

(3) An insurer may not agree with another insurer or rating organization to adhere to rules that are not reasonably related to the recording and reporting of data under the uniform classification system or uniform statistical plan.

(e) The experience rating plan methodology required under § 11-330(d)(4) of this subtitle shall be based on:

- (1) reasonable eligibility standards;
- (2) adequate incentives for loss prevention; and
- (3) sufficient premium differentials so as to encourage safety.

(f) (1) The EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE uniform experience rating plan shall be the exclusive PRIMARY EXCLUSIVE means of providing prospective premium adjustment based on measurement of the loss-producing characteristics of an individual insured.

(2) IN ADDITION TO ANY PREMIUM ADJUSTMENT ALLOWED UNDER PARAGRAPH (1) OF THIS SUBSECTION AND PURSUANT TO A FILING MADE BY A RATING ORGANIZATION AND APPROVED BY THE COMMISSIONER, AN INSURER MAY FILE A RATING PLAN WITH THE COMMISSIONER THAT PROVIDES FOR PROSPECTIVE PROSPECTIVE PREMIUM ADJUSTMENTS UP TO 25% BASED UPON CHARACTERISTICS OF A RISK THAT ARE NOT REFLECTED IN THE UNIFORM EXPERIENCE RATING PLAN.

[(2)] (3) An insurer may file a rating plan that provides for retrospective premium adjustments based on an insured's past experience.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 1998.

May 21, 1998

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 685.

This bill authorizes the Secretary of the Department of Labor, Licensing, and Regulation (DLLR) to be a party to an appeal filed by a claimant or employing unit with the Board of Appeals. The bill gives DLLR standing to appeal: (1) a final decision of the Board of Appeals to a circuit court; and (2) any decision of the Board of Appeals on behalf of the federal government in which DLLR is an agent of the federal government and responsible for the administration of a federal unemployment compensation program.

House Bill 687, which was passed by the General Assembly and signed by me on May