

practices and procedures in every State where legislators and State insurance commissioners feel there is a problem.

To protect the responsible citizen, we originated and have taken the lead in extending to all 50 States measures requiring that uninsured motorist—UM—coverage with insolvency protection be offered with every automobile liability policy.

Forty-two States now have UM laws, and 26 States have the insolvency protection. UM and insolvency bills are pending in five other States as we seek to blanket the country with this protection by law.

We want to emphasize that all these steps were initiated long before there was any substantial national criticism or talk of Federal studies.

Last November, as a direct result of these several years of in-depth studies and consultations, our association announced here in Washington a statement of policy which is unmatched in the history of the property and casualty business—and maybe of any other business.

We enunciated a set of guiding principles in which we pledged that every applicant for automobile insurance—every policyholder—would be considered for insurance and provided insurance on his individual merits.

We declared that this principle would apply regardless of race, creed, color, occupation, whether previously rejected or canceled, whether divorced, or whether a senior citizen.

Now there is a distinction in this wording and this policy that I would not want to be lost on this committee or on the American public. When we say provide insurance, that is exactly what we mean.

Once the initial underwriting period is over—the same kind of investigatory period that a bank has in making a loan, or a store has before opening a charge account—once this period is over and a policy has been issued, the policyholder will not be canceled or refused renewal because of any of the reasons outlined in the guiding principles.

Thus you have a sweeping pledge from our companies that they are committed to a policy of providing—consistent with financial soundness and fairness to all policyholders—continuous coverage for the American motoring public.

Part and parcel of the underwriting discussion, of course, is the furnishing of an adequate market. As the number of motor vehicles on our streets and highways continues to increase, our business must expand its capacity so it can safely insure this mushrooming armada.

Our companies have been doing just this. We have been stepping up to the plate and providing the greatest share of the overall market as well as the greatest share of the new market.

In 1961, our companies wrote \$2.6 billion in private passenger auto premiums or 41 percent of the market. In 1966, it was \$4.5 billion or over 50 percent of the market. When final 1967 figures are compiled, we expect that this total will exceed the \$5 billion mark.

Since 1959, the number of private passenger cars voluntarily insured by our members and subscribers has been increasing at $2\frac{1}{2}$ times the rate of increase in the total number of private passenger vehicles registered in this country.

Furthermore, in our statement of policy, we propose a mechanism for furnishing automobile insurance to every person who holds a valid driver's license.