

(c) A waiver made under this section is not effective unless, prior to the waiver, the insurer gives the first named insured written notice of the nature, extent, and cost of the coverage described in § 19-505 of this subtitle.

(d) (1) A waiver made under this section shall be made on the form that the Commissioner requires.

(2) The form may be part of the insurance contract.

(3) The form shall clearly and concisely explain in 10 point boldface type:

(i) the nature, extent, and cost of the coverage that would be provided under the policy if not waived by the first named insured;

(ii) each effect of a waiver as stated in subsection (b) of this section;

(iii) that a failure of the first named insured to make a waiver requires an insurer to provide the coverage described in § 19-505 of this subtitle;

(iv) that an insurer may not refuse to underwrite a person because the person refuses to waive the coverage described in § 19-505 of this subtitle; and

(v) that a waiver made under this section must be an affirmative written waiver.

(e) A waiver made under this section by a person that is insured continuously by the Maryland Automobile Insurance Fund OR THE INSURER is effective until the waiver is withdrawn in writing.

(f) (1) An insurer may not refuse to underwrite a person because the person refuses to waive the coverage described in § 19-505 of this subtitle.

(2) An insurer that violates this subsection is subject to the penalties provided by §§ 4-113 and 4-114 of this article.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2004.

May 26, 2004

The Honorable Michael E. Busch
Speaker of the House
State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have today vetoed House Bill 703 – *Commercial Law – Hotels and Retirement Communities – Operating Agreements*.

This bill provides that if a conflict exists between the express terms and conditions of an operating agreement, and the terms and conditions implied by the law governing the relationship between a principal and agent, the express terms and conditions of