

that the Insurance Division be able to act quickly and without unnecessary delays for travel. Second, the courts in the selected jurisdiction will develop substantial expertise in relevant insurance law, allowing them to issue swifter and more consistent decisions. Third, the budgetary resources of the Insurance Division will be conserved by not having experts and lawyers travelling great distances.

Under current law, virtually all court actions involving the Insurance Commissioner must be filed in Baltimore City. A major exception to that requirement was for cases involving rehabilitation or conservatorship of an insurer. As part of my Administration's insurance reform package, that provision was altered and all cases, including conservatorships, will be required to be in Baltimore City.

A veto has been requested by the Insurance Division, the Maryland Automobile Insurance Fund (MAIF), and several insurance companies. MAIF and the Insurance Division cite budget concerns. The companies are concerned both about added costs to their policyholders and the increased possibility of inconsistent decisions. They correctly note that having a stay filed in one court and noting an appeal in another, which this bill would allow, may cause confusion and jurisdictional and procedural conflicts.

For these reasons, I have decided to veto Senate Bill 503.

Sincerely,
William Donald Schaefer
Governor

Senate Bill No. 503

AN ACT concerning

Insurance Commissioner - Hearings — Appeals

FOR the purpose of permitting certain hearings before ~~and appeals from~~ the Insurance Commissioner to be held in certain ~~jurisdictions~~ locations other than Baltimore City under certain circumstances; requiring the Commissioner to consider certain factors when determining the location of certain hearings; altering the venue where a stay of the Commissioner's proposed action may be filed under certain circumstances; altering certain notice requirements for a hearing before the Insurance Commissioner; providing for a delayed effective date; making stylistic changes; and generally relating to hearings before ~~and appeals from~~ the Insurance Commissioner.

BY repealing and reenacting, with amendments,
Article 48A - Insurance Code
Section 35, ~~36, 37, and 40(1)~~ and 36
Annotated Code of Maryland
(1986 Replacement Volume and 1990 Supplement)

BY repealing and reenacting, without amendments,
Article 48A - Insurance Code