

# SENATE BILL 641

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CF HB 844

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

Introduced and read first time: January 29, 2021

Assigned to: Budget and Taxation

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## A BILL ENTITLED

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

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

8           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
9 1, 2021.