

AUTHORIZING A STUDY OF THE MOTOR VEHICLE ACCIDENT COMPENSATION SYSTEM

TUESDAY, MARCH 19, 1968

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON COMMERCE AND FINANCE,
COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
Washington, D.C.

The subcommittee met at 10 a.m., pursuant to notice, in room 2322, Rayburn House Office Building, Hon. John E. Moss (chairman of the subcommittee) presiding.

Mr. Moss. The committee will be in order.

Today, the Subcommittee on Commerce and Finance of the Committee on Interstate and Foreign Commerce begins 2 days of hearings on House Joint Resolution 958. This legislation was prepared by the chairman of the Senate Commerce Committee, Senator Warren G. Magnuson, and myself, after an exchange of correspondence with the Secretary of Transportation which began on June 26, 1967.

House Joint Resolution 958 was introduced on December 14, 1967, and so that the record will be complete, I am asking unanimous consent that this exchange of correspondence be inserted at this point in the hearing record.

Is there any objection to the request?

Hearing none, it is so ordered.

(The correspondence referred to follows:)

CONGRESS OF THE UNITED STATES,
Washington, D.C., June 26, 1967.

Hon. ALAN S. BOYD,
*Secretary of Transportation,
Department of Transportation,
Washington, D.C.*

DEAR MR. SECRETARY: We have become increasingly concerned at evidence of major flaws in our national systems for compensating motor vehicle accident victims. Our attention was first drawn to the serious problem of insolvencies among so-called "high risk" automobile insurers. But such insolvencies appear to be symptomatic of fundamental defects, both in automobile insurance underwriting and in our underlying common law and statutory system of fault liability. Sharp underwriting practices, including arbitrary cancellations and failures to renew, geographical, racial and economic blackouts in coverage, and discriminatory, escalating premium rates equally demand appropriate reforms.

Last year, Congress addressed itself to the need for preventing and limiting the severity of motor vehicle accidents. Your Department is now charged with responsibility for carrying out the comprehensive programs of motor vehicle and highway safety which we then authorized. Now we are equally concerned with the just and efficient compensation of those victims whom prevention has not spared. Broadly viewed, the enormous costs to individuals, as well as to society, of the still increasing traffic toll are costs which must be allocated to our system of ground transportation.