



KPMG LLP
4200 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402

August 11, 2021

State Board of Administration of Florida
1801 Hermitage Blvd, Suite 100
Tallahassee, FL 32308

Ladies and Gentlemen:

This letter amends our Engagement Letter dated August 22, 2018, (herein after "Agreement") confirming our understanding to provide professional audit services to the Florida Hurricane Catastrophe Fund and the State Board of Administration Finance Corporation (collectively, "the Fund") by substituting the attached Appendix I for the Appendix I originally attached to our engagement letter and amending its terms as noted below.

The attached Appendix I lists the services to be rendered and related fees to provide each specified service for the identified time period. Except as specified in this letter and in the Appendix I attached to this letter, all provisions of the aforementioned engagement letter remain in effect until either the audit committee or we terminate this agreement or mutually agree to the modification of its terms.

Annual Report

The auditing standards require us to read the other information in the Fund's annual report and consider whether a material inconsistency exists between the other information and the combined financial statements and/or statutory financial statements. Management has identified the following document comprising the annual report:

- Florida Hurricane Catastrophe Fund 2021 Annual Report

Management will provide final versions of these documents to us in a timely manner, and if possible, before the date of our auditor's report. If some or all of the documents are not available until after that date, management will provide written representation that the final documents will be provided when available and prior to issuance by the Fund.

Exempt Offerings

In the event the Fund requests our involvement with a future exempt filing that will include or incorporate by reference these combined financial statements and our audit report(s) thereon, professional standards require us to be separately engaged. The specific terms of our future services with respect to future exempt offerings will be determined at the time the services are to be performed and will be subject to the negotiation, agreement, and execution of a specific engagement letter or contract.

In the event the Fund does not engage us to be involved with the offering document, then the Fund agrees to include the following language in the offering document:

"KPMG, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the combined financial statements addressed in that report. KPMG LLP also has not performed any procedures relating to this prospectus or offering memorandum or official statement."



Other Matters

In an effort to facilitate efficient communication between KPMG and the Fund related to the audit and to track engagement progress during the course of the engagement, KPMG may provide the Fund with access to certain online tools. If such access is provided to the Fund, the Fund shall be responsible for: (i) their users' access and use of such tools (including the information their users may upload to such tools and compliance with all laws and regulations applicable to use or access by the Fund's users outside of the United States (e.g. export control and data privacy laws and regulations)), and (ii) protecting the security of the account credentials in their possession for each user including timely informing KPMG when the Funds' individuals' access should be removed. The Fund acknowledges that they shall not provide third parties (agents or contractors) with access to such tools without KPMG's written consent, use such tools as a system of record, nor use such tools other than for purposes of the audit engagement. The KPMG online tools include technology licensed from Microsoft, and the Fund's use of such Microsoft technology is subject to the Microsoft End-User Terms available at

http://www.kpmginfo.com/NDPPS/media/docs/144210-1A_NAS_MicrosoftEnd-UserTerms.pdf.

The parties acknowledge that (1) section 215.557, Florida Statutes, provides that "The reports of insured values under covered policies by zip code submitted to the State Board of Administration pursuant to s. 215.555, as created by s. 1, ch. 93-409, Laws of Florida, or similar legislation, are confidential and exempt from the provisions of s. 119.07(1) and s. 24(a), Art. I of the State Constitution", (2) sections 812.081 and 815.045, Florida Statutes define and provide for the confidentiality of trade secret information, and (3) the State Board of Administration requires that Paragon safeguard any company-specific reported losses against disclosure to third parties. Accordingly, as part of the effort to maintain the confidentiality of this information, access to the reports of insured values under covered policies by zip code and company specific loss information that may qualify as trade secret information will be permitted only on-site and related data will not be permitted to be removed from the site. Provided an on-site review is not possible due to circumstances agreed to by both parties, the FHCF will provide KPMG with information as stated above in accordance with mutually agreed protective measures to be determined at a later date. KPMG shall be permitted to retain data and information sufficient to meet the audit evidence requirements under applicable professional standards as long as it does not contain personally identifiable information, reports of insured value unless the reports have been appropriately redacted by the Fund, or specific loss information that may potentially qualify as trade secret information.

The paragraph contained in "Other Matters" section of the engagement letter that addresses changes to key personnel is revised in its entirety and will now be replaced with the following language: "Prior to diverting either of the key personnel to other projects, we shall notify the Fund's management of changes to key personnel 15 days in advance and shall submit written justification, including proposed substitutions, in sufficient detail to permit evaluation of the impact on the audit. Replacement of any personnel shall be with personnel of substantially equal ability and qualifications."

All references to "KPMG Firms" contained in the engagement letter are replaced by the term "KPMG Parties," except for the sentence contained in the "Other Matters" section of the engagement letter regarding KPMG Firms utilizing, in their discretion, the services of third party service providers within or outside of the United States to complete the services under the engagement letter. The term "KPMG Parties" shall mean the KPMG Firms, together with the entities comprising KPMG International.

For purposes of clarification, the paragraph contained in the "Other Matters" section of the engagement letter that addresses the use of services of KPMG Firms and third party service providers is revised to include the following and is subject to the representations and other protective provisions set forth in such paragraph: "In particular, KPMG's audit technologies, software productivity tools and certain technology infrastructure and, necessarily, your confidential information, may be hosted in cloud environments



operated by KPMG Parties or such third party service providers. However, KPMG shall not transmit or ship any SBA Data to entities located outside of the United States or provide for storage or processing of any SBA Data outside of the United States, regardless of the method or level of encryption employed. In addition, KPMG Parties may have access to certain of your information in respect to engagement acceptance and other KPMG professional responsibilities such as maintaining independence and performing conflict checks.”

For the purpose of complying with the AICPA Code of Professional Conduct, the Fund agrees to provide to KPMG, at least annually, a complete and accurate legal entity listing and a listing of other affiliated entities not included on the legal entity listing (e.g., parent company, entities under common control, joint ventures, equity method investments, and others). The Fund further agrees to provide a listing of the Fund’s officers, directors, and individuals owning 10% or more of the Fund’s outstanding voting equity securities or other ownership interests. The Fund also agrees to provide information to KPMG about acquisitions, investments or other transactions that may result in changes to the legal entity listing or the listing of other affiliated entities, not included on the legal entity listing, prior to the effective date of the acquisition, investment or other transaction.

KPMG agrees to maintain and secure adequate back-ups of all SBA Data. If third parties are utilized to manage backups, KPMG agrees to use only a provider that complies with commercially reasonable security standards, such as ISO 27001:2013. “SBA Data” means any data access, created, maintained, obtained, processed, stored, or transmitted by KPMG in the course of performing the Agreement and all information derived therefrom. KPMG agrees to obtain and review current Service Organization Controls Report for any provider.

KPMG shall provide prompt notice to the SBA in the event it becomes aware of any security breach or any unauthorized transmission or loss of any SBA Data.

If SBA Data resides on KPMG’s systems, the SBA may require KPMG to provide information regarding KPMG’s testing policies and procedures. SBA may also request, where applicable and available, a copy of KPMG’s SOC II, Type II reports for systems on which SBA Data resides.

KPMG hereby affirms its receipt of SBA Harassment Prevention Policy No. 10-254 (formerly 20-254), from the SBA and hereby agrees to avoid harassment, as that term is defined in Policy No. 10-254, of any individual with whom KPMG comes into contact while working on matters pursuant to this engagement.

Paragraph (a) obtained in “Right to Inspect KPMG’s Records” section of the engagement letter is revised to define the term from five (5) years to seven (7) years after the expiration or termination of this Agreement. All references to five (years) shall be revised to seven (7) years throughout paragraph (a).

Consistent with the Florida Transparency in Contracting Initiative, the SBA posts certain operational contracts on its website, and this Agreement, as redacted and attached hereto as Exhibit A, will be one of the agreements posted. With the exception of any information KPMG LLP has specifically identified and redacted from this Agreement as set forth in Exhibit A, KPMG LLP hereby agrees that the SBA is authorized to post this Agreement and a description of the contents of the Agreement on the SBA’s website. In addition, the parties may from time to time during the term of the Agreement enter into one or more amendments or addenda to this Agreement. With the exception of any information KPMG LLP has specifically identified and redacted from any such agreement or addenda at the time KPMG LLP delivers an executed counterpart of such to the SBA, KPMG LLP hereby agrees that the SBA is authorized to post any such amendment or addendum and a description of the contents thereof on the SBA’s website. KPMG LLP hereby understands, acknowledges and agrees that the redaction of any such information does not mean that such redacted information is protected from disclosure pursuant to a public records request



State Board of Administration of Florida
August 11, 2021
Page 4 of 4

under Chapter 119, Florida Statutes, or as otherwise required by law or a court or authority of competent jurisdiction.

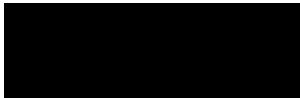
KPMG represents and warrants that it is in compliance with, and agrees and covenants that it will at all times during the term of the Agreement continue to be in compliance with, all applicable laws, regulations and industry standards (including, without limitation, all applicable laws, regulations, and industry standards relating to cybersecurity or data collection, storage, security, or privacy).

* * * * *

In accordance with your instructions, we have forwarded a copy of this letter to the SBA Audit Committee.

We shall be pleased to discuss this letter with you at any time. For your convenience in confirming these arrangements, we enclose a copy of this letter. Please sign in the space provided and return the copy to us.

Very truly yours,



Matthew Boran
Partner

ACCEPTED

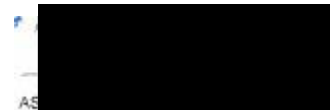
State Board of Administration of Florida

On behalf of the SBA Audit Committee, of itself, the Florida Hurricane Catastrophe Fund and the State Board of Administration Finance Corporation



Executive Director & CIO
Title

August 12, 2021
Date



Reports, Services and Associated Fees

Based upon our discussions with and representations of management, our fees for services we will perform are estimated as follows:

Annual Fees Schedule: Audits of the Statements of Net Position of the Florida Hurricane Catastrophe Fund and the State Board of Administration Finance Corporation as of June 30th, the related Statements of Revenues, Expenses, and Changes in Net Position, and Cash Flows for each fiscal year end.

[illegible][illegible]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]