

(C) ANY TERMINATION OF AN ACTION OR PROCEEDING DOES NOT, OF ITSELF, CREATE A PRESUMPTION THAT THE COVERED INDIVIDUAL DID NOT MEET THE STANDARDS FOR INDEMNIFICATION DESCRIBED IN SUBSECTION (B) (2) AND (3) OF THIS SECTION.

(D) THE STATE MAY NOT INDEMNIFY:

(1) A COVERED INDIVIDUAL WITH RESPECT TO AN ACTION OR PROCEEDING AS TO WHICH THE COVERED INDIVIDUAL WAS HELD LIABLE FOR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT IN THE PERFORMANCE OF THE COVERED INDIVIDUAL'S DUTY TO THE SUPPLEMENTAL RETIREMENT PLANS; OR

(2) AN INDEPENDENT CONTRACTOR FURNISHING SERVICES TO THE SUPPLEMENTAL RETIREMENT PLANS.

(E) (1) THE STATE SHALL PROVIDE INSURANCE FOR A COVERED INDIVIDUAL ELIGIBLE FOR INDEMNIFICATION UNDER THIS SECTION.

(2) FOR THE PURPOSE OF PARAGRAPH (1) OF THIS SUBSECTION, THE STATE MAY PROVIDE SELF-INSURANCE UNDER TERMS AND CONDITIONS SATISFACTORY TO THE STATE TREASURER.

(3) A COVERED INDIVIDUAL MAY NOT BE REQUIRED TO PAY AMOUNTS ATTRIBUTABLE TO LIABILITY DESCRIBED IN THIS SECTION BECAUSE THE STATE DOES NOT PROVIDE ADEQUATE INSURANCE COVERAGE OR OTHERWISE FAILS TO INDEMNIFY IN ACCORDANCE WITH THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply retroactively and shall be applied to and interpreted to affect supplemental retirement plans and accounts authorized and supplemental annuity contributions made after December 31, 2001.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2003.

Approved April 22, 2003.

CHAPTER 82

(Senate Bill 333)

AN ACT concerning

Individual Deferred Annuities - Minimum Nonforfeiture Amount - Interest Rate on Accumulations

FOR the purpose of reducing the interest rate applied to certain accumulations used to determine the minimum nonforfeiture amount under certain annuity contracts; providing for the termination of this Act; and generally relating to the interest rate applied to accumulations used to determine the minimum