INSURANCE AGAINST RIOT LOSSES

THURSDAY, JULY 18, 1968

House of Representatives,
Special Investigating Subcommittee of the
Committee on the District of Columbia,
Washington, D.C.

The Special Investigating Subcommittee met, pursuant to notice, at 9:00 a.m. in room 1310, Longworth House Office Building, Hon. John Dowdy (Subcommittee Chairman) presiding.

Present: Representatives McMillan (Chairman of the full committee), Dowdy, (Chairman of the Subcommittee), Sisk, Fuqua, Nelsen, and Zwach.

Also Present: James T. Clark, Clerk; Hayden S. Garber, Counsel; Sara Watson, Assistant Counsel; Donald Tubridy, Minority Clerk; and Leonard O. Hilder, Investigator.

Mr. Dowdy. The Subcommittee will come to order.

We have for hearing this morning several bills relating to insurance against riot losses—H.R. 18541 by Mr. McMillan, H.R. 17647 by Mr. Diggs, H.R. 17607 by Mr. O'Konski, and H.R. 18149 by Mr Brasco.

Without objection, these bills will be made a part of the record at this point, together with a letter dated May 31, 1968, from the Government of the District of Columbia addressed to the Speaker of the House of Representatives; two reports from the Government of the District of Columbia concerning these various bills; and a letter from the American Insurance Association.

(The material referred to follows:)

(H.R. 18541, 90th Cong., second sess., by Mr. McMillan on July 12, 1968.)

A BILL To authorize reinsurance with appropriate loss sharing by the District of Columbia against insurance losses resulting from riots and other civil disturbances, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "District of Columbia Insurance Placement Act".

DECLARATION OF PURPOSE

Sec. 2. The purposes of this Act are:

(1) To assure stability in the property insurance market for property located in the District of Columbia;

(2) To assure the availability of basic property insurance as defined by this Act;

(3) To encourage maximum use, in obtaining basic property insurance, of the normal insurance market provided by authorized insurers;

(4) To provide for the equitable distribution among authorized insurers of the responsibility for insuring qualified property for which basic property insurance cannot be obtained through the normal insurance market by the