

Mr. FUQUA. I do not want to take up too much time because we have some other witnesses, but why do you think this approach is better than the Patten approach?

Mr. NANGLE. First of all, it attaches the Hughes Panel recommendation where the whole concept has emanated. Therefore, it is logical. Secondly, it does the job. I have heard fears from particular segments of the industry that they will not be adequately covered. This bill provides adequate insurance for all risks that are meeting minimum insurable standards. That includes insurance for a business next to a dynamite factory, et cetera. Third, it allows the insurance industry to do its job and do its duty to the public by providing these plans subject to the approval of the Insurance Commissioner, and allows private industry to adequately do the job with the public in mind and not give this power to the Mayor—and I have nothing against the Mayor, believe me, I think he is a fine man—or his designated agent.

Mr. FUQUA. Don't you think he might designate the Superintendent of Insurance to do this function?

Mr. NANGLE. He may or he may not.

Mr. FUQUA. In my State, and in most States, we have an Insurance Commissioner, and many times we delegate to the President or to Governors various responsibilities; but in the normal course they refer them to people such as, in this case, the Insurance Commissioner.

Mr. NANGLE. I think we are belaboring something that is not too important. The question is, shouldn't there be some guidelines? The way the Patten Amendment was introduced it was complete carte blanche authority to take it or leave it.

Mr. FUQUA. This is one of the strongest points of contention you have?

Mr. NANGLE. The powers of the Commissioner? Absolutely.

Mr. FUQUA. The rest of it you can live with?

Mr. NANGLE. I think so. We have a problem with the assessment function. We have a 2 percent then another 3 percent loss, which means 5 percent, and before insurance comes we have to pay another 5 percent, so all told there is a 10 percent or 8 percent deduction.

Mr. FUQUA. Why wouldn't the rest of the insurance industry feel apprehensive about this?

Mr. NANGLE. I feel they would take any bill. I am not so sure they care whether we have any bill, but I don't want to discuss any other trade association. I think they are sincere that they will take it because they feel there may be something else, but we feel more strongly than they do and that is why I am here testifying for Congressman McMillan's bill.

Mr. FUQUA. That is all.

Mr. Dowdy. Thank you, Mr. Nangle.

The next witness is Mr. Wallace M. Smith, representing the American Mutual Insurance Alliance.