

## Chapter 420

**(Senate Bill 641)**

AN ACT concerning

**State Retirement and Pension System – Fiduciary Insurance**

FOR the purpose of authorizing the State to purchase a certain insurance policy to satisfy a certain requirement that covers certain losses of State Retirement and Pension System assets; and generally relating to fiduciary insurance for the State Retirement and Pension System.

BY repealing and reenacting, with amendments,  
 Article – State Personnel and Pensions  
 Section 21–210  
 Annotated Code of Maryland  
 (2015 Replacement Volume and 2020 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
 That the Laws of Maryland read as follows:

**Article – State Personnel and Pensions**

21–210.

(a) **[The] EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, THE** State shall purchase a bond for each fiduciary in accordance with Title 9, Subtitle 17 of the State Government Article.

(b) (1) Unless a fiduciary is bonded as required by subsection (a) of this section, the fiduciary may not exercise custody or control of any assets of a State system.

(2) A fiduciary may not allow another fiduciary to act in violation of paragraph (1) of this subsection.

(c) **(1) [The bond required by] THE STATE MAY SATISFY THE REQUIREMENT FOR A BOND UNDER** subsection (a) of this section **[is the only bond required for a fiduciary to exercise custody or control of any assets of a State system] BY PURCHASING AN INSURANCE POLICY.**

**(2) THE STATE TREASURER, IN CONSULTATION WITH THE BOARD OF TRUSTEES, SHALL DETERMINE THE TYPE AND AMOUNT OF COVERAGE PROVIDED BY A POLICY PURCHASED UNDER PARAGRAPH (1) OF THIS SUBSECTION.**

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

1, 2021.

**Enacted under Article II, § 17(c) of the Maryland Constitution, May 30, 2021.**