

VETOES

in Maryland and who participate in a health maintenance organization, preferred provider organization, or group practice in Maryland and any adjoining state.

The original intent of this bill was to allow Medical Mutual to expand its policyholder base to other states and provide it with additional sources of revenue. It was felt that this expansion would assist Medical Mutual in providing insurance coverage to Maryland physicians at a time when the availability and affordability of medical malpractice insurance has reached crisis proportions. The unintended effect of this amendment, however, would be to severely limit, rather than expand, the current underwriting base for Medical Mutual.

Under present law Medical Mutual is permitted to write insurance in any of the 50 states, provided the physician is licensed to practice in Maryland. If House Bill 230 were to be signed as amended, it would limit Medical Mutual's current underwriting authority to only those physicians licensed in Maryland and who are part of an HMO, PPO, or group practice in both Maryland and any adjoining state.

Upon learning of this unintended effect of the bill, the sponsor has requested that I veto House Bill 230. The primary proponent of this bill, Medical Mutual, also concurs with this recommendation and will be working with Senate and House Committees over the interim to study this issue further.

Therefore, for the above reason, I have decided to veto House Bill 230.

Sincerely,
William Donald Schaefer
Governor

House Bill No. 230

AN ACT concerning

Medical Mutual Liability Insurance Society - Out-of-State
Physicians

FOR the purpose of permitting the Medical Mutual Liability Insurance Society of Maryland to insure certain out-of-state physicians and health care providers under certain circumstances; modifying certain definitions; and generally relating to the Medical Mutual Liability Insurance Society.

BY repealing and reenacting, with amendments,