

21-202. PURPOSES OF ASSETS OF SYSTEM.

THE BOARD OF TRUSTEES SHALL HOLD THE ASSETS OF EACH OF THE SEVERAL SYSTEMS FOR THE EXCLUSIVE PURPOSES OF PROVIDING:

- (1) BENEFITS TO PARTICIPANTS; AND
- (2) FOR REASONABLE EXPENSES OF ADMINISTRATION.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 73B, § 1-202.

The reference to the "Board of Trustees" is added for clarity.

Defined terms: "Board of Trustees" § 20-101

"Participant" § 20-101

"Several systems" § 20-101

21-203. STANDARDS OF CARE.

A FIDUCIARY SHALL DISCHARGE THE FIDUCIARY'S DUTIES WITH RESPECT TO THE SEVERAL SYSTEMS SOLELY IN THE INTEREST OF THE PARTICIPANTS AND AS FOLLOWS:

- (1) FOR THE EXCLUSIVE PURPOSES OF PROVIDING BENEFITS TO THE PARTICIPANTS AND FOR REASONABLE EXPENSES OF ADMINISTERING THE SEVERAL SYSTEMS;
- (2) WITH THE CARE, SKILL, PRUDENCE, AND DILIGENCE UNDER THE CIRCUMSTANCES THEN PREVAILING, THAT A PRUDENT PERSON ACTING IN A LIKE CAPACITY AND FAMILIAR WITH SUCH MATTERS WOULD USE IN THE CONDUCT OF AN ENTERPRISE OF A LIKE CHARACTER AND WITH LIKE AIMS;
- (3) BY DIVERSIFYING THE INVESTMENTS OF THE SEVERAL SYSTEMS SO AS TO MINIMIZE THE RISK OF LARGE LOSSES, UNLESS UNDER THE CIRCUMSTANCES IT IS CLEARLY PRUDENT NOT TO DO SO;
- (4) IN ACCORDANCE WITH THE LAWS GOVERNING THE SEVERAL SYSTEMS; AND
- (5) IN ACCORDANCE WITH THE DOCUMENTS AND INSTRUMENTS GOVERNING THE SEVERAL SYSTEMS TO THE EXTENT THAT THE DOCUMENTS AND INSTRUMENTS ARE CONSISTENT WITH THIS SUBTITLE.

REVISOR'S NOTE: This section formerly was Art. 73B, § 1-203.

The only changes are in style.

Defined terms: "Fiduciary" § 21-201

"Participant" § 20-101

"Several systems" § 20-101