

Dear Mr. President:

In accordance with Article II, Section 17, of the Maryland Constitution, I have today vetoed Senate Bill 168.

This bill makes certain corrections in Article 89B of the Annotated Code of Maryland. The same corrections were made by House Bill 1000, which was enacted by the General Assembly and was signed by me on May 5, 1970. Consequently, it is unnecessary for me to sign Senate Bill 168.

Sincerely,

/s/ MARVIN MANDEL,

*Governor.*

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**Senate Bill No. 267—Defenses Against Insurance Policies**

AN ACT to repeal and re-enact, with amendments, Section 441 of Article 48A of the Annotated Code of Maryland (1968 Replacement Volume and 1969 Supplement), title "Insurance Code," subtitle "Health Insurance," to limit or reduce the extent of the period during which an insurer may void a policy or raise certain defenses to claims.

May 26, 1970.

Honorable William S. James  
President of the Senate  
State House  
Annapolis, Maryland

Dear Mr. President:

In accordance with Article II, Section 17, of the Maryland Constitution, I have today vetoed Senate Bill 267.

This bill would reduce the time limit under which insurance companies issuing health and accident insurance policies could void policies for misstatements in applications by claimants, from the present maximum limit of two years to a limitation of one year. These misstatements which allow the health insurance companies to deny claims, generally relate to the applicant's age, occupation, pre-existing disease or physical condition. The statutory limitation found throughout the country ranges from two to three years, and no State presently limits the incontestable period for misstatements to one year. The rates set by the insurance companies throughout the entire country are based upon the two year period of limitations, and the standard insurance policies prepared by the insurance companies are based on the two year limitation. If this bill were to become law, the many insurance companies doing business in this State would be forced to prepare special policies for Maryland, which would have the effect of increasing the cost of these policies.

Even more important, is the fact that by decreasing the limitation period, those innocent persons who do not make misstatements will be adversely affected because of increased premium rates. Insurance companies base their premiums on the present two year limi-