

**THE IMPACT OF AUTO THEFT TRENDS
ON AUTO INSURANCE RATES**

A Report to the Michigan State Legislature

**Prepared by
Michigan's Automobile Theft Prevention Authority**

July 2009

2009 Board of Directors and Staff Automobile Theft Prevention Authority

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To the Governor and Honorable Members of the Michigan Legislature:

On behalf of the Board of Directors and staff of the Michigan Automobile Theft Prevention Authority (ATPA), it is a pleasure to present our 2009 Biennial Insurance Report, which shows auto thefts declined 13.6% from 2005 to 2007. Since the inception of the ATPA in 1986, Michigan's auto thefts have fallen by 42.4%, and we have achieved lower theft rates in 18 of 22 years.

Our success in the battle against auto theft is the direct result of the dedication and effort of the men and women who are part of our law enforcement units, prosecutor units, and community programs. These highly motivated individuals are often assisted by Secretary of State investigators or the HEAT tip line in the recovery of a stolen vehicle or the arrest of those responsible.

The highlights of the report are as follows:

- Michigan motorists are saving \$50 per insured vehicle as a result of lower thefts.
- The National Association of Insurance Commissioners (NAIC) reports Michigan's average comprehensive premiums fell 9.4% from 2004 to 2006.
- The NAIC indicates in 2006 Michigan's average comprehensive premium had dropped to 21st place from the highest in the nation – down 5th place in 1987.
- All six of Michigan's largest insurance companies report the dollars paid on auto theft claims represent a smaller percentage of the total dollars paid on comprehensive claims (2005-2007).
- During 2006 and 2007, law enforcement officers funded by the Automobile Theft Prevention Authority made 6,030 arrests and recovered 10,183 vehicles or parts worth an estimated \$99.6 million.

I also want to thank the insurance company investigators who diligently identify fraudulent theft claims and provide that information to our officers. The companies who make auto theft a high priority by maintaining an investigative unit have greatly assisted law enforcement agencies in reducing the number of actual motor vehicle thefts, and in arresting those vehicle owners who attempt to defraud their insurer – causing the cost of insurance to increase. This commitment of private industry resources has greatly aided our effort to reduce Michigan's auto thefts.

Sincerely,

DIRECTOR
Michigan State Police

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PURPOSE AND SCOPE OF THE REPORT

The Michigan Automobile Theft Prevention Authority has conducted a review of auto theft rates and auto theft insurance rates in Michigan. Data was obtained from the Michigan Department of State Police, the Department of Labor and Economic Growth (Office of Financial and Insurance Services), the Department of Corrections, and the Department of State, which administers the titling of vehicles and the licensing and regulation of vehicle dealers and vehicle service repair facilities. The national and other state auto theft data were obtained from Federal Bureau of Investigation (FBI) publications.

This report was developed pursuant to the mandate set forth in the Michigan Insurance code (Public Act 10) as amended by Public Act 174 of 1992, which provides in pertinent part:

Sec. 6111. By July of every odd numbered year, the automobile theft prevention authority shall prepare a report that details the theft of automobiles occurring in this state for the previous 2 years, assesses the impact of the thefts on rates charged for automobile insurance, summarizes prevention programs, and outlines allocations made by the authority. The director of the department of state police, insurers, the state court administrative office, and the commissioner shall cooperate in the development of the report as requested by the automobile theft prevention authority and shall make available records and statistics concerning automobile thefts, including the number of automobile thefts, number of prosecutions and convictions involving automobile thefts, and automobile theft recidivism. The automobile theft prevention authority shall evaluate the impact automobile theft has on the citizens of this state and the costs incurred by the citizens through insurance, police enforcement, prosecution, and incarceration due to automobile thefts. The report required by this section shall be submitted to the Senate and House of Representatives standing committees on insurance and the commissioner.

This report specifically addresses the period of 2005 to 2007 and compares auto theft crime trends both nationally and in Michigan. To provide the broad perspective and continuity with previous reports, some data is also presented for the period from 1986 to 2005. The report includes a brief summary of the major components of Michigan's comprehensive and cooperative effort against auto theft.

INTRODUCTION AND BACKGROUND

In 1985, 75,123 motor vehicles were stolen from Michigan residents—the fourth highest state total in the nation. At that time, Michigan's theft rate of 828 per 100,000 population was the second highest in the nation. Residents demanded that government focus its resources to combat this serious problem, but additional tax revenues were not available.

On their own initiative, the Michigan Anti-Car Theft Campaign Committee (ACT) had been developing a coalition to increase public awareness of the auto theft problem and possible solutions. ACT's coalition included representatives from community groups, law enforcement, banking, insurance, car rental agencies, automotive manufacturers, prosecutors, judiciary, and the general public. It was ACT's view that cooperation and trust between all those groups would assist in resolving Michigan's auto theft problem.

In response to the public's reaction to the stress of losing their personal means of transportation and the resulting higher insurance premiums to pay for the vehicles which disappeared, Michigan's legislature developed (P.A. 10 of 1986) an Automobile Theft Prevention Authority (ATPA). The ATPA was funded by an annual one dollar assessment on each insured non-commercial passenger vehicle, plus interest earned by investing those funds. The ATPA assessment (approximately \$6.3 million annually) would be collected by insurance companies with their normal premiums and passed on to the ATPA once each year. Michigan's ATPA program was the first in the nation and has been copied by 12 other states.

The ATPA program has funded grant programs that focus on all aspects of the auto theft problem. Non-profit groups have been funded to teach theft prevention techniques to residents and assist the police to identify the location of thieves or chop shops. Law enforcement consortiums have been allowed to specifically focus on the investigation and apprehension of car thieves. Prosecutors have been able to concentrate on the intricacies of auto theft cases and to convince judges/juries of the seriousness of those crimes. Many officials have indicated that without ATPA funding, vehicle theft would be a very low priority and be considered an insurance company problem.

Fortunately, the objectives of the ATPA have been enhanced by activity in other areas. The Department of State has implemented programs that have successfully closed some loopholes in the salvage vehicle title area and monitor the use of stolen parts by automotive repair facilities. Most automobile manufacturers have taken steps to make it more difficult for thieves to steal vehicles. Many insurance companies have developed their own special auto theft investigation units and have funded a hot-line program (H.E.A.T.) whereby people can be rewarded for information which leads to the arrest of an auto thief. Many vehicle owners have taken advantage of new technological devices to keep their vehicles safe—with alarms, kill switches, electronic tracking systems, and steering wheel locks.

MICHIGAN'S MOTOR VEHICLE THEFT EXPERIENCE

NUMBER OF THEFTS

From 1986 to 2007, Michigan's motor vehicle theft incidents decreased 42.4%. In that 21-year period, the number of motor vehicle thefts declined each year except 1994, 1996, 2003 and 2006.

Michigan's success cannot be attributed to an overall national trend because there is no real trend. Nationally, motor vehicle thefts have bounced up and down since 1986. The FBI's Uniform Crime Report for 2007 indicates that national motor vehicle thefts have only decreased 10.5% since 1986.

To further illustrate Michigan's successful effort against motor vehicle theft, Michigan thefts represented 5.9% of the national total in 1986. For 2007, Michigan only represented 3.8% of the national total.

TABLE 1				
Motor Vehicle Theft Experience Nationally and in Michigan 1986-2007				
<u>NATIONAL</u>			<u>MICHIGAN</u>	
Year	No. of Thefts	% Change	No. of Thefts	% Change
1986	1,224,137		72,021	
1987	1,288,674	+5.3	68,415	-5.0
1989	1,564,800	+21.4	65,297	-4.6
1991	1,661,738	+6.2	62,636	-4.1
1993	1,561,047	-6.1	56,670	-9.5
1995	1,472,732	-5.7	57,895	+2.2
1997	1,353,707	-8.1	59,826	+3.3
1999	1,147,305	-15.2	54,018	-9.7
2001	1,226,457	+6.9	52,310	-3.2
2003	1,260,471	+2.8	53,307	+1.9
2005	1,235,226	-2.0	48,064	-9.8
2007	1,095,769	-8.1	41,510	-16.5
1986-2007 Change		-10.5	-42.4	

Source: FBI and Michigan Uniform Crime Reports 1986-2007

In addition, Michigan is 1 of 10 states that have consistently accounted for approximately 60% of the nation's motor vehicle thefts. In 1985, Michigan had the fourth highest number of motor vehicle thefts in the nation, but in 2007, Michigan is in sixth place.

THEFT RATE PER 100,000 POPULATION

In 2007, Michigan's motor vehicle theft rate per 100,000 population was 412.1—a reduction of 47.7% from 1986. In comparison, the national theft rate was 363.3—a reduction of 28.5% from 1986. Even though Michigan's theft rate has fallen faster than the national theft rate, Michigan's rate is still higher than the national average. Michigan's theft rate was almost 81% higher than the national rate back in 1985 (827.8 vs. 457.5), but in 2007 Michigan was only 13% higher than the national rate. Michigan's theft rate ranking has fallen from the highest nationally in 1984 to 10th place in 2007.

TABLE 2				
Motor Vehicle Theft Rate Per 100,000 Population Nationally and in Michigan 1986-2007				
<u>NATIONAL</u>			<u>MICHIGAN</u>	
Year	MVT	% Change	MVT	% Change
1986	507.8		787.5	
1987	529.4	4.3	743.6	-5.6
1989	630.4	19.1	704.2	-5.3
1991	659.0	4.5	668.6	-5.1
1993	605.3	-8.2	597.9	-10.6
1995	560.5	-7.4	606.3	1.4
1997	505.8	-9.8	612.1	1.0
1999	420.7	-16.8	547.6	-10.5
2001	430.6	2.4	523.6	-4.4
2003	433.4	0.7	528.8	1.2
2005	416.7	-3.9	474.9	-10.2
2007	363.3	-12.8	412.1	-13.2
1986-2007 Change		-28.5	-47.7	

Source: FBI and Michigan Uniform Crime Reports 1986-2007

TABLE 3

Motor Vehicle Thefts for
Top 25 Michigan Counties
1986-2007

COUNTY	1986 MVT	2001 MVT	2003 MVT	2005 MVT	2007 MVT	% CHANGE 2001—2003	% CHANGE 2003—2005	% CHANGE 2005-2007
WAYNE	43,300	31,349	32,763	28,388	25,223	4	-13	-11
MACOMB	5,832	3,038	3,839	3,828	3,304	26	Even	-14
OAKLAND	9,310	3,683	3,987	3,769	3,181	8	-5	-16
GENESEE	3,290	3,302	2,330	2,702	1,887	-29	16	-30
KENT	1,778	1,359	1,296	1,255	1,121	-4	-3	-11
WASHTENAW	1,449	927	1,067	934	728	15	-12	-22
KALAMAZOO	591	804	819	571	623	1	-30	9
SAGINAW	569	747	530	679	541	-29	28	-20
INGHAM	812	764	746	617	526	-2	-17	-15
MUSKEGON	331	614	666	568	402	8	-15	-29
CALHOUN	244	541	463	302	323	-14	-35	7
ST. CLAIR	261	308	301	324	280	-2	8	-14
BERRIEN	408	458	344	299	275	-24	-13	-8
JACKSON	308	477	335	346	269	-29	3	-22
MONROE	279	358	308	351	266	-13	14	-24
BAY	175	233	226	190	187	-3	-16	-2
VAN BUREN	150	203	152	138	156	-25	-9	13
EATON	122	170	149	151	129	-12	1	-15
LIVINGSTON	204	202	227	199	119	12	-12	-40
ALLEGAN	74	119	107	111	114	-10	4	3
OTTAWA	194	222	260	217	97	17	-17	-55
ST. JOSEPH	74	69	114	63	92	-6	14	46
MONTCALM	70	115	102	12	88	9	61	633
CASS	60	89	75	62	81	48	-17	31
SHIAWASSEE	108	72	88	112	69	22	27	-38
STATE TOTAL	72,021	52,310	53,307	48,064	41,510	2	-10	-14

Source: Michigan Uniform Crime Reports 1986-2007

Table 3 illustrates that from 2005 to 2007, the number of motor vehicle thefts in 18 of Michigan's high theft major counties improved (fell); however, in 7 counties the thefts increased. ATPA concentrates most of its grant resources in the ten counties with the highest thefts, and nine of those counties have lowered thefts. ATPA does not have enough resources to win the war with the auto thieves in all locations. The number of law enforcement officers ATPA supports fell from 99 in 1988 to 90 in 2007.

MOTOR VEHICLE VALUE

While the number of motor vehicles stolen in Michigan decreased 13.6% from 2005 to 2007, the value of stolen vehicles fell 23% during that period. That reduction doesn't follow the overall trend in total property stolen, which increased in value by 224.1% during this two year period. A major portion of this unusually high increase can be attributed to the fact that in 2007 nearly \$1 billion in computer hardware/software was stolen. Table 4 reveals some other interesting facts:

- 1) In 2007, stolen motor vehicles represented 8.0% of total property value stolen, a reduction of 27% from 2005.
- 2) In 2007, 54% of stolen motor vehicle value was recovered, a 1% decrease from 2005. However, only 37% of total property value was recovered.

The conclusions which may be suggested from this 2007 data are:

- 1) Provided every vehicle had comprehensive insurance, the decrease in the value of vehicles stolen (2005 to 2007) saved the insurance industry \$82.3 million.
- 2) The fact that only 54% of stolen vehicle value is recovered may indicate:
 - a. The thieves are transporting more vehicles out of the state/country
 - b. The thieves are dismantling vehicles for parts or are crushing them for cash
 - c. More vehicles are recovered with major fire/water damage

	2005	2007	% CHANGE 2005-2007
Total Property Stolen	1,017,841	3,301,182	+224.4
Value Stolen Vehicles	357,299	275,033	-23.0
MV's % of Total Stolen	35.0	8.0	-27.0
Total Property Recovered	533,102	1,234,989	+131.7
Value Recovered Vehicles	197,264	150,173	-23.9
MV's % of Total Recovered	37.0	12.0	-25.0
% Total Property Value Recovered	52.0	37.0	-15.0
% Stolen Vehicle Value Recovered	55.0	54.0	-1.0

Source: Michigan Uniform Crime Reports 2005-2007

MOTOR VEHICLES FREQUENTLY STOLEN BY MAKE AND MODEL

The Michigan Law Enforcement Information Network (LEIN) captured all the vehicles reported stolen in their system during 2006 and compiled a list of the most frequently stolen automobiles by make and model. (See list below.)

MICHIGAN TOP TEN MOST STOLEN CARS - 2007	
1.	2000 Dodge Intrepid
2.	1999 Dodge Intrepid
3.	2000 Dodge Caravan
4.	1996 Dodge Caravan
5.	2005 Dodge Ram
6.	2000 Jeep Cherokee
7.	1999 Dodge Caravan
8.	1998 Dodge Caravan
9.	1999 Jeep Cherokee
10.	1997 Ford Taurus
11.	2006 Dodge Durango
12.	1999 Ford Taurus

Source: Michigan LEIN Theft Reports

According to a study recently conducted by the National Insurance Crime Bureau (NICB), a car that is popular with thieves when new will remain a theft target for about six years. The NICB theorizes that: 1) as a model line ages, its parts become more valuable if the model is not significantly redesigned; 2) it seems to take thieves three years to fully solve the manufacturer's theft deterrent systems; 3) owners of older cars are less vigilant about installing after-market anti-theft devices and/or locking the vehicle.

Table 5 shows the 10 highest theft rates for new cars with a total production of 100,000 or more in 2004. The rate listed is the number of thefts in 2004 per 1,000 cars manufactured in that same year.

MAKE AND MODEL	THEFT RATE
1. Dodge Charger	7.4
2. Pontiac Grand Prix	6.9
3. Chrysler 300	4.6
4. Pontiac G6	4.2
5. Chevrolet Malibu	4.2
6. Ford Taurus	4.1
7. Chevrolet Impala	4.0
8. Chevrolet Cobalt	3.7
9. Nissan Sentra	3.7
10. Hyundai Sonata	3.5

Source: National Highway Traffic Safety Administration, 2008

*Production - 100,000 minimum.

MOTOR VEHICLE THEFT ARRESTS

As Table 6 displays, the number of subjects arrested for motor vehicle theft related crimes in 2007 was down 23.8% from 2005, but up 44.8% from 2003. Other interesting trends:

- 1) Adult arrests represent 78.4% of the total—up 1.8% from 2005.
- 2) Juvenile arrests represent 21.6% of the total—down 2.2% from 2005.
- 3) Adult male arrests represent 67% of the total—up 1.8% from 2005.
- 4) Juvenile male arrests represent 19.2% of the total—down 2% from 2005.

	2003	% CHANGE 2001-2003	2005	% CHANGE 2003-2005	2007	% CHANGE 2005-2007
Total Arrests	2,406	-9.2	4,575	+90.1	3,484	-23.8
Male	2,041	-7.7	3,950	+93.5	3,004	-26.0
% Total	84.9		86.3		86.2	
Female	365	-16.7	625	+71.2	480	-23.0
% Total	15.1		13.7		13.8	
Adult	1,801	-5.0	3,486	+93.6	2,733	-21.0
% Total	74.9		76.2		78.4	
Juvenile (under 17)	605	-19.8	1,089	+80.0	751	-31.0
% Total	25.1		23.8		21.6	
Male Adult	1,554	-4.7	2,982	+91.9	2,334	-21.0
% Total	64.6		65.2		67.0	
Female Adult	247	-6.5	504	+104.0	399	-20.0
% Total	10.3		11.0		11.5	
Male Juvenile	487	-16.1	968	+98.8	670	-30.0
% Total	20.2		21.2		19.2	
Female Juvenile	118	-32.2	121	+2.5	81	-33.0
% Total	4.9		2.6		2.3	

Source: Michigan Uniform Crime Reports

INDEX CRIMES: MOTOR VEHICLE THEFTS AND ARRESTS

Index crimes include the following eight offenses: murder, rape, robbery, aggravated assault, burglary, larceny, motor vehicle theft, and arson. Those crimes were selected by the National Uniform Crime Reporting system as the standard measure of criminal activity trends in the United States.

Table 7 indicates that from 2003 to 2007 the motor vehicle theft crimes portion of total index crime fell from 14% to 11.7%.

If the incident of a crime is decreased, then the number of subjects arrested for that crime is expected to decrease also. However, from 2003 to 2007, the number of motor vehicle thefts fell over 22% while motor vehicle theft arrests increased nearly 45%. This disparity in trends may suggest we are getting better data from the change to reporting incident data online. From 2003 to 2007, the motor vehicle theft arrests portion of total index crime arrests rose from 4.6% to 6.6%.

Other trends from 2003 to 2007 which deserve comment are: 1) juvenile motor vehicle theft arrests increased 24.1%; and 2) adult motor vehicle theft arrests increased 51.7%.

	2003	%CHANGE 2001-2003	2005	% CHANGE 2003-2005	2007	% CHANGE 2005-2007
# Index Crimes	380,126	-6.3	367,395	-3.3	355,134	-3.3
MVT Incidents	53,307	+1.9	48,064	-9.8	41,510	-13.6
% of Index	14.0		13.1		11.7	
# Index Arrests	52,749	-3.5	56,272	+6.7	52,320	-7.0
# MVT Arrests	2,406	-9.1	4,575	+90.1	3,484	-23.8
% of Index	4.6		8.1		6.6	
# Index Adult Arrests	43,209	-2.1	45,543	+5.4	42,648	-6.4
# MVT Adult Arrests	1,801	-4.9	3,486	+93.6	2,733	-21.6
% of Index	4.2		7.7		6.4	
# Juv. Index Arrests	9,540	-9.2	10,729	+12.5	9,672	-9.9
# Juv. MVT Arrests	605	-19.8	1,089	+80.0	751	-31.0
% of Index	6.3		10.2		7.8	

Source: Michigan Uniform Crime Report

AUTOMOBILE THEFT PREVENTION AUTHORITY

The Automobile Theft Prevention Authority (ATPA) was established as a temporary program by Act 10, P.A. of 1986, to reduce economic automobile theft in the State of Michigan. As a result of the program's success, it was given permanent status by Act 174, P.A. of 1992. The Authority is directed by a seven-member board of directors appointed by the Governor with consent of the Senate. This seven-member board contains: two representatives of automobile insurance purchasers; two representatives from Michigan insurance companies; two representatives from law enforcement agencies; and the director of the Department of State Police. The board of directors meets quarterly at various locations around the state, and notice of the time, date, and place is published in accordance with the open meetings act.

The activities of the Authority are funded by annual assessments on automobile insurance companies of \$1 per private passenger car premium earned in the previous year. Those funds (annual revenues of \$6.3 million) are collected from policyholders and passed on to ATPA each year. The ATPA board provides financial support to non-profit tax-exempt organizations (law enforcement agencies, county prosecutors, and neighborhood or community organizations) that show a good potential for fulfilling the Authority's mission of reducing auto theft. (Appendix IV lists 2007 projects and the funding provided.)

LAW ENFORCEMENT

The ATPA board is convinced that placing specially trained officers in the field to focus on auto theft criminals is the most effective method of reducing thefts. They have historically committed over 80 percent of the Automobile Theft Prevention funds to supporting law enforcement consortiums in high theft areas. As the following performance summary indicates, these special auto theft units have been very productive.

YEAR	ARRESTS	RECOVERY INCIDENTS	\$ VALUE RECOVERED
1989-2003	36,842	42,486	\$374,946,375
2004	2,719	3,823	33,819,435
2005	2,757	3,750	37,420,835
2006	2,957	5,060	49,220,230
2007	3,073	5,123	50,391,570
2008	2,222	4,862	39,366,920
TOTALS	50,570	65,104	\$585,165,365

A special review of ATPA funded law enforcement teams' activity found that in 13 years, from 1996 to 2008, those teams were involved in 7,000 insurance fraud cases that recovered vehicles or denied claims valued at \$50 million. Without the ATPA teams, these fraudulent claims would have been paid by insurance companies.

PROSECUTION

In order to provide maximum attention to auto thieves, the ATPA board funds twelve assistant prosecutors in five counties with serious auto theft problems. These specially trained assistant prosecutors vertically prosecute (handle cases through both district and circuit court systems) the thieves and seek the maximum sentence length on all convictions. From 1992 to 2008, they successfully obtained a conviction on 85% of the arrest warrants that were upheld by the court (6,396 were dismissed) and 85% of the subjects who take the issues to trial.

Nearly 47% of the subjects who are sentenced are incarcerated. Thieves who avoid jail are placed on probation and usually fined or required to make restitution to the rightful owners. Many violate the terms of their probation and are then given jail time.

YEAR	WARRANTS ISSUED	GUILTY PLEAS	TRIALS	TRIAL CONVICT.	JAIL SENTENCE	PROBATION SENTENCE
1992-2003	27,016	17,923	1,240	1,070	8,936	8,945
2004	2,502	2,244	30	22	1,031	1,198
2005	2,711	1,882	23	20	867	979
2006	3,094	2,221	29	27	957	1,254
2007	3,238	2,207	40	31	1,007	1,182
2008	2,419	2,025	17	15	911	1,519
TOTALS	40,980	28,502	1,379	1,185	13,709	15,077

PREVENTION

As important as law enforcement officers and assistant prosecutors are in responding to auto thefts, the ATPA board is convinced that any comprehensive effort against auto theft must include the prevention activities of non-profit community groups. Historically, ATPA has expended about two percent of its grant monies on the non-profit community groups, but those groups have provided valuable “street” information to law enforcement teams which leads to many arrests or vehicle recoveries.

The non-profit groups hold block club meetings to teach residents how to prevent auto theft, organize neighborhood watch or CB patrol programs, etch the vehicle identification number (VIN) onto the glass of residents’ automobiles (60,000 since 1989), and distribute printed materials (flyers or newsletters) regarding auto theft prevention. These activities are primarily responsible for increasing neighborhood awareness of auto theft and advertising auto theft tip hot lines which provide a pipeline of information to law enforcement teams.

INSURANCE FRAUD

Insurance fraud can involve a wide variety of things:

- 1) Vehicle owners who dispose of their vehicle and report it as stolen;
- 2) Vehicle owners who don't have collision coverage and report the vehicle stolen or carjacked after they have an accident;
- 3) Vehicle owners who insure non-existent vehicles prior to reporting them stolen;
- 4) Vehicle owners who purchase fake insurance certificates;
- 5) Tow truck drivers who take vehicles from the street without police authorization to collect storage fees from insurance companies;
- 6) A body repair shop that submits a bill for repairs that were not needed or for damages they created;
- 7) Vehicle owners who participate in staged accidents;
- 8) Vehicle owners who report their vehicle damaged by some mystery vehicle while it was parked;
- 9) Vehicle owners who inform their insurance company the vehicle is parked outside of a high theft area at night;
- 10) Vehicle owners who claim fraudulent medical expenses after an accident.

Since the scope of insurance fraud activities is so vast, ATPA has steadfastly maintained its focus on the first five types of insurance fraud. Reacting to scenarios where the actual vehicle has been (allegedly) stolen is ATPA's legislative mandate and fully utilizes all the resources available. Our funded officers do occasionally handle cases in category 6 and 7 if the insurance company's investigation clearly proves the fraud and our officers can quickly process the criminal elements.

Admittedly, the last five types of insurance fraud on this list are a major source of consternation for the insurance industry, and there may be a need for a program that addresses/assists in those areas. Some states have developed insurance fraud authorities—with various funding sources—that seem to be providing some relief to the insurers.

During 2007 and 2008, ATPA initiated a new partnership with the National Insurance Crime Bureau (NICB) to co-sponsor a grant with the Michigan Attorney General's Office. This innovative project confronted insurance fraud cases outside of ATPA's mandate and assisted ATPA units that did not have an ATPA-funded prosecutor.

ANTI-THEFT DEVICES

The Automobile Theft Prevention Authority was charged in Act 10, P.A. 1986, with the responsibility for approving automobile theft prevention devices. Therefore, the ATPA board decided to address devices in broad general terms so it would not have to revise the list of devices every time a new one was introduced to the market.

On March 23, 1987, the Authority approved interim standards for automobile theft prevention devices. Installation of those devices qualified the insured for a reduction in the automobile's comprehensive insurance premium. Each company determines the amount of the reduction.

Table 8 indicates the discounts on comprehensive premiums offered by major insurers.

In response to Act 143, P.A. 1993, the ATPA Board approved new standards for automobile theft prevention and recovery devices at its June 1994 meeting. A copy of these standards is attached as Appendix III.

TABLE 8		
Anti-Theft Device Discounts Offered by Six Major Michigan Insurers		
<u>Company</u>	<u>Device</u>	<u>Discount</u>
Allstate Ins. Group	All devices	5%
Auto Club Group	-Encoded or Pass Key device	15% to 25%
	-Passive or pass key	10%
	-Active device or VIN etching	5% to 10%
Auto-Owners	-Passive device	10%
	-Active device and VIN etching	10%
	-Active device/VIN etching/Alarm	5%
Citizens	-Tele-Trac device	25%
	-Lo-Jack Retrieve and Lo-Jack Prevent	20%
	-Passive device	5%
	-Active device and VIN etching	10%
	-Active device/VIN etching/Alarm	5%
Farmers Group	-All devices	3%
State Farm Mutual	-Passive device	10%
	-Active device AND VIN etching	10%
	-Active device/VIN etching/Alarm	5%

Source: Office of Financial and Insurance Regulation

DEPARTMENT OF CORRECTIONS

The number of new prison commitments for auto theft related crimes has remained fairly consistent from 1993 to 2005—averaging about 800 annually. Since 2005, the Department of Corrections has closed some prisons and implemented several new policies to reduce the prison population below 50,000. Therefore, we estimate that during 2007, motor vehicle theft related commitments fell to approximately 750.

From 1993 to 2005, the number of inmates in prison for motor vehicle theft related crimes stayed fairly consistent—averaging about 2,100. Factoring in the overall reduction in prison population, we estimate that during 2007 there were 2,000 prisoners housed for auto theft related crimes.

DEPARTMENT OF STATE

The Michigan Department of State, Bureau of Information Security, has several responsibilities. These responsibilities include maintaining accurate driver and vehicle records through investigation, and the oversight of motor vehicle dealers, repair facilities, and mechanics. A group of field agents, in-house investigators, and in-house support staff perform these duties.

DRIVER LICENSE RECORDS AND VEHICLE RECORDS

In-house support staff members and field agents possess in-depth knowledge of driver's license records and vehicle records. They receive complaint referrals regarding document fraud from many sources, such as internal sections within the Department of State, law enforcement, and other State agencies.

MOTOR VEHICLE DEALERS

The Department of State's dealer regulatory functions include dealer training, dealer records inspection, and the investigation of consumer complaints against dealers. Over the past two years, staff members trained 620 people in topics that include recordkeeping requirements, title and registration requirements, and sales tax.

Over the past several months, field agents have conducted records inspections on more than 2,200 dealers statewide.

REPAIR FACILITIES – MECHANICAL REPAIRS / COLLISION REPAIRS

The Department of State offers training to repair facility personnel throughout the state. Over the past two years, more than 300 individuals have attended training focused on topics that include recordkeeping requirements, preparing proper estimates, final invoices, and mechanic certification requirements.

In-house investigators and field agents possess expert knowledge of repair facility operations and mechanic responsibilities. Each year they investigate several consumer complaints involving poor workmanship and fraud.

HELP ELIMINATE AUTO THEFTS (H.E.A.T.) PROGRAM

In October of 1985, Michigan insurers initiated a statewide tip reward program, HEAT® (Help Eliminate Auto Thefts), to encourage citizen participation and cooperation with law enforcement agencies to curb auto theft related activity. By calling 1-800-242-HEAT, callers can provide confidential information on auto theft activity. HEAT® rewards hotline callers with up to \$1,000 for information that leads to the arrest and prosecution of individuals suspected of auto theft, auto theft related insurance fraud and/or identity theft, and up to \$10,000 if the tip results in the arrest and prosecution of suspected theft ring members and/or chop shop operators. In addition, as a result of the serious nature of the crime of carjacking, a \$2,000 reward is paid for information leading to the issuance of a warrant for a carjacking suspect.

The program is funded through and administered by the Michigan Automobile Insurance Placement Facility, an association of automobile insurers in the state. Information from calls to the HEAT® tip line (1-800-242-HEAT) is funneled to a Michigan State Police office, which is funded in part by the Automobile Theft Prevention Authority (ATPA). Tips are assigned to the appropriate ATPA funded investigative group or sent directly to another police agency for immediate investigation.

Considered a trailblazer in the area of auto theft prevention, the HEAT® Program provides free materials such as posters, flyers, and litter bags, as well as exhibits and H.E.A.T. speakers for ATPA funded groups and other interested parties. HEAT® is a perfect example of how insurance companies, law enforcement agencies, businesses, and the citizens of Michigan can join together to Help Eliminate Auto Thefts. For more information on HEAT®, visit their website at www.miheat.org or call 734-464-1100.

H*E*A*T RECORD

10/85—5/09

Tip Calls Received	--	8,283
Tips Paid	--	2,092
Tip \$ Awarded	--	\$3,488,587
Suspects Arrested	--	3,331
Vehicles Recovered	--	4,197
Value of Recovery	--	\$50,704,465



1-800-242-HEAT

PRIVATE SECTOR TECHNOLOGY

TECHNOLOGICAL ASSISTS TO THEFT PREVENTION

Since 1986, several innovations have provided some additional protection or theft deterrence to automobile owners. Manufacturers have strengthened door locks and made the locking mechanisms more difficult to defeat. Steering wheel columns have been redesigned and strengthened to make the thieves' job more time consuming. Ignition systems have been reinforced, relocated, and redesigned so they are more difficult to defeat. Microcomputer chips have been added to ignition keys so the vehicle will not start unless the vehicle's computer reads a unique electronic code on the key. Many new vehicles cannot be stolen without the original key.

The after market has successfully marketed many auto theft prevention techniques: steering wheel locks, metal column wraps, alarms, kill switches, and electronic tracking devices. The tracking devices are able to either provide police with the exact location of the vehicle or allow police to find the vehicle with a homing device. Either way, the vehicle is usually recovered in a matter of hours. Even side window glass can be strengthened with a clear film which prevents the glass from disintegrating into glass pellets when a thief hits it with a hard object.

Since 1986, the federal government has required that manufacturers of high theft vehicles place a tag with the vehicle identification number on 13 major component parts of the vehicle. The tags are usually white and are glued to the parts. Thieves' attempts to remove and replace these parts markings with computer generated ones are hampered by special tear away glues, logos hidden in the tags, and chemical footprints left behind if the tag is removed.

The State Police Automated Fingerprint Identification System (AFIS) has assisted in the identification of auto thieves. Prior to this system being implemented, auto theft investigators would dust a recovered vehicle for prints, but if the prints were not manually matched with a known local suspect, they were not able to follow up on the lead. With AFIS, auto theft investigators can access a statewide computer database of fingerprints and have a better chance of identifying a suspect.

Advances in DNA technology have given law enforcement another means of positively identifying auto thieves. Almost everyone sentenced on felony charges is required to submit a DNA sample, and Michigan now has a large data base of DNA records to match against. Some agencies have successfully taken DNA swabs of the steering wheel or food left in the vehicle to determine who was the last driver of that vehicle.

OFFICE OF FINANCIAL AND INSURANCE REGULATION

One of the primary reasons for the creation of the Michigan Automobile Theft Prevention Authority was that high auto thefts were driving the cost of auto insurance higher. Premiums for comprehensive coverage, which is the portion of an auto insurance policy which pays for the theft of a motor vehicle, were climbing steadily and the increase was largely related to the high rate of motor vehicle thefts. Premiums charged by auto insurers for comprehensive coverage have, in general, reflected the decrease in motor vehicle theft rates. However, rating factors for comprehensive coverage on newer or more expensive vehicles will generally result in higher premiums even if overall comprehensive rates are lowered.

In previous years, this report has utilized insurance company base rate premiums that were compiled by the Office of Financial and Insurance Regulation (OFIR) as part of an annual survey of base rate premiums charged by Michigan insurers for a limited number of example scenarios in 16 areas of the state. Base rates are used by insurance companies as a starting point for computing a person's "actual" premium. However, there are a number of major discounts (credit score, group affiliation, multi-policy) that may be applied to the base rate before an individual's unique and final premium is determined. As a result, the base rates used in previous reports were significantly higher than the premium that a policy holder would actually be charged because they did not include these major discounts and therefore did not accurately reflect what an average Michigan policy holder was paying for their insurance.

Due to these data concerns, this year's report will begin using statewide data based on written premiums reported on insurance company annual financial statements. Although the data will reflect a "typical" premium paid by a Michigan policyholder, it is only available on a statewide basis. The premium data to be used includes both the average comprehensive premium (total comprehensive written premiums divided by total comprehensive written exposures) and the combined average premium (mandatory no-fault coverage average premium + collision average premium + comprehensive average premium). It should be noted that this premium data is based strictly on the total reported premium and is not based on any particular location, vehicle or driver characteristics.

TABLE 11						
Comprehensive Premium as % of Combined Average Premium						
	Combined Average Premium (\$)		Average Comprehensive Premium (\$)		Ave. Comp. Premium as a % of Combined Ave. Premium.	
	2004	2006	2004	2006	2004	2006
Michigan	1,128.16	1,067.74	174.64	158.31	15.5	14.8
National	967.28	936.60	148.64	140.38	15.4	14.9

Source: National Association of Insurance Commissioners - 2008

When looking at comprehensive insurance rates in relation to auto theft, one should keep in mind that the portion of comprehensive premium attributable to theft varies from company to company. This variation stems from an insurer's marketing strategy and actual experience which, at least in part, results from the areas of the state in which a majority of its policyholders are located. For example, those companies with a large number of policyholders in northern Michigan would experience fewer total auto theft losses and more losses resulting from car/deer accidents than those with more policyholders in urban areas.

Four of the six insurers listed in Table 12 report that from 2005 to 2007, auto theft claims fell as a percentage ratio of total comprehensive claims. All of the insurers indicate that the dollars paid on auto theft claims represent a smaller percentage of the total dollars paid on comprehensive claims.

COMPANY	THEFT CLAIM RATIO	THEFT \$ PAID RATIO	COMPANY	THEFT CLAIM RATIO	THEFT \$ PAID RATIO
Allstate			Citizens		
1993	5.1%	36.4%	1993	4.6%	24.6%
1995	3.9%	31.0%	1995	0.1%	0.2%
1997	4.0%	28.9%	1997	0.1%	0.3%
1999	4.0%	30.5%	1999	0.3%	0.9%
2001	4.2%	32.1%	2001	0.5%	1.6%
2003	3.8%	28.6%	2003	0.2%	0.3%
2005	3.8%	29.0%	2005	1.2%	14.9%
2007	2.9%	23.6%	2007	1.4%	11.0%
Auto Club			Farmers Ins.		
1993	7.0%	46.8%	1993	4.9%	31.5%
1995	13.6%	49.3%	1995	7.7%	32.5%
1997	11.0%	46.1%	1997	6.1%	27.0%
1999	4.2%	34.0%	1999	6.4%	30.7%
2001	3.6%	31.7%	2001	5.4%	27.6%
2003	5.2%	35.6%	2003	4.1%	25.3%
2005	5.1%	37.0%	2005	3.0%	17.1%
2007	3.8%	29.1%	2007	2.0%	11.7%
Auto Owners			State Farm		
1993	2.4%	18.3%	1993	2.2%	21.2%
1995	2.0%	14.5%	1995	2.5%	23.7%
1997	1.9%	13.9%	1997	2.5%	23.2%
1999	6.2%	30.0%	1999	1.8%	17.7%
2001	5.4%	23.0%	2001	1.7%	15.6%
2003	5.9%	24.0%	2003	1.4%	13.3%
2005	2.5%	14.1%	2005	2.2%	19.4%
2007	1.6%	11.3%	2007	2.7%	18.9%

Source: Company Data, 1993-2007

Table 13 provides part of the story by indicating how Michigan ranks nationally on average cost of comprehensive premium. The average comprehensive premium amount is calculated by dividing the total amount of comprehensive premiums written in Michigan by the total number of vehicles that were insured in the state. Based on the most recent calculation, Michigan has dropped from 5th place in 1987 to 21st place in 2006.

The average comprehensive premium Michigan motorists paid has decreased from \$174.64 in 2004 to \$158.31 in 2006. That savings of 9.4% is much greater than the national average reduction of -5.6% in the same time period.

Perhaps the best way to evaluate the data provided by Table 13 is to consider what would have happened if Michigan had remained in fifth place. Under that scenario, Michigan motorists would have paid \$50.47 (see Louisiana in 2006 column) more in comprehensive premiums than they do now. These real dollar savings can be directly attributed to the reduction of automobile theft claims experienced by Michigan insurers. Since the annual cost of the Automobile Theft Prevention Authority to the policyholders is only \$1, the \$50 return is excellent. Over the 20 years of ATPA's existence (1987-2006), Michigan residents have paid \$20 toward the cost of the ATPA program and have saved \$608 in premiums.

STATE	AVERAGE COMP. PREMIUM		% CHANGE 2004—2006
	2004	2006	
1. District of Columbia	\$264.50	\$260.69	-1.4
2. North Dakota	259.82	238.01	-8.4
3. Arizona	246.42	230.63	-6.4
4. Wyoming	226.29	216.37	-4.4
5. Louisiana	207.71	208.78	0.5
6. South Dakota	222.05	202.30	-8.9
7. Kansas	213.99	197.71	-7.6
8. Montana	227.71	197.46	-13.3
9. Nebraska	218.64	189.34	-13.4
10. Colorado	211.96	188.07	-11.3
11. West Virginia	197.09	179.79	-8.8
12. Texas	146.50	174.72	19.3
13. Minnesota	205.48	172.83	-15.9
14. Oklahoma	178.78	169.05	-5.4
15. Georgia	165.90	169.00	1.9
16. New Mexico	175.40	164.5	-6.2
17. Mississippi	174.15	164.37	-5.6
18. Iowa	173.55	162.84	-6.2
19. Arkansas	175.93	160.54	-8.7
20. New Jersey	203.30	160.43	-21.1
21. Michigan	174.64	158.31	-9.4
22. Alaska	167.96	157.95	-6.0
23. New York	172.42	152.71	-11.4
24. South Carolina	159.95	149.26	-6.7
25. Missouri	155.05	145.73	-5.7
26. Maryland	148.04	142.37	-1.6
National Average	\$148.64	140.38	-5.6

Source: National Association of Insurance Commissioners—April 2008

The National Association of Insurance Commissioners (NAIC) “makes the point that extreme caution must be exercised in interpreting average expenditure and premium measures” . . . Since . . . “They are imperfect measures of the relative ‘price’ of insurance across states because . . . they are affected by a number of other factors.”

The NAIC report indicates that average premiums for automobile insurance are affected by a number of factors:

- Average coverage purchased	- Medical costs
- Average deductible selected	- Law enforcement and tort liability laws
- Average value of vehicle insured	- Average accident rates and vehicle repair costs
- Average driver characteristics	- Motor vehicle theft rate
- Traffic conditions and road maintenance	- Rate regulatory approaches
- Proportion of drivers in urban areas	- Financial responsibility requirements
- Cost of living and wage levels	

They go on to indicate that “the auto insurance product is not homogenous across states. Therefore, caution should be exercised when making direct comparisons between states. Because of the many different factors that affect average premiums, these measures do not indicate the relative efficiency of the auto insurance markets in various states.”

Any time a factor of averages is used for comparison, it is best to recall how an average comprehensive premium is compiled. All insurers—regardless of their market share—are added together and the sum is divided by the number of insurers. That process places insurers who really are not competitively priced and who only hold a small fraction of the market on an equal footing with companies who are lower priced and are increasing their already substantial market share. While the National Association of Insurance Commissioners data would be better if they could weigh premium costs based upon an insurer’s market share, all the states were treated consistently.

APPENDICES

APPENDIX I

Total Comprehensive and Vehicle Theft Claims Experience for Six Major Companies 1997-2007

Year	Comp. Claims	Theft Claims	Ratio	Total Comp. Claims Paid \$1,000	Total Theft Claims Paid \$1,000	Ratio	Average Theft Claim \$ Paid
Allstate Insurance Group							
1997	82,146	3,285	4.0%	67,476	19,469	28.9%	5,927
1999	73,144	2,909	4.0%	59,284	18,066	30.5%	6,211
2001	65,682	2,747	4.2%	58,357	18,742	32.1%	6,823
2003	41,678	1,584	3.8%	32,787	9,373	28.6%	5,917
2005	29,799	1,132	3.8%	24,360	7,062	29.0%	6,239
2007	26,651	773	2.9%	22,853	5,403	23.6%	6,989
Auto Club Group							
1997	117,208	12,909	11.0%	107,811	49,691	46.1%	3,849
1999	104,045	4,357	4.2%	90,834	30,903	34.0%	7,093
2001	108,537	3,864	3.6%	105,424	33,445	31.7%	8,656
2003	105,880	5,481	5.2%	110,301	39,256	35.6%	7,162
2005	81,052	4,113	5.1%	86,017	31,866	37.0%	7,748
2007	68,475	2,630	3.8%	71,287	20,772	29.1%	7,898
Auto-Owners Insurance Group							
1997	36,027	688	1.9%	23,099	3,206	13.9%	4,661
1999	19,709	1,239	6.2%	25,496	7,558	30.0%	6,100
2001	20,476	1,115	5.4%	28,809	6,764	23.0%	6,066
2003	22,865	1,366	5.9%	38,432	9,278	24.0%	6,792
2005	124,328	3,089	2.5%	141,252	19,918	14.1%	6,448
2007	52,383	823	1.6%	55,673	6,290	11.3%	7,643
Citizens Insurance Company							
1997	67,674	82	0.1%	49,934	155	0.3%	1,886
1999	61,218	177	0.3%	42,991	389	0.9%	2,196
2001	60,273	282	0.5%	43,604	690	1.6%	2,447
2003	43,834	78	0.2%	33,647	102	0.3%	1,314
2005	52,774	634	1.2%	28,735	4,281	14.9%	6,752
2007	64,154	901	1.4%	37,501	4,135	11.0%	4,590
Farmers Insurance Group							
1997	28,587	1,753	6.1%	28,288	7,638	27.0%	4,357
1999	28,746	1,835	6.4%	27,236	8,355	30.7%	4,553
2001	26,385	1,418	5.4%	28,367	7,841	27.6%	5,530
2003	11,197	459	4.1%	9,929	2,511	25.3%	5,472
2005	9,101	272	3.0%	6,853	1,173	17.1%	4,314
2007	12,065	243	2.0%	9,972	1,169	11.7%	4,809
State Farm Mutual Insurance Company							
1997	134,162	3,332	2.5%	109,924	25,467	23.2%	7,643
1999	122,125	2,206	1.8%	99,498	17,589	17.7%	7,973
2001	130,084	2,225	1.7%	115,550	18,061	15.6%	8,117
2003	121,287	1,721	1.4%	113,992	15,200	13.3%	8,832
2005	105,032	2,321	2.2%	111,665	21,628	19.4%	9,318
2007	80,333	2,135	2.7%	104,859	19,839	18.9%	9,292

Source: Michigan Office of Financial and Insurance Regulation, Company Data

APPENDIX II

Michigan Automobile Theft Prevention Authority 2009 Total Approved Budgets

GENESEE COUNTY	
Genesee County Prosecutor's Office	\$142,594
Genesee County Sheriff's Department	628,198
KENT COUNTY	
Grand Rapids, Kentwood, and Wyoming Police Departments	444,002
West Grand Neighborhood Organization	37,959
MACOMB COUNTY	
Macomb County Prosecutor's Office	128,696
Macomb County Sheriff's Department	1,029,241
OAKLAND COUNTY	
Oakland County Prosecutor's Office	271,589
Oakland County Sheriff's Department	1,070,658
Southfield Police Department	246,139
SAGINAW COUNTY	
Saginaw County Prosecutor's Office	97,950
Saginaw Police Department	278,033
WAYNE COUNTY	
Wayne County Prosecutor's Office	692,626
Dearborn Police Department	190,830
Detroit Police Department, Precincts	1,017,435
Detroit Police Department, Insurance Fraud/Conspiracy	922,958
Grosse Pte. Park Police Department	555,188
Hamtramck Police Department	169,015
Michigan State Police, Canton Township	1,062,419
Michigan State Police, Downriver Team	694,741
Arab American & Chaldean Council	22,352
Mt. Olive Grand Lodge	14,180
Southwest Detroit Business Association	34,396
OTHER	
Lansing Police Department	107,429
Michigan Department of State	112,226
Michigan State Police, Monroe Auto Theft Team	134,560
Michigan State Police, Southwestern Michigan Team	587,271
Michigan State Police, Washtenaw Team	228,092
Muskegon Heights Police Department	109,310
Ottawa County Sheriff Department	83,531
Michigan Association of Auto Theft Investigators (MAVTI) Training Grant	113,130
TOTAL	\$11,323,696

Source: Michigan Automobile Theft Prevention Authority

APPENDIX III

STANDARDS FOR AUTOMOBILE THEFT PREVENTION AND RECOVERY DEVICES Approved By The Michigan Automobile Theft Prevention Authority, June 22, 1994

Effective January 1, 1995

The following automobile theft prevention and recovery devices have been approved by the Automobile Theft Prevention Authority (ATPA), in accordance with Act 143 P.A. of 1993. Any vehicles which are equipped with or contain these devices will qualify for a reduction in the automobile's comprehensive insurance premium. The amount of the specific reduction for each category will be determined by each insurance company, and insurers may choose to provide a greater discount to vehicles which have devices from two or more categories.

Two categories of effectiveness in preventing vehicle theft have been identified, as well as one category for systems which assist in the recovery of the vehicle if it is stolen. Proper use of the systems described in categories one and two will respectively provide an optimum level and a minimum level of theft deterrence. A vehicle properly equipped with a recovery device will enhance efforts to recover the vehicle.

1. **CATEGORY ONE - PASSIVE SYSTEMS PROVIDING OPTIMUM LEVEL OF SECURITY**

The systems in this category will provide the optimum level of deterrence. To qualify for this discount, the vehicle must be equipped with at least one passive device (device is activated automatically when the vehicle's ignition key is removed).

- A. A passive alarm system which has a back-up battery and meets or exceeds criteria established in Category Two.
- B. Passive disabling devices which prevent the vehicle's steering, fuel, transmission/transaxle, ignition or starting systems from operating, and devices which prevent the vehicle's braking system from releasing.
- C. A passive time delay ignition system which allows the vehicle to be started only after a preset delay or delayed ignition cut-off system which disables the vehicle at a preset engine speed.
- D. A passive vehicle entry/ignition key system.

2. **CATEGORY TWO - ACTIVE SYSTEMS PROVIDING A MINIMUM LEVEL OF SECURITY**

Any of the systems in this category will provide at least a minimum level of deterrence. To qualify for a discount, the vehicle must be equipped with at least one of these listed devices (which must be manually activated by the vehicle owner prior to leaving the vehicle). An insurer may chose to offer an increased discount if the vehicle has two or more of these devices.

- A. Alarm only devices--activated by a door, hood, or trunk being opened or by motion inside the vehicle--which sound an audible alarm that can be heard at a distance of at least 300 feet for a minimum of three minutes, or

APPENDIX III

STANDARDS FOR AUTOMOBILE THEFT PREVENTION AND RECOVERY DEVICES Approved By The Michigan Automobile Theft Prevention Authority, June 22, 1994

Effective January 1, 1995

- B. Manually activated disabling devices which prevent the vehicle's steering, fuel, transmission/transaxle, ignition or starting systems from operating, and devices which prevent the vehicle's braking system from releasing.
 - C. Etching of 17 digit VIN on windshield, rear window glass, and both front door windows.
3. **CATEGORY THREE - SYSTEMS WHICH ASSIST IN VEHICLE RECOVERY**

The systems in this category enhance the effort to recover the vehicle after it is stolen.

- A. A device which, when activated, emits an electronic signal that can be tracked by either a law enforcement agency or by a private monitoring station which relays the information on the vehicle's location to law enforcement officers.

Source: Michigan Automobile Theft Prevention Authority

For More Information, Please Contact:

**Michigan Automobile Theft Prevention Authority
Michigan State Police
714 South Harrison Road
East Lansing, Michigan 48823**

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