

require that companies offer insolvency protection to their policyholders under the uninsured motorist coverage.

In the remaining 24 States, bureau companies and some other insurers have automatically extended insolvency protection to all purchasers of the uninsured motorist coverage.

In other words, the policyholder and his family can look to their own company for payment should they be injured by a motorist whose company later becomes insolvent.

The insurance industry also has supported measures that would provide more adequate staffs for State insurance departments, and has supported enactment of laws to strengthen the hand of regulatory officials in dealing with companies in shaky financial condition.

Over the years, our industry has sought to alleviate the burden on our inadequate court facilities, which have not kept pace with the growth in population and the startling increase in legal matters of all kinds—particularly criminal cases.

As a result of the industry's efforts, an estimated 97 to 98 percent of all automobile accident claims are settled without the necessity of a trial.

Mr. Watkins, I think that brings in the figure of 2 percent that goes to trial which Mr. Lemmon brought out a moment ago.

Mr. WATKINS. You agree with that?

Mr. SMITH. Yes, sir. Those are public figures.

Mr. Moss. Will you give a clearer understanding of the magnitude of that 2 percent translated into numbers of cases?

Mr. SMITH. We can get that. I don't know whether Mr. Holderman has that figure at hand or not. If not, we can get the figure for the record.

Mr. HOLDERMAN. I can't give you the exact figure, Mr. Chairman.

Mr. Moss. Can you give us an approximation now and we will hold the record for the correct figure which may be supplied by you?

Mr. HOLDERMAN. The number of automobile liability claims in the course of a year goes well up into thousands.

Mr. Moss. Does it go into hundreds of thousands?

Mr. HOLDERMAN. I would suspect it might.

Mr. Moss. Does it go into millions?

Mr. HOLDERMAN. I am not certain.

Mr. Moss. Into a million?

When we talk about 2 percent of a thousand, we are talking of a very small number of cases. If we talk of 2 percent of 10 million, we are talking of a great number of cases.

Mr. SMITH. This is correct. I think it will be a sizable figure.

We have a hundred million drivers today.

Mr. Moss. About one in four or five will have an accident?

Mr. SMITH. I have seen those figures.

Mr. HOLDERMAN. They say 1 out of 10 drivers will have an accident, as I recall, it is an estimate sometimes used. In this respect, you might conclude there would be somewhere in the neighborhood of 10 million accidents. So you have a sizable total figure.

Mr. Moss. I just don't want us to look at percentages and deduce that we are talking of something of no great significance when in fact we may be talking of a massive backlog of court cases.