

SENATE BILL 641

K4

1lr2156
CF HB 844

By: **Senator Elfreth (Chair, Joint Committee on Pensions)**

Introduced and read first time: January 29, 2021

Assigned to: Budget and Taxation

Committee Report: Favorable

Senate action: Adopted

Read second time: February 15, 2021

CHAPTER _____

1 AN ACT concerning

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

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

7 BY repealing and reenacting, with amendments,
8 Article – State Personnel and Pensions
9 Section 21–210
10 Annotated Code of Maryland
11 (2015 Replacement Volume and 2020 Supplement)

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

14 **Article – State Personnel and Pensions**

15 21–210.

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

19 (b) (1) Unless a fiduciary is bonded as required by subsection (a) of this section,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 the fiduciary may not exercise custody or control of any assets of a State system.

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

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

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

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
12 1, 2021.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.