

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2005.

May 26, 2005

The Honorable Thomas V. Mike Miller, Jr.
President of the Senate
State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, today I have vetoed Senate Bill 580 - *Insurance - Delinquency Proceedings Against Insolvent Insurers - Financial Contracts*.

This bill provides that a person may not be stayed or otherwise prohibited from exercising specified rights in delinquency proceedings brought under specified provisions of law against specified insurers and requires specified net or settlement amounts due to an insurer subject to a specified delinquency proceeding to be transferred to or on the order of the receiver for the insurer. It also specifies the manner in which a receiver in a delinquency proceeding must transfer specified netting agreements and qualified financial contracts.

House Bill 666, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 580.

Very truly yours,
Robert L. Ehrlich, Jr.
Governor

Senate Bill No. 580

AN ACT concerning

Insurance - Delinquency Proceedings Against Insolvent Insurers - Financial Contracts

FOR the purpose of providing that a person may not be stayed or otherwise prohibited from exercising certain rights under certain circumstances in certain delinquency proceedings against certain insurers; requiring certain net or settlement amounts due to an insurer subject to a certain delinquency proceeding to be transferred to or on the order of the receiver for the insurer; specifying the manner in which a receiver in a certain delinquency proceeding must transfer certain netting agreements and qualified financial contracts; requiring a receiver for an insurer to give notice to parties to certain netting agreements and qualified financial contracts under certain circumstances; prohibiting a receiver for an insurer from avoiding a transfer of certain money or other property under certain circumstances; requiring a receiver to exercise certain powers to disaffirm or repudiate certain netting agreements and