

by-pass the State Insurance Commissioner in my State in the same manner?

Mr. DENENBERG. I think one of the things that is clear is that each state has to work out its own problems. As a matter of fact, I think the history up to this point indicates that the Diggs bill, the Tydings bill, Title 11, are those which have appropriate procedures.

On the question of the authority, that is a question of local interest and that will be resolved, if necessary.

Mr. McMILLAN. That is my main objection to the Tydings bill, the fact that it seemed to completely by-pass the D.C. Superintendent of Insurance. I think he has done an outstanding job as Superintendent of Insurance in Washington. It has been a difficult job, too, since practically all the large insurance companies have offices here.

If it does not by-pass the Superintendent of Insurance, that is a different picture.

Mr. DENENBERG. It is simply in conformity with the present Reorganization Act.

Mr. KNEIPP. The form of the so-called Tydings Bill, Title 11 of the Housing Bill, is precisely the form which has been before this Committee in other types of legislation where the Committee has vested in the Commissioner certain functions with authority to delegate up to whomever in the District Government it should be administered by.

In this case the Commissioner indicated he will delegate functions to the Superintendent of Insurance so he is on the record.

Mr. McMILLAN. I didn't receive a letter on that subject. It may have been sent to the Senate, but I have not seen it.

Thank you, Mr. Chairman.

Mr. Dowdy. Did you have further comments?

Mr. DENENBERG. I have a prepared statement which will take about 15 minutes. Should I summarize it?

Mr. Dowdy. All right.

Mr. DENENBERG. Of the four bills before this Committee, the O'Konski and Brasco bill, in addition to the problems which already have been pointed out, failed to provide for a FAIR Plan and they failed to provide for an industry placement facility. These are called for in the National Act and called for in the Hughes Panel.

Mr. Dowdy. Those things are called for in the so-called model bill.

Mr. DENENBERG. Called for in the Diggs bill and Title 11 of the Patten amendments.

They are not in the O'Konski bill and the Brasco bill.

Now I will turn to the McMillan bill. There are several problems there that no one has yet mentioned.

One is that the McMillan bill fails to provide for a FAIR Plan just as the O'Konski bill does.

It provides for an industry placement facility but there is no provision for agents and brokers to utilize the placement facility.

There is a provision in there that may permit payment of ordinary losses and it also calls for diligent effort before reaching the inspection or industry placement facility which is contrary to the national act.

The Diggs bill and Title II of the Patten bill we feel is the only one that is consistent with the national program. It is the only one consistent with the Hughes Panel report, and it is also in the areas in controversy consistent with the New Jersey, Virginia, and New York