

## INSURANCE

## HOUSE BILL No. 466

AN ACT to repeal and re-enact, with amendments, Section 6 of Article 48A of the Annotated Code of Maryland (1947 Supplement), title "Insurance", sub-title "Insurance Department", raising the salary of the Chief Examiner of the Insurance Department.

This Bill, as its title indicates, fixes by law the salary of the Chief Examiner of the Insurance Department, while under existing law it is established at such an amount as shall be provided in the budget. For several years the practice has been to remove salary figures from various statutes and to provide that they shall be determined in the budget. In actual practice, that system has worked well and it is my view that the present Bill should be vetoed.

## HOUSE BILLS NOS. 554 AND 555

## No. 554

AN ACT to add a new section to Article 48A of the Annotated Code of Maryland (1939 Edition), title "Insurance", sub-title "General Provisions", said new section to follow immediately after Section 51 and to be known as Section 51A, relating to the payment of dividends on expiring participating policies of stock Fire, Casualty and Miscellaneous companies.

## No. 555

AN ACT to add a new section to Article 48A of the Annotated Code of Maryland (1939 Edition), title "Insurance", sub-title "Reciprocal Exchanges and Inter-Insurers", said new section to follow immediately after Section 170 and to be known as Section 170A, providing for the payment of dividends on expiring reciprocal or inter-insurance contracts.

These two Bills seek to regulate the payment of dividends on expiring participating policies of certain insurance companies. Both Acts are obviously patterned after Section 163 of Article 48A of the Code, which deals with mutual companies and was passed many years ago.

Recent conferences by the State Insurance Department with representatives of both foreign and domestic companies, have developed the fact that the provisions of these bills would impose unreasonable hardships and expense on the companies