

## VETOES

The Honorable R. Clayton Mitchell, Jr.  
Speaker of the House of Delegates  
State House  
Annapolis, Maryland 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have today vetoed House Bill 1405.

This bill provides the Insurance Commissioner with additional authority as a rehabilitator, subject to court approval, in the event a health maintenance organization (HMO) becomes insolvent, and requires each HMO by January 1, 1990 to develop an insolvency plan.

Senate Bill 758, which was passed by the General Assembly and signed by me on May 25, 1989, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 1405.

Sincerely,  
William Donald Schaefer  
Governor

House Bill No. 1405

AN ACT concerning

Health Maintenance Organizations - Rehabilitation and Insolvency

FOR the purpose of authorizing the Insurance Commissioner to take certain actions as a rehabilitator or liquidator of a health maintenance organization under certain circumstances; providing for the continuation of benefits to subscribers and enrollees of insolvent health maintenance organizations under certain circumstances; specifying that certain claims and expenses incurred by the Commissioner as a receiver of a health maintenance organization be considered expenses for the administration of the receivership plan and have priority over all other expenses; specifying that enrollees or subscribers of health maintenance organizations be held harmless for certain financial obligations of health maintenance organizations; requiring health maintenance organizations to have certain insolvency plans by a certain date; and generally relating to the rehabilitation and insolvency of health maintenance organizations.

BY repealing and reenacting, with amendments,