

2. ANY ASSET-BACKED SECURITIES SECURED BY OR EVIDENCING AN INTEREST IN A SINGLE ASSET OR POOL OF ASSETS; OR

(VII) THE FOLLOWING WOULD EXCEED ONE-HALF OF ONE PERCENT OF THE LIFE INSURER'S ADMITTED ASSETS:

1. THE AGGREGATE AMOUNT OF LOWER GRADE INVESTMENTS ISSUED, ASSUMED, GUARANTEED, ACCEPTED, OR INSURED BY ANY ONE PERSON; OR

2. ANY ASSET-BACKED SECURITIES SECURED BY OR EVIDENCING AN INTEREST IN A SINGLE ASSET OR POOL OF ASSETS.

(o) (1) The reserve investments of a life insurer may include derivative transactions under this subsection, whether entered into directly or indirectly through an investment subsidiary, under the conditions of paragraphs (2) through [(7)] (6) of this subsection.

(6) ANY ASSET BEING REPLICATED IS SUBJECT TO ALL OF THE PROVISIONS AND LIMITATIONS ON THE INVESTMENT AS IF THE REPLICATION TRANSACTION CONSTITUTED A DIRECT INVESTMENT BY THE LIFE INSURER IN THE REPLICATED ASSET.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2003.

May 22, 2003

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, today I have vetoed Senate Bill 603 – Tobacco Product Manufacturers – Nonparticipating Manufacturers – Escrow Requirements.

This bill requires tobacco product manufacturers whose cigarettes are sold in the State to periodically submit specified certifications, reports, and notices to the Attorney General; requires the Attorney General to maintain a directory of cigarettes approved for stamping and sale; prohibits the stamping or selling or importing of cigarettes not in the directory for sale in the State; and requires manufacturers to appoint an agent for the service of process.

House Bill 889, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 603.

Sincerely,