



## FACTORS TO CONSIDER WHEN RECOVERING RENTAL VEHICLES

Vehicle telematics technology provides crucial support to rental operators faced with a lost or stolen unit. Here are several strategies operators need to know when dealing with this potential pitfall.

**Plug in. Connect. Go.**





**“GPS data allows you to be a more efficient operator...”**

Cody Enloe,  
Owner, New Mexico Rental Car

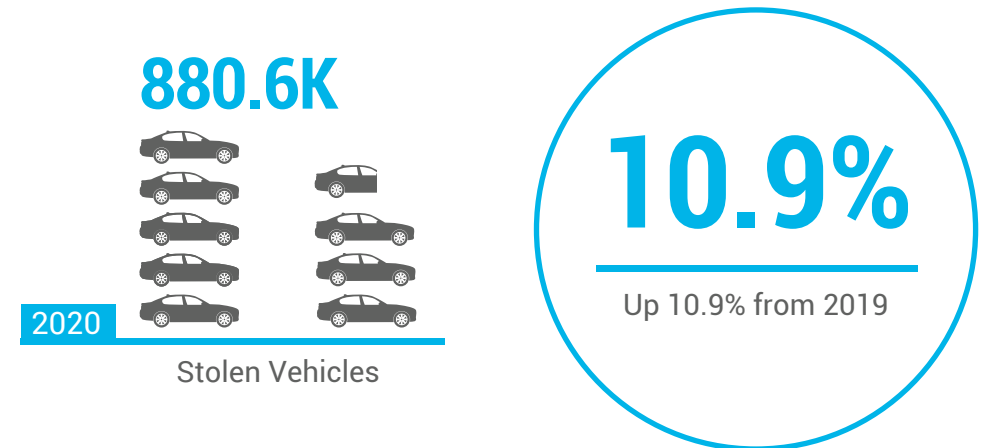
**“...It helps you take things off your plate so you can focus on the customer’s experience. We can relax and feel better about the people who rent our vehicles.”**

A lost or stolen vehicle can cause plenty of negative consequences for the rental operator who owns the asset. The missing unit will not only bring on insurance complications, it could create costs for repairs when recovered. The missing vehicle will also result in lost revenue at a time when vehicles are in short supply.

GPS vehicle tracking can help businesses avoid these negative outcomes by providing vehicle location awareness during the rental that helps operators identify potential criminal patterns. The systems can also provide greater awareness when the vehicle data is integrated into rental management software and speed up vehicle recovery efforts.

Here are several benefits:

- Predictive analytics calculate risk before a vehicle goes on rent
- Updates to the risk model based on observed factors
- Real-time identification of driver behaviors when they resemble prior thefts
- Proactive alerts for high-risk scenarios while on rent
- Intelligent restrictions on staff access to data
- Data sharing
- Remote setting so devices use recovery mode
- Partnership with recovery professionals





**“We’ve helped recover \$1.5 million in inventory year-to-date as of August. Dozens of vehicles have been recovered, and we’ve gathered hundreds of thousands of data points.”**

– Chad Caswell, Zubie CEO.

## RENTAL VEHICLE THEFT: THE COST OF A STOLEN UNIT

While vehicle thefts have been declining in recent years, according to FBI data, it remains a problem in certain areas of the U.S. The metropolitan area of Bakersfield, Calif., had the highest vehicle theft rate in 2020. It was followed by Yuba City, Calif.; Denver-Aurora-Lakewood, Colo.; Odessa, Texas; and San Francisco-Oakland-Berkley, Calif., according to data from the Insurance Institute of Highway Safety.

Less sophisticated thieves may try to remove the telematics device, while savvier criminals and theft rings use an array of techniques, including key fob hacking, GPS or cellular jamming systems, or specialized data on certain OEM brands with weaker security protocols.

**A typical fleet loses around \$22,000 per vehicle per year in theft-related expenses.** Without vehicle tracking, only 44% of businesses who reported a vehicle stolen have been able to recover it in usable condition. Emergency response time is reduced by 50% with connected car tech.

## VEHICLE TRACKING REDUCES THEFT

Knowing the location of a vehicle is the fastest, and simplest, way to reduce theft.

Telematics devices, including OBD-II plug-in modules, collect data around vehicle location (turn by turn and route history) and the ABCs of driver behaviors – acceleration, braking, and cornering. The systems can also collect data around fuel level, idling, and maintenance needs – diagnostic trouble codes are fed to the rental operator in the form of alerts.

Monitoring telematics data will help you notice recurring patterns that lead to a theft. Perhaps the vehicles are always being taken to a certain location. You may notice erratic driving behaviors, such as high-speed driving. You may notice longer trips and vehicles not being turned off to refuel.



**“IT’S IMPORTANT TO LOOK AT THE LONGEVITY OF THE DATA OVER SEVERAL DAYS,” CASWELL SAID.  
“WE LIKE TO FOCUS ON EARLY DETECTION, BUT THE DATA NEEDS TO BE IN THE RIGHT CONTEXT.”**

Geofencing is an important way rental operators can prevent or deal with vehicle theft. Operators can set up map overlay zones that send alerts if the vehicle enters or leaves the pre-set area. Operators can set up these geofences for high-theft locations such as known chop shops or the Mexican border.

Connected car tech reduces loss by providing information on illegal behavior, theft, and insurance claims. This helps rental operators recover the vehicles more quickly and reduce the drain on resources and distraction from rental operations.

Even with these benefits, as many as 80% of rental fleet operators haven’t implemented vehicle tracking.



## HOW TO DETER THEFT

One way to deter thieves is to make the telematics device harder to disable. Telematics providers such as Zubie offer a stealth mode for its device that involves tucking the unit behind the under-dash and using a “Y” cable to connect it to the on-board diagnostics port. The operator also receives a dummy plug-in unit that, when removed by the thief, won’t disable vehicle tracking. Operators can hire a professional installer to configure stealth mode.

Rental operators can also head off the problem at the point of rental.

Rental counter employees should be trained to ask strategic questions at the point of sale, such as asking the customer where they plan to drive and an estimate of their daily miles? Additionally, employees should monitor vehicle location throughout the day.

Evasive answers can raise red flags that should trigger additional scrutiny during the rental period. Operators should fully disclose that they’re using vehicle tracking in the rental agreement and how it will be used (and some state laws require disclosure and consent). Of course, rental contracts should be reviewed by an attorney, so seek legal advice on this point.

If permitted by your state and local law, consider training rental counter staff to consistently monitor vehicle location throughout the day.



**“HAVE THE DISCLOSURE IN A PROMINENT PLACE IN THE AGREEMENT SUCH AS THE FRONT PAGE RATHER THAN BURIED ON PAGE FIVE IN SIX-POINT TYPE,”**

Leslie Pujo,  
Partner at Plave Koch PLC.

“Be sure to consult with your attorney.”



**“We make Zubie part of the air we breathe”**

Cody Enloe,  
Owner, New Mexico Rental Car

**“They’re a part of our daily operation.”**



Choosing a telematics partner that’s committed to the rental market is important, because the company will have forged partnerships with rental software providers such as TSD, Karz, or Navotar. This will allow easy integration, so you can view vehicle tracking information in the dashboard of your rental system.



**“The bottom line is, ‘Know the state law,’”**

Leslie Pujo, Partner at Plave Koch PLC.

**“Operators also shouldn’t forget that they need to comply with the established process of the recovery of stolen vehicles.”**

## LAWS THAT GOVERN THE USE OF TELEMATICS BY RENTAL COMPANIES

Presently, there’s no general federal law regulating the theft of rental vehicles because that’s generally an issue left to local law enforcement. However, some states have passed specialized laws governing the use of telematics to track vehicle use generally while others specifically regulate telematics use by vehicle rental companies.

In Montana, vehicle rental operators need to disclose the use of telematics. In Connecticut, rental operators need to disclose use of telematics and give the renter 15 days of notice after the due-in date before activating tracking technology. New York restricts a rental operator’s ability to use GPS to impose additional fees (with other use cases being somewhat unclear). California has the most restrictive law regulating use of telematics by vehicle rental companies and generally prohibits the use, access, or obtaining of information via telematics about a rental – with a few limited exceptions. For example, California permits a vehicle rental company to use GPS tracking on vehicles once they cross 72 hours past the return dates long as the rental company gives customers 24 hours of notice before activating tracking and discloses the use of GPS tracking orally at the time of rental, as well as in the rental agreement.

Approximately, fifteen states have also passed general surveillance laws, often known as “anti-stalking” laws, that restrict surveillance via technology. Other states, such as California, Colorado, and Virginia, have passed comprehensive privacy laws that consider geolocation data to be protected “personal information.”

## RECOVERING THE STOLEN UNIT

Vehicles equipped with telematics can usually be recovered within 24 hours of the theft.

Zubie partners with Collateral Consultants, a nationwide company that works with law enforcement to help rental companies locate overdue and stolen rental vehicles. Collateral Consultants claims to be able to recover 85% of vehicles.

Zubie’s Rental Connect product includes a feature called Location Link that allows the operator to send a live link of the breadcrumb trail of a vehicle’s location history during the rental to the recovery company. Location Link pings the vehicle module from the cloud server every second versus every 45 to 60 seconds during normal usage.

Zubie doesn’t currently offer an ignition interrupt feature, which requires a second device attached to the engine to disable it. Using this feature, a thief would be unable to restart the vehicle once turning off the ignition. The feature is problematic because it can drain the vehicle’s battery and could create legal liability for the operator. For example, what if the rental operator disables the car and thinks it is being stolen, but in fact the renter has an emergency and can’t get help in time due to the vehicle not running?

### Should an operator try to recover the vehicle?

It’s usually not a great idea to confront a delinquent renter, who may be fleeing authorities or, in some cases, could be armed.

Self-directed rental operators should work with a telematics provider who can partner with a recovery specialist, because local law enforcement agencies will likely tell you they can’t get involved until a crime has been committed.

## ABOUT ZUBIE

Since 2012, Zubie's connected-car SaaS platform has helped business, rental, and loaner fleet managers protect their assets and optimize their business. Zubie makes fleet management simple – simple to install, simple to use, and simple to improve business operations. Headquartered in Bloomington, MN, Zubie has been awarded “Best Insurance Telematics Product” and “Best OBDII Device with Software and Services”.



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**Plug in. Connect Go.**

## KEEPING EYES DOWN THE ROAD

With vehicle theft, authorities and technology providers are often trying to catch up with the latest criminal tactics.

Zubie is working on several innovations that will provide additional theft deterrence. One feature would allow the telematics unit to send data on a different bandwidth than the commercial cellular networks such as LoRa or Bluetooth to avert cell jamming.

Vehicle telematics data is crucial in the fight against rental vehicle theft. It provides a layer of protection and peace of mind.

It's important to know the appropriate state laws that may impact your operations, include proper verbiage in your rental contracts, and choose a telematics provider with deep market expertise and commitment to your business.