

vant aspects of the existing motor vehicle accident compensation system', including all phases of automobile insurance.

"AAA supports such a study in order to determine and document the true facts. AAA urges that Congressional authority to conduct such an investigation should require that the investigation be conducted in two phases—the first phase consisting of an objective and thorough compilation and analysis of the existing facts and a report to the Congress thereon; the second phase to consist of whatever recommendations may then appear appropriate.

"AAA points out that, until the completion of such an objective study and report by the Department of Transportation, it would be premature to assume that new laws or regulatory action are in fact required.

"AAA will continue to support constructive efforts to provide fair and reasonable protection to the motorist based upon sound and reliable factual information. To the end that these objectives be realized, the AAA extends its full cooperation and assistance."

You will note we ask for a two phase study of the automobile insurance problem by the Department of Transportation.

It is our belief that there should be no comingling of fact, theory and remedy in the study. Too often in a study of this magnitude and complexity, one finds an interweaving of fact, theory and solution. Separation of fact and solution will prevent confusion and will make for a better dialogue on the study, we believe.

For this reason, we were happy to hear the comments by Secretary of Transportation Alan S. Boyd, on March 19, that he plans a four part study, with separate phases for organization, data collection, analysis and recommendations and that he considers it "absolutely essential" to develop an adequate information base so that his "analysis and recommendations can be firmly grounded in the facts rather than conjecture and suspicion."

Secretary Boyd further announced his intention of making wide use of advisory groups as permitted by H.J. Res. 958. The AAA, representing 10,700,000 motorists, extends its full cooperation and assistance and stands ready to serve on any such advisory group.

With all best wishes, I am

Sincerely,

GEORGE F. KACHLEIN, JR.,
Executive Vice President.

NATIONAL ASSOCIATION OF INSURANCE AGENTS, INC.,
New York, N.Y., March 19, 1968.

Re H.J. Res. 958.

Hon. JOHN E. MOSS,

Chairman, Subcommittee on Finance and Commerce, Interstate and Foreign Commerce Committee, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This presentation is made by the National Association of Insurance Agents on behalf of over 36,000 insurance agencies throughout the United States. Insurance agents are close to the public in their function of selling and servicing all lines of insurance, including automobile. The increased accident rates, soaring repair and medical costs, coupled with insurance rate inadequacies in many areas, are causing severe problems for agents in finding a basic market to properly handle needs of their assureds, with consequent increased use of assigned risk plans at a surcharge.

We are well aware of, and sensitive to, real and fancied complaints of some of the insurance buying public about rates, cancellations, failure to renew, claims settlement practices and insolvencies. We are naturally concerned with all complaints since our ability to prosper in the insurance business is directly related to our ability to satisfy the needs of our customers.

Agents are, of course, in favor of plans which best serve the needs of the insuring public from the standpoints of cost and compensation. In view of criticisms of the present methods of compensating victims of automobile accidents, every effort should be made to find improvements in the system.