tion for "preferred-risk customers"—those who don't drive much and never have accidents—is so keen that whole occupations are treated with suspicion.

One West Coast company, the Automobile Club of Southern California, told a congressional committee it advises agents not to write policies on athletes, entertainers, auto salesmen, persons wo have moved three or more times in two years, students, or radio-television personalities. According to congressional testimony, another company, Continental Insurance, wants to avoid sports cars ("They are not purchased by the sedate, cautious, and defensive type persons"), while other companies charge higher rates or refuse to underwrite divorced women (they're considered unstable), clergymen (preoccupied), longshoremen, barbers, bartenders, unmarried servicemen, or people with nicknames like Scotty or Shorty.

Insurance companies, of course, have been discriminating against certain categories of motorists for years, with few outcries. Teen-agers, for example, who—the companies can show statistically—tend to have higher accident rates. But questionnaires sent by the House Judiciary Committee in the course of its 1967 study, elicited admissions from several companies that they cannot statistically support some of their occupational exclusions.

PROTESTS OVER NONRENEWAL

Similar controversy surrounds the question of cancellation or nonrenewal of a policy by an insurer. The files of state insurance commissioners bulge with letters from irate motorists whose companies no longer want their business. The most common reason that companies drop motorists (aside from such reasons as nonpayment of premiums) is an excessive claims record. Often, however, companies refuse to give any explanation for failing to renew a policy.

Moreover, many motorists complain they have been dropped as a result of accidents deemed by police to be the fault of the other party. One insurer, pressed for an explanation by a motorist who was dropped after an accident for which he was not liable, wrote:

"It has been established beyond the shadow of a doubt that the individual who is involved in auto accidents, regardless of whether he appears to cause them or not, is much more likely to have accidents in the future than is the person who is accident-free . . . [Studies have shown] that involvement in an accident, regardless of who was at fault, was the important consideration."

What makes the plight of a policy-holder dropped for reasons beyond his control even more troublesome is the fact that other companies often adopt a hands-off policy toward motorists whose insurance has been canceled or not renewed, regardless of the reason for the action. States the House Judiciary Committee report:

"Some companies have rigid standards against accepting, for a period of three years . . . a policy-holder who has been canceled by another company. If insurance is obtainable at all, it frequently is obtainable only at an increase in rates and with limitations in coverage."

EXAGGERATION CHARGED

Industry spokesmen argue that sharp and discriminatory underwriting practices are often exaggerated. They cite figures indicating that cancellations and nonrenewals affect only 1 per cent of the policies written. Senator Magnuson, on the other hand, points out that with 90,000,000 insured motorists on the road, a 1 per cent nonrenewal rate is significant. He is distressed further that the industry has never offered figures showing the percentage of cancellations and nonrenewals among motorists who have had claims filed against their policies.

Many Americans, while deploring discriminatory underwriting practices, nevertheless defend them with the argument that business, after all, has a right to choose its customers. Critics of the auto-insurance industry, on the other hand, say the right cannot be absolute in situations in which the customer has no choice but to buy while the seller can choose not to sell. And auto insurance or its equivalent is compulsory in all states.

In theory the imbalance between buyer and seller introduced by compulsion is righted by the existence of state insurance commissions. Critics, however, argue that most commissions have been less than zealous in protecting buyers' interests against arbitrary industry practices. The House Judiciary Committee report found evidence of "co-operative arrangements" between state regulators and in-