

Mr. Moss. We are very pleased to have the ranking minority member of the committee present, Congressman Springer. Do you have any questions?

Mr. SPRINGER. Mr. Chairman, if you would accommodate me for just a few minutes, I would like to ask the Secretary a few questions.

Mr. Moss. Certainly.

Mr. SPRINGER. Mr. Secretary, I take it that you are entering on this so-called investigation, and I anticipate you are probably going to get your money, without any previous experience or thought or preconceived ideas about this?

Secretary BOYD. Absolutely.

Mr. SPRINGER. This is not for the purpose of putting you on the spot, but do you know anything about the question of insurance and premiums with reference to automobile insurance?

Secretary BOYD. Personally?

Mr. SPRINGER. Yes.

Secretary BOYD. Only to the extent that I did engage in the law practice for a while. It seems like many years ago, Mr. Springer. My mother was an insurance agent.

Mr. SPRINGER. You have defended insurance companies and you have been plaintiff's representative, your experience is to that extent?

Secretary BOYD. Yes, sir. I have formed no conclusions except for the fact that we have a major problem which needs to be dealt with.

Mr. SPRINGER. Let me ask you this: Preliminarily at this point what do you think the one, two, three problems are in the insurance business? I am talking about this insured premium idea.

Secretary BOYD. I have not attempted to rank things before but off-hand I would say that the question of rejections and cancellations which appear to be arbitrary, are major problems.

In this society where we have relied so heavily on tort liability, the presence or absence of an insurance policy can have a major impact on the future life of an individual who happens to be involved in an automobile accident.

Mr. SPRINGER. That is just two things you know exist, is that correct?

Secretary BOYD. Yes, sir.

Mr. SPRINGER. You don't have any idea or preconceived notions as to what caused that?

Secretary BOYD. No, sir.

Mr. SPRINGER. I want to be sure because it is awful important to not get any preconceived ideas about what brought this about.

I happen to know a little bit about the background and probably not a great deal more than yourself. This one question is going to arise, Mr. Secretary, and I hope you are going to go into it.

You are not going to produce, I hope, out of all this program which is going to increase the cost of insurance to people generally in this country. Now that is the first thing when you come back that I am going to ask you when you come back with recommendations.

So when you go out you will know what I am going to ask when you come back.

Secretary BOYD. I must confess that I would be either surprised or astounded, in Noah Webster's words, if that were the result of our study.