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ATLANTA, GEORGIA 30334

April 8, 1968

Honorable Ivan Allen, Jr.
Mayor
City of Atlanta
City Hall
Atlanta, Georgia 30303

Dear Ivan:

Thanks for your letter and request that I give some attention to Chapter 14 of the Report of the President's Commission on Civil Disorders which relates to repair and compensation of damages incurred in riot areas.

You are to be commended for moving so vigorously and in such comprehensive thrust to meet the requirements of this Report. This is typical of you, however.

I am rather thoroughly familiar with Chapter 14 as well as the whole report of the Insurance Advisory Panel submitted by Governor Richard Hughes of New Jersey. Several of my fellow Insurance Commissioners and I worked rather closely and pleasantly with both Governor Hughes and his executive assistant, Stanford Ross, in research and hearings prior to the drafting of the report.

The proposed changes in the Federal Disaster Act mentioned in Chapter 14 are already under way in the Federal Congress where legislation was introduced several days ago.

The second section of Chapter 14 deals with the subject of insurance, and here again legislation has already been introduced in the Federal Congress to implement the nationwide aspects of the recommendation. These include the creation of a national insurance development corporation which will provide a type of reinsurance for the industry for riot losses due to the disturbing withdrawal of European reinsurers from the American market. Legislation has also been introduced in the Congress by Senator Russell Long and Congressman Wilbur Mills to accomplish the proposed tax deferral features of the Panel report.

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I have already held exploratory sessions with local property and casualty insurance executives on the subject of the recommended "voluntary plans" to provide fair access to property insurance for property owners. A joint industry - government group is being formed to develop voluntary plans and give the opportunity to the industry to respond without the necessity of mandatory legislation creating insurance pools to facilitate insuring property in urban core areas.

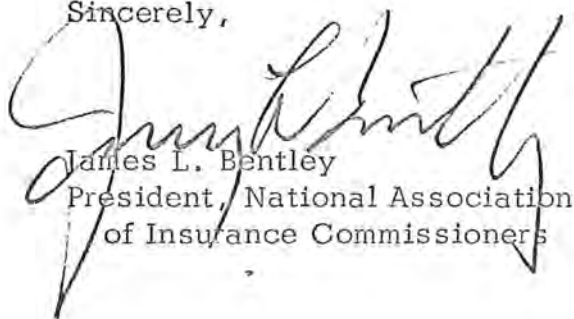
It would be helpful to have your personal assistance in this program or the benefit of the expertise of some of your department heads and municipal officials. I will be contacting you about this later in the spring.

It appears, therefore, that every flank has been covered from the insurance, compensation and repair aspect of the riot problem. These areas obviously involve state and federal action. I have already testified twice and filed four separate statements with Congressional Committees in Washington on these subjects. I think that the presently pending federal legislation with some quite appropriate amendments will be passed within the next sixty days.

Work to be done on the insurance aspect here at the state level is progressing, and I will continue to report to you on it. Incidentally, a recent state-wide survey of insurance agents and brokers indicates virtually no discrimination against property owners in Georgia due to race and color. There are the implications of race and geographical discriminations which themselves are minimum in Georgia. They will nevertheless be significantly studied as we begin applying these proposed solutions.

Finally, let me thank you for your good and patient leadership at the municipal level. We must pray fervently and regularly that our City and our entire State will continue to be spared this humiliating destruction. Understanding and patient leadership is a part of the solution.

Sincerely,



James L. Bentley
President, National Association
of Insurance Commissioners

JLB:ds