

arily in the States and in the District of Columbia over many years these matters have always been handled under the direction and authority of the Insurance Commissioner. We think it would be much more efficiently handled under the Insurance Commissioner and the Insurance Departments rather than going through an extra step of the Commissioner and the governing body.

Mr. Dowdy. Is that on the basis you are another step removed from the political control and you are putting it more in the hands of employees of the Insurance Department who should have some knowledge about what they are doing, while the Commissioner doesn't necessarily know anything about insurance, being a political appointment. Is that right?

Mr. Smith. To give you a perfect illustration, we have worked with the local officials—the Commissioner, the Insurance Department, et cetera—on what we have termed a voluntary inspection program for the District of Columbia to provide inspections for insurance properties throughout the City and to place these on a voluntary basis while waiting for this legislation. Letters were to go out from the Commissioner's Office to all the insurers doing business in the District of Columbia requesting them to enter into this program and to cooperate with it. I have had half a dozen inquiries from our companies saying they have heard about this program but have never received a letter asking them to be active in it, and yet the letter was supposed to go out to every insurer doing business in the District of Columbia. Why the letter didn't get to everyone, I don't know, but I think this is an illustration in point. The follow-up letter which came from the Insurance Department went to all companies. The original letter from the Commissioner did not.

Mr. Dowdy. Thank you, Mr. Smith.

Mr. Smith. Thank you, sir.

Mr. Dowdy. We will now hear from the District of Columbia Government. We have Mr. John W. Hechinger, Chairman of the District of Columbia Council; Mr. Robert F. Kneipp, Assistant Corporation Counsel, and Mr. Herbert S. Denenberg, Consultant on Insurance for the District of Columbia. Who will do the talking?

STATEMENTS OF JOHN W. HECHINGER, CHAIRMAN, DISTRICT OF COLUMBIA COUNCIL; ROBERT F. KNEIPP, ASSISTANT CORPORATION COUNSEL; AND HERBERT S. DENNENBERG, CONSULTANT ON INSURANCE, DISTRICT OF COLUMBIA

Mr. Hechinger. I think I will lead off, if I may, Mr. Chairman. I want to make a brief statement, and I am sorry I do not have copies of my statement, concerning the critical need for an adequate property reinsurance program in the District of Columbia to protect against losses from possible civil disorder or other widespread environmental hazards.

In the several months following the April civil disorders in Washington and many other cities, Congress has moved quickly and responsibly toward passage of a national reinsurance program which will assure businessmen and homeowners the coverage that is so desperately needed in the District of Columbia and in other large cities.