

ACTED IN GOOD FAITH AND IN A MANNER HE REASONABLY BELIEVED TO BE IN OR NOT OPPOSED TO THE BEST INTEREST OF THE TEACHERS' RETIREMENT SYSTEM, AND, WITH RESPECT TO A CRIMINAL ACTION, HAD NO REASONABLE CAUSE TO BELIEVE HIS CONDUCT WAS UNLAWFUL, THEN INDEMNIFICATION SHALL BE AGAINST THOSE EXPENSES, INCLUDING REASONABLE ATTORNEY'S FEES, JUDGMENTS, FINES, AND ACCOUNTS PAID IN SETTLEMENT WHICH WERE ACTUALLY AND REASONABLY INCURRED BY HIM IN CONNECTION WITH THE PROCEEDING.

(D) THE TERMINATION OF ANY SUIT OR PROCEEDING, IN ANY MANNER, DOES NOT, OF ITSELF, CREATE A PRESUMPTION THAT THE PERSON DID NOT ACT IN GOOD FAITH AND IN A MANNER HE REASONABLY BELIEVED TO BE IN OR NOT OPPOSED TO THE BEST INTEREST OF THE TEACHERS' RETIREMENT SYSTEM, AND WITH RESPECT TO A CRIMINAL ACTION OR PROCEEDING, HAD REASONABLE CAUSE TO BELIEVE THAT HIS CONDUCT WAS UNLAWFUL.

(E) INDEMNIFICATION MAY NOT BE MADE WITH RESPECT TO ANY SUIT, CLAIM, OR MATTER AS TO WHICH THE PERSON WAS ADJUDGED TO BE LIABLE FOR NEGLIGENCE OR MISCONDUCT IN THE PERFORMANCE OF HIS DUTY TO THE TEACHERS' RETIREMENT SYSTEM. THE COURT IN WHICH THE ACTION WAS BROUGHT MAY DETERMINE, UPON APPLICATION, THAT, DESPITE THE ADJUDICATION OF LIABILITY, THE PERSON IS FAIRLY AND REASONABLY ENTITLED TO INDEMNITY FOR THE EXPENSES WHICH THE COURT SHALL DEEM PROPER.

(F) THE STATE SHALL PROVIDE INSURANCE FOR EVERY PERSON WHO IS SERVING IN A FIDUCIARY CAPACITY TO THE TEACHERS' RETIREMENT SYSTEM AGAINST ANY LIABILITY ASSERTED AGAINST HIM OR INCURRED BY HIM ARISING OUT OF HIS STATUS AS A FIDUCIARY.

SECTION 3. AND BE IT FURTHER ENACTED, That new Section 54A be and it is hereby added to Article 88B - State Police, of the Annotated Code of Maryland (1969 Replacement Volume and 1974 Supplement) to read as follows:

Article 88B - State Police

54A.

(A) THE STATE SHALL INDEMNIFY EVERY PERSON WHO IS MADE, OR IS THREATENED TO BE MADE, A PARTY TO ANY ACTION, SUIT, OR PROCEEDING, INCLUDING ADMINISTRATIVE AND INVESTIGATIVE PROCEEDINGS BY REASON OF HIS SERVICE IN A FIDUCIARY CAPACITY TO THE STATE POLICE RETIREMENT SYSTEM, IN ACCORDANCE WITH AND SUBJECT TO THE CONDITIONS STATED IN THIS SECTION.