

(2) pay, allow, give, or offer to pay, allow, or give directly or indirectly as an inducement to the insurance or annuity:

- (i) a rebate of premiums payable on the contract;
- (ii) a special favor or advantage in the dividends or other benefits under the contract;
- (iii) paid employment or a contract for services of any kind; or
- (iv) any valuable consideration or other inducement not specified in the contract;

(3) directly or indirectly give, sell, purchase, offer or agree to give, sell, or purchase, or allow as inducement to the insurance or annuity or in connection with the insurance or annuity, regardless of whether specified in the policy or contract, an agreement that promises returns and profits, or stocks, bonds, or other securities, or a present or contingent interest in or measured by stocks, bonds, or other securities, of an insurer or other corporation, association, or partnership, or dividends or profits accrued or to accrue on stocks, bonds, or other securities; or

(4) offer, promise, or give [anything of value] ANY VALUABLE CONSIDERATION not specified in the contract, EXCEPT FOR EDUCATIONAL MATERIALS, PROMOTIONAL MATERIALS, OR ARTICLES OF MERCHANDISE, ~~OF NOMINAL VALUE THAT COST LESS THAN \$10 (ADJUSTED FOR INFLATION, USING THE CONSUMER PRICE INDEX - ALL URBAN CONSUMERS)~~, REGARDLESS OF WHETHER A POLICY IS PURCHASED.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 1997.

May 22, 1997

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, I have today vetoed Senate Bill 750.

This bill alters several provisions of the Insurance Article regarding premium financing, including provisions concerning additional premiums, notification of a financed insurance premium, and initial down payments. This bill also alters several requirements regarding the return of premiums after cancellation, including the time allowed for the return, responsibility of the insurer for returns of unearned premiums to a person other than the premium finance company, interest applicable to returns by an insurer, and deductions by an insurer.

House Bill 1099, which was passed by the General Assembly and signed by me on April