Yet 5 days later, the Governor had to say that if it passed the Senate he would veto it because he, too, I think, was confused by the promise of the plan as opposed to what it actually gave.

Mr. KEITH. You heard my exchange with the representative who preceded you?

Mr. SARGENT. Yes, I did.

Mr. KEITH. Is the medical payments feature of the insurance that is offered in the State of Massachusetts in a way in keeping with the Keeton-O'Connell philosophy?

Mr. SARGENT. It might be termed something of a baby Keeton-O'Connell because under your own medical pay if you were injured in the example that the previous speaker suggests, the man who was hit by the BB gun, he could recover from his own insurance company for his injuries.

Mr. KEITH. Would not the third party recover?

Mr. SARGENT. Under the normal med pay coverage, no, there would be no recovery, although the insurance companies are at least discovering the possibility of something called the third-party med pay whereby all people you hit would be entitled to compensation regardless of fault.

Mr. KEITH. This is one of the great concerns of this committee, this innocent third party, and I would think that the insurance companies could use some ingenuity and come up with some solution to that kind of problem.

Mr. SARGENT. As a matter of fact, I think they can do it and save money in the process, because today if you and I insure ourselves on med pay and we collide with one another, we recover against our own insurance company so far as the medical is concerned, and then we may have to fight it out against each other so far as total recovery.

But if we have policies whereby my company automatically pays you and your company automatically pays me, so for as med pay is concerned at least, then that in effect is really only a compulsory advance payment.

What is paid out is ultimately credited to the amount that you are entitled to on a tort basis. So I think they can save money, they can avoid a duplication of payment for the same claim and yet I think do it at a very slight increase in cost, if any.

Mr. KEITH. As I mentioned in my preliminary remarks, this is a very old problem in the State of Massachusetts.

When I was in the State senate my constituents were concerned about automobile insurance coverage and costs. I asked some people who were professionally well qualified in the insurance business and some members of the public who had been preeminent in their expressing of concern for civic problems of this sort, to meet with me and to discuss ways of solving this problem.

My proposal was based upon the experience that I had had with a catastrophe policy that was written to cover hospital and surgical insurance. This was at that time a new concept, first, that the insurance companies had brought onto the market shortly after World War II. It provided, in the case of hospital and surgical insurance that an individual could buy a policy to pay only major hospital and surgical bills. It was based upon the recognition that in the smaller claims a large proportion of the expense involved was in administra-