



424216

CHAMBER ACTION

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| <u>Senate</u> | . | <u>House</u> |
| Comm: WD | . | |
| 3/25/2008 | . | |
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1 The Committee on Banking and Insurance (Atwater) recommended the
2 following **amendment to amendment (411274)**:

Senate Amendment (with title amendment)

Between line(s) 6 and 7

insert:

7 Section 1. The Legislature finds that prudent and sound
8 investments by the State Board of Administration of funds from
9 the Florida Retirement System Trust Fund in state bonds,
10 including but not limited to bonds issued by the Florida
11 Hurricane Catastrophe Fund, that have potential to earn stable
12 and substantial returns will serve the broad interests of the
13 beneficiaries of the trust fund. The Legislature also finds that
14 such investments help promote the continued maintenance of
15 employer contributions to the system by strengthening the economy
16 of the State of Florida. Therefore, it is a policy of this state
17 that the State Board of Administration identify and invest in

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18 such investments if they are consistent with and do not
19 compromise or conflict with the fiduciary obligations of the
20 State Board of Administration to the participants, members, or
21 beneficiaries of the Florida Retirement System.

22 Section 2. Present subsections (7) through (17) of section
23 215.47, Florida Statutes, are renumbered as subsections (8)
24 through (18), respectively, and a new subsection (7) is added to
25 that section, to read:

26 215.47 Investments; authorized securities; loan of
27 securities.--Subject to the limitations and conditions of the
28 State Constitution or of the trust agreement relating to a trust
29 fund, moneys available for investments under ss. 215.44-215.53
30 may be invested as follows:

31 (7) The State Board of Administration, consistent with sound
32 investment policy, shall invest in bonds, issued by the Florida
33 Hurricane Catastrophe Fund if those bonds are offered but not
34 sold to other buyers.

35 Section 3. Paragraph (o) is added to subsection (1),
36 paragraph (k) is added to subsection (2), and subsection (18) is
37 added to section 215.47, Florida Statutes, to read:

38 215.47 Investments; authorized securities; loan of
39 securities.--Subject to the limitations and conditions of the
40 State Constitution or of the trust agreement relating to a trust
41 fund, moneys available for investments under ss. 215.44-215.53
42 may be invested as follows:

43 (1) Without limitation in:

44 (o) Bonds issued by the Florida Hurricane Catastrophe Fund.

45 (2) With no more than 25 percent of any fund in:

46 (k) CAT Fund bonds.



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47 (18) The State Board of Administration, consistent with
 48 sound investment policy, shall purchase bonds issued by the
 49 Florida Hurricane Catastrophe Fund, B consistent with s. 215.47.
 50 Prior to making any such investments, the board must obtain an
 51 opinion from legal counsel skilled in federal taxation that such
 52 investments will not negatively impact the tax exempt status of
 53 the trust fund. Such investments must comply with the exclusive
 54 benefit rule and must provide an adequate rate of return to the
 55 System Trust Fund considering all investment risks involved.

58 ===== T I T L E A M E N D M E N T =====

59 And the title is amended as follows:

60 Line 3196, after the word "insurance,"
 61 insert:
 62 amending s. 215.47, F.S.,
 63 providing bonding requirements;