

## Senate Bill No. 658 - Insurance Commissioner - Cease and Desist Orders

AN ACT to add a new Section 55(3) to Article 48A of the Annotated Code of Maryland (1972 Replacement Volume), title "Insurance Code," subtitle "Insurers: Authorization and General Requirements," to follow immediately after Section 55(2) thereof, to permit the Insurance Commissioner to issue a cease and desist order IIwhere there are grounds for the Commissioner to refuse to issue or renew or suspend or revoke an insurer's certificate of authority and the Commissioner further finds that the insurer's continued writing of insurance would result in irreparable harm, and generally relating to the procedures of issuing such cease and desist ordersII against an insurer under certain conditions.

June 1, 1973.

Honorable William S. James  
President of the Senate  
State House  
Annapolis, Maryland 21404

Dear Mr. President:

In accordance with Article II, Section 17, of the Maryland Constitution, I have today vetoed Senate Bill 658.

This bill authorizes the Insurance Commissioner, under certain conditions, to issue, without notice and before a hearing, an order requiring the insurer to cease and desist from writing any further insurance in the State.

House Bill 534, which was enacted by the General Assembly, and signed by me on May 24, 1973, accomplishes the same purpose.

Additionally, the Attorney General has advised me, in an opinion which is to be considered part of this message, of a conflict in form between Senate Bill 658 and House Bill 534.

Because of the conflict in form between Senate Bill 658 and House Bill 534, and because House Bill 534 accomplishes the same purpose as Senate Bill 658, I have decided to veto Senate Bill 658.

Sincerely,

/s/ Marvin Mandel  
Governor

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Letter from Attorney General on Senate Bill No. 658

April 26, 1973

The Honorable Marvin Mandel  
Governor of Maryland  
State House  
Annapolis, Maryland 21404

Re: Senate Bill No. 658 and  
House Bill No. 534  
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Dear Governor Mandel:

Both Senate Bill No. 658 and House Bill No. 534 would enact a new subsection 55(3) to Article 48A of the Annotated Code of Maryland (1972 Replacement Volume). Both bills would authorize the Insurance Commissioner to issue a cease and desist order, without notice and before hearing, in certain cases where an insurer is in a precarious financial condition. The texts of both bills generally are identical. However, Senate Bill No. 658 would authorize a cease and