

(I) AS IF THE CLAIM HAD ARISEN BEFORE THE DATE OF THE FILING OF THE PETITION FOR LIQUIDATION; OR

(II) IF A REHABILITATION PROCEEDING IS CONVERTED TO A LIQUIDATION PROCEEDING, AS IF THE CLAIM HAD ARISEN BEFORE THE DATE OF THE FILING OF THE PETITION FOR REHABILITATION.

(3) (I) THE AMOUNT OF THE CLAIM IDENTIFIED IN PARAGRAPH (2) OF THIS SUBSECTION SHALL BE THE ACTUAL DIRECT COMPENSATORY DAMAGES DETERMINED AS OF THE DATE OF THE DISAFFIRMANCE OR REPUDIATION OF THE NETTING AGREEMENT OR QUALIFIED FINANCIAL CONTRACT.

(II) IN SUBPARAGRAPH (I) OF THIS PARAGRAPH, "ACTUAL DIRECT COMPENSATORY DAMAGES" DOES NOT INCLUDE PUNITIVE OR EXEMPLARY DAMAGES, DAMAGES FOR LOST PROFITS OR LOST OPPORTUNITY, OR DAMAGES FOR PAIN AND SUFFERING, BUT DOES INCLUDE NORMAL AND REASONABLE COSTS OF COVER OR OTHER REASONABLE MEASURES OF DAMAGES USED IN THE DERIVATIVES MARKET FOR THE CONTRACT AND AGREEMENT CLAIMS.

(H) ALL RIGHTS OF COUNTERPARTIES UNDER THIS SUBTITLE SHALL APPLY TO NETTING AGREEMENTS AND QUALIFIED FINANCIAL CONTRACTS ENTERED INTO ON BEHALF OF:

(1) THE GENERAL ACCOUNT; OR

(2) SEPARATE ACCOUNTS IF THE ASSETS OF EACH SEPARATE ACCOUNT ARE AVAILABLE ONLY TO COUNTERPARTIES TO NETTING AGREEMENTS AND QUALIFIED FINANCIAL CONTRACTS ENTERED INTO ON BEHALF OF THAT SEPARATE ACCOUNT.

(I) THIS SECTION DOES NOT APPLY TO A PERSON THAT IS AN AFFILIATE OF THE INSURER THAT IS THE SUBJECT OF A DELINQUENCY PROCEEDING UNDER THIS SUBTITLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 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 593 – *Caroline County – Sheriff – Salary*.

This bill alters the salary of the Sheriff of Caroline County from \$55,000 to \$65,000 and provides that the Act does not apply to the salary or compensation of the incumbent Sheriff of Caroline County.