5. Each company should keep its underwriting information concerning cancellation or refusal to renew individual policies readily available to the State Board of Insurance, and the records should be retained in accordance with the company's normal retention practices for the "daily reports" of expired policies.

6. The Board hereby gives notice that it expects each insurer to exercise its rights of cancellation with discretion and without discrimination, and expects each insurer to be prepared to explain to the Board the principles which control its cancellation practices when called upon to do so.

These guidelines shall become effective immediately.

WM. HUNTER MCLEAN,
Chairman.
NED PRICE,
DURWOOD MANFORD,
Members.

Prepared by:

PAUL D. CONNOR,
Chief Clerk.

ADDENDA

Statistics have already been offered with regard to the cancellation ratios in Maryland, Virginia, Wisconsin and Michigan. Later information has been developed for the State of Georgia. A recent survey indicates 1.24% cancellation of automobile insurance contracts out of 400,000 contracts sold.

Mr. MOSS. Our next witness is Mr. Robert Whittlesey, second vice president of the Auto Body Association of America.

Gentlemen, we are pleased to welcome you. You may proceed.

STATEMENT OF ROBERT WHITTLESEY, SECOND VICE PRESIDENT, AUTO BODY ASSOCIATION OF AMERICA

Mr. WHITTLESEY. Thank you, Mr. Chairman.

My testimony is very short. Before I go into it I would like to preface my statement.

In 1946, I started out as an auto body repairman and then went from there into handling auto damage appraisals.

Then I worked for 8 years as an adjuster for the State Farm Insurance Co., a very happy time in my life, and then opened my own shop.

So I have come full circle in the repair and adjusting business. I feel like a small part of your investigation but we feel that it is quite important to the decision whether or not to have this investigation.

Mr. MOSS. Thank you, sir.

Mr. WHITTLESEY. Mr. Chairman and members of the committee I am Robert Whittlesey of Silver Spring, Md., an independent body shop owner, and vice president of the Auto Body Association of America.

We are a national association of independent auto body and repair shops and closely affiliated industries spread throughout the United States.

There are 58,000 auto body shops in the United States including independent and franchised dealer establishments which together employ over 380,000 persons.

Our gross volume of business for the last year exceeded $2 billion of which 75 percent, or about $1½ billion, was controlled by insurance companies.

Our members are deeply concerned about some of the inequities that have grown up in this industry due to certain monopolistic and

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