

State House  
Annapolis, Maryland 21404

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have today vetoed House Bill 849.

This bill requires the State Insurance Commissioner to make a decision on a proposed rate change within 61 working days after submission to him of the proposal. The rate changes affected by the bill are those filed by a corporation which operates a nonprofit health service plan.

The Insurance Commissioner informs me that he has no objection to a statutory time limitation upon his rate filing decisions. In fact, this is the present procedure with filings submitted by certain companies under Section 242 of Article 48A. However, the General Assembly has authorized the Insurance Commissioner to extend that particular time period, if he gives notice to the company that he needs additional time to consider the filing. This then prevents an insurance company from delaying its submission of information, thereby forcing the Commissioner to make a decision based on incomplete information. Because the Legislature has authorized an extension of time, this loophole is closed.

House Bill 849 contains no such exception to the 61 day period. I believe that each rate filing decision should be based upon all of the time and data that the Commissioner deems necessary to that particular decision. Had House Bill 849 contained an exception such as that contained in Section 242 of Article 48A, neither I nor the Insurance Commissioner would object to the bill.

For these reasons, I have decided to veto House Bill 849.

Sincerely,  
Marvin Mandel  
Governor

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House Bill No. 858 - Collection Agencies - Licenses  
AN ACT concerning