

(III) FINES; AND

(IV) OTHER EXPENSES THAT WERE ACTUALLY AND REASONABLY INCURRED BY THE INDIVIDUAL IN CONNECTION WITH THE ACTION OR PROCEEDING.

(2) WITH RESPECT TO A CIVIL, ADMINISTRATIVE, OR INVESTIGATIVE ACTION OR PROCEEDING, THE STATE SHALL INDEMNIFY A COVERED INDIVIDUAL FOR THE EXPENSES OF THE ACTION OR PROCEEDING IF THE COVERED INDIVIDUAL ACTED:

(I) IN GOOD FAITH; AND

(II) IN A MANNER THE COVERED INDIVIDUAL REASONABLY BELIEVED TO BE IN OR NOT OPPOSED TO THE BEST INTEREST OF THE SUPPLEMENTAL RETIREMENT PLANS.

(3) WITH RESPECT TO A CRIMINAL ACTION OR PROCEEDING, THE STATE SHALL INDEMNIFY A COVERED INDIVIDUAL FOR THE EXPENSES OF THE ACTION OR PROCEEDING IF THE COVERED INDIVIDUAL:

(I) ACTED IN GOOD FAITH;

(II) ACTED IN A MANNER THE COVERED INDIVIDUAL REASONABLY BELIEVED TO BE IN OR NOT OPPOSED TO THE BEST INTEREST OF THE SUPPLEMENTAL RETIREMENT PLANS; AND

(III) DID NOT HAVE REASONABLE CAUSE TO BELIEVE THAT THE COVERED INDIVIDUAL'S CONDUCT WAS UNLAWFUL.

(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