surance companies; unfair compensation to accident victims; and the clogging of the courts with automobile insurance lawsuits taking an average of two and a half years just to get to trial.

The AFL–CIO Executive Council called for a thorough investigation of the insurance industry and the development of Federal legislative remedies in a statement on February 24, 1967. This call was reinforced by a policy resolution of the AFL–CIO convention in December 1967.

This resolution on consumer protection reads in part as follows:

> Congress should undertake a general investigation of the insurance industry in all its aspects, with a view to enacting remedial legislation for abuses and bringing the entire industry under Federal regulation. In the automobile insurance field, proposals for revising the liability basis for insurance payments should be given definite consideration along with other possible remedies.

While we feel, Mr. Chairman, that it is time that the entire insurance industry was brought under Federal regulation in the public interest, the proposed investigation of automobile insurance practices would be a significant response in the insurance area of greatest immediate concern to the public.

State AFL–CIO bodies have been engaged in continuing, though rarely successful, efforts to fight the spiraling rate increases sought by the insurance industry from State insurance departments.

Rates were raised in 24 States in 1964, 40 States in 1965, 23 States in 1966, and the trend continued in 1967.

By December 1967, according to the Consumer Price Index, auto insurance rates were up 45.1 percent over the average for the 1957–59 period, in contrast to a rise of 18.2 percent for all items priced for the index. In some areas auto insurance bills are reported to have jumped as much as 200 percent in the last 10 years.

It has been reported that in at least 20 States, auto insurance rate changes are made without public hearings, and in some cases without public knowledge until after the insurance commissioner has acted on the request for a rate increase.

Rising premiums have invited serious questions as to the validity of underwriting losses claimed by insurance companies as a basis for the constant rate increases. In particular, attention has focused on the failure to take adequately into account any part of the investment income of the insurers in ratemaking.

An analysis published in Forbes magazine (Oct. 15, 1967) indicated that the 16 largest publicly held casualty companies earned over $1.5 billion in investment income, while reporting underwriting losses of some $500 million.

The proportion of the automobile premium dollar that goes into claims payments has been shown to be shockingly low, primarily because of high administrative costs, including salesmen's commissions and excessive costs for claims adjustment.

It has been estimated that actual compensation to accident victims amounts to little more than 50 cents on the premium dollar, and some estimates run much lower. This contrasts with 97 cents on social security contributions, 93 cents on Blue Cross hospitalization premiums, and 83 cents on group accident and health insurance.

Automobile insurance today is a practical necessity for anyone licensed to drive a car. But the problem of obtaining and keeping in-