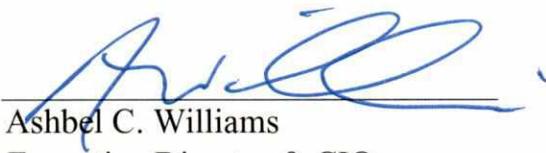


STATE BOARD OF ADMINISTRATION OF FLORIDA

ANNUAL REGULATORY PLAN CERTIFICATION

I HEREBY CERTIFY that the Annual Regulatory Plan (ARP) for the State Board of Administration of Florida ("SBA"), including the Florida Hurricane Catastrophe Fund, as required pursuant to Section 120.74(1), Florida Statutes has been reviewed by the undersigned. I also certify that the SBA, including the Florida Hurricane Catastrophe Fund, at least annually reviews all of its rules, the most recent review occurring in June 2018, to determine whether the rules remain consistent with the SBA's rulemaking authority and the laws implemented.



Ashbel C. Williams
Executive Director & CIO
State Board of Administration of
Florida



Maureen M. Hazen
General Counsel
State Board of Administration of
Florida

ENTERED this 28th day of September, 2018.

A copy of this Regulatory Plan will be posted on the SBA's website on or before October 1, 2018.

STATE BOARD OF ADMINISTRATION OF FLORIDA ("SBA")
2018-2019 ANNUAL REGULATORY PLAN

[Required pursuant to Chapter 2015-162, Laws of Florida]

OCTOBER 1, 2018

- Laws Amended/Created over previous 12 months that modify the agency's duties or authority (as required by Section 120.74(1)(a), Florida Statutes):

Chapter 2018-125, Laws of Florida (HB 359), amends Section 215.471, Florida Statutes to add certain investment restrictions regarding Venezuela. Specifically, Section 215.471(c), Florida Statutes provides that the SBA shall divest any investment in, and is prohibited from investing in, stocks, securities or other obligations of any company doing business in or with the government of Venezuela, or with any agency or instrumentality thereof, in violation of federal law. The scope, effect and implementation of this new law is similar to the investment restrictions regarding Cuba. The new law covers and contemplates entities that violate federal law by engaging in transactions prohibited by the U.S. Department of Treasury's Office of Foreign Assets Control (OFAC) sanctions list related to Venezuela.

All Investment Managers under contract with the SBA have been advised of the new provisions and informed that they must comply with the provisions for all funds managed on behalf of the SBA. All contracts between the SBA and the various Investment Managers are in the process of being amended to reflect the new provisions.

Effective Date: July 1, 2018.

No rule changes are required.

Chapter 2018-3, Laws of Florida (CS for SB 7026), amends 121.091(9)(c), Florida Statutes, to provide that retired law enforcement officers can be re-employed as school resource officers by FRS-participating employers and receive compensation from such employers once they meet the definition of termination set forth in Section 121.021, Florida Statutes. However, such law enforcement officers cannot receive both compensation and retirement benefits for six (6) months immediately subsequent to the date of retirement.

Effective Date: March 9, 2018.

Rule 19-11.009, F.A.C. (Re-employment with an FRS-Participating Employer after Retirement) will be amended to set forth this special exception to the general rule concerning re-employment of retirees. The rule will be amended by March 1, 2019.

Chapter 2018-140, Laws of Florida (HB 6003), amends Section 218.409, Florida Statutes to abolish the Participant Local Government Advisory Council (“PLGAC”). The PLGAC initially was created in 2008 after an unanticipated liquidity crisis in the Local Government Surplus Funds Trust Fund (known as “Florida PRIME”). The function of the PGLAC was to regularly review the administration of Florida PRIME and to make recommendations to the Trustees of the SBA (composed of the Governor, the Chief Financial Officer and the Attorney General) regarding such administration. In 2017, the PLGAC issued a report stating that all of the objectives of the PLGAC had been achieved and making a recommendation that the PLGAC should be discontinued. At the time of the report, Florida PRIME’s investment portfolio had increased by 86% (or a \$4.9 billion in net-asset-value growth). In addition, the Fund B Surplus Funds Trust Fund that had been created to hold distressed subprime commercial paper was liquidated, as the legacy Fund B original principal amount was returned in full to participants, as well as a significant portion of the November 2007 interest earnings. While the PLGAC was liquidated, all current risk controls, investment policies, and participant disclosures were maintained and subject to Investment Advisory Council oversight.

Effective Date: March 30, 2018.

No rule changes are required.

Chapter No. 2018-79, Laws of Florida (CS/HB 7069), deletes subsection (3) of Section 1009.988, Florida Statutes, that had provided that the Florida ABLE Program Trust Fund (“Trust Fund”) , was scheduled to terminate on May 21, 2019. The law serves to re-create the Trust Fund within the SBA without modification. No termination date for the Trust Fund is specified.

Effective Date: July 1, 2018.

No rule changes are required.

NOTE: There are a few laws that affect all Florida governmental entities, but that do not need to be implemented by rulemaking by the governmental entities, nor by the sending of reports or other information to another governmental entity. The SBA recognizes the existence of these new laws and may revise, or has revised, its internal policies, procedures and contracts in view of these changes. The new laws are as follows:

Chapter No. 2018-146, Laws of Florida (CS/HB 411): Public Records

This law amends Sections 119.071, 281.301 and 286.0113, Florida Statutes, to provide for an exemption from public records requirements for firesafety system plans held by agency; an exemption from public records and public meetings requirements for information relating to firesafety systems for certain properties and meetings relating to such systems

and information; and an exemption from public meetings requirements for portions of meetings that would reveal such plans held by agency.

Effective Date: April 6, 2018.

Chapter No. 2018-57, Laws of Florida (HB 651): Repeal of Florida State Employees Charitable Campaign

This law repeals provisions relating to Florida State Employees' Charitable Campaign; and prohibits any organization, entity, or person from intentionally soliciting state employees for fundraising or business purposes within work areas during work hours.

Effective Date: July 1, 2018.

Chapter 2018-16, Laws of Florida (CS/CS/CS for SB 268): Public Records

This law amends Chapter 744, Florida Statutes, which contains the Florida Guardianship Law. The amendments, set forth in newly-created Section 744.21031, Florida Statutes, provide a public records exemption for information, such as telephone numbers, dates of birth, places of employment and photographs of, current and former public guardians and their employees with fiduciary responsibility. The exemption also extends to the names, home addresses, telephone numbers, dates of birth and places of employment of the family members of such persons, as well as to the names and locations of schools and day care facilities attended by the children of such persons. The term "employee with fiduciary responsibility" is defined as an employee of a public guardian who has the ability to direct any transactions of a ward's assets, funds or property; one who, under the direction of the public guardian, manages the care of any ward; or one who makes any health care decision on behalf of any ward.

Effective Date: July 1, 2018

- Laws not otherwise listed that the Agency expects to implement by rulemaking before the following July:

N/A

- Updates to prior year's plan or supplement. If in a prior year, a law was identified requiring rulemaking to implement but notice of proposed rule has not been published:

N/A

Additional Information: Proposed Changes to Rules that are required by existing laws:

See attached sheet.

**State Board of Administration/Florida Hurricane Catastrophe Fund
2018-2019 Annual Regulatory Plan**

Rule Number	Rule Title	Rulemaking Action	Reason for Rulemaking	Additional Details on Reason for Rulemaking	Description of Current Rule or Statute to be Implemented	Description of Changes to be Made in Rulemaking	Economic Impact	Highly Technical or Complicated
19-8.010	Reimbursement Contract	Rule Amendment	Statutory Mandate (State statutory mandate; s. 215.555(17)(b) requires the SBA to adopt the Reimbursement Contract form no later than February 1 of each year.)	The Reimbursement Contract is annually reviewed and revised to accommodate statutory changes, technical issues, and any need for clarification.	Section 215.555, F.S., originally enacted in 1993, establishes the Florida Hurricane Catastrophe Fund within the SBA and provides for reimbursement of a portion of residential property insurers' hurricane losses. Rule 19-8.010 implements this statute by specifying the form of the annual Reimbursement Contract.	Revised definitions and exclusions, as well as various clarifying and technical changes, are anticipated	None	Yes
19-8.028	Reimbursement Premium Formula	Rule Amendment	Statutory Mandate (State statutory mandate; s. 215.555(5) requires the SBA to adopt a formula for the "actuarially indicated" premium to be paid by insurers to the FHCF. To comply with the "actuarially indicated" requirement, the premium formula is revised annually.)	The annual revision of the Reimbursement Premium Formula also accommodates statutory changes, technical issues, and any need for clarification.	Section 215.555, F.S., originally enacted in 1993, establishes the Florida Hurricane Catastrophe Fund within the SBA and provides for reimbursement of a portion of residential property insurers' hurricane losses. Rule 19-8.028 implements this statute by providing the formula for determining premiums to be paid to the fund by participating insurers.	Implementation of actuarial recommendations pursuant to s. 215.555(5)(b), F.S., and technical and clarifying changes	None	Yes
19-8.029	Insurer Reporting Requirements and Responsibilities	Rule Amendment	Technical Changes	This rule provides for insurer reporting of insured values, as required by s. 215.555(5)(c), F.S., and instructions to insurers relating to examinations under s. 215.555(4)(f), F.S. It is revised annually to accommodate statutory changes, technical issues, and any need for clarification.	Section 215.555, F.S., originally enacted in 1993, establishes the Florida Hurricane Catastrophe Fund within the SBA and provides for reimbursement of a portion of residential property insurers' hurricane losses. Rule 19-8.029 implements this statute by providing for reporting of insured values to the fund and providing instructions relating to examination of insurers.	Only technical and clarifying changes are anticipated at this time.	None	Yes