

VETOES

concerning the sale of nonassessable policies including, but not limited to, Sections 48, 49, and 50 of this article.

554.

(a) The terms and conditions of all policies issued by the Society and its subsidiaries to each class of physicians and other health care providers shall be essentially uniform in terms and coverage.

(b) Notwithstanding the provisions of subsection (a), the Society and its subsidiaries may prescribe reasonable classifications of physicians and other health care providers and insured activities and exposures based on good faith determination of relative exposures and hazards among classifications and may vary the limits, coverages, exclusions, conditions, and loss-sharing provisions among classifications. Additionally, the Society and its subsidiaries may prescribe, in the case of an individual physician or other health care provider within a class, reasonable variations in the terms of coverage including, but not limited to, deductibles and loss-sharing provisions, based upon the insured's prior loss experience and current professional training and capability.

556.

(a) If, in the judgment of the board of directors, the affairs of the Society thereby may be administered suitably and efficiently, the Company may enter into a contract, not to exceed five years in duration, whereby the affairs of the Society are administered by a licensed insurer, or a licensed nonprofit health service plan, subject to such continuing direction by the board of directors as specified in the articles of incorporation, the bylaws, and the contract.

(b) Upon the execution of any contract, the Society shall promptly file a true copy with the State Insurance Commissioner. The contract shall become effective 30 days from the date of filing unless the Commissioner, prior to the effective date, disapproves the contract as being contrary to law, public policy or unduly onerous and states the reasons for his findings.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1987.

The Honorable R. Clayton Mitchell, Jr.
Speaker of the House of Delegates

June 2, 1987