

Mr. Dowdy. I think he said he had one day's notice of the hearing.

Mr. Smith. That is right, Mr. Chairman, notice of the hearing, not the bill.

Mr. Dowdy. That was my understanding.

Mr. Kneipp. I am sorry. I understood him to say he had only one day's opportunity to study the bill.

I wonder if I might state it is the District's position that of the bills under consideration H.R. 18541 is the least desirable. This is the so-called model bill being sponsored by Mr. Nangle and Mr. Smith. It is deficient in a number of respects. Most important, it has no teeth. There is nothing in H.R. 18541 that allows the District to require the insurance industry to provide the plan the bill purports to require. The bill does not require, it merely purports to require. If the insurance industry fails to establish the Industry Placement Facility, there is no sanction that may be imposed on them short of suspending the certification of registration.

Mr. Dowdy. Isn't that sufficient?

Mr. Kneipp. Yes, but why should the Superintendent of Insurance suspend them and put them out of business?

The Committee has been informed the Superintendent of Insurance should be put in control. Under H.R. 18541 the Commissioner has no control. He has a veto but he cannot require them to come up with a plan that does the job. Title XI, the Diggs-Tydings proposal, does require the insurance industry to do the job they have not volunteered to do.

Mr. Dowdy. If they don't do it he takes away their opportunity to do business?

Mr. Kneipp. No. Under Title XI if the insurance industry fails to come up with a plan, then the District of Columbia can submit a plan to them for review.

Mr. Dowdy. And if they don't accept it they can be put out of business?

Mr. Kneipp. No.

Mr. Dowdy. Suppose they were not doing business in the District of Columbia? Would they have to conform?

Mr. Denenberg. The procedure of the Diggs-Tydings-Patten bill follows the procedure in New York, Virginia, and New Jersey. It provides the insurance industry comes up with a proposal and if they don't like it they come back again and if they don't come back the second time it gives the Commissioner a chance to promulgate it. That seems to be the thing that disturbs the representatives of the insurance industry.

Mr. Dowdy. Under the Patten Amendment they come up with two different plans?

Mr. Denenberg. That is right.

Mr. Dowdy. I think the Superintendent of Insurance would know more about it than the Commissioner would, but if the insurance industry does not want to abide by the plan submitted by the Commissioner of the District of Columbia, what authority would he have to require them?

Mr. Denenberg. They could, of course, leave the District of Columbia.

Mr. Dowdy. And after all you get down to the same sanction on the insurance company—either do as you are told, or do no business in the District of Columbia—actually the same thing under either bill?