

over the years that we have worked together, that your statement disclosing your interest is a measure of your personal integrity.

I believe that I reflect the views of the committee in expressing our appreciation for your statement.

As is our custom, we shall hear first from Members of Congress. This morning we have several distinguished colleagues, the first of whom is the Honorable George M. Rhodes. Please proceed Mr. Rhodes.

STATEMENT OF HON. GEORGE M. RHODES, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF PENNSYLVANIA

Mr. RHODES. Mr. Chairman, I appreciate the opportunity of making known to your committee my views on House Joint Resolution 958.

A study by the House Judiciary Committee has revealed that a majority of State laws covering automobile insurance are either not enforced or are implemented only on a routine basis. The study revealed that arbitrary and unfair cancellations of policies and the refusal to renew policies are entirely too frequent.

I have received numerous letters from citizens who have paid premiums for as long as 20 years to one company, only to find that their policy could not be renewed at age 65, or their premium was raised to the extent that they could no longer afford the insurance. Many of these policyholders were never involved in an accident.

My own State of Pennsylvania has been lax in taking steps to stop this practice, which has victimized many good citizens. The arbitrary cancellation of policies seems to be a practice which hits the elderly who, because of age, are no longer considered preferred risks. However, I do not believe age alone is sufficient cause for cancelling a policy.

I fully support the legislation before this committee. I hope it will result in legislation at the State and national level to protect policyholders from the unscrupulous practices of some companies.

Mr. Moss. Thank you for your brief statement Mr. Rhodes.

If there are no questions, we shall hear next from our colleague from New York, the Honorable Leonard Farbstein.

STATEMENT OF HON. LEONARD FARBSTAIN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. FARBSTAIN. Thank you, Mr. Chairman, for inviting me to appear before your very active and effective Subcommittee on Commerce and Finance. All America knows of your efforts to protect the little man in our society from the great forces of industry and business over which he, as an individual, can exercise very little influence.

These hearings today focus upon the need for a comprehensive study by the Department of Transportation on automobile insurance practices in the United States. As you know, Mr. Chairman, this is a subject in which I personally have been extremely interested for some years, and in January of 1967, together with four of my colleagues in the House of Representatives, I introduced a bill to create a Federal motor vehicle insurance guarantee corporation, and for other purposes. This corporation would protect policyholders and injured persons against insurance company failures. Lack of such protection is one of the most inexcusable weaknesses of the present insurance sys-