

## VETOES

of Section 240C-1, it may give individuals in some situations the impression that they have insurance coverage when in fact they do not.

The bill provides that a person excluded from a policy may not operate the named insured's vehicle unless the excluded person is insured under a separate policy. This language would seem to allow excluded drivers to operate vehicles from which they are excluded, with coverage falling to their own carriers. However, since that coverage is not anticipated or considered by the carrier when rating the policy, adequate premiums for this additional risk are not assessed. This language might nullify the operation of standard "use of other automobiles" clauses contained in many private automobile insurance policies. Such clauses are designed to exclude coverage of other vehicles unless used in the manner allowed by the policy. If such clauses are not nullified, then the bill may leave both the excluded driver and the named insured exposed to personal liability, that is, uninsured, while giving the illusion of coverage. Enactment of this bill could result in cases where the driver of an automobile believes they have insurance, only to find at the time of an accident that they are not insured. For these reasons, I have decided to veto Senate Bill 327.

Sincerely,  
William Donald Schaefer  
Governor

Senate Bill No. 327

AN ACT concerning

Motor Vehicle Insurance - Voluntary Exclusions  
from Coverage

FOR the purpose of allowing a first named insured under a policy of private passenger automobile insurance or under a policy issued by the Maryland Automobile Insurance Fund to request the exclusion of certain individuals from coverage under the policy under certain circumstances; limiting the total number of individuals that may be excluded from a policy; limiting the types of individuals that may be excluded; requiring that the first named insured or other insureds not excluded own the vehicles insured under the policy; prohibiting the premium on the policy from taking into account the claims experience or driving record of any excluded individual; providing for the applicability of the exclusion; providing that certain individuals excluded are entitled to coverage by the Maryland Automobile Insurance Fund under certain circumstances; prohibiting a person