

Dear Mr. Speaker:

In accordance with Article II, Section 17, of the Maryland Constitution, I have today vetoed House Bill 575.

This bill, among other things, increases the financial penalties which a court may impose for a willful violation of the Insurance Code from the present maximum of one thousand dollars (\$1,000) to a maximum of one hundred thousand dollars (\$100,000). Also, the bill gives to the Insurance Commissioner, in addition to his right to revoke or suspend an insurer's certificate of authority, the right to impose administratively maximum fine of fifty thousand dollars (\$50,000) instead of the present maximum of twenty-five thousand dollars (\$25,000).

While not concluding that the bill is unconstitutional because of the presumption of constitutionality of all bills, the Attorney General has informed me that the title of the Act contains two defects and that the enactment clause contains another major defect. The opinion of the Attorney General is attached hereto and should be considered a part of this message. The defects in the bill reported by the Attorney General are, in my opinion, sufficiently serious to warrant a veto of the bill. For the reasons given in the Attorney General's opinion, I have decided to veto House Bill 575.

Sincerely,

/s/ MARVIN MANDEL,
Governor.

Letter from State Law Department on House Bill 575

April 22, 1970.

The Honorable Marvin Mandel
Governor of Maryland
State House
Annapolis, Maryland 21404

Re: House Bill No. 575

Dear Governor Mandel:

With reference to House Bill No. 575, we have reviewed the same and note the following difficulties with the Act:

1. The title of the Act states, in part, that it is to "provide the penalties for violations of Article 48A". This is a somewhat ambiguous phrase because the existing provisions of the Insurance Code already provide penalties for violations. The amendments to Section 12 of the Insurance Code which this part of the title apparently seeks to describe provides for an increase in the maximum statutory penalty which can be imposed for a willful violation of the Insurance Code.

2. The title of the Act states that it simply repeals and re-enacts Section 55A of the Insurance Code; whereas the Act repeals and re-enacts that section with amendments (although the balance of the title adequately describes the existence and effect of the resulting amendments).