anti Car Theft Act of 1992 (ACTA) and the subsequent finding by the Attorney General. The amended rule at 69 FR 17967, (April 6, 2004) extends the parts marking requirement to all passenger cars, multipurpose passenger vehicles (MPVs) with a GVWR of 2,722 kg (6,000 pounds) or less, and certain light duty trucks (LDTs) with a GVWR of 2,722 kg (6,000 pounds) or less that were previously not subject to the parts marking requirements (49 CFR Ch. V (10–1–08 Edition) APPENDIX A-II TO PART 541).

1.4 *Legislative Requirements Affecting the Department of Transportation*

Title 49 requires the Department of Transportation to:

- Select the parts which are to be marked with the appropriate identification numbers by agreement between the Secretary of Transportation and the manufacturer.
- Select the high theft lines which are to be covered by the requirement by agreement between the Secretary of Transportation and the manufacturer.
- Establish the performance criteria for inscribing or affixing the appropriate identification numbers.
- Specify the manner and form for compliance certification and who will be authorized to certify compliance.
- Define specific annual insurer reporting requirements under Section 33112.
- Identify insurers and, rental and leasing companies subject to the annual reporting requirements and grant exemptions from these requirements to insurers and small rental and leasing companies which qualify under provisions of Section 33112.
- Grant an exemption from the standard if a line of vehicles is manufactured with an anti theft device which is determined by the department to most likely be as effective as the standard in deterring theft. (Section 33106)

1.5 *Insurer Reporting Requirements*

In January 1987, the NHTSA published a regulation titled "Insurer Reporting Requirements" (49 CFR Part 544) which defined the specific insurer reporting requirements under the Motor Vehicle Information and Cost Savings Act and identified the insurers and rental and leasing companies subject to these requirements for the first reporting period. The information submitted by insurers under this rule was intended to aid NHTSA in its responsibility to publish insurance information in a form that would be helpful to the public, the law enforcement community and the Congress. The insurers must comply with the reporting requirements to provide the information necessary to meet the needs of Chapter 331 of Title 49.

The annual insurer reporting requirements specified in the final NHTSA rule are outlined in Table 1.

Table 1. Insurer Reporting Requirements

	Reporting Requirement	Paragraphs in Title 49, U.S. Code Chapter 331	Paragraph in NHTSA Final Rule	Section of Discussion in this Report
1)	Total motor vehicle thefts and recoveries by model year, make, line, model, and state for each motor vehicle type. These recoveries are to be categorized as in-whole, in-part or intact.	Sec. 33112 (c), (A), (B)	(c)(1), (c)(2)	3
2)	Explanation of how theft and recovery data is obtained and steps taken to ensure its accuracy.	Sec. 3112 (c)(2)	(c)(3)	3.4
3)	Explanation of how theft and recovery data is used and reported to other organizations.	Sec. 33112 (c)(2)	(c)(4)	3.7
4)	Explanation of the basis for the insurer's comprehensive insurance premiums and the premium penalties charged for motor vehicles it considers more likely to be stolen.	Sec. 33112 (c)(D)	(d) (4)	4.1
5)	The rating characteristics used by the insurer to establish the premiums it charges for comprehensive insurance coverage for this type of motor vehicle and the premium penalties for vehicles of this type considered by the insurer as more likely to be stolen.	Sec. 33112 (c)(C)	(d)(1)	4.2
6)	) Identity of any other rating rules and plans used to establish comprehensive insurance premiums and premium penalties for motor vehicles it considers more likely to be stolen, and an explanation of how such rating rules and plans are used to establish the premiums and premium penalties.	Sec. 33112 (c)(C)	(d)(3)	4.3
7)	The maximum premium adjustments (as a percentage of the basic comprehensive insurance premium) made for each vehicle risk grouping identified in (12); as a result of the insurer's determination	Sec. 33112 (c)(C)	(d)(2)(viii)	4.4

	that such vehicles are more likely to be stolen.			
8)	Identity of the vehicles for which the insurer charges comprehensive insurance premium penalties, because the insurer considers such vehicles as more likely to be stolen.	Sec. 33112 (c)(C)	(d)(2)(vi)	4.5
9)	The total number of comprehensive claims paid by the insurer for each vehicle risk grouping identified in (12) during the reporting period, and the total amount in dollars paid out by the insurer in response to each of the listed claims totals.	Sec. 33112 (c)(C)	(d)(2)(vii)	4.5
10)	Total number of comprehensive claims paid by the insurer during the reporting period, and the total number that arose from a theft.	Sec. 33112 (c) (F)	(d)(2)(i), (d)(2)(ii)(A)	5.1
11)	The total amount (in dollars) paid out by the insurer as a result of theft, the best estimate of the percentage of the dollar total listed in (7) that arose from vehicle thefts, and an explanation of the basis for the estimate.	Sec. 33112 (c)(C)	(d)(2)(iv)(A)(1), (d)(2)(iv)(A)(2)	5.1
12)	The total amount (in dollars) paid out during the reporting period in response to all comprehensive claims filed by its policyholders.	Sec. 33112 (c) (F)	(d)(2)(iii)	5.3
13)	The best estimate of the percentage of the number from (5) that arose from vehicle thefts, and an explanation of the basis for the estimate.	Sec. 33112 (c) (F)	(d)(2)(ii)(B)	5.5
14)	In the case of other insurers subject to the reporting requirements, the net losses suffered by the insurer (in dollars) as a result of vehicle theft.	Sec. 33112 (c)(C)	(d)(2)(iv)(B)	5.7
15)	The total amount (in dollars) recovered from the sale of recovered vehicles, major parts recovered not attached to the vehicle, or other recovered parts, after	Sec. 33112 (c) (F)	(d)(2)(v)(A)	5.9

15)	The total amount (in dollars) recovered from the sale of recovered vehicles, major parts recovered not attached to the vehicle, or other recovered parts, after the insurer had made a payment.	Sec. 33112 (c) (F)	(d)(2)(v)(A)	5.9
16)	The insurer's best estimate of the percentage of the dollar total listed in (10) that arose from vehicle thefts, and an explanation of the basis for the estimate.	Sec. 33112 (c) (F)	(d)(2)(v)(B)	5.10
17)	Actions taken to reduce comprehensive rates due to a reduction in thefts of this type of motor vehicle.	Sec. 33112 (c)(D)	(e)	6
18)	The conditions to be met to receive a reduction.	Sec. 33112 (c)(D)	(e)(1)	6.1
19)	State the number of vehicles and policyholders that received such reductions.	Sec. 33112 (c)(D)	(e)(2)	6.2
20)	State the difference in average comprehensive premiums for those receiving the reduction vs. those who did not.	Sec. 33112 (c) (F)	(e)(3)	6.3
21)	The specific criteria used by the insurer to determine if a vehicle is eligible for a premium reduction if equipped with anti theft devices.	Sec. 33112 (c)(D)	(f)(1)	6.4
22)	Total number of thefts, by insurance company, of vehicles subject to a premium reduction for an installed anti theft device.	Sec. 33112 (c) (F)	(f)(2)	6.5
23)	Total number of recoveries, by insurance company, of vehicles that received a reduction for an anti-theft device by in-tact, in-whole, or in-part.	Sec. 33112 (c) (F)	(f)(3)	6.5
24)	Each action taken by the insurer to assist in deterring or reducing thefts of motor vehicles. Describe the action and explain why the insurer believed it would be effective in deterring or reducing vehicle theft.	Sec. 33112 (c) (E)	(g)(1)	7.1

The first insurer reports were filed with the NHTSA Office of Safety Performance Standards in January 1987. The subject insurers were required to report data beginning with calendar year 1985. Reports have been submitted annually since then, and information contained in the 2004 insurer submissions is included herein.

1.6 Organization of this Report

The information presented in this document is based upon the insurer and rental and the leasing company reports submitted for calendar year 2004.

Section 2 of this report identifies the insurance and rental and leasing companies, which submitted 2004 reports and the extent that required information was supplied.

Responses to each of the specific reporting requirements identified in Table 1 are discussed in Sections 3 through 7 of this report. Table 1 identifies the section of this report devoted to each reporting requirement.

OVERVIEW OF 2004 INSURER REPORTING REQUIREMENTS

This section presents a general overview of the 2004 insurance and leasing company reports submitted under Chapter 331 of Title 49 of the United States Code.

Topics Compiled and Analyzed include:

- Insurance companies filing 2004 reports
- Rental and leasing companies filing 2004 reports
- Insurance Services Office (ISO) filing 2004 reports
- The extent that companies responded to each reporting requirement

2.1 Insurance Companies Filing 2004 Reports

As empowered under Chapter 331 of Title 49, the Department of Transportation is charged with determining the insurance companies subject to the annual reporting requirements and with granting exemptions to those insurers qualifying under Section 33112.

An insurer is defined in Section 33112 (f)(A) and (f)(B) as an insurer whose premiums for motor vehicle insurance issued directly or through an affiliate, including a pooling arrangement established under State law or regulation for the issuance of motor vehicle insurance, account for:

(A) Less than one percent of the total premiums for all forms of motor vehicle insurance issued by insurers in the United States; and

(B) Less than 10 percent of the total premiums for all forms of motor vehicle insurance issued by insurers in any State.

"Small insurers" are defined as those, which do not meet these criteria. Small insurers may be exempted from the reporting requirements if the agency determines that:

- The cost of preparing and furnishing such reports is excessive in relation to the size of the business of the insurer and

- The insurer's report will not significantly contribute to carrying out the purposes of Chapter 331.

Data compiled by the A.M. Best Company, Inc. is used by the Department of Transportation to determine insurer market share nationally and in each state for the purpose of identifying subject insurers.

Table 2 identifies insurance companies filing reports or insurer's reports included on the ISO tape for the 2004 reporting period.

Table 2 List of Insurance Companies Filing 2004 Report

List of Insurers
ALFA Insurance Companies
Allstate Insurance Group
American Family Insurance Group
American International
Auto Club Michigan
Auto-Owners Insurance Group
CNA Insurance Group
Erie Insurance Group
Farmers Insurance Group
GEICO
Hartford Insurance Group
Kentucky Farm Bureau
Metropolitan Life Auto and Home Group
New Jersey Manufacturers Group
Progressive Group (Confidential)
Safety Insurance
Southern Farm Bureau (AR)
Southern Farm Bureau (MS)
State Farm
Tennessee Farmers Bureau
Travelers Insurance
USAA Group (Confidential)

2.2 Rental and Leasing Companies Filing 2004 Reports

Section 33112 (b)(1) expands the definition of an insurer to include a person (except a governmental authority) having a fleet of at least 20 motor vehicles that are used primarily for rental or lease and are not covered by a theft insurance policy issued by an insurer of passenger motor vehicles.

The five rental and leasing companies furnishing information for the 2004 reporting period are identified in Table 3.

Table 3. List of Rental and Leasing Companies Filing 2004 Reports

List of Rental and Leasing Companies
Avis-Budget
Dollar Thrifty Automotive Group
The Hertz Corporation
U-Haul
Vanguard

2.3 *Insurer Compliance with Reporting Requirements*

The level of compliance with the reporting requirements varied both by requirement and by company. Table 4 indicates that half or more of the companies responded slightly more than one-third of the requirements.

Table 4. 49 CFR Ch. V (10–1–06 Edition) § 544.5 - § 544.7

Requirement Paragraph	Number Reporting	Data Supplied	Does not apply	Data not available	Paragraph not addressed	Confidential
(c)(1),(c)(2)	27	15		1	10	1
(c)(3)	27	16		1	9	1
(c)(4)	27	18		2	6	1
(d)(1)	27	17		1	8	1
(d)(2)(i)	27	17		2	7	1
(d)(2)(ii)(a)	27	0		2	24	1
(d)(2)(ii)(b)	27	6		2	18	1
(d)(2)(iii)	27	15		4	7	1
(d)(2)(iv)(A)(1)	27	16		1	9	1
(d)(2)(iv)(A)(2)	27	4		2	20	1
(d)(2)(iv)(B)	27	8	2	11	5	1
(d)(2)(v)(A)	27	13		8	5	1
(d)(2)(v)(B)	27	9		8	9	1
(d)(2)(vi)	27	13	1	3	9	1

Requirement Paragraph	Number Reporting	Data Supplied	Does not apply	Data not available	Paragraph not addressed	Confidential
(d)(2)(vii)	27	13	1	3	9	1
(d)(2)(viii)	27	4	7	6	9	1
(d)(3)	27	14	3	2	7	1
(d)(4)	27	14	1	3	8	1
(e)	27	15	1	1	9	1
(e)(1)	27	12	3	2	9	1
(e)(2)	27	11	3	3	9	1
(e)(3)	27	12	3	2	9	1
(f)(1)	27	14	2	2	8	1
(f)(2)	27	10	2	7	7	1
(f)(3)	27	6	2	9	9	1
(g)(1)	27	17	1	1	7	1
(g)(2)(i)	27	17		1	8	1
(g)(2)(ii)	27	17		1	8	1
Totals	**756**	**335**	37	66	262	28

Responses were supplied in a variety of ways:

- Direct written response from the insurer
- Information supplied on behalf of the insurer through the Insurance Services Office (ISO). The ISO is a licensed advisory insurance rating organization.

Table 4 indicates the number of insurance companies, which provided responses to each of the various reporting requirements. Responses may have taken one of several forms:

- Data was provided by the insurer or ISO.
- The insurer indicated that the reporting requirement was not applicable to the manner in which the company conducts its business or record keeping.
- The insurer indicated that the reporting requirement was applicable but the information requested was not available.

Many of the reporting requirements address premiums and losses for comprehensive insurance policies. These issues are addressed by the reporting insurance companies and are not directly applicable to the leasing and rental companies. Twenty-two insurance companies reported in

2004. This includes some partial responses and claims that data was supplied via ISO. Of the 22 insurers listed in Table 2 as having reported, only 15 hard copy reports were received. Thus, 5 out of the 22, or 22.7%, responded only to paragraphs (c)(1) and (c)(2) via the ISO tape.

Rental and leasing companies primarily provided information on thefts and recoveries of vehicles from their fleets and the dollar losses associated with these thefts.

THEFTS AND RECOVERIES OF MOTOR VEHICLES DURING 2004

The marking of parts is intended to assist law enforcement efforts to trace and recover stolen vehicles and parts as well as to arrest and prosecute the criminals responsible. The increased likelihood of arrest and punishment is also meant to serve as a deterrent to auto thieves. The NHSTA evaluates the effectiveness of theft deterrent systems and compiles a report from data generated from the larger insurance companies and ISO. The information obtained from the 2004 data shows that motor vehicle theft continues to be a major cause of insurer comprehensive losses; 0.35 percent of stolen vehicles in 2004 were recovered intact. 0.69 percent was recovered in-whole and 61.7 percent were recovered in-part.

Table 5 summarizes the theft and recovery information listed in Appendices A-E. During 2004, reporting insurance companies received claims for the theft of 133,986 vehicles produced during model years 2000-2004. A total of 96,675 or 72.1 percent of these stolen vehicles were recovered. The recovery rates were 51 percent for the 1992 reporting period (KLD Associates, Inc, March, 1998), 47 percent for the 1993 reporting period (KLD Associates, Inc, December, 1998), 36 percent for the 1994 reporting period (KLD Associates, Inc, November, 1998), 31 percent for the 1995 reporting period (KLD Associates, Inc, 2000), 19.4 percent for the 1996 reporting period (KLD Associates, Inc, 2001), 21.2 percent for the 1997 reporting period (KLD Associates, Inc, 2002), 15 percent for the 1998 reporting period(KLD Associates, Inc, 2004), 12 percent in 1999 (KLD Associates, Inc, January, 2005), 12 percent in 2000 (KLD Associates, Inc, February, 2005), 11 percent in 2001 (KLD Associates, Inc, 2006), 11 percent in 2002 (KLD Associates, Inc, 2007), 70 percent in 2003 (MYI Consulting, Inc, 2008), and for the 2004 reporting period recovery rates were 72.1 percent. Figure 1 in the next section below gives a visual of the recovery rate per year.

Table 5. Theft and Recoveries Model Year 2001-2005 Vehicles

Vehicle Types	Number of Thefts	Number with ATD	Intact	In-Whole	In-Part	Total
Passenger Cars	62,988	1,483	2,240	4,819	42,280	49,339
Light Duty Trucks	23,173	431	846	1,733	14,086	16,665
Heavy Trucks	477	0	12	18	290	320
Multi Purpose	33,788	894	1,409	2,374	21,352	25,135
Motorcycles	13,542	19	207	321	4,688	5,216
TOTALS	133,986	2,827	4,714	9,265	82,696	96,675

Table 6 presents the ISO data, which provides yearly summary of the total number of vehicle thefts recovered from 1987 to 2004. The total number recovered vehicles up to 4 years of age were 59,447 in 2003. In 2004, 5,249 more vehicles were recovered for an increased total of 64,696 vehicles up to four years of age.

Table 6. Number of Reported Vehicle Thefts for Vehicles up to Four Years in Age

Year	Passenger Cars Thefts	Non-Passenger Cars Thefts	Total
1987	87,592	27,066	114,658
1988	38,152	19,564	57,716
1989	96,480	42,331	138,811
1990	75,761	34,524	110,285
1991	74,033	44,129	118,162
1992	60,596	40,298	100,894
1993	55,282	35,778	91,060
1994	52,385	34,063	86,448
1995	52,389	34,604	86,993
1996	63,705	42,156	105,861
1997	79,923	49,992	129,915
1998	55,927	36,516	92,443
1999	46,768	31,069	77,837
2000	47,075	36,984	84,059
2001	49,025	42,691	91,716
2002	43,073	48,469	91,561
2003	23,030	36,417	59,447
2004	35,672	29,024	64,696

3.1 Thefts and Recoveries by Vehicle Type

Paragraph (c)(1) of the Reporting Requirements requires insurers to "list the total number of vehicle thefts for vehicles manufactured in the 1983 or subsequent model years, subdivided into model year, model, make, and line, for this type of motor vehicle." (49 CFR Chapter V, (c)(1).Paragraph (c)(1) of the Reporting Requirements requires that insurers indicate how many recoveries were:

- Recoveries Intact - A vehicle reported as stolen is recovered with no major parts missing at the time of the recovery and with no apparent damage to the vehicle other than damage necessary to enter and operate the vehicle and ordinary wear and tear. (Major parts are those parts subject to the marking requirements of Chapter 331 of Title 49.)

- Recoveries in-whole - A vehicle reported as stolen is recovered with no major parts missing at the time of the recovery but with damage in addition to that sustained during unauthorized entry and operation. This would include vehicles stripped of other parts, wrecked vehicles, burned vehicles (with no major parts missing), etc.

- Recoveries in-part - A vehicle reported as stolen is recovered with one or more major parts missing at the time of recovery. This would include vehicles stripped of other parts, wrecked vehicles, burned vehicles, etc.

Each insurance company's information was detailed by theft and recovery information and is presented by vehicle type in Appendices A-E. These appendices are organized by state for passenger cars, light trucks, heavy trucks, multi-purpose vehicles and motorcycles respectively. Each appendix also presents the total amount of theft and recovery data by state, make, model, and line and model year. This data includes thefts and recoveries of model year 2000-2004 vehicles, which occurred during 2004.

3.2 *Thefts and Recoveries Reported by Insurance Companies*

The required theft and recovery data was reported directly by the insurance companies or supplied by the ISO on behalf of the reporting companies (See Table 5). Below is Figure 1, which illustrates the recovery rates for insurance companies for the calendar year 2004 reporting period (RP).

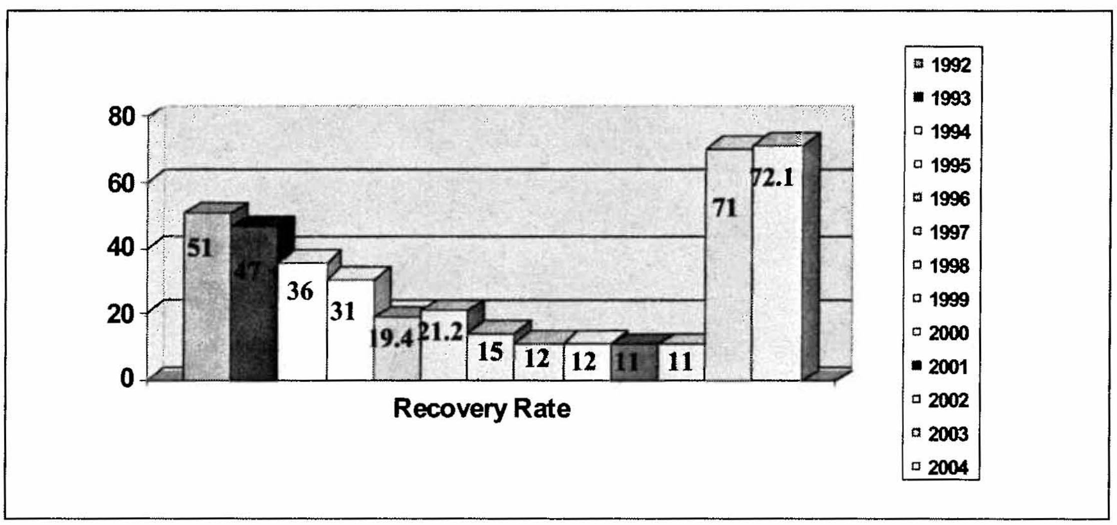

Figure 1. Recovery Rate for Insurer's from 1992-2004

Most insurers have a "wait" clause in them for stolen vehicles. A stolen vehicle must be missing for more than a certain number of days, before an insurer will start the process of settling the claim for an individual's stolen vehicle and out of pocket expenses. The vehicle will then be written off and the title holder will be issued a check for the present day value of the vehicle. If the owner of the vehicle is informed of its recovery afterwards, most people would rather keep the insurance money for the vehicle (even if the vehicle received minor damage for example a cracked windshield) rather than pay for accrued storage fees. Therefore, in some cases the insured does not report the subsequent vehicle recovery to the insurance company.

The report findings indicate an increase in the 2004 recovery rate for insured motor vehicles as compared to that for the 2003 reporting period (RP). Specifically, the recovery rate for 2004 is 72.1% as compared to the 70.0% recovery rate experienced during 2003. This includes a combined analysis of the data reported from the Insurer's and the data provided by ISO.

The amended rule at 69 FR 17967, April. 6, 2004, making it mandatory for parts marking on all passenger cars, multipurpose passenger vehicles may give reason for the increase in actual recoveries of in-part vehicles in the 2004 data. Another possibility is that the insurance companies have changed the way these recoveries are reported, or something has changed in the report calculations. It should also be noted that ISO revised its coding method in the 2003 reporting period, contributing to the availability of more recovery information than in previous years. Additionally, the report indicates that the agency may be receiving more recovery information from the insurers because more incentives are being provided to adjusters for closing out claims more efficiently and the fact that more insurers are performing computer reconciliation programs to maintain data integrity and to avoid reporting incomplete data.

The 2004 report findings show a decrease in the dollars recovered by insurers through the sale of recovered vehicles and parts (See Table 7). Specifically, the dollars recovered by insurers' through the sale of recovered vehicles and parts was $27,720,937.08 in 2004, a significant decrease from the 2003 reporting period which was $134,414.654.56. This resulted in an approximately 80% decrease, from the 2003 reporting period (RP). This decrease was primarily a result of State Farm not reporting dollar amounts for the 2004 reporting period (RP).

Table 7. Dollars Recovered by Reporting Co. From Sale of Recovered Vehicles (2004)

Insurer	Amount Recovered	
	All Vehicles	Commercial
ALFA Insurance Company	$391,940.00	Not Reported
Allstate	$299,814.15	Not Reported
American Family Insurance	$12,686,419.71	Not Reported
American International	$652,406.30	$100,650.27
Auto Club Michigan	Not Reported	Not Reported
Auto Owners	$1,172,344.56	Not Reported
Avis-Budget	Not Reported	Not Reported
CNA Insurance Group	$1,708,116.00	Not Reported

Dollar Thrifty Automotive Group	Not Reported	Not Reported
Erie Insurance Group	1,696,520.00	Not Reported
Farmers Insurance Group	Not Reported	Not Reported
Hartford Insurance Group	Not Reported	Not Reported
GEICO	Not Reported	Not Reported
Hertz	$7,289,814.69	Not Reported
Insurance Service Office	Not Reported	Not Reported
Kentucky Farm Bureau	$872,233.00	Not Reported
Metropolitan Life Auto and Home Group	Not Reported	Not Reported
New Jersey Manufacturing Group	$136,475.45	Not Reported
Progressive	*	*
Safety Insurance	$537,355.00	Not Reported
Southern Farm Bureau (AR)	$119,421.00	Not Reported
Southern Farm Bureau (MS)	$158,077.22	Not Reported
State Farm	Not Reported	Not Reported
Tennessee Farmers	$136,475.45	Not Reported
Travelers	Not Reported	Not Reported
U-Haul	Not Reported	Not Reported
USAA Group	*	*
Vanguard	Not Reported	Not Reported
Total	**$27,720,937.08**	**$100,650.27**

*Confidential

3.3 *Thefts and Recoveries Reported by Rental and Leasing Companies*

Thefts and recoveries were reported by five rental and leasing companies, Avis-Budget, Dollar Thrifty Automotive Group, The Hertz Corporation, U-Haul, and Vanguard are incorporated in the aggregate results shown in Table 8. The results are shown in Appendix F. Rental and leasing companies reported their theft and recovery data in a different manner than the insurance companies. Most of the rental and leasing companies used their own unique style of reporting.

In Table 8 five rental and leasing companies identified a total of 7,760 vehicle thefts during 2004. Recovery information was reported by four out of the five leasing companies., U-Haul was the only leasing company that reported in the same manner as the insurance reporting companies. U-Haul recovered the 3,436 vehicles, which represents all vehicles that were reported stolen.

Table 8. Number of Thefts Reported By Leasing Co. (2004)

Insurer	All Vehicles
Avis-Budget	710
Dollar Thrifty Automotive Group	993
The Hertz Corporation	2,621
U-Haul	3,436
Vanguard	Not Reported
Total	7,760

3.4 Procedures to Obtain Theft and Recovery Data

Under paragraph (c)(3) of the NHTSA Reporting Requirements, insurance companies provided an explanation of how theft and recovery data is obtained and the steps taken by the industry to ensure the accuracy of this data.

Theft and recovery information is obtained by insurance companies from their policy holders and agents as reports of claims by phone, letter, facsimile, internet web sites, or in person. Information is submitted to the ISO or National Insurance Crime Bureau (NICB) in the normal course of claim file adjustment (i.e., the information required for completion of its automobile theft reporting forms.) Strict adherence to the form instructions by trained insurance personnel is one approach used to ensure data accuracy. For some companies, an agent or Physical Damage Supervisor is responsible for maintaining a log of each stolen vehicle report.

Insurers check for completeness via individual review of files by claims managers, adjusters or claims handlers. In addition, some insurers perform periodic audits, or use computer reconciliation programs to maintain data integrity and avoid incomplete data. Incomplete reports are returned to the reporting claim office by the Home Office Claim Department for correction. Travelers utilized their Special Investigative Unit in those cases with suspicious circumstances.

Recovery data is also obtained from the National Insurance Crime Bureau, the police or the insured. The license plate and Vehicle Identification Number (VIN) are checked by physical inspection by a claims adjuster, or using VIN check software or requiring witnessed or notarized signatures of the insured and complete descriptions of damage to the vehicle at the time of loss. Repair estimates and recent repair and maintenance billings are obtained when available.

A summary of the insurance company responses to this and subsequent reporting requirements described throughout the remainder of this report may be found in Appendix F (Rental Companies) and Appendix G (Summary of Insurance Responses to NHTSA).

3.5 *Notifying Insurance Companies of Motor Vehicle Thefts and Recoveries*

Thefts of insured motor vehicles are generally reported by policyholders to their insurance company, agent or claims handler within 24 hours of the theft. This information is reported either by telephone, in writing, facsimile, the insurance company's internet website or in person.

Insurance companies routinely report thefts and recoveries of motor vehicles to the NICB within 24 to 48 hours after they receive the information. This information is provided to the NICB in a uniform manner for all participating companies. The insurers receive information on recovered stolen vehicles from their policyholders, the NICB and police agencies. The insurers will attempt to inspect the vehicle to verify the VIN and the condition of the vehicle upon recovery. The results of this inspection are forwarded to the NICB.

3.6 *Insurance Industry Procedures to Ensure Accurate Theft and Recovery Data*

To ensure the accuracy and real-time results of theft and recovery data, many insurance companies have developed procedures for their claim processors to thoroughly investigate and document theft losses. They utilize their Special Investigative Unit in those cases with suspicious circumstances where the need for further investigation is warranted. Some companies periodically perform tests and audits of their theft claim files by their branch management, district management, regional management and home office claim review units.

In addition to these internal audits and quality control reviews, the information submitted to the NICB is once again reviewed for accuracy and completeness. The NICB provides the insurers with a list of missing information or claim discrepancies or requests for supplemental information. The insurers must then investigate to resolve the discrepancies, provide missing information and resubmit their reports. The NICB reviews all data discrepancies until they are resolved.

Some insurers also review police reports; physically inspect recovered vehicles to determine the accuracy of the VIN, license number, date of theft, date of recovery and condition of the vehicle upon recovery. Other insurers use VIN check software in conjunction with their estimating systems, licensed by an Automated Data Processing Company and a Certified Collateral Company, to ensure VIN accuracy and detect fraud. Computer reconciliation programs are also used to verify data. In some cases, a copy of the registration and title document are obtained and reviewed to assure accuracy of license number and VIN. This type of information is stored both by the NICB and other law enforcement agencies and is cross-referenced for accuracy.

3.7 Uses of Theft and Recovery Data

Under paragraph (c)(4) of the Reporting Requirements, insurance companies provided an explanation of how theft and recovery data is used and reported to other organizations.

This information is used both internally by the insurance companies and externally by other organizations for a variety of purposes including:

1. Reporting data to state and local enforcement agencies at the time of loss.
2. Reporting to state insurance departments, which include state rate filings.
3. Determining rates for comprehensive coverage by determining patterns of loss experience and exposure, determining locations with unusual theft risks and developing risk management practices.
4. Controlling claim costs by providing information to the claim staff to assist their investigations and arrive at quicker, more accurate settlements.
5. Identifying and investigating cases of suspected claim misrepresentation or the possibility that the policyholder is involved in a crime.
6. Assist efforts to recover stolen vehicles by prompt accurate reporting to the local police. An inquiry is made to insure the same vehicle has been recorded with the National Crime Information Center (NCIC).
7. Assist efforts to track theft and comprehensive experience by state and locality by submitting theft reports to the NICB, ISO, local and state authorities and insurance bureaus. The NICB aggregates data supplied by participating insurers and publishes reports on thefts and recoveries.

SETTING RATES FOR MOTOR VEHICLE COMPREHENSIVE COVERAGE DURING 2004

This section describes the procedures and factors considered by the reporting insurance companies to establish the premiums charged for motor vehicle comprehensive coverage during 2004. Of special interest is the role of vehicle theft in the determination of premiums for comprehensive coverage.

Specific topics considered include:

- The basis for motor vehicle comprehensive premiums and the basis for premium penalties assessed for vehicles with high theft rates
- The rating characteristics used by insurers to establish comprehensive premiums for motor vehicles
- Additional rules and plans followed by insurers to establish comprehensive premiums and premium penalties
- The maximum adjustments to comprehensive premiums for vehicles considered as posing an especially high risk of theft
- An identification of lines with a high risk of theft

Each of these topics is considered separately in the sections following. The procedures and rating characteristics used by the insurers to establish comprehensive premiums during 2004 were very similar to those documented by the insurers in previous years.

4.1 Basis for Comprehensive Premiums and Premium Penalties for Vehicles with High Theft Rates

Under paragraph (d)(4) of the NHTSA Insurer Reporting Requirements, insurers are required to provide an explanation of the basis for their comprehensive insurance premiums and premium penalties charged for motor vehicles considered as most likely to be stolen.

CNA, Erie, GEICO, New Jersey Manufacturers Group, The Hartford and Travelers rely on the aggregate experience of many companies as compiled by the ISO Vehicle Rating Series Program or by the Highway Loss Data Institute (HLDI). The ISO symbol structure, which assigns a numeric symbol to each motor vehicle based on the manufacturers suggested retail price (MSRP) called the Price New Symbol, is used by many insurers. The Price New Symbol may be adjusted either upward or downward to reflect physical damage loss experience, in accordance with the Vehicle Series Rating Program. Cars that are more likely to be stolen will be assigned a higher symbol than they would otherwise receive based on the MSRP, resulting in higher premiums. Therefore, any premium penalties for vehicles more likely to be stolen will be incorporated into the ISO symbol. Other insurers establish comprehensive rates utilizing the total comprehensive loss experience without identifying the theft component of this experience. As a result, Kentucky Farm Bureau, Southern Farm Bureau, and Tennessee Farmers charge no premium penalties based on increased probability of it being stolen.

American Family Mutual and Farmers Insurance Group identify groups of vehicles, to which penalties are attached to the comprehensive premium, which they believe are more likely to be stolen than other vehicles. Company experience compared with the experience of other members of the insurance industry is used to develop adjustments based upon damageability (including cost of repair and susceptibility to theft).

Allstate's rates are established for individual makes and models on the basis of their Price Group symbol. A Price Group symbol primarily reflects the price of the vehicle when it is new. The Price Group symbol (PGS) assigned to individual makes and models may be adjusted up or down most often based on its combined collision and comprehensive experience. The vehicle's PGS may be adjusted under the Make/Model Experience Rating Program which is based on collision plus comprehensive experience of the latest two model years. The calculated loss ratio is then expressed relative to the average loss ratio for all models.

These rates may be adjusted by territory of operation, vehicle age, driver and vehicle use characteristics. Other elements upon which premiums and premium penalties are based include cost and frequency trends and competitive position.

4.2 Rating Characteristics Used to Establish Comprehensive Premiums

Under paragraph (d)(1) of the Reporting Requirements, insurers provided the rating characteristics used to establish the premiums charged for comprehensive insurance coverage during 2004 and the premium penalties assessed for vehicles considered more likely to be stolen.

Typical driver rating characteristics include:

- Age
- Sex
- Driver Classification
- Driving Record
- Marital Status

Typical vehicle use rating characteristics include:

- Primary use of vehicle (i.e., commuting, business, etc.)
- Annual mileage traveled

Additional rating characteristics include:

- Number of vehicles in the household
- Loss experience
- Territory of operation
- Model year (age) of the vehicle
- Cost new and damageability/reparability of the vehicle
- Policy deductible amount
- Whether vehicle is equipped with an anti theft device
- Garaged location
- Expense of doing business
- Good student/Driver training discount for youthful drivers
- Qualification for multi-vehicle discount
- Symbol
- Points

Most of the companies did not assess any surcharge or premium penalties to insure vehicles which are stolen more frequently than others. American Family Mutual, CNA Insurance Companies, Erie Insurance Group, Farmers Insurance Group, New Jersey Manufacturers Group, Southern Farm Bureau, Tennessee Farmers Insurance Companies, and The Hartford use ISO symbols, statewide rating symbols or industry comparisons to establish a base rate. These symbols are then adjusted upward or downward to reflect the combined comprehensive and collision loss experience for individual makes and models. Auto Club of Michigan bases their loss experience on combining the company's own data with that of the Highway Loss Data Institute (HLDI).

4.3 Other Rules and Plans to Establish Comprehensive Premiums and Premium Penalties

Under paragraph (d)(3) of the NHTSA Insurer Reporting Requirements, insurers provided additional rules and plans used in 2004 to establish comprehensive premiums and premium penalties for motor vehicles they consider as more likely to be stolen.

As noted in section 4.1 and 4.2, most of the reporting insurance companies did not assess any premium penalty based on theft potential. Companies which did charge premium penalties did on the basis of higher than usual losses, and seldom, if ever, based it solely upon theft loss potential. Surrogate measures for vehicle theft such as total loss experience, repair costs, performance and design characteristics were used rather than actual theft experience itself in determining theft-related premium penalties.

The already mentioned ISO Vehicle Series Rating (VSR) procedure is based upon a number of factors influencing loss potential and in addition to theft. The procedure cannot be used to develop discounts or penalties which specifically recognize a vehicle's theft loss potential.

4.4 Maximum Premium Adjustments for High Risk Vehicle Groupings

Under paragraph (d)(2)(viii) of the NHTSA Reporting Requirements, insurers were asked to indicate the maximum premium adjustments applied during 2004 for each of their designated high theft risk vehicle groupings.

One of the insurers indicated that its maximum premium adjustment due to comprehensive loss experience is 100 percent. This insurer states that comprehensive experience makes up, at most, 50 percent of the experience used in determining the symbol (collision experiences are also involved). The insurer estimates the maximum impact on premiums due to theft experience being 50 percent.

For other insurance companies, the vehicle's likelihood of being stolen is only one component reflected in the modification of a symbol assignment.

4.5 Designated High Risk Lines

Under paragraph (d)(2)(vi) of the Reporting Requirements, insurers were asked to identify vehicles which were assessed premium penalties for comprehensive coverage in 2004 because they were considered more likely to be stolen than other vehicles. Table 9 reports typical designated high risk lines during 2004 for American Family Insurance company which indicates that the total amount of $440,557.52 for 400 vehicles.

As noted previously, most of the insurers did not charge any premium penalties on the basis of theft potential. The few that did charge premium penalties frequently included other issues in addition to theft potential in their decision to designate vehicles as subject to premium penalties.

Lines more commonly designated by insurers as subject to higher comprehensive premiums due to greater loss risks are indicated in Tables 9 through 11 for the companies reporting.

Table 9. Typical Designated High Risk Lines During 2004: American Family

Total Number and Amount of Claims for Premium Penalty Vehicles (544.6(d)(2)(vii)				
Year	**Make**	**Model**	**Count**	**Amount**
2004	Acura	RST	11	$7,966.34
2004	Acura	RSX	12	3,619.62
2004	Dodge	IEX	17	33,318.05
2004	Dodge	ISE	99	156,877.38
2004	Dodge	NR4	17	10,251.16
2004	Dodge	SRS	16	33,144.30
2004	Dodge	SRX	58	29,254.33
2004	Dodge	SSE	55	62,838.74
2004	Dodge	STS	8	7,031.86
2004	Honda	S2000	3	1,553.00
2004	Mitsubishi	ECG	1	85.00
2004	Mitsubishi	EGS	1	296.50
2004	Mitsubishi	ERS	1	592.01
2004	Mitsubishi	GTS	3	1,168.25
2004	Mitsubishi	STS	2	1,599.01
2004	Nissan	3ZC	31	16,589.32
2004	Nissan	3ZR	13	5,234.55
2004	Subaru	IWS	20	23,870.55
2004	Subaru	IWX	32	45,267.55
Total			**400**	**$440,557.52**

ALFA, Allstate, Auto Club of Michigan, Auto Owners, CNA, Erie, Farmers, Hartford, Kentucky, Metropolitan Life, NJM, Progressive, Southern Farm Bureau (AR and MS), State Farm, Tennessee Farm Bureau and Travelers do not designate high risk lines.

American Family Mutual provided at a minimum the Make and Model year of the high risk lines of vehicles as seen in Table 10. .

Note: Although theft is a major peril covered under comprehensive automobile insurance coverage, it is not the only peril covered, i.e., collision with bird or animal, flood and, windstorm damages are also covered under comprehensive coverage.

Table 10. Typical Designated High Risk Lines During 2004

American Family	
Model Years 2004 Vehicles	
Acura RSX	Dodge Stratus
Chrysler Sebring	Honda S2000
Dodge Intrepid	Mitsubishi Eclipse
Dodge Neon SRT-4	Nissan 350 Z
	Suburu Impreza WRX

INSURANCE LOSSES FROM MOTOR VEHICLE COMPREHENSIVE POLICIES DURING 2004

This section describes the losses incurred by insurance companies in 2004 from policies providing motor vehicle comprehensive coverage. Also described are insurance, rental and leasing company losses caused by motor vehicle theft.

Specifically, the following topics are examined:

- The number of comprehensive claims paid by insurers during 2004
- The proportion of comprehensive claims that were caused by motor vehicle theft
- The dollar losses sustained by reporting insurance companies under comprehensive coverage
- The total dollar losses under comprehensive policies attributable to theft and the proportion of all comprehensive losses attributable to vehicle theft
- The net dollar losses due to vehicle theft
- The amount recovered by insurers through the sale of recovered vehicles and parts
- The proportion of these dollars recovered which is attributed to thefts of whole motor vehicles
- The number of comprehensive claims and the amounts paid by insurers for designated high risk vehicles

Each of these topics is considered in the following sections.

5.1 *<u>Comprehensive Claims Paid By Insurers During 2004</u>*

Under paragraphs (d)(2)(i) and (d)(2)(ii)(A) of the Reporting Requirements, insurers indicated the total number of comprehensive claims which were paid during 2004 and the number of these claims which resulted from a theft. Table 11 illustrates total number of comprehensive claims paid by the different reporting companies during 2004 was 5,200,455.

The commercial vehicle data on Table 11 includes vehicles designated by the insurance companies as either: commercial with no information as to type of vehicle; or vehicles designated as either light or heavy trucks, with no indication that they are commercial vehicles.

The assumption was made that light or heavy trucks should be included in the commercial category with the truck notation appended.

Table 11 indicates the number of comprehensive claims paid by each company during 2004. The number of these claims paid by the various companies ranged from 6,363 to 2,601,457 for all vehicles. The commercial vehicle data ranged from 5,540 to 88,347. When combining all vehicle types from both categories the total number of comprehensive claims that was reported total $5,200,455.

A total of 5,200,455 claims of all reported (all vehicles and commercial) comprehensive paid by 17 of the 22 reporting insurance companies were the result of the theft of a motor vehicle or the theft of its contents or components. As indicated in Table 11, the total of all comprehensive claims reported was 5,089,380 and the total commercial claims were 111,075.

Table 11. Number of Comprehensive Claims Paid By Reporting Ins. Co. (2004)

Insurer	All Vehicles	Commercial
ALFA Insurance Companies	40,499	Not Reported
Allstate Insurance Group	1.090,249	Not Reported
American Family Insurance Group	342,599	17,188
American International	173,958	88,347
Auto Club Michigan	Not Reported	Not Reported
Auto-Owners Insurance Group	126,571	Not Reported
CNA Insurance Group	124,625	Not Reported
Erie Insurance Group	189,627	Not Reported
Farmers Insurance Group	533,348	Not Reported
GEICO	Not Reported	Not Reported
Hartford Insurance Group	181,484	5,540
Kentucky Farm Bureau	27,283	Not Reported
Metropolitan Life Auto and Home Group	Not Reported	Not Reported
New Jersey Manufacturers Group	6,363	Not Reported
Progressive Group	*	*
Safety Insurance	62,218	Not Reported
Southern Farm Bureau (AR)*	32,670	Not Reported
Southern Farm Bureau (MS)*	31,794	Not Reported
State Farm	2,601,457	Not Reported
Tennessee Farmers Bureau	12,834	Not Reported
Travelers Insurance	124,072	Not Reported
USAA Group	*	*
Total	5,089,380	111,075

* Confidential

Table 12 indicates the number of theft claims paid by each company during 2004, which resulted from theft. The number of these claims paid by the various companies ranged from 109 to 153,525 theft claims. Total theft claims paid by reporting insurance companies was 286,203 compared to 2003, which was 328,665.

Table 12. Theft Claims Paid by Reporting Ins. Co. (2004)

Insurer	All Vehicles	Commercial
ALFA Insurance Companies	Not Reported	Not Reported
Allstate Insurance Group	43,004	Not Reported
American Family Insurance Group	3393	Not Reported
American International	2,944	Not Reported
Auto Club Michigan	Not Reported	Not Reported
Auto-Owners Insurance Group	3,820	Not Reported
CNA Insurance Group	3,520	Not Reported
Erie Insurance Group	2,502	Not Reported
Farmers Insurance Group	19,482	Not Reported
GEICO	N/A	Not Reported
Hartford Insurance Group	5,101	Not Reported
Kentucky Farm Bureau	305	Not Reported
Metropolitan Life Auto and Home Group	Not Reported	Not Reported
New Jersey Manufacturers Group	109	Not Reported
Progressive Group	*	*
Safety Insurance	1,649	Not Reported
Southern Farm Bureau (AR)*	Not Reported	Not Reported
Southern Farm Bureau (MS)*	466	Not Reported
State Farm	153,525	Not Reported
Tennessee Farm Bureau	211	Not Reported
Travelers Insurance	17,032	Not Reported
USAA Group	*	*
Total	286,203	

* Confidential

5.2 Proportion of Theft Claims Due to Vehicle Theft

Under paragraph (d)(2)(ii)(B) of the NHTSA Reporting Requirements, insurers indicated their estimate of the amount of theft claims paid during 2004, which resulted from the theft of motor vehicles. This classification excluded claims resulting solely from the theft of vehicle contents or components.

These estimates are presented in Table 13 the proportion of theft claims, which resulted from the theft of motor vehicles varied by company and ranged from 1% to 100% percent. The totals do not accurately depict the number of vehicle thefts experienced by insurers subject to the reporting requirements, since all insurers did not provide a percentage breakdown of vehicle thefts for the theft claims they reported.

Table 13. Proportion of Theft Claims Paid Due to Vehicle Theft (2004)

Insurer	All Vehicles	Commercial
ALFA Insurance Companies	Not Reported	Not Reported
Allstate Insurance Group	3.10%	Not Reported
American Family Insurance Group	Not Reported	Not Reported
American International	1.90%	1%
Auto Club Michigan	Not Reported	Not Reported
Auto-Owners Insurance Group	56.50%	Not Reported
CNA Insurance Group	2.82%	Not Reported
Erie Insurance Group	1.32%	Not Reported
Farmers Insurance Group	3.70%	Not Reported
GEICO	Not Reported	Not Reported
Hartford Insurance Group	2.81%	3.53%
Kentucky Farm Bureau	1.10%	Not Reported
Metropolitan Life Auto and Home Group	Not Reported	Not Reported
New Jersey Manufacturers Group	97.60%	Not Reported
Progressive Group	*	*
Safety Insurance	Not Reported	Not Reported
Southern Farm Bureau (AR)	Not Reported	Not Reported
Southern Farm Bureau (MS)	Not Reported	Not Reported
State Farm	20.80%	Not Reported
Tennessee Farmers Bureau	100.00%	Not Reported
Travelers Insurance	3.20%	Not Reported
USAA Group	*	*

- Confidential

5.3 *Insurance Losses Under Comprehensive Coverage During 2004*

Under paragraph (d)(2)(iii) of the NHTSA Reporting Requirements, insurers identified the total payments issued to policyholders during 2004 for claims filed under comprehensive coverage.

The monetary losses under comprehensive coverage are presented by company in Table 14. These losses varied from over 8.7 million to over 2.6 billion dollars. The combined comprehensive losses for the companies reporting this information totaled over 4.8 billion dollars for all vehicles and over 9.6 million for commercial vehicles.

Insurance Losses for Comprehensive Policies

Table 14. Losses Under Comprehensive Coverage Paid by Reporting Ins. Co. 2004

Insurer	All Vehicles	Commercial
ALFA Insurance Companies	$38,915,154.00	Not Reported
Allstate Insurance Group	$9,109,767.94	Not Reported
American Family Insurance Group	$247,979,586.41	Not Reported
American International	$15,649,436.00	$2,507,639.48
Auto Club Michigan	Not Reported	Not Reported
Auto-Owners Insurance Group	$130,138,669.70	Not Reported
CNA Insurance Group	$17,683,563.00	Not Reported
Erie Insurance Group	$165,971,978.00	Not Reported
Farmers Insurance Group	$485,547,138.00	Not Reported
GEICO	Not Reported	Not Reported
Hartford Insurance Group	$135,996,723.00	$7,189,301.00
Kentucky Farm Bureau	$33,134,968.00	Not Reported
Metropolitan Life Auto and Home Group	$8,767,902.00	Not Reported
New Jersey Manufacturers Group	Not Reported	Not Reported
Safety Insurance	$35,725,808.00	Not Reported
Progressive Group	*	*
Southern Farm Bureau (AR)	$27,128,788.00	Not Reported
Southern Farm Bureau (MS)	$19,697,297.71	Not Reported
State Farm	$2,618,522,544.00	Not Reported
Tennessee Farmers Bureau	$15,456,904.85	Not Reported
Travelers Insurance	$119,796,814.00	Not Reported
USAA Group	*	*
Total	$4,849,924,218.61	$9,696,940.48

*Confidential

5.4 *Losses Due to Theft*

Under paragraphs (d)(2)(iv)(A)(1) and (d)(2)(iv)(A)(2) of the NHTSA Reporting Requirements, insurance companies indicated the total payments issued to policyholders during 2004 as a result of theft and the percentage of all theft loss payments due to thefts of motor vehicles.

5.5 *Insurer Losses Due to Theft*

Eighteen companies that reported were Allstate Insurance Group, American Family Insurance Group, American International, Auto-Owners Insurance Group, CNA Insurance Group, Erie Insurance Group, Farmers Insurance Group, Hartford Insurance Group, Kentucky Farm Bureau, Metropolitan Life Auto and Home Group, New Jersey Manufacturers Group, Progressive Group, Safety Insurance, Southern Farm Bureau (AR), Southern Farm Bureau (MS), State Farm, Tennessee Farmers Bureau, Travelers Insurance reported vehicle theft losses and theft losses as well as comprehensive losses in dollars in 2004. The total losses paid by these companies were $1,024,145,782.73 for vehicle theft, and $4,849,924,218.61 for combined comprehensive losses for all vehicles.

Table 15 illustrates reported theft and vehicle theft losses during 2004 by each insurance company. The theft losses varied from approximately 207 thousand to over 543 Million. In total, these companies reported theft losses of just over 1 billion during 2004.

Table 15. Theft Losses Paid by Reporting Ins. Co. (2004)

Insurer	All Vehicles	Commercial
ALFA Insurance Companies	Not Reported	Not Reported
Allstate Insurance Group	$2,117,324.17	Not Reported
American Family Insurance Group	$32,047,855.81	Not Reported
American International	$15,649,436.49	$2,507,639.48
Auto Club Michigan	Not Reported	Not Reported
Auto-Owners Insurance Group	$15,187,107.35	Not Reported
CNA Insurance Group	$3,538,253.00	Not Reported
Erie Insurance Group	$11,178,082.00	Not Reported
Farmers Insurance Group	$115,318,673.00	Not Reported
GEICO	Not Reported	Not Reported
Hartford Insurance Group	$20,041,582.00	$1,355,971.00
Kentucky Farm Bureau	$2,606,813.00	Not Reported
Metropolitan Life Auto and Home Group	$8,767,902.00	Not Reported
New Jersey Manufacturers Group	$207,490.00	Not Reported
Progressive Group	*	Not Reported
Safety Insurance	$5,123,477.00	Not Reported
Southern Farm Bureau (AR)	Not Reported	Not Reported
Southern Farm Bureau (MS)	$2,429,098.34	Not Reported
State Farm	$543,966,677.00	Not Reported
Tennessee Farmers Bureau	$1,221,783.57	Not Reported
Travelers Insurance	$18,061,792.00	Not Reported
USAA Group	Not Reported	Not Reported
Total:	$1,024,145,782.73	$3,863,610.48

* Confidential

5.6 Vehicle Theft Losses Reported by Rental and Leasing Companies

The losses sustained by rental and leasing companies during 2004, as a result of theft, were reported by two companies, Dollar Thrifty Automotive Group and Hertz as shown in Table 16.

Table 16. Vehicle Theft Losses Paid by Reporting Rental and Leasing Companies (2004)

Insurer	Theft Losses $
Avis-Budget	Not Reported
Dollar Thrifty Automotive Group	$382,076.10
Hertz	$10,369,829.67
U-Haul	Not Reported
Vanguard	*

*Confidential

5.7 Net Losses Due to Vehicle Theft

Under paragraph (d)(2)(iv)(B) of the NHTSA Reporting Requirements, six insurers and three leasing companies specified the net losses sustained during 2004 as a result of vehicle theft. The six insurers that reported net losses were ALFA, American Family, American International, Auto Owners, CNA, and Erie. The highest net loss reported was American International with $15,649,436.49. The three rental companies were Dollar Thrifty, Hertz, and Vanguard. Dollar Thrifty and Hertz reported losses of 382,076.10 and 10,369,829.67 consecutively.

Table 17. Net Losses Due to Vehicle Theft (2004)

Insurer	Net Losses
ALFA	3,266,168.00
American Family	12,686,419.71
American International	15,649,436.49
Auto Owners	13,862,374.18
CNA	8,012,952.00
Dollar Thrifty	382,076.10
Erie	11,178,082.00
Hertz	10,369,829.67
Vanguard	*

*Confidential

5.8 Dollars Recovered by Insurers through the Sale of Recovered Vehicles and Parts

In response to paragraph (d)(2)(v)(A) of the Reporting Requirements, insurers indicated the total dollars recovered through the sale of recovered vehicles, major parts recovered not attached to the vehicle, or other recovered parts, after having already paid their policyholders.

Table 17 illustrates the amounts recovered during 2004 from 14 insurance companies and one rental leasing company. The reporting insurance companies were ALFA, Allstate, American Family, American International, Auto Owners, CNA, Erie, Hertz, Kentucky Farm Bureau, New Jersey Manufacturing Group, Progressive, Safety, Southern Farm Bureau (AR), Southern Farm Bureau (MS), and Tennessee Farmers, The individual insurers recovered amounts up to $12.6 million. Companies reporting under this requirement recovered a total of approximately $27,720,937.08 in 2004.

The 2004 report findings also show a substantial decrease in the dollars recovered by insurers through the sale of recovered vehicles and parts. Specifically, the dollars recovered by insurers' through the sale of recovered vehicles and parts substantially decreased from $134,414,654.56 for the 2003 reporting period to $27,720,937.08 in 2004.

5.9 Proportion of Money Retrieved Which Resulted from Vehicle Thefts

Responding to paragraph (d)(2)(v)(B) of the NHTSA Reporting Requirements, insurers provided estimates of the percentage of all dollars recovered through the sale of recovered vehicles, components or contents in 2004 (provided under paragraph (d)(2)(v)(A)) which directly attributed to the theft of whole motor vehicles. In addition, the insurers indicated how they arrived at this estimate.

Table 18 presents estimates by insurance companies. The majority of the 24 reporting insurers did not report on the estimates of the proportion of dollars recovered arising from vehicle thefts; however the reported numbers ranged from 4.17 percent to 100 percent of all dollars recovered through the sale of recovered vehicles, contents or components. With only one company reporting 3.86 percent for commercial American International reporting commercial numbers for calendar year 2004.

Table 18. Proportion of Dollars Retrieved which Arose from Vehicle Theft (2004)

Insurer	All Vehicles	Commercial
ALFA Insurance Company	5%	Not Reported
Allstate	Not Reported	Not Reported
American Family Insurance	Not Reported	Not Reported
American International	4.17%	3.86%
Auto Club Michigan	Not Reported	Not Reported

Auto Owners	94.20%	Not Reported
CNA Insurance Group	9.66%	Not Reported
Dollar Thrifty Automotive Group	Not Reported	Not Reported
Erie Insurance Group	100%	Not Reported
Farmers Insurance Group	Not Reported	Not Reported
GEICO	Not Reported	Not Reported
Hartford Insurance Group	Not Reported	Not Reported
Hertz	Not Reported	Not Reported
Kentucky Farm Bureau	100%	Not Reported
Metropolitan Life Auto and Home Group	Not Reported	Not Reported
New Jersey Manufacturing Group	100.00%	Not Reported
Progressive	*	*
Safety Insurance	Not Reported	Not Reported
Southern Farm Bureau (AR)	Not Reported	Not Reported
Southern Farm Bureau (MS)	Not Reported	Not Reported
State Farm	Not Reported	Not Reported
Tennessee Farmers	100.00%	Not Reported
Travelers	Not Reported	Not Reported
USAA Group	*	*

*Confidential

5.10 Proportion of Theft Losses Due to Vehicle Theft & Loss Relative to Comprehensive Claims

Table 19 presents the proportion of theft losses that attributed to vehicle theft as estimated by each insurance company. These estimates differed between companies with total vehicle theft losses. In 2004 report findings twelve insurers reported comprehensive claims relative to theft losses and relative to comprehensive claims. There were only six companies reported to both losses and comprehensive claims. These companies were American International, Farmers Insurance Group, Hartford Insurance Group, New Jersey Manufacturing Group, State Farm, and Tennessee Farmers Bureau. Individual insurers reported the range from .034 percent to 100 percent.

Table 19. Percentage of Comprehensive and Theft Losses Due to Vehicle Theft (2004)

Insurer	Relative To Total Theft Losses	Relative To Total Comprehensive Claims
ALFA Insurance Companies	99%	Not Reported
Allstate Insurance Group	Not Reported	3.10%
American Family Insurance Group	Not Reported	Not Reported
American International	0.0344%	1.76%
Auto Club Michigan	Not Reported	Not Reported
Auto-Owners Insurance Group	84.70%	Not Reported
CNA Insurance Group	20.01%	Not Reported
Erie Insurance Group	Not Reported	6.73%
Farmers Insurance Group	3.70%	23.80%
GEICO	Not Reported	Not Reported
Hartford Insurance Group	14.73%	18.86%
Kentucky Farm Bureau	Not Reported	7.90%
Metropolitan Life Auto and Home Group	Not Reported	Not Reported
New Jersey Manufacturers Group	97.60%	97.60%
Progressive Group	*	*
Safety Insurance	Not Reported	Not Reported
Southern Farm Bureau (AR)	Not Reported	Not Reported
Southern Farm Bureau (MS)	Not Reported	Not Reported
State Farm	20.80%	79.20%
Tennessee Farmers Bureau	100%	100%
Travelers Insurance	Not Reported	Not Reported
USAA Group	*	*

*Confidential

5.11 Comprehensive Claims for High Risk Vehicles

Under paragraph (d)(2)(vii) of the NHTSA Reporting Requirements, insurers were requested to identify the number of comprehensive claims and the amounts paid for vehicles designated as posing a high risk of theft.

As noted in Section 4 in Table 9, almost all of the reporting insurers indicated that they did not specifically designate lines for premium penalties on the basis of theft potential. American Family Mutual, identified high risk vehicles, and 400 was the number of claims for these vehicles and $440,557.52 was the reported amounts paid during 2004.

PROGRAMS TO REDUCE COMPREHENSIVE PREMIUMS DURING 2004

This section describes programs undertaken by insurers to reduce comprehensive rates due to a reduction in vehicle thefts. This information was supplied under paragraphs (e) and (f) of the NHTSA Reporting Requirements, and includes:

- Actions taken to reduce rates due to a reduction in motor vehicle thefts (paragraph (e), Section 33112 (c) (D) of Chapter 331).
- The conditions to be met to receive such a rate reduction (paragraph (e)(1), Section 33112 (c) (D) of Chapter 331).
- The number of vehicles and policyholders receiving these rate reductions (paragraph (e)(2), Section 33112 (c) (D) of Chapter 331).
- The difference in average comprehensive premiums between those receiving reductions and those who did not (paragraph (e)(3), Section 33112 (c) (F) of Chapter 331).
- The specific criteria used by the insurer to determine if a vehicle is eligible for a premium reduction if equipped with one or more anti theft devices (paragraph (f)(1), Section 33112 (c) (F) of Chapter 331).
- The total number of thefts in 2003 of vehicles which received a premium reduction since they were equipped with a qualifying anti theft device (paragraph (f)(2), Section 33112 (c) (F) of Chapter 331).
- The total number of recovered vehicles which received a premium reduction for an anti theft device (paragraph (f)(3), Section 33112 (c) (F) of Chapter 331).

These topics are discussed in the sections which follow.

6.1 *Insurer Actions To Reduce Comprehensive Rates And The Conditions To Qualify For Rate Reductions*

The majority of the insurers indicated that they do not employ rating procedures specifically aimed at reducing comprehensive rates for a given motor vehicle line based on a determination that the theft rate for the line has been reduced.

Existing rating procedures generate lower rates for all passenger cars in a rating territory when comprehensive losses or combined comprehensive and collision losses for the territory are reduced. Rates are most often lowered when a reduction in losses exists, without the cause of the loss being specifically considered. It was indicated that while the theft portion of the comprehensive premium is based upon the actual experience of each make and model, it is possible that the theft rate may decrease while the overall comprehensive rate increases due to other losses and changes in the relative value of the vehicle. Four companies (CNA, Farmer's Insurance Group, Southern Farm Bureau, and State Farm) indicated that motor vehicles less likely to be stolen will be assigned a lower symbol than it would receive based on the MSRP (Manufacturer's Suggested Retail Price) resulting in a lower premium. The relative loss experience, or relative value assigned by the industry, must be such that a reduction in combined comprehensive and collision insurance premium is actuarially justified. Some insurers indicated, that the conditions to be met to receive such a reduction were "ISO supplied", or based on the Vehicle Series Rating Program.

Kentucky Farm Bureau responded that if an improved experience develops within a rating territory, all vehicles insured within the territory would receive an equivalent rate change.

Several of the insurers indicated that they employed credits, comprehensive premium discounts, or waiver of the comprehensive deductible for passenger cars equipped with some form of theft deterrent (anti theft) device or marked parts. These devices or markings include:

- A device which will disable the vehicle by making the fuel, ignition or starting system inoperative. Active disabling devices require a separate manual step to engage the device; whereas, passive disabling devices do not require a separate manual step to be engaged.
- Hood locks which can be released only from inside the vehicle.
- Window Glass Etching
- Alarm
- Original equipment anti theft devices or marked parts

To receive a discount on comprehensive coverage premium, the insured must file an application for discount identifying the type of anti theft device.

6.2 *Number of Rate Reductions Issued in 2004*

Table 20 identifies the number of vehicles and policyholders, which received premium reductions during 2004. Information was supplied by 6 of the companies, which issued reductions for vehicles equipped with anti theft devices.

The information available indicates that 8,748,567 vehicles and 6,504,668 policyholders insured by reporting companies received premium reductions during 2004.

Table 20. Vehicle and Policyholders Receiving Premium Reductions 2004

Insurer	No of Vehicles	No of Policyholders
ALFA Insurance Company	215,075	215,075
Allstate	Not Reported	Not Reported
American Family Insurance	Not Reported	276,197
American International	3,245,963	2,223,161
Auto Club Michigan	Not Reported	Not Reported
Auto Owners	Not Reported	Not Reported
CNA Insurance Group	Not Reported	Not Reported
Erie Insurance Group	Not Reported	Not Reported
Farmers Insurance Group	1,651,369	1,473,839
GEICO	Not Reported	Not Reported
Hartford Insurance Group	1,314,275	1,027,202
Kentucky Farm Bureau	151,272	151,272
Metropolitan Life Auto and Home Group	Not Reported	Not Reported
New Jersey Manufacturing Group	Not Reported	Not Reported
Progressive	*	*
Safety Insurance	201,092	149,238
Southern Farm Bureau (AR)	Not Reported	Not Reported
Southern Farm Bureau (MS)	Not Reported	Not Reported
State Farm	Not Reported	Not Reported
Tennessee Farmers	Not Reported	Not Reported
Travelers	Not Reported	Not Reported
U-Haul	Not Reported	Not Reported
USAA Group	*	*
Total	**8,748,567**	**6,504,668**

* Confidential

6.3 Size of Discounts Offered by Insurers

Ten insurance companies provided information on discounts for vehicles equipped with an anti theft device. Table 21 presents the percent discounts ranged which from 4 to 35%. Two companies provided monetary numbers for Table 21; American International ($143.23) with a rate reduction, ($156.14) without rate reduction. Kentucky Farm Bureau ($7.56) with and without rate reduction providing dollar amounts.

- 5 percent discounts for non-passive devices
- 10 percent discounts for vehicles equipped with an alarm or active disabling devices
- 5 percent discounts for passive disabling devices
- 10 percent discount for window identification system
- 15 percent discount with vehicle recovery system
- N/A percent discount for the Combat Auto Theft (CAT) Program*
- N/A percent discount for military installation garaging

Table 21. Difference in Comprehensive Premiums Between Policyholders With and Without Rate Reduction (2004)

Insurer	With Rate Reduction	Without Rate Reduction
ALFA Insurance Company	10.0%	10.0%
Allstate	Not Reported	Not Reported
American Family Insurance	5-20%	5%
American International	$143.23	$156.14
Auto Club Michigan	Not Reported	Not Reported
Auto Owners	Not Reported	Not Reported
CNA Insurance Group	5-15%	5-15%
Erie Insurance Group	5-10%	5-10%
Farmers Insurance Group	10.00%	10.0%
GEICO	Not Reported	Not Reported
Hartford Insurance Group	Not Reported	Not Reported
Kentucky Farm Bureau	$7.56	$7.56
Metropolitan Life Auto and Home Group	4.0%	4.0%
New Jersey Manufacturing Group	13.70%	13.70%
Progressive	*	*
Safety Insurance	5-35%	5-35%
Southern Farm Bureau (AR)	Not Reported	Not Reported
Southern Farm Bureau (MS)	Not Reported	Not Reported
State Farm	Not Reported	Not Reported
Tennessee Farmers	Not Reported	Not Reported
Travelers	Not Reported	Not Reported
USAA Group	*	*

* Confidential

The remaining 11 companies did not provide information on discounts. These companies are: Allstate, Auto Club of Michigan, Auto Owners, GEICO, Hartford Insurance Group, Southern Farm Bureau (AR and MS), State Farm, Tennessee Farmers, Travelers, USAA Group.

6.4 *Eligibility Criteria for Anti theft Rate Reductions*

Ten companies offered a reduction in rates for automobile comprehensive coverage to policyholders for vehicles equipped with certain theft deterrent devices and specified acceptable devices.

Some insurers indicated that these reductions were not voluntary and were offered only in states which they were required by law such as Michigan. GEICO discounts in 45 states, plus the District of Columbia. A variety of hood and ignition locks, alarms, passive or active disabling devices, and fuel or ignition cut-off systems were cited by the insurers as qualifying for the discount. Typical devices cited by the insurers for this purpose are identified in Table 23.

Table 22. Typical Devices Qualifying for Anti Theft Credits

Ignition or starter cut-off switch
Passive ignition cut-off switch
Non-passive or passive operated alarm
Passive collar or shield for steering column
Alarm activated by door, hood or trunk sensor or the former plus a hood restraint and backup battery.
Armored cable or electrical operated hood lock and ignition cut-off switch
Non-passive or passive disabling device
Passive alarm system which includes a motion detection device
Non-passive externally or internally operated alarm
High security ignition replacement lock
Passive or non-passive fuel cut-off system
Passive ignition cut-off system or a passive ignition lock protective system
Window identification system
Non-passive steering wheel lock or steering wheel removal lock
Vehicle recovery system device
Steering column armored collar
Passive time delay ignition system
Combat Auto Theft (CAT) program
Microchip key
Emergency handbrake lock
Hydraulic brake lock device
Car transmission lock
Alarm only device
Passive multi-component cut-off switch
Passive computer based system that disables the starting, ignition and fuel circuits when tampering of the steering column is detected
Armored ignition cut-off switch
Both a hood lock and alarm only devices, or active disabling devices, or passive disabling devices.
Passive alarm that sounds an alarm, causes the vehicle horn to sound, lights to flash, and/or causes the vehicle to be rendered inoperable.
Non-passive internally operated alarm also equipped with a forced action prompter
Anti-hot-wiring circuit
Glass sensor, vibration sensor, motion sensor, or ultrasonic sensor
Participation in an Anti Theft Program
Military installation garaging
Hood Restraint
Passive alarm with a hood lock or equipped with a redundant starting means

Note: Not all devices are recognized by all companies which offer anti-theft device credits.

6.5 Thefts and Recoveries of Vehicles with Anti Theft Devices

Six of the insurers identified the number of claims filed during 2004 for stolen vehicles subject to a premium reduction for an installed anti theft device. Recovery information for these vehicles was provided by 4 of the insurers. American Family Insurance, Auto Owners, New Jersey Manufacturing Group, and Safety Insurance were the four insurers who provided information. A total of 7,014 thefts of vehicles with anti theft devices were reported by these insurers for the reporting period 2004 (RP). The total amount of vehicles recovered with anti theft devices was 948 that received anti theft discounts..

The required theft and recovery data was reported directly by the insurance companies or supplied by the ISO on behalf of the reporting companies. This information included the number of stolen vehicles, which were equipped with anti theft devices (ATD).

Table 23. Theft and Recovery of vehicles receiving Anti theft Discounts (2004)

Insurer	Number Stolen	Number Recovered	Percent Recovered
ALFA Insurance Company	Not Reported	Not Reported	Not Reported
Allstate	Not Reported	Not Reported	Not Reported
American Family Insurance	309	191	61.80%
American International	Not Reported	Not Reported	Not Reported
Auto Club Michigan	Not Reported	Not Reported	Not Reported
Auto Owners	900	101	11.00%
CNA Insurance Group	1,109	Not Reported	Not Reported
Erie Insurance Group	Not Reported	Not Reported	Not Reported
Farmers Insurance Group	3,616	Not Reported	Not Reported
GEICO	Not Reported	Not Reported	Not Reported
Hartford Insurance Group	Not Reported	Not Reported	Not Reported
Kentucky Farm Bureau	Not Reported	Not Reported	Not Reported
Metropolitan Life Auto and Home Group	Not Reported	Not Reported	Not Reported
New Jersey Manufacturing Group	513	198	38.60%

Progressive	Not Reported	Not Reported	Not Reported
Safety Insurance	567	458	80.70%
Southern Farm Bureau (AR)	Not Reported	Not Reported	Not Reported
Southern Farm Bureau (MS)	Not Reported	Not Reported	Not Reported
State Farm	Not Reported	Not Reported	Not Reported
Tennessee Farmers	Not Reported	Not Reported	Not Reported
Travelers	Not Reported	Not Reported	Not Reported
Total	**7,014**	**948**	

INSURER ACTIONS TO ENCOURAGE REDUCTIONS IN VEHICLE THEFTS DURING 2004

The Insurer Actions to Encourage Reductions in Vehicle Thefts during 2004 section captures actions taken by insurance, rental and leasing companies to promote the reduction of motor vehicle theft. It also entails company policies regarding the use of used parts and precautions taken to identify the origin of used parts.

7.1 <u>*Actions to Assist Reduction in Vehicle Thefts*</u>

In paragraph (g)(1) of the Reporting Requirements, insurers were required to identify a variety of actions taken to assist in deterring or reducing thefts of motor vehicles. Insurers also identified why they believed these actions would be effective.

Actions cited by insurance companies to deter or reduce thefts include:

1) The National Insurance Crime Bureau (NICB), a membership in organization, includes financial support and the exchange of information on stolen vehicles. Insurers typically contact the NICB with 24 to 48 hours of being notified of a vehicle theft to help identify fraudulent claims and track the Vehicle identification Number (VIN) of stolen vehicles. This information is used to hinder efforts of the unlawful reselling, re-titling and reinsuring of stolen vehicles.

2) The provision of incentives to policyholders to promote use of theft deterring techniques to reduce vehicle theft. These incentives include rate reductions for vehicles equipped with anti theft devices (ATD) and programs providing free VIN etching on glass and other parts. VIN Part etching is purposed to reduce the ability of a stolen vehicle or its parts to be sold. Several companies specifically mentioned VIN etching.

3) Advertising cash reward programs for information, which lead to the arrest and conviction of motor vehicle criminals. A policy such as this is seen as effective, particularly in rural areas. Insurers also present awards to individuals who excel in efforts to deter thefts and enhance recoveries.

4) State Farm believes that the retirement of titles would diminish the potential for VIN switches and resale of stolen motor vehicles. State Farm has supported legislation that permits the retirement or cancellation of motor vehicle titles, with disposal of salvage by bill of sale, in those cases in which the salvage cannot, or should not, be rebuilt. Title retirement/cancellation is allowed in about a third of the states.

State Farm participates in several organizations, which are dedicated to reducing motor vehicle theft. Participants exchange ideas and information, develop policies and procedures which aim to prevent traffic in stolen parts, and the education of their investigators as to theft investigation techniques. These organizations include the Midwest Task Force, (concerned with title laws), the International Association of Automobile Theft Investigators; The Western States Association of Theft Investigators and the NICB. On a limited basis, State Farm has provided vehicles to law enforcement and investigative bodies for use in undercover theft investigation. They believe such action is needed in order to support the efforts of law enforcement agents whose purpose is to stop theft rings and fencing operations which deal in stolen vehicle parts.

5) American Family encourages employee participation in different industry organizations dedicated to combating vehicle theft and other insurance fraud (i.e. the Vehicle Theft Task Force and the Wisconsin Interstate Fraud Network). American Family promotes and encourages maintaining dialogue with other members of the insurance industry dedicated to eliminating such fraudulent practices.

6) Farmers Insurance Group participates in anti theft activities such as the HEAT (Help Eliminate Auto Theft) program. A 24 hour hotline is provided where individuals can report the theft of motor vehicles; there is also the potential to receive a reward. Farmers Insurance Group also lends assistance to local law enforcement agencies concerning the prosecution of fraud cases to reduce automobile theft problems. Farmers Insurance Group is an active member of the NICB. They have supplied salvage vehicles for undercover operations which have resulted vehicle criminal arrests.

Farmers Group, Inc. also utilizes two VIN Marking programs in all states except Illinois, Texas and Michigan. In these programs the comprehensive deductible (up to $250) will be waived in the event of a total loss due to the theft of the vehicle if the vehicle has the VIN etched on all windows and glass or affixed directly to the vehicle's key metal components.

7) Travelers Insurance Agency is involved in a number of areas, which is believed to assist in the reduction or deterrence of motor vehicle thefts:

Travelers report all theft and recovery information to the NICB where a database of all prior and current theft, recovery and total loss data is maintained. This database allows insurers and law enforcement agencies to share data and foil attempts by individuals to report the same vehicle as stolen more than once. It also hinders attempts by car theft rings to sell stolen parts which are VIN stamped for use on other vehicles or to purchase previously totaled vehicles in attempts to insure them and report fraudulent theft claims.

Travelers Insurance Agency is working closely with the Insurance Fraud Bureau (IFB) and local, state and national law enforcement agencies to report and prosecute fraud in auto theft.

Travelers established a Special Investigative Unit (SIU) in the mid 1980's to respond to the growing trend in insurance fraud. The SIU currently has approximately 200 investigators to investigate fraud. SIU partners with each local field office to uncover fraud. Historically, the SIU has been staffed mostly by former law enforcement personnel who possess extensive investigative skills prior to their employment with Travelers.

Travelers claim and underwriting personnel are encouraged to participate in seminars sponsored by local law enforcement agencies. Seminars allow Travelers employers to obtain information and ideas to pass along to their policyholders to help them prevent the theft of their vehicles. The free exchange of ideas and experiences between insurance personnel and law enforcement officers creates an awareness to pass on to policyholders in preventing or reducing theft claims.

8) Southern Farm Bureau requires all theft losses are to be reported to the local law enforcement. They conduct a comprehensive investigation of each loss as well as follow up with the local law enforcement for progress reports.

9) CNA established a Special Investigations Unit (SIU). They, as a corporation, through their underwriting and claim operations, participate with several anti-car theft committees and law enforcement agencies in public awareness and education programs concerning the problem of vehicle thefts. CNA strongly supports the Motor Vehicle Theft Prevention Councils and has loaned vehicles to multi-jurisdictional task force operations who pro-actively investigate individuals involved in organized motor vehicle theft activities. CNA's Jay Williams, Vice President, Investigative Options, has been invited on several occasions to attend the annual meetings of the Illinois Motor Vehicle Theft Prevention Council and has provided testimony concerning the impact of motor vehicle thefts on the insurance industry.

CNA is strongly committed to identifying, investigating and defending against fraudulent claims. This commitment is fulfilled through a teamwork approach integrating their front-line technicians, claim management, and Investigative Options (IO).
Currently, there are 100 members of IO staff with one or more investigators in each of its major branch offices across the nation. CNA's Claims Department routinely investigates all automobile theft claims. The following are several actions in which CNA actively participates in the deterrence and reduction of vehicle theft:

A Corporate Claim Policy relating to the reporting and control of fraud or arson claims has been published and in use since 1983.

The public's awareness that a SIU participates in claim investigations is a deterrent to those engaged in fraudulent activities.

CNA's Investigators individually belong to professional associations.

Investigative Option's staff frequently makes fraud awareness presentations at industry fraud symposiums detailing CNA's Anti-Fraud campaign and investigative methods.

An Investigative Option's Newsletter is published for CNA personnel, insured and agents. Articles include case studies, technical tips, statistical information and pertinent general information.

CNA's Investigators frequently meet with corporate insured to promote fraud awareness and to train select employees in avoiding circumstances that might lead to the perpetration of a fraudulent claim.

11) AAA Michigan has been active in a number of anti theft programs over the years that include:

Claim Investigation unit, with 29 professionals plus support staff, investigates all suspicious thefts reported to Auto Club Group

All staff of the investigative unit takes part in one or more professional anti theft/anti-fraud associations

Twenty-five loaner vehicles for federal and local law enforcement undercover efforts

Staff assistance to law enforcement and the NICB in theft investigations

Expert witness testimony in court cases

Extensive public awareness programs including statewide VIN Etching Program

Co-founder and active participation in the Michigan Anti Theft Campaign Committee

Extensive lobbying efforts for anti theft legislation

One of seven members of Governor's Automobile Theft Prevention Authority which is responsible for an annual allocation of over $5.5 million in funds for auto theft programs

Education programs for law enforcement officials, and Auto theft awareness training for ACG claims, underwriting and sales employees.

12) Erie Insurance regularly provides substantive information to its policyholders, agents, and employees concerning auto theft awareness and prevention through numerous publications disseminated throughout the year. In legislative areas, the Erie continues to work aggressively with state programs such as the Auto Theft Prevention Authority in Pennsylvania. Lastly, Erie is a member of the NICB. The NICB is active in combating vehicle theft through their field agents who assist in the identification and recovery of vehicles. NICB also heavily promotes public awareness of the problems associated with vehicle theft.

13) The following actions are taken by the New Jersey Manufacturers Group:

NJMC provides education to all claims personnel to instruct them aware of fraud indicators and red flags. The New Jersey Manufacturers Group refers the matter to the Special Investigations Unit for investigation which leads to reporting questionable claims to state authorities and possibly the non-payment of fraudulent claims.

Notices to insured that their cooperation is necessary to have a claim paid. If misrepresentation is made by the insured, the claim is denied.

Notices are sent to the insured regarding the company's anti-fraud position, and how NJM Group will report all cases of suspected fraud to the proper state authorities. Notices are also sent to insured and employees on procedures to follow to prevent car theft.

The company's special investigation unit is active in working with anti-auto theft authorities including: NICB, NJ County Prosecutors, the NJ County Anti-Auto Theft and Arson Task Forces, the Office of the Insurance Fraud Prosecutor, local and state police. They also work with authorities in other states including the Pennsylvania Office of the Attorney General, and the New York District Attorney's Office of the Bronx.

Ongoing Education of Special Investigation Unit Investigators in auto theft investigation and in vehicle arson.

14) Metropolitan offers discounts for anti theft devices and for involvement in Combat Auto Theft Programs.

7.2 *Policy Regarding Used Parts*

Under paragraphs (g)(2)(i) and (g)(2)(ii) of the NHTSA Reporting Requirements, insurance companies identified their policies in regard to the use of used parts and the precautions taken to identify the origin of used parts. 18 insurance companies specified their policies towards the use of used and after market parts to repair damaged vehicles during 2004. Most of these companies indicated that they allow and promote the use of like, kind and quality (LKQ) used parts when feasible to reduce repair costs and/or expedite completion of the repairs while assuring the insured's satisfaction. For some companies, used parts are used if they are fully documented in accordance with state law or through their own adjusting company or established independent adjusting companies, or if the repair agencies can determine the origin of these parts.

Tennessee Farmers Insurance Company uses used parts on certain model vehicles. They locate used parts through salvage dealers or auto parts dealers.
The Hartford has no formal policy regarding the use of used parts. They encourage the use of quality parts regardless of brand name, and there is no preventative measure taken to identify the origin of used parts.

CNA promotes the use of used parts in states that allow repairs to include used parts provided safety is not a consideration. CNA uses as a guideline, LKQ parts and assemblies will not be used on current model year vehicles with less than 15,000 miles unless requested by the policyholder.

CNA uses outside vendors for their entire auto damage estimating needs. The majority of their auto estimates are prepared by PDA using the "Mitchell-Ultra Mate" computer estimating program. The Mitchell-Ultra Mate system searches for available LKQ parts. PDA and other approved appraisers call salvage yards directly or utilize salvage yard "hotlines" to obtain LKQ parts.

CNA requires the repair facility to follow I-CAR and TechCor techniques for repair. However, CNA does not police the repair facility as to their record keeping. CNA understands that, currently, there is legislation in place that requires LKQ suppliers (salvage vendors) to document major components of vehicles such as front sections, rear sections, motors, drive trains and doors, etc. that correspond to the VIN number of a vehicle. The repair industry (body shops) will maintain/document the part and VIN number on the repair order, invoice or work order. The insurance industry's practice is to audit the paper work when they re-inspect the vehicle at the repair facility. The insurance industry only reimburses the repair facility or owner of the vehicle and cannot guarantee the origin of the LKQ parts.

Farmers support the use of LKQ in effecting vehicle repairs.

Most of the responding insurers indicated that they dealt only with reputable repair agencies, used part dealers, licensed salvage dealers, body shops and parts suppliers that they trust through past experience.

State Farm encourages the use of salvage parts in the repair of motor vehicles and believes that by soliciting used parts from known sources, the opportunities to traffic in illegitimate, stolen parts will be diminished. It is the policy of State Farm to include in their repair estimates used parts prices quoted by a recycler who is known to maintain an inventory of parts obtained from legitimate sources. In most instances, the appraiser obtains a "part stock number" along with the price quote. State Farm personnel monitors pool sales and auctions to determine which buyers actively bid for salvage which will be dismantled for parts. Appraisers are furnished lists of recyclers who should have an adequate supply of legitimate used parts available. Appraisers contact these recyclers when searching for used parts.

The indiscriminate placement of orders for used parts through networks may encourage vehicle thefts to fill requests for those used parts. Some suppliers who respond to these orders maintain almost no inventory and carry on their business by brokering orders to other yards as well as to unknown sources. State Farm believes that "chop shop" operators will be among these unknown sources. Therefore, while brokering may be perfectly legitimate in many cases, it may also provide an outlet for stolen parts. By dealing with sources that maintain a substantial parts inventory, State Farm expects to discourage brokering and to close off the outlet for stolen parts. Where regulations require, it is the policy of State Farm to limit disposal of salvage by sale to licensed recyclers or re-builders. State Farm believes that the sale of salvage to authorized buyers maintains legitimacy in the process of buying and selling used automotive parts. In most cases, regulated salvage buyers are required to maintain records as to their source of acquisition. Violators are subject to fines and suspension of license.

In Mississippi, Southern Farm Bureau encourages the use of after-market and LKQ parts when feasible. The claim representative is responsible for locating these parts and determining if proper repairs can be made when these parts are utilized. The claims representative is encouraged to make an effort to identify the person(s) from which these are acquired and to work with the repair agencies in determining the origin of these parts.

Travelers do promote and allow the use of used and reconditioned original equipment manufacturer (OEM) parts, which are not safety related to affect the repairs on older vehicles. Typically, they do not consider used and reconditioned OEM parts unless the vehicle is more than 1 model year old and has more than 15,000 miles. When a repairable vehicle meets their criteria for used OEM parts consideration, Travelers appraisers typically look for reconditioned OEM parts and include them on the estimate for repairs if the parts are available. The appraiser also lists the source of the reconditioned part on the estimate to aid the policy holder or the repairer in obtaining the part. Travelers informs their policyholders that their vehicle may be repaired with OEM used and reconditioned parts in all cases where these parts are written for the repair of their vehicles.

Travelers Insurance makes every effort to locate used parts through reputable salvage parts dealers and body shops. Travelers evaluate their services and re-inspect the repairer's work on a number of repaired vehicles on a random basis. Travelers Insurance performs frequent evaluations of their operations using their appraisal staff to ensure their integrity. They have 4 Regional Physical Damage Managers and 20 re-inspectors located strategically throughout the country who perform due diligence reviews of salvage yard and body shop operations. They also perform re-inspections of appraisals, completed by direct repair shops, independent and staff appraisers that perform work on their policyholder's vehicles, to ensure the appropriate application of their appraisal standards which include the use of used and reconditioned OEM parts.

American Family Mutual believes the use of used parts in vehicle repair is an acceptable means of repair cost containment under appropriate circumstances. The use of such used parts is therefore promoted and allowed. American Family Mutual maintains a relationship with only professional, reputable parts suppliers when purchasing used parts for vehicle repair. From past business dealings with those suppliers, American Family has found that their business practices and reputation are above reproach.
Erie Insurance material damage appraisers are instructed to locate used parts for any vehicle over one year old or which has in excess of 15,000 miles. If used parts are available, the appraiser will identify the recycler from whom the parts can be obtained on the estimate of record. This estimate becomes a part of Erie's claim file, and a copy is given to the vehicle owner. In addition, whenever an appraiser has reason to question the origin of any part used to repair a vehicle, he or she is encouraged to refer the matter to their Investigative Services Section for a full and complete investigation.

The New Jersey Manufacturer's Group policies regarding the use of used parts are:

> After Market Part Usage - Current model year and five years prior are excluded from using after market parts. After market parts should be used on any vehicle in

excess of 100,000 miles, regardless of model year. When available, after market parts should be used on the following: engines/transmissions, mechanical parts, electrical parts, a/c condenser, tail lamps, side marker, interior trim, steering & suspension parts, rack & pinions, exhaust systems, a/c compressors, radiators, bumper reinforcements, bumper covers/fascias, vinyl/convertible tops, and header panels/grills. Re-manufactured wheels should not be used on any vehicle. After market sheet metal should not be used. If after market sheet metal is used on a vehicle, consent from the insured should be noted in the remarks section. No after market parts should be used on leased vehicles.

LKQ Parts - Every attempt is made to obtain a LKQ part on all vehicles excluding the following: current model year and 2 years prior, all safety items, i.e. steering, suspension parts, air bags, wheels, rack & pinion, hood latches, etc. If a LKQ part is used, the owner is notified, and it is noted on the estimate. If LKQ parts are not used, a comment in the remarks section is included with the salvage yards (minimum 2-3) that were contacted including a telephone number and contact person. LKQ replacement parts should not be utilized on welded parts.

OEM Parts - When after market and LKQ parts are not available or applicable, OEM parts should be used. OEM parts must be used on all leased vehicles.
While NJM Group expects their repair faculties to only obtain used parts from proper vendors, they do not routinely and independently verify the source of supports.

Kentucky Farm Bureau states that they do not actively promote the use of used parts. They do allow the use of used parts when quality used parts are readily available and the repairman, insured and adjuster all agree that quality repairs can be make. Note that they do not advocate the use of used parts in their manual. Used parts are normally obtained by the repairman, and the Kentucky Farm Bureau takes no part in identifying the origin of the parts.

7.3 *Conclusions*

Motor vehicle theft has continued to be a major cause of insurer comprehensive losses during 2004. Seventeen of the country's largest insurers received 286,203 claims for the theft of a vehicle or its contents during 2004 (Table 12); those seventeen largest insurers are: ALFA Insurance Companies, Allstate Insurance Group, American Family Insurance Group, Auto-Owners Insurance Group, CNA Insurance Group, Erie Insurance Group, Farmers Insurance Group, Hartford Insurance Group, Kentucky Farm Bureau, Metropolitan Life Auto and Home Group, New Jersey Manufacturers Group, Progressive Group, Safety Insurance, Southern Farm Bureau (AR), Southern Farm Bureau (MS) State Farm, Tennessee Farm Bureau, Travelers Insurance. Payments for these claims totaled over $1,024,145,782.73 (Table 15).

A total of 133,986 of both passenger and non-passenger vehicles produced during model years 2000-2004 were reported as stolen during 2004 (Table 5). The 2004 insurer reports indicate that 16 companies issued over $1 billion in claim payments for the theft of a motor vehicle or its contents (Table 15).

Most of the insurers that reported do not assess any surcharge or premium penalty to insure vehicles with high theft rates. In most cases, insurance companies do not employ rating procedures specifically aimed at changing comprehensive rates for a given motor vehicle line based on a determination that the theft rate for the line has changed. Many of the companies indicated that their existing rating procedures would generate lower rates for all passenger cars in a rating territory when total comprehensive losses or combined comprehensive and collision losses for the territory are reduced. In many instances, the potential benefits of parts marking in reducing insurer theft losses for affected lines will be dispersed to provide lower insurance premiums for other lines as well. These reductions in premiums could only be expected to occur to the extent that reductions in theft losses are not offset by changes in other losses insured under comprehensive coverage.

Table 24 lists a trend analysis of historical by model year that range from years1987 to 2004. Theft claims and losses for all vehicles regardless of age were reported from a low of 108,940 (2002) to a high of 647,060 (1988). The total theft losses ranged from $308,525,112.00 (2002) to $1,427,636,912.00 (1996).

Table 24. Theft Claims (including Contents) and Losses for all vehicles regardless of age

Year	Number of Theft Claims	Total Theft Losses
1987	641,202	$1,198,765,423.00
1988	647,060	$1,381,440,443.00
1989	617,818	$1,313,950,161.00
1990	615,438	$1,347,438,803.00
1991	549,437	$1,331,424,241.00
1992	505,008	$1,239,233,989.00
1993	494,300	$1,341,437,721.00
1994	459,351	$1,321,521,578.00
1995	424,227	$1,286,777,947.00
1996	435,244	$1,427,636,912.00
1997	344,627	$1,059,966,402.00
1998	363,929	$1,206,713,765.00
1999	359,627	$1,238,423,685.00
2000	336,754	$1,198,901,629.00
2001	408,306	$1,163,448,867.00
2002	108,940	$308,525,112.00
2003	329,082	$1,203,873,060.98
2004	286,203	$1,024,145,782.73

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2. Motor Vehicle Theft Prevention; Insurer Reporting Requirements, Federal Register Vol. 52, No.1, Washington, D.C., January 2, 1987, pp 59-79

3. Small Insurers, Section 33112(f) of General Exemptions of Chapter 331 of Title 49

4. Chapter 331 of Title 49, Section 33112 (b)(1)

5. Chapter 331 of Title 49, Section 33112 (f)(A) and (f)(B)

6. CFR Ch. V (10–1–06 Edition) § 544.6, (c)(1)

7. CFR Ch. V (10–1–06 Edition) § 544.6, (c)(2)

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19. MYI Consulting, Inc, August (2008)"Analysis of Insurer Reports Received Pursuant to Section 33112 of the Title 49 of the United States Code – 2003 Reporting Period"

APPENDICES

The appendices are listed on the attached document.

APPENDICES

The appendices are listed on the attached document.

SUMMARY TABLES OF THEFT AND RECOVERIES (RP 2004)

OF APPENDICES A - E

Table A – Passenger Cars

Thefts and Recoveries for 2004 Reporting Period Passenger Cars for Model Years 2001 - 2005						
			------------ Recoveries ------------			
State	Thefts	ATD	Intact	In-Whole	In-Part	Total
AB	10	0	0	0	2	2
AK	50	1	2	1	36	39
AL	568	4	16	18	318	352
AR	253	1	14	28	137	179
AZ	2563	17	138	161	1765	2064
BC	2	0	0	0	3	3
CA	7534	723	285	411	5719	6415
CO	1036	28	31	28	810	869
CT	632	28	9	33	423	465
DC	1009	4	21	19	1156	1196
DE	253	0	2	13	151	166
FL	5625	49	311	217	3613	4141
GA	2375	12	100	124	1670	1894
HI	329	1	10	64	93	167
IA	111	0	3	3	65	71
ID	61	1	1	3	43	47
IL	1994	36	183	1218	1518	2919
IN	625	8	31	46	410	487
KS	235	5	9	24	164	197
KY	301	4	10	22	216	248
LA	1236	19	51	148	752	951
MA	1122	97	23	91	703	817
MD	3909	22	77	65	2638	2780
ME	37	0	3	5	14	22
MI	2879	23	25	101	2289	2415
MN	434	0	19	43	273	335
MO	1539	32	41	139	1190	1370
MS	358	7	14	23	221	258
MT	24	0	1	0	19	20
NB	106	3	6	2	83	91
NC	1696	6	65	64	947	1076
ND	19	0	1	2	13	16
NH	60	0	5	6	31	42
NJ	2414	57	10	146	1746	1902
NM	346	2	12	16	216	244
NS	1	0	0	0	0	0
NV	1242	19	55	40	867	962
NY	4589	57	114	393	2788	3295
OH	1827	4	32	55	1144	1231
OK	408	9	3	37	263	303
ON	78	0	0	0	5	5
OR	567	18	12	27	381	420
PA	2184	4	26	56	1344	1426
PQ	6	0	0	0	0	0
PR	8	0	0	0	3	3
RI	207	8	19	13	89	121
SC	771	3	30	36	448	514
SD	22	0	0	2	14	16
TN	718	6	62	66	404	532
TX	5220	86	274	651	2891	3816
UT	275	2	6	13	199	218
VA	1338	21	34	46	735	815
VT	40	2	1	5	19	25

Table B – Light Trucks

Thefts and Recoveries for 2004 Reporting Period Light Trucks for Model Years 2001 - 2005						
			Recoveries			
State	Thefts	ATD	Intact	In-Whole	In-Part	Total
AB	4	0	0	0	3	3
AK	37	0	0	5	18	23
AL	231	1	4	5	120	129
AR	137	0	7	8	79	94
AZ	2709	14	103	178	1798	2079
BC	1	0	0	0	3	3
CA	3066	207	108	189	2100	2397
CO	445	12	17	15	307	339
CT	82	4	1	7	53	61
DC	114	0	1	6	130	137
DE	62	0	3	2	41	46
FL	1900	12	101	78	1173	1352
GA	787	6	28	52	518	598
HI	96	0	6	22	25	53
IA	55	0	0	2	21	23
ID	24	0	0	1	15	16
IL	295	0	17	219	226	462
IN	180	2	9	7	118	134
KS	127	2	3	9	72	84
KY	122	0	4	4	85	93
LA	675	9	29	73	416	518
MA	198	14	0	13	138	151
MD	445	1	7	11	264	282
ME	35	1	1	3	16	20
MI	1035	6	8	28	848	884
MN	107	1	4	4	64	72
MO	385	8	10	39	270	319
MS	138	2	7	8	68	83
MT	14	0	0	0	9	9
NB	45	0	0	0	34	34
NC	466	1	17	15	203	235
ND	6	0	1	1	2	4
NH	29	1	1	2	14	17
NJ	179	3	1	14	132	147
NM	274	7	13	16	144	173
NV	663	14	9	14	486	509
NY	412	5	17	20	258	295
OH	461	0	5	15	243	263
OK	311	0	7	20	181	208
ON	18	0	0	0	1	1
OR	169	1	3	5	111	119
PA	375	1	7	10	215	232
PQ	3	0	0	0	2	2
PR	13	0	0	0	3	3
RI	27	1	1	3	15	19
SC	271	1	12	6	160	178
SD	12	0	1	1	7	9
TN	347	2	20	22	145	187
TX	4672	77	226	539	2152	2917
UT	64	1	3	1	52	56
VA	259	3	4	8	131	143

Table B – Light Trucks

Thefts and Recoveries for 2004 Reporting Period Light Trucks for Model Years 2001 - 2005			Recoveries			
State	Thefts	ATD	Intact	In-Whole	In-Part	Total
VT	13	1	2	2	3	7
WA	407	10	15	18	307	340
WI	58	0	0	4	33	37
WV	105	0	3	9	45	57
WY	8	0	0	0	9	9
TOTALS	23173	431	846	1733	14086	16665

Table C – Heavy Duty Trucks

Thefts and Recoveries for 2004 Reporting Period Heavy Duty Trucks for Model Years 2001 - 2005						
			———— Recoveries ————			
State	Thefts	ATD	Intact	In-Whole	In-Part	Total
AL	5	0	0	0	1	1
AZ	16	0	1	1	11	13
CA	91	0	3	4	64	71
CO	6	0	1	0	4	5
CT	3	0	0	0	2	2
DC	3	0	1	0	3	4
DE	4	0	0	0	3	3
FL	82	0	0	6	35	41
GA	33	0	1	0	24	25
IA	1	0	0	0	1	1
IL	16	0	0	2	10	12
IN	3	0	1	0	1	2
KS	1	0	0	0	1	1
KY	3	0	0	0	4	4
LA	1	0	0	0	1	1
MA	4	0	0	0	4	4
MD	19	0	0	0	15	15
ME	2	0	0	0	0	0
MI	12	0	0	1	7	8
MN	2	0	0	0	1	1
MO	5	0	0	0	2	2
MS	2	0	0	0	3	3
NC	14	0	1	0	7	8
NH	0	0	0	0	1	1
NJ	10	0	0	0	7	7
NM	3	0	0	0	1	1
NV	16	0	1	1	12	14
NY	21	0	0	1	10	11
OH	6	0	1	0	5	6
OK	1	0	0	0	1	1
ON	1	0	0	0	1	1
OR	2	0	0	0	1	1
PA	14	0	0	0	11	11
SC	6	0	0	0	5	5
SD	1	0	0	0	0	0
TN	13	0	0	0	0	0
TX	33	0	0	2	21	23
UT	1	0	0	0	0	0
VA	9	0	0	0	3	3
WA	9	0	1	0	7	8
WV	3	0	0	0	0	0
TOTALS	477	0	12	18	290	320

Table D – Multi-Purpose Vehicles

Thefts and Recoveries for 2004 Reporting Period Multi-Purpose Vehicles for Model Years 2001 - 2005						
			Recoveries			
State	Thefts	ATD	Intact	In-Whole	In-Part	Total
AB	9	0	0	0	1	1
AK	31	1	0	1	19	20
AL	276	1	5	11	172	188
AR	151	3	5	18	81	104
AZ	1278	7	64	123	791	978
BC	1	0	0	0	2	2
CA	4092	405	232	254	2841	3327
CO	657	12	14	20	495	529
CT	223	23	5	13	131	149
DC	749	3	14	29	824	867
DE	97	0	2	3	59	64
FL	3440	44	177	132	2113	2422
GA	1341	17	74	81	833	988
HI	133	2	7	28	28	63
IA	59	1	2	1	41	44
ID	15	1	0	1	11	12
IL	970	17	83	395	705	1183
IN	296	5	29	10	200	239
KS	101	0	0	10	65	75
KY	126	2	10	4	90	104
LA	799	22	25	74	516	615
MA	390	40	9	25	271	305
MB	0	0	0	0	2	2
MD	1888	8	33	28	1275	1336
ME	21	0	0	4	6	10
MI	1881	15	15	58	1481	1554
MN	205	1	6	17	137	160
MO	744	13	19	73	567	659
MS	188	5	17	8	110	135
MT	13	2	2	0	8	10
NB	48	0	3	1	36	40
NC	870	6	36	34	441	511
ND	6	2	0	1	3	4
NH	36	1	0	4	24	28
NJ	870	23	7	38	649	694
NM	170	4	9	9	94	112
NV	617	9	20	20	418	458
NY	2620	39	76	193	1421	1690
OH	785	3	15	19	428	462
OK	230	4	6	25	155	186
ON	37	0	0	0	3	3
OR	236	6	3	9	165	177
PA	953	2	21	30	563	614
PQ	4	0	0	0	7	7
PR	11	0	0	0	0	0
RI	64	2	6	1	39	46
SC	415	5	17	19	237	273
SD	11	0	0	1	4	5
TN	372	5	38	29	164	231

Table D – Multi-Purpose Vehicles

Thefts and Recoveries for 2004 Reporting Period Multi-Purpose Vehicles for Model Years 2001 - 2005						
			----------- Recoveries -----------			
State	Thefts	ATD	Intact	In-Whole	In-Part	Total
TX	3825	93	244	467	1715	2426
UT	124	2	7	4	88	99
VA	577	8	24	12	330	366
VI	2	0	0	0	2	2
VT	19	1	0	5	8	13
WA	475	26	18	19	359	396
WI	103	2	9	3	58	70
WV	130	1	0	10	64	74
WY	4	0	1	0	2	3
TOTALS	33788	894	1409	2374	21352	25135

Table E – Motorcycles

Thefts and Recoveries for 2004 Reporting Period Motorcycles for Model Years 2001 - 2005						
			Recoveries			
State	Thefts	ATD	Intact	In-Whole	In-Part	Total
AB	3	0	0	0	0	0
AK	20	0	0	0	10	10
AL	243	0	6	5	81	92
AR	192	0	3	4	51	58
AZ	428	0	14	4	145	163
CA	1747	0	18	21	547	586
CO	318	1	5	4	138	147
CT	135	0	2	0	40	42
DC	58	0	5	3	56	64
DE	52	0	0	0	21	21
FL	1102	1	18	28	316	362
GA	570	0	8	17	232	257
HI	143	0	0	5	5	10
IA	59	0	0	0	18	18
ID	18	0	0	1	8	9
IL	420	2	9	96	156	261
IN	207	0	3	3	72	78
KS	95	0	2	1	32	35
KY	110	0	1	0	83	84
LA	313	0	7	18	113	138
MA	315	2	0	8	106	114
MD	459	0	8	3	208	219
ME	34	0	0	0	15	15
MI	387	0	2	5	129	136
MN	138	0	0	2	46	48
MO	264	2	3	10	133	146
MS	158	0	0	3	46	49
MT	6	0	0	0	6	6
NB	19	0	2	1	7	10
NC	437	2	7	4	141	152
ND	8	0	0	0	1	1
NH	54	0	0	3	10	13
NJ	156	0	0	1	72	73
NM	107	0	2	0	15	17
NV	178	0	7	3	71	81
NY	839	4	4	11	124	139
OH	504	1	1	6	234	241
OK	186	0	2	5	86	93
ON	19	0	0	0	2	2
OR	106	1	1	0	59	60
PA	386	0	1	7	159	167
PQ	1	0	0	0	0	0
RI	16	0	0	1	8	9
SC	439	0	16	2	182	200
SD	6	0	0	0	7	7
TN	223	0	10	3	56	69
TX	973	0	22	23	315	360
UT	50	0	1	0	21	22
VA	415	1	8	0	125	133
VT	9	0	1	0	5	6

Table E – Motorcycles

Thefts and Recoveries for 2004 Reporting Period Motorcycles for Model Years 2001 - 2005						
			------------ Recoveries ------------			
State	Thefts	ATD	Intact	In-Whole	In-Part	Total
WA	215	1	3	3	108	114
WI	91	1	3	5	41	49
WV	98	0	2	2	24	28
WY	13	0	0	0	2	2
TOTALS	13542	19	207	321	4688	5216