SECOND AMENDED AND RESTATED
PLAN OF OPERATION
of
NEW HAMPSHIRE HEALTH PLAN

This SECOND AMENDED AND RESTATED PLAN OF OPERATION (the "*Restated Plan*") of the **New Hampshire Individual Health Plan Benefit Association, doing business as "*New Hampshire Health Plan*"** ("*NHHP*"), a nonprofit New Hampshire corporation created pursuant to New Hampshire RSA 404-G , as amended (the "*Statute*"), has been approved by the NHHP Board of Directors (the "*Board*") and submitted to the New Hampshire Insurance Commissioner (the "*Insurance Commissioner*") for approval.

Factual Background:

A. In October, 2016, the NHHP Board adopted, and the Insurance Commissioner and the Commissioner of the New Hampshire Department of Health and Human Services (the "*DHHS Commissioner*") approved, an Amended and Restated Plan of Operation and Termination of New Hampshire Health Plan, as subsequently amended by: (i) a First Amendment to Amended and Restated Plan of Operation and Termination effective December 31, 2018; (ii) a Second Amendment to Amended and Restated Plan of Operation and Termination adopted by the Board on March 11, 2020; (iii) a Third Amendment to Amended and Restated Plan of Operation and Termination effective October 20, 2020; (iv) a Fourth Amendment to Amended and Restated Plan of Operation and Termination effective March 27, 2023; and (v) a Fifth Amendment to Amended and Restated Plan of Operation and Termination effective January 1, 2024 (as amended, the "*Current Restated Plan*").

B. The amendments to the Current Restated Plan reflected amendments to the Statute which broadened the purposes of NHHP or made changes to the programs which it supports and/or operates. In the 2023 legislative session, the Statute was further amended to make a number of technical revisions and updates effective January 1, 2024 (the "*2024 Statutory Amendments*").

C. Although the Fifth Amendment to Amended and Restated Plan of Operation and Termination incorporated the provisions of the 2024 Statutory Amendments generally, NHHP conducted a thorough review of the Current Restated

Plan to ensure that it meets NHHP's operational needs and obligations under the Statute, as amended. This Restated Plan incorporates those additional revisions and consolidates the amendments to the Current Restated Plan into a new, comprehensive Restated Plan that replaces the Current Restated Plan in its entirety.

Terms of Second Amended and Restated Plan of Operation:

In fulfillment of the obligations imposed on the Board by Section 5 of the Statute, the terms of the Current Restated Plan are further amended by deleting them in their entirety and replacing them with the following:

PREAMBLE:

NHHP was formed in 1998 to promote the purposes and carry out the requirements of the Statute under the oversight of the Insurance Commissioner. The following purposes are enumerated in Section 1 of the Statute:

1. Protect the citizens of the state of New Hampshire (the "*State*") who participate in the individual health insurance market by providing a mechanism to equitably distribute the excessive risk sometimes associated with this market and to promote market stability.

2. Support the affordability and accessibility of health insurance in the State's individual market.

3. Establish one or more individual health insurance market mandatory risk sharing plans as a mechanism to distribute the risks associated within the nongroup, individual market.

4. Support the New Hampshire Granite Advantage Health Care Program established in RSA 126-AA or any successor program.

5. Establish an assessment mechanism to fund the NHHP's Programs as defined in Section 2(IX) of the Statute, and the NHHP's support of the New Hampshire Granite Advantage Health Care Program established in RSA 126-AA or any successor program.

This Restated Plan is designed to guide NHHP in its support of the New Hampshire Granite Advantage Health Care Program or any successor program, and its operation of the New Hampshire Reinsurance Program (defined below) and any future Programs.

Any capitalized terms used but not defined in this Restated Plan will have the meaning ascribed to them by the Statute.

I. NEW HAMPSHIRE GRANITE ADVANTAGE HEALTH CARE PROGRAM

The following provisions set forth the operational details for NHHP's support of the New Hampshire Granite Advantage Health Care Program established under New Hampshire RSA 126-AA (the "*Granite Advantage Program*"):

A. NHHP ANNUAL BUDGET

1. Annual Budget. On or before October 20th of each calendar year, the NHHP Board will review its actual expenses and determine its anticipated expenses (including reserves) of supporting the Granite Advantage Program for the subsequent calendar year (the "*Annual Budgeted Operating Expenses*") and adopt an annual operating budget (the "*Annual Budget*"). The Annual Budget also may include increases, if any, to a reserve for the winding down and dissolution of NHHP upon the cessation of all Programs (the "Dissolution Reserve Account"). The Annual Budgeted Operating Expenses and the Revised Dissolution Expenses are referred to collectively as the "*Budgeted Expenses*."

2. Funding and Use of Budgeted Expense Reserve Account. Prior to any payments to the New Hampshire Granite Advantage Health Care Trust Fund established under New Hampshire RSA 126-AA:3 (the "*Trust Fund*"), NHHP will deposit into the Budgeted Expense Reserve Account that portion of (i) the remaining funds (if any) remaining from the true-up of NHHP's support of the New Hampshire Marketplace Premium Assistance Program following its termination and (ii) assessments (regular or special) collected in support of the Granite Advantage Program, which portion is intended to cover the Budgeted Expenses. NHHP then will use the Budgeted Expense Reserve Account to pay the Annual Budgeted Operating Expenses (including reserves) of administering NHHP and supporting the Granite Advantage Program. Upon termination of the Granite Advantage Program, NHHP will use the

remainder of the Budgeted Expense Reserve Account either to support other NHHP Programs or to add to the reserve previously established to cover the budgeted expenses of winding down NHHP if it is dissolved in the future.

B. DETERMINATION OF ASSESSMENT RATE

1. Calculation of Assessment. Prior to November 1st of each year of the Program, the NHHP Board will: (a) estimate the number of Covered Lives to be reported by its Assessable Entities for the subsequent calendar year; and (b) determine and submit to the Insurance Commissioner for approval an assessment rate which, when multiplied by the estimated number of Covered Lives and subject to the considerations described in Paragraph 2 below, is calculated to raise from NHHP Assessable Entities the sum of:

(i) the Annual Budgeted Operating Expenses for the subsequent calendar year;

(ii) the amount described in revised Section 5-a(IV)(d) of the Statute (the "*NHHP Granite Advantage Program Share*") for the subsequent State fiscal year (i.e. July 1 of the subsequent calendar year to June 30 of the second subsequent calendar year); and

(iii) any increase in the estimated NHHP Granite Advantage Program Share for the remainder of the current State fiscal year (i.e. January 1 to June 30 of the subsequent calendar year).

Upon approval by the Insurance Commissioner, NHHP will notify Assessable Entities of the assessment rate and will post on the NHHP web site its calculation of such assessment rate in accordance with this Paragraph 1.

2. Factors to be Considered in Establishing Assessment. The following will be considered by the NHHP Board in determining the assessment rate each year:

(a) *Estimated Remainder Amount.* NHHP will rely conclusively on the estimates of the remainder amount defined in New Hampshire RSA 126-AA:1(V) (the "*Remainder Amount*") and the NHHP Granite Advantage Program Share as reported to NHHP by the DHHS Commissioner on or before August 15th of each year pursuant to New Hampshire RSA 126-AA:3(IV);

(b) *Extended Projection Period.* Notwithstanding the foregoing, NHHP may establish an increase in the Granite Advantage Program Reserve Fund for unforeseen contingencies to reflect the fact that the State fiscal year runs from July 1 to June 30, so the DHHS Commissioner's estimate of the Remainder Amount is for a period which ends almost two (2) years from the date of such estimate and his/her estimate of the projected final Remainder Amount is not due until thirteen and one-half (13 ½) months after the end of each State fiscal year;

(c) *Final Granite Advantage Program Share Projection.* NHHP will rely conclusively on the DHHS Commissioner's projection of the final Remainder Amount and final NHHP Granite Advantage Program Share and determination of the limit imposed on the NHHP Granite Advantage Program Share under Section 5-a(IV)(d) of the Statute (the "*NHHP Granite Advantage Program Share Limit*") for the prior State fiscal year, as reported to NHHP by the DHHS Commissioner on or before August 15th of each year pursuant to New Hampshire RSA 126-AA:3(V); and

(d) *Proration for First and Last Years of Granite Advantage Program.* NHHP will adjust the assessment rate as necessary for the first and last six months of the Granite Advantage Program which reflect only half of the State fiscal year.

3. Final Granite Advantage Program True-Up. The Granite Advantage Program is scheduled to expire on December 31, 2030, unless the Granite Advantage Program is continued beyond that date by the New Hampshire General Court (as it may be extended, the "*Granite Advantage Program Termination Date*"). On or before February 15th of the second subsequent calendar year following the Granite Advantage Program Termination Date[1], as required by New Hampshire RSA 126-AA:3(V), the DHHS Commissioner will determine and report to NHHP the difference, if any, between the estimated NHHP Granite Advantage Program Share for the State fiscal year in which the Granite Advantage Program Terminate Date occurs pursuant to New Hampshire RSA 126-AA:3(IV) and the projected final NHHP Granite Advantage

[1] By way of example, if the Granite Advantage Program terminates on December 31, 2030, the final true-up will be due by February 15, 2032.

Program Share for such State fiscal year reported pursuant to New Hampshire RSA 126-AA:3(V) (the "*Final True-Up Differential*").

(a) *Underpayment.* If the Final True-Up Differential is a positive number (meaning the projected final NHHP Granite Advantage Program Share exceeds the estimated NHHP Program Share paid by NHHP to the Trust Fund), then NHHP will calculate a special assessment rate to collect the Final True-Up Differential from Assessable Entities based on the Covered Lives reported for the third quarter of the calendar year in which the Granite Advantage Program Termination Date occurs (i.e. the last-reported Covered Lives) to the extent needed after taking into account any projected balance in the Granite Advantage Program Reserve Fund or the Budgeted Expense Reserve Fund. If a special assessment is necessary, NHHP will submit such rate to the Insurance Commissioner for approval. Upon receipt of such approval, NHHP will notify Assessable Entities of the special assessment and require payment within forty-five (45) days of such notice.

(b) *Overpayment.* If the Final True-Up Differential is a negative number (meaning the estimated NHHP Granite Advantage Program Share paid by NHHP to the Trust Fund exceeds the projected final NHHP Granite Advantage Program Share), then such difference will be refunded from the Trust Fund to NHHP within forty-five (45) days of the calculation of the Final True-Up Differential and NHHP will use the refunded monies either to support other NHHP Programs or to add to the reserve previously established to cover the budgeted expenses of winding down NHHP if it is dissolved in the future.

C. ASSESSMENTS: REPORTING AND COLLECTIONS

1. Assessable Entity Quarterly Reporting of Covered Lives and Assessment Payment. NHHP will make available on its web site an automated tool for Assessable Entities to report Covered Lives as defined in the Statute (each an "*Assessment Report*"). On or before the 15th day of the second month following the end of each calendar quarter during the term of the Granite Advantage Program, each Assessable Entity must submit electronically to NHHP an Assessment Report which details the Assessable Entity's Covered Lives for each month of the quarter just ended and shows the calculation of that Assessable Entity's assessment amount using the assessment rate established under Section I(B) above. The Assessable Entity will remit to NHHP

simultaneously with its Assessment Report payment of the assessment amount shown in such Report. Any assessment not paid by the due dates for each calendar quarter shown below will be subject to interest, calculated as provided in the NHHP reporting tool, accruing from the date the assessment amount was due. The following is the calendar of assessments in support of the Granite Advantage Program:

Reporting Period	**Report and Payment Deadline**
January 1 – March 31	May 15
April 1 – June 30	August 15
July 1 – September 30	November 15
October 1 – December 31	February 15

2. Special Assessments. Assessments under this Section I(C), the Granite Advantage Program Reserve Fund and any projected excess in the Budgeted Expense Reserve Fund will be NHHP's sole sources of revenue to make the remittances to the Trust Fund in support of the Granite Advantage Program as required by the Statute, subject to the NHHP Granite Advantage Program Share Limit. Although NHHP will endeavor to avoid special assessments, the Board may establish one or more special assessment rates as is necessary or desirable to meet NHHP's obligation to pay the NHHP Granite Advantage Program Share to the Trust Fund and/or to wind up the affairs of NHHP and to satisfy all of its debts and liabilities. The Board will use its reasonable efforts to manage expenses within the Budgeted Expenses, and to wind down and conclude the affairs of NHHP pursuant to Section 11 of the Statute as soon as is reasonably possible after all of its Programs and obligations under the Statute end. To the extent necessary to maintain cash flow as determined by the NHHP Board, NHHP may obtain a line of credit upon commercially reasonable terms, the costs of which will be recovered from the Budgeted Expense Reserve Fund and, if necessary, Granite Advantage Program Assessments (defined below).

D. PAYMENTS TO TRUST FUND

1. Remittance of Collected Assessments. NHHP will remit to the Trust Fund (a) the aggregate quarterly assessments it collects under Section I(C)(1) above, and (b) any special assessments it collects under Section I(C)(2) above, less the amount of deposits into the Budgeted Expense Reserve Fund as described in Section I(C)(2) above (collectively the "*Granite Advantage Program Assessments*"). The total Granite Advantage Program Assessments remitted by NHHP to the Trust Fund will not exceed the

estimated NHHP Program Share Limit as reported by the DHHS Commissioner pursuant to New Hampshire RSA 126-AA:3(IV), and as may be adjusted upon the projection of the final Remainder Amount as described in New Hampshire RSA 126-AA:3(V). Each remittance to the Trust Fund will be made no later than forty-five (45) days from the due date for each Granite Advantage Program Assessment. The remittance of regular quarterly Granite Advantage Program Assessments will be made in accordance with the following schedule:

Reporting Period	**Assessment Due Date**	**Remittance to Trust Fund Deadline**
January 1 – March 31	May 15	June 30
April 1 – June 30	August 15	September 30
July 1 – September 30	November 15	December 31
October 1 – December 31	February 15	March 31

NHHP will remit to the Trust Fund any Granite Advantage Program Assessments received after the applicable due date within ten (10) days of their receipt. As demonstrated by the above schedule and the schedule set forth in Section I(C)(1) above, NHHP regular assessments are based on a calendar year while the Granite Advantage Program is operated on the State fiscal year (July 1 to June 30). Therefore, the first quarterly Granite Advantage Program Assessment of the new assessment year (due to NHHP on May 15) is the only payment which is available for application to the then current fiscal year of the Granite Advantage Program. The remaining three quarterly Granite Advantage Program Assessments (due to NHHP on August 15, November 15, and February 15 of the subsequent calendar year) will be applied to the subsequent fiscal year of the Granite Advantage Program.

2. Use of Granite Advantage Program Reserve Fund. NHHP will establish the Granite Advantage Program Reserve Fund to include the following uses at the discretion of the NHHP Board:

(i) as a contingency against the projected final NHHP Granite Advantage Program Share in any fiscal year of the Granite Advantage Program exceeding the estimated NHHP Granite Advantage Program Share;

(ii) to address any other cash flow or unanticipated financial issues that arise in connection with the Granite Advantage Program;

(iii) to address unanticipated reductions in the number of Covered Lives; and

(iv) to assist in implementing the eventual termination of the Granite Advantage Program following the Granite Advantage Program Termination Date.

The establishment of the Granite Advantage Program Reserve Fund does not modify or eliminate the NHHP Granite Advantage Program Share Limit set forth in the Statute.

E. TERMINATION OF GRANITE ADVANTAGE PROGRAM

1. Scheduled Termination of NHHP. The final remittance to the Trust Fund under Section I(D)(1) above is scheduled to be made on March 31 following the Granite Advantage Program Termination Date, subject to the final true-up as described in Section I(B)(3) above (the "*Final Remittance Date*").

2. Early Termination Due to Insufficient Funding. If the DHHS Commissioner determines that there is not sufficient funding in the Trust Fund to cover the projected Granite Advantage Program costs for the non-federal share for the subsequent six month period, and terminates the Granite Advantage Program under New Hampshire RSA 126-AA:3(VI), then he or she will give to NHHP prompt notice of such termination and the federally-approved terms of such termination (the "*Granite Advantage Program Termination Notice*"). Upon receipt of a Granite Advantage Program Termination Notice, NHHP will issue a notice to its Assessable Entities informing them of the Granite Advantage Program termination, and establishing a revised Program Assessment schedule under Section I(C)(1) above to reflect the terms of the Granite Advantage Program Termination Notice and any remaining NHHP Granite Advantage Program Share (subject to the NHHP Granite Advantage Program Share Limit). For purposes of this Restated Plan, the term "Final Remittance Date" will mean the date of any final remittance to the Trust Fund due from NHHP under the revised schedule described in this Paragraph 2.

II. NEW HAMPSHIRE REINSURANCE PROGRAM

A. ESTABLISHMENT OF NEW HAMPSHIRE REINSURANCE PROGRAM.

1. Nature of Reinsurance Program. The New Hampshire Reinsurance Program (initially also known as the New Hampshire Market Stabilization Program) (the "*Reinsurance Program*") is a Program established within NHHP pursuant to the

Statute and an Order of the Insurance Commissioner dated February 25, 2020. The Reinsurance Program is funded in part by grants provided under the Section 1332 Waiver sought by the State and approved by the U.S. Department of Health and Human Services and the U.S. Department of the Treasury (the "*Waiver*"). The Reinsurance Program became effective January 1, 2021.

2. Purpose. The purpose of the Reinsurance Program is to add stability to the individual insurance market in New Hampshire and encourage participation by insurers in the individual insurance market in New Hampshire by providing market Reinsurance payments on the basis of reinsurance parameters to insurers issuing policies in the individual insurance market in New Hampshire.

3. Segregation from Granite Advantage Program. The Reinsurance Program will have segregated accounts within NHHP, which accounts will hold all Reinsurance Program Funds and from which all disbursements related to the Reinsurance Program will be made by NHHP, including, but not limited to, receipts of assessments of Assessable Entities, receipts of federal funds obtained pursuant to the Waiver, disbursements for Reinsurance payments, and disbursements for expenses of operating the Reinsurance Program.

4. Contingency of Reinsurance Obligations. All obligations of the Reinsurance Program, including, but not limited to, payment of Reinsurance payments and expenses, will be contingent upon the availability of funds and will be limited to the Reinsurance Program Funds. The Reinsurance Program Funds may be used by NHHP only for the Rehabilitation Program and consistent with the Rehabilitation Plan (defined below), and no other funds available to NHHP for its other Programs or NHHP reserves unrelated to the Reinsurance Program may be used for Reinsurance Program obligations.

B. REINSURANCE PROGRAM PLAN OF OPERATION.

1. Establishment of Plan of Operation for Reinsurance Program. Attached as Appendix A are the operational details pursuant to which NHHP will implement and operate the Reinsurance Program in accordance with the Statute and the specific terms and conditions of the approved Waiver (the "*Reinsurance Plan*" or the "*Reinsurance Program Plan of Operation*").

2. Amendment. The Reinsurance Plan may be amended or restated from time to time upon action of the Board and written approval of the Insurance Commissioner, as provided in such Reinsurance Plan.

3. Purposes. The purposes of this Reinsurance Plan are to, at a minimum:

(a) Establish procedures for the exercise of powers and performance of duties by NHHP with respect to the Reinsurance Program.

(b) Establish procedures for (i) Eligible Entities to submit requests for reinsurance based Reinsurance payments with respect to eligible Covered Claims (defined in Appendix A), (ii) collection of assessments by the Reinsurance Program, and (iii) such other financial transactions and information reporting and collection as may be necessary or proper for the functioning of the Reinsurance Program.

(c) Provide for the expansion of the duties of the NHHP Executive Director to include administration of the Reinsurance Program.

(d) Provide such additional rules, policies, and procedures as may be necessary or proper for the effective operation and administration of the Reinsurance Program.

III. PROGRAM TERMINATION; WINDING DOWN OF NHHP AFFAIRS; DISSOLUTION

A. TERMINATION OR EXPIRATION OF PROGRAMS.

1. Application of Funds of Terminated Program. Upon the expiration or termination of any Program, including the Granite Advantage Program or the Reinsurance Program, NHHP will observe any specific provisions of this Restated Plan applicable to the termination of such Program. Absent such specific provisions, any remaining funds from an expired or terminated Program will be used by NHHP either to support other NHHP Programs or to add to the reserve previously established to cover the budgeted expenses of winding down NHHP if it is dissolved in the future.

2. Effect of Terminated Program on Remaining Programs. The expiration or termination of any Program will have no effect on any remaining NHHP Programs or NHHP obligations under the Statute, and NHHP will continue to administer all remaining Programs and perform its statutory duties in accordance with this Restated Plan.

B. CESSATION OF PROGRAMMING; PLAN OF TERMINATION

1. Cessation of Programming and NHHP Operations. If, and only if, all Programs of NHHP and all of NHHP duties under the Statute end or are terminated, then the Board will prepare and submit to the Insurance Commissioner a plan of termination in the form of an amendment to this Restated Plan (the "*Termination Plan*"). Following the Insurance Commissioner's approval of the Termination Plan, NHHP will carry on no business except for the purposes of winding down its affairs, liquidating its assets, and paying, discharging or making reasonable provision for the payment of all of NHHP's liabilities, whether accrued, contingent, expected or otherwise, in accordance with the Termination Plan.

2. Final Audit Of Program Operations. NHHP will continue to have an annual independent audit of its operations and finances while this Restated Plan remains in effect. NHHP will have a final audit conducted by an independent certified public accounting firm of its last year (or short year, if applicable) of operations and finances, as described above, prior to any final distributions under Section III(C) below. NHHP will continue to maintain its finances and bookkeeping on a calendar year basis.

C. PLAN OF DISSOLUTION

1. Adoption by Board and Approval of Insurance Commissioner. Upon the completion of the winding down of its affairs and the satisfaction of all liabilities and other actions contemplated by the Termination Plan, then the Board will prepare and submit to the Insurance Commissioner for approval a plan of dissolution (the "*Plan of Dissolution*"). The Plan of Dissolution will address the Board's proposed distribution of any remaining funds, which may be a proportional distribution to Assessable Entities, a distribution to another organization for the credit of the Assessable Entities (e.g. New Hampshire Vaccine Association), or another distribution method consistent with the purpose of the Statute and NHHP and acceptable to the Insurance Commissioner.

2.. Statement of Dissolution. Upon approval of the Plan of Dissolution by the Insurance Commissioner, NHHP will make the final distribution of any remaining assets and file with the New Hampshire Secretary of State the Statement of Dissolution described below.

IV. REGULATORY, LEGAL AND ADMINISTRATIVE MATTERS

A. REGULATORY MATTERS

1. Reports Required by Statute. NHHP will continue to make an annual report to the Insurance Commissioner in accordance with Section 7 of the Statute until the obligations of the NHHP are satisfied in full and any Plan of Termination has been fulfilled.

2. Effect of Restated Plan. This Restated Plan constitutes an amendment to, and a consolidation and restatement of, the Current Restated Plan. It is the plan of operation required by Section 5 of the Statute and governs NHHP's implementation and administration of each of its Programs.

3. Effective Date. This Restated Plan will become effective (the "*Effective Date*") upon its approval by the Insurance Commissioner.

4. Amendments to Restated Plan. Amendments to this Restated Plan may be initiated and adopted by the NHHP Board at any time and from time to time. No such amendment will become effective until it has been approved by the Insurance Commissioner.

B. LEGAL MATTERS.

1. Authority of the Board; Delegation. The NHHP Board will have authority to do or authorize any or all acts as it considers necessary or desirable to carry out the purposes of this Restated Plan, including, without limitation, the execution and filing of all certificates, documents, instruments, information returns, tax returns, forms and other papers which may be necessary or appropriate to implement the Restated Plan or which may be required by applicable laws. The Board may take or, as appropriate, authorize such further action as may be necessary or desirable and proper to consummate the transactions contemplated by this Restated Plan, and

may engage such contractors and professional advisors as it deems necessary to assist it in interpreting and effectuating this Restated Plan.

2. Limitations on NHHP Obligations.

(a) *Generally.* NHHP's obligations are limited to adhering to the requirements of this Restated Plan and the provisions of the Statute. NHHP cannot be required to undertake any actions or responsibilities under this Restated Plan or the Statute which are anticipated to cause its Actual Expenses to exceed the Budgeted Expenses.

(b) *Program Support.* NHHP's duties are strictly administrative, and it is under no obligation to evaluate independently nor will it have the authority to challenge the DHHS Commissioner's determination of the Remainder Amount or the adequacy of the Trust Fund (the "*DHHS Determinations*"). NHHP, its directors, officers, administrators and agents will be entitled to rely conclusively without independent investigation on any report, instruction or other directive of the Insurance Commissioner and the DHHS Commissioner. If NHHP receives conflicting directives from the Insurance Commissioner and the DHHS Commissioner, it will be entitled to rely on and follow the Insurance Commissioner's directives except for the DHHS Determinations, with respect to which NHHP will be entitled to rely on and follow the DHHS Commissioner's directives. NHHP is not a guarantor of the Assessment obligations of the Assessable Entities, whose liability under the Statute and this Restated Plan is several, nor is it required to take extraordinary collection efforts or other enforcement measures beyond those contemplated under this Restated Plan.

3. Immunities and Insurance. In conducting the affairs of NHHP under this Restated Plan, the Board and its committees, the individual directors and committee members, and the NHHP administrators and their employees continue to enjoy the immunities of Sections 3(IV) and 9 of the Statute and the indemnification set forth in the NHHP Bylaws, which protections will continue after the termination of NHHP. To the extent not currently in effect, NHHP may acquire and maintain director and officer liability insurance to cover the activities of the Board and its committees under this Restated Plan.

4. Governance. The NHHP Bylaws, the charters of any Board committees, and any existing and subsequent duly-adopted policies will continue to govern the NHHP Board and its activities under this Restated Plan, which governance documents may be amended from time to time by the NHHP Board. Although the Board will endeavor to fill vacancies in its composition as described by Section 4 of the Statute, the actions and decisions of the Board will be valid and have full legal effect despite the existence of vacancies on the Board.

5. Statement of Dissolution. Upon approval of the Plan of Dissolution by the Board and the Insurance Commissioner, NHHP will file a Statement of Dissolution with the New Hampshire Secretary of State as required by New Hampshire RSA 292. Upon the satisfaction of all of its liabilities in full and the filing of such Statement, NHHP will be deemed to be dissolved.

6. Subsequent Liabilities. If a liability of NHHP arises after the final distribution of remaining assets under the Plan of Dissolution and to which no legal defenses (including the passage of the applicable statute of limitations) exist, then NHHP will retain the power, and will establish, a special Assessment to cover such liability, and the Assessable Entities will pay such Assessment in the same proportions by which assets were distributed or credited to them (if at all) under the Plan of Dissolution. This provision is not intended to, and will not, benefit any third party, and NHHP reserves all legal and equitable rights and defenses available to it.

C. ADMINISTRATIVE MATTERS

1. Executive Director and Assessment Administrator. The Board will coordinate the implementation of this Restated Plan with the Assessment Administrator and Executive Director (collectively the "*Administrators*"). If the duties of any of the Administrators in connection with this Restated Plan exceed the terms of the existing contract for services between such Administrator and NHHP, the Board may amend or replace such contract accordingly and without a competitive bidding process. Such contracts may be extended by the Board through any anticipated completion of the winding down and dissolution of NHHP. The fees and other compensation payable to the Administrators will be included in the Budgeted Expenses.

2. Professional Advisors. NHHP will review and amend as necessary any existing contract with its professional advisors and other consultants, including without limitation, contracts with its legal and accounting advisors, and may engage such other consultants and professional advisors as it deems necessary or desirable to effect this Restated Plan, the costs of which will be included in the Budgeted Expenses.

3. Books and Records. NHHP will maintain books and records of its operations so that financial statements can be prepared and audited. NHHP will maintain a general ledger whose balances are used to produce NHHP's financial statements in accordance with generally accepted accounting principles. The balances in the general ledger will agree with the corresponding balances in subsidiary ledgers or journals. All bank accounts/checking accounts will be established in the name of NHHP and, together with account signatories, will be approved by the Board. Two signatures will be required on all checks in excess of $5,000.00.

4. Investment Policy. The NHHP Board has adopted, and will maintain, an investment policy. All Program Assessments collected prior to the applicable remittance date, and the Program Reserve Fund, will be invested by the Board in accordance with such policy.

5. Audits and Nonpayment of Assessments. NHHP reserves the right to audit any Assessable Entity with respect to the accuracy of any Assessment Report submitted under Section I(C) above or under the Reinsurance Program. Assessable Entities will cooperate with NHHP with respect to such audits, and any information disclosed in the course of the audit will remain confidential unless disclosure is mandated by law or a regulatory body or officer with appropriate jurisdiction. The NHHP Board may, but will not be required to, initiate legal action to recover any assessment or portion of assessment amount, including late interest. In addition, the Board will send a list of any Assessable Entity(s) that have not paid their assessments to the Insurance Commissioner, and the Insurance Commissioner may take further action as contemplated under Sections 6(I) and 6(II) of the Statute.

6. Assessable Entity Appeals. Assessable Entities may request permission to appear before the Board at any time in connection with any dispute with NHHP, or an Assessable Entity may appeal directly to the Insurance Commissioner pursuant

to Section 6(III) of the Statute. No request or appeal relating to Assessments will be heard until the protesting Assessable Entity has paid the assessment in full. Any assessment amount paid under protest will be held in an interest bearing account with principal and interest to be paid to the prevailing party upon final resolution of the protest.

7. Limitations. No claim for adjustment, repayment or collection of assessments will be effective: (i) for an assessment paid or due three (3) years before presentment of the claim to NHHP, unless NHHP elects in writing to waive the limitations period as equity and fairness may dictate, in its sole discretion; or (ii) after the dissolution of NHHP. Presentment of a claim will be deemed the date the notice is received by NHHP. If NHHP is required to refund collected assessments to an Assessable Entity, then the Association may elect to refund such amounts in installments for a period of up to three (3) years, with annual interest accruing at the federal applicable rate. The frequency and amount of such installments will be determined by the Board, in its discretion, based on the projected cash needs of NHHP.

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APPROVAL OF NEW HAMPSHIRE INSURANCE COMMISSIONER

The foregoing Second Amended and Restated Plan of Operation, including Appendix A, adopted by the Board of Directors of the New Hampshire Individual Health Plan Benefit Association, d/b/a New Hampshire Health Plan, is hereby approved.

DATE: March 25, 2024

D.J. Bettencourt, Commissioner

APPENDIX A

NEW HAMPSHIRE INDIVIDUAL HEALTH PLAN BENEFIT ASSOCIATION

NH REINSURANCE PROGRAM
PLAN OF OPERATION

TABLE OF CONTENTS

I. DEFINITIONS

In addition to capitalized terms defined elsewhere in this Reinsurance Plan, when used in this Reinsurance Plan the following terms will have the following meanings, unless the context clearly indicates otherwise:

A. "Assessable Entity" (sometimes referred to as a "Member") means any entity defined in Section 2(I) of the Statute, as it may be amended from time to time, including any:

1. Health maintenance organization, as defined by RSA 420-B:1(VI);
2. Third party administrator (TPA), as defined by RSA 402-H:1(I);
3. Entity providing administrator services and required to register with the Commissioner under RSA 402-H:11-a or 402:11-b;
4. Insurance company licensed pursuant to RSA 401:1(IV);
5. Health service corporation, as defined by RSA 420-A:1(III); and
6. Any entity providing group excess loss insurance to an employer with a principal place of business in New Hampshire or to an employer that covers lives in New Hampshire.

B. "Assessment" means the regular and any special charge imposed by NHHP on all Assessable Entities at rates and at times established by the Board and approved by the Insurance Commissioner pursuant to Section III(G) of this Reinsurance Plan in order to fund in part the costs of the Reinsurance Program.

C. "Assessment Base" means the number of lives on which any regular Assessment would be predicated under Section III(G)(1) below.

D. "Administrative Services" means the administrative services provided by the Executive Director, or by qualified service providers engaged by NHHP and supervised by the Executive Director, in connection with the Reinsurance Program.

E. "Benefit Year", sometimes referred to as the "Plan Year", means each calendar year, beginning on or after January 1, 2021, for which an eligible individual market health benefit plan provides health insurance coverage.

F. "Covered Claim" means a claim for services covered under a Reinsurance Program-eligible health benefit plan that is incurred by a Reinsurance Program-eligible health insurer- "the Eligible Entity"- that meets the Reinsurance Program parameters for inclusion in the payment determination during the benefit year- and paid by the

Eligible Entity by June 30 of the following year, and as further described in Section III(C) below.

G. "Eligible Entity" means an Assessable Entity that is eligible for Reinsurance payment by having enrolled in the program and meeting all the Conditions for Participation as described in Section III(B).

H. "Executive Director" means an individual or organization employed or engaged by the Board to support the Board and coordinate with the Insurance Commissioner in order to ensure successful operation of the Reinsurance Program.

I. "Individual Market" means the market for health care insurance in New Hampshire offered to individuals, other than through group or group-type insurance, and excluding insurance offered through "Transitional" or "Grandfathered" Plans.

J. "New Hampshire Reinsurance Program" aka "New Hampshire Market Stabilization Program" or "the Reinsurance Program" means the market Reinsurance Program established pursuant to the Statute and implemented and administered in accordance with this Reinsurance Plan.

K. "Reinsurance Program Funds" means all funds received by the Board in connection with the Reinsurance Program from any source, including, but not limited to, Assessments of Assessable Entities under this Reinsurance Plan and federal funds obtained pursuant to the Waiver.

L. "Waiver" means the State Relief and Empowerment Waiver under Section 1332 of the ACA submitted by the State of New Hampshire and approved by the U.S. Department of Health and Human Services and the U.S. Department of the Treasury, as in effect from time to time.

II. ADMINISTRATION OF THE REINSURANCE PROGRAM

A. Governance. The Reinsurance Program will be managed and controlled by the NHHP Board in accordance with its governance structure and policies, as amended from time to time. Such governance structure and policies will include, but are not limited to, the size and composition of the Board; the election or appointment of Board members; meeting, quorum, and voting requirements; and payment or reimbursement of expenses.

B. Powers and Authority of the Board. In addition to all powers it has under the Statute and common law, the Board will have the following specific powers with respect to the Reinsurance Program:

1. The general power to oversee and control the operations and functions of the Reinsurance Program.

2. The power to approve and enter into necessary contracts for the operations or functions of the Reinsurance Program, including without limitation documentation to establish bank or investment accounts.

3. The power to adopt administrative and accounting policies and procedures for the Reinsurance Program, including without limitation the establishment of appropriate reserves the funding of which will be reflected in the annual budget.

4. The power to assess Assessable Entities for the costs of the Reinsurance Program as described in Paragraph G below, and to receive funds with respect to the Reinsurance Program from any lawful source and to provide for the holding, investment, and disbursement of such Reinsurance Program Funds.

5. The power to assign to the Executive Director the duty to provide, and/or oversee the provision of, the Administrative Services for the Reinsurance Program without the need to obtain competitive bids or conduct a formal request for proposal ("*RFP*") process.

6. The power to select and retain such other consultants and contractors for the Reinsurance Program as may be necessary for the operations or functions of the Reinsurance Program, without the need to obtain competitive bids or conduct a formal RFP process.

7. The power to establish, on an annual basis and in consultation with the Insurance Commissioner, the terms of the Reinsurance Program, including, without limitation, setting the Assessment amount to be collected from each Assessable Entity for each Benefit Year.

8. The power to establish, on an annual basis and in consultation with and subject to the approval of the Insurance Commissioner, the parameters for the Reinsurance Program, including, without limitation, claim attachment

point(s), claim annual maximum(s), and payment percentage(s) under the Reinsurance Program for each Benefit Year.

9. The power to establish a grievance and appeals procedure under which participating Eligible Entities and other interested parties may have disputes or grievances related to the Reinsurance Program reviewed and adjudicated, including, but not limited to, the power to make factual determinations with respect to any issue coming before the Board and the power to render decisions with respect to any dispute, grievance, or appeal, such decisions to be final and binding. The initial Grievance and Appeals Procedure is described in Attachment 2.

10. The power to review the Reinsurance Plan and adopt amendments to the Reinsurance Plan, subject to approval by the Insurance Commissioner.

11. The power to conduct periodic audits of the Reinsurance Program and prepare periodic reports related to the operations and functions of the Reinsurance Program.

12. The power to sue and be sued.

13. The power to review, consider, and act upon any other matters the Board deems necessary or proper for the administration and operation of the Reinsurance Program.

14. Such other powers as may be necessary or proper for the exercise of the powers granted to the Board and the performance of the duties assigned to the Board with respect to the Reinsurance Program.

C. Duties of the Board. The Board will have the following duties with respect to the New Hampshire Reinsurance Program:

1. To annually review the operation and status of the Reinsurance Program, to include review of the annual financial statements prepared in connection with the Reinsurance Program.

2. To periodically review each outstanding contract or agreement entered into with respect to the Reinsurance Program, to include a review of any services provided in connection with any such contract or agreement.

3. To periodically review the Reinsurance Plan and to adopt any amendments or modifications it deems necessary or appropriate, subject to approval by the Insurance Commissioner.

4. To take such other action as may be necessary or appropriate for the proper functioning and operation of the Reinsurance Program.

5. To provide an annual report with respect to the Reinsurance Program to the Insurance Commissioner.

6. To set the Assessment rate that will be collected from each Assessable Entity annually.

7. To establish an annual operating budget for the Reinsurance Program.

D. Powers of the Insurance Commissioner. The Insurance Commissioner will have the following powers with respect to the New Hampshire Reinsurance Program:

1. To approve the Reinsurance Plan and any amendments thereto that have been adopted by the Board.

2. To approve the Board's recommendation regarding this Plan of Operations for the Reinsurance Program.

E. Executive Director. The Board will assign to its Executive Director the duty to provide, or oversee the provision of, the Administrative Services, for the Reinsurance Program. The expansion of the responsibilities of the Executive Director will be documented by a written amendment to the contract between the Board and the Executive Director on such terms and conditions as may be approved by the Board and which will include the following responsibilities:

1. Consulting with the Board and the Insurance Commissioner with respect to development of the Reinsurance Program and any periodic enhancements or modifications to the Reinsurance Program.

2. Developing Assessable Entity, and other stakeholder, communications and communication strategies regarding the Reinsurance Program.

3. Managing participation by Assessable Entities and Eligible Entities in the Reinsurance Program, including management of the process by which Eligible Entities submit claims for reimbursement to the Reinsurance Program.

4. Accounting for receipts and disbursements of the Reinsurance Program.

5. Preparing quarterly and annual financial statements and reports.

6. Processing eligible claims at least annually and in a timely manner.

7. Collecting and reconciling assessments on a quarterly basis.

8. Collecting and reconciling data from Eligible Entities necessary to establish the allocation and distribution of the Reinsurance Program Funds.

9. Implementing and managing an audit process for participating Eligible Entities.

10. Working with NHHP's designated actuary, conducting periodic statistical analysis with respect to the Reinsurance Program or any function within the Reinsurance Program to inform the Board of the Reinsurance Program's claims experience and projected funding needs.

11. Performing such other duties with respect to the Reinsurance Program as may be assigned from time to time by the Board and documented in its meeting minutes.

F. Administrative Expenses Chargeable to Reinsurance Program; Reserves. The Board and its delegates are authorized to expend Reinsurance Program Funds for the payment of administrative expenses related to the Reinsurance Program, including but not limited to, the following types of expenses: fees for professional services, including marketing, legal, actuarial, accounting, auditing or any other services that are necessary to provide assistance in the operation of the Reinsurance Program; the fees and expenses of the Executive Director and the Reinsurance Program Administrative Services; travel expenses; costs associated with the delegation of certain program administration functions to the federal government, banking fees or service charges incurred relating to establishment and maintenance of accounts for funds holding and disbursements, establishment of funds for the purpose of covering estimated termination costs and runout expenses, and any other administrative expenses deemed

necessary by the Board to effectively conduct operations of the Reinsurance Program. The Board will develop policies for allowable administrative expenses and procedures for the payment of such expenses. In preparing any accounting or financial projection in connection with the Reinsurance Program, the Board or the Executive Director may establish reasonable reserves for anticipated future expenses of the Reinsurance Program.

G. Assessments. The Reinsurance Program will be funded, in part, by assessments of Assessable Entities in accordance with the following:

1. Regular Assessment Rate. The Board will establish a regular assessment rate for each Benefit Year in accordance with the methodology described in Attachment 1 (the "Regular Assessment Rate"). The assessment rate will be: (a) calculated on a calendar year basis; (b) established no later than November 1 in the year preceding the Benefit Year; and (c) anticipated to be sufficient, along with other reasonably anticipated Reinsurance Program Funds, to meet the Reinsurance Program's payment obligations and operating expenses attributable to the Benefit Year. As the assessment rate is an amount per covered life, each covered life will be included in the assessment only once.

2. Special Assessment Rate. In addition to the regular assessment rate, the Board may establish a special assessment rate if it determines that the Reinsurance Program Funds are or will become insufficient to pay the Reinsurance Program's costs and expenses in a timely manner. The rate of any special assessment will not exceed the rate deemed necessary by the Board to fund the deficiency and will be subject to the approval of the Insurance Commissioner.

3. Payment of Assessments by Assessable Entities. The Board will establish a process for imposing and collecting assessments from Assessable Entities, which will include establishing a mechanism for calculating the assessment amount for each Assessable Entity and notifying the Assessable Entity of the assessment amount and establishing and communicating the process by which Assessable Entities will make payment of the assessment.

4. Quarterly Schedule; Late Payments. Assessments will be collected on a quarterly basis in accordance with a schedule established by the Board. Quarterly assessments that are not paid by the 15th day of the month in which

the due date occurs will be late and will accrue interest at the rate of 1.5% per month.

H. Accounting, Books, and Records. The Reinsurance Program will maintain its books, records, accounts, and operations on a calendar year basis. On or before April 30 immediately following a Benefit Year, the Executive Director will prepare financial statements as of December 31 of that Benefit Year.

III. OPERATION OF THE REINSURANCE PROGRAM

A. General Matters.

1. The official address of the Reinsurance Program will be as determined by the Board from time to time.

2. NHHP will open one or more bank accounts for use in connection with the Reinsurance Program. Reasonable delegation of deposit and withdrawal authority with respect to such accounts may be made as is consistent with prudent fiscal policy. The Executive Director (or its designee) will be provided with access to any such accounts in order to facilitate performance of the administrative services for the Reinsurance Program.

3. Operation of the Reinsurance Program will at all times be subject to, and will be in conformity with, applicable federal laws and regulations and the laws of the state of New Hampshire.

B. Conditions of Participation.

1. The Board may establish an Eligible Entity enrollment process for the Reinsurance Program, if deemed necessary to the efficient operation and administration of the Reinsurance Program. If an enrollment process has been established, to become an Eligible Entity, an Assessable Entity must enroll at the time and in the manner specified by the Board in order to participate in the Reinsurance Program.

2. To participate in the Reinsurance Program, an Eligible Entity must comply with all rules, policies, procedures, duties, obligations, and other requirements adopted or established in connection with the Reinsurance Program.

3. An Eligible Entity must continue to administer and manage the insurance policy for any risk reinsured through the Reinsurance Program in accordance with (i) the terms of the insurance policy, including, but not limited to, all related schedules of benefits, certificates of coverage, and other documents describing the terms of coverage under the policy; (ii) the Eligible Entity's usual and customary claims adjudication and utilization management processes; and (iii) the insurance law of the state of New Hampshire.

4. As a condition of receiving payments from the Reinsurance Program, an Eligible Entity must provide, for each benefit year, all data and information required by the Reinsurance Program in the manner and format and within a timeline required by the Reinsurance Program. This is expected to include:

a. The name and company code assigned to the Eligible Entity by the National Association of Insurance Commissioners;

b. The entire total amount of paid claims for the Eligible Entity's reinsurance eligible claimants for the benefit year;

c. The total amount of the paid claims portion of Eligible Entity's total reinsurance eligible claims that fall between the attachment point and reinsurance cap;

d. An attestation signed by an executive officer of the Eligible Entity stating that the information is accurate as of the date of submission;

e. A description of the insurer's Care Management Program, and any applicable updates to be provided in a timely basis and at least annually thereafter, that demonstrates the insurer's ability to identify and help manage the care of potential higher cost claimants to ensure the appropriateness of health care services delivered. NHHP will collect these Care Management Program descriptions and will transmit them to the Insurance Commissioner without evaluation of effectiveness.

5. In accordance with state filing requirements, an Eligible Entity must submit two sets of rates to the New Hampshire Insurance Department for all plans eligible for participation in the Reinsurance Program as part of the annual plan and rate filing process: "with waiver" rates that include the anticipated impact of any Reinsurance Program payments on rates; and "without

waiver" rates that show the anticipated rates without any Reinsurance Program payments. The with and without rates must be reflective of the insurer's estimated actuarial impact that the Reinsurance Program will have on the insurer's plan(s) for the upcoming benefit year.

C. Covered Health Insurance Claims. Health insurance claims under insurance policies issued in the Individual Market (excluding transitional and grandfathered plans) in New Hampshire will be eligible for inclusion in the payment determination under the Reinsurance Program in accordance with the following:

1. Eligible Insureds. Covered Claims incurred by any individual receiving coverage under an eligible plan or policy issued in the Individual Market will be eligible for inclusion under the Reinsurance Program, subject to satisfying all other participation criteria under this Reinsurance Plan and the Reinsurance Program.

2. Nature of Covered Claims. To be a "Covered Claim" for inclusion under the Reinsurance Program, a claim must (i) be eligible for inclusion as an incurred claim in the Plan Year pursuant to 45 CFR 158.140 (ii) and paid on or before six months following the end of the Plan Year.

3. Attachment Point. No claim incurred by a covered individual will be eligible for inclusion in the payment determination under the Reinsurance Program for a Benefit Year until all Covered Claims incurred and paid on behalf of the covered individual under the applicable health insurance policy by the Eligible Entity seeking payment have met the specific attachment point established for that Benefit Year. A Covered Claim may not be submitted to the Reinsurance Program by an Eligible Entity until the specific attachment point has been met. The applicable attachment point is described in Attachment 1.

4. Annual Maximum. Generally, no Covered Claim amount incurred by a covered individual will be eligible for payment inclusion under the Reinsurance Program once the total Covered Claims incurred and paid with respect to that covered individual under the applicable health insurance policy for the Benefit Year have reached the annual maximum per claim cap- the "Cap"- established for that Benefit Year. In the unlikely event that available Reinsurance Program Funds would result in a coinsurance payment percentage greater than 100% of the Covered Claims value then the annual maximum cap might be increased. The applicable annual maximum Cap is described in Attachment 1.

5. Claim Liability Summary. The liability for claims costs incurred within a benefit year, excluding Assessable Entity cost sharing, in which the Reinsurance Program is in effect is summarized by claim range.

Claim Range	Liability
$0-Attachment Point	100% Eligible Entity
Attachment Point -Cap	Final Payment %- Reinsurance Program (1-Final Payment %)- Eligible Entity
Amount Beyond Cap	100% Eligible Entity

The claim liability summary for Year 1 is described in Attachment 1.

D. Submission of Claims by Carriers under Reinsurance Program.

1. Information to be Provided. Requests for Reinsurance Program payments with respect to eligible Covered Claims under the Reinsurance Program must be submitted in the form and manner required by the Reinsurance Program, which may include a requirement to submit such requests in an

electronic format and/or through an online portal. Such requests must include all information and supporting documentation required on the form provided by NHHP, including any accompanying instructions and any rules, policies, or procedures referenced in the form or accompanying instructions.

2. Timing. The Requests for Reinsurance Program payments with respect to eligible Covered Claims must be submitted no later than seven (7) months after the end of the Benefit Year in which the Covered Claim was incurred. Generally, Eligible Entities should follow the regular claim submission timeline throughout the benefit year consistent with the annual schedule established by the Center for Consumer Information & Insurance Oversight (CCIIO) Centers for Medicare & Medicaid Services (CMS) for claim submittal to the EDGE servers. The Payment Request and Submission Process is described in Attachment 2.

3. Correction of Errors. Errors in any submission must be corrected, and the information resubmitted, by the earlier of (i) 30 days after the Eligible Entity receives notice of the error from the Reinsurance Program, or (ii) the latest date for submitting a request for reinsurance payments with respect to the Covered Claims.

E. Reinsurance Program Payments. Reinsurance Program Payments to participating Eligible Entities based on eligible Covered Claims under the Reinsurance Program will be made on a periodic basis, at least annually, as determined by the Board for each Benefit Year of the Reinsurance Program.

1. General Claim Process and Payment Timing. Valid and complete Covered Claims received in accordance with the terms of the Reinsurance Program will be processed and Reinsurance Payments paid no later than ten (10) months after the end of the benefit year. If the date for payment is a date on which banks are closed in the United States (e.g., a weekend or federal banking holiday), payment will be made on the immediately following banking day. Payments delayed due to any event or condition beyond the control of the Reinsurance Program (for example federal sequestration) will be made as soon as is administratively practicable and will not accrue interest.

2. Verification of Completeness of Claim. Payments with respect to a Covered Claim will in all cases be subject to verification by the Reinsurance

Program, including, but not limited to, ensuring completeness, eligibility, and submission in accordance with the terms of the Reinsurance Program.

3. Estimated and Final Reinsurance Percentage. A target coinsurance percentage on covered claims for a Benefit Year will be the percentage established by the Insurance Commissioner based on a recommendation by the Board for that year. This estimated coinsurance percentage will be trued up to a final coinsurance percentage on the actual amount of total funds received for distribution in the Benefit Year compared to the total claims received for payment. This final percentage will be used to calculate the final Reinsurance Payment amounts that will be remitted to the submitting Eligible Entities.

4. Determination of Payment Amounts. Subject to the attachment point and annual maximum cap per covered individual and all other conditions and limitations set forth in this Reinsurance Plan, the payment amount with respect to an eligible Covered Claim submitted to the Reinsurance Program will be predicated on the product of (i) the amount of the eligible Covered Claims, and (ii) the applicable final coinsurance percentage calculated for the Benefit Year.

5. Shortfall or Projected Shortfall in Reinsurance Program Funds. If the total Reinsurance Program Funds with respect to a Benefit Year are insufficient to pay all Reinsurance Program expenses, payments, and other disbursements allocable to that Benefit Year, then the Board may reduce proportionately all Reinsurance Program payments allocable to that Benefit Year to the extent necessary to prevent a deficit for that Benefit Year. It is the intent of the Reinsurance Program that all funds received in a Benefit Year be used to pay for eligible claims in that year after paying for all administrative expenses associated with the Reinsurance Program as described in Section III (F).

a. Any reduction to Reinsurance Program payments with respect to a Benefit Year will apply to all eligible claims allocable to that Benefit Year without regard to when eligible claims are submitted, and any such reduction will be applied to each eligible claim in the same proportion.

b. If, at any time, NHHP reasonably projects that it will be necessary to reduce payments with respect to a Benefit Year, and the payments are scheduled to be made more frequently than annually, then

the Reinsurance Program may consider eligible claims for payment determination by paying only a percentage of the amount, based on NHHP's reasonable projections regarding the necessary reductions for the Benefit Year. If it is later determined (in connection with the true-up process described in this Reinsurance Plan) that a larger percentage of the payment amount was payable for the Benefit Year, then an additional payment will be made to all Eligible Entities proportionally.

c. If an Eligible Entity receives a payment during the benefit year and it is later determined (in connection with the final payment calculation and true-up process described in this Reinsurance Plan) that a smaller percentage of the reinsurance payment was payable for the Benefit Year, the Eligible Entity must repay the excess to the Reinsurance Program at the conclusion of the true-up process described in this Reinsurance Plan, such repayment to be made no later than 10 days after written notice to the Eligible Entity by the NHHP.

6. Subject to Availability of Funds. Payment under the Reinsurance Program will, at all times, be subject to, and contingent upon, the availability of sufficient Reinsurance Program Funds.

7. Power to Suspend or Alter Timing of Payments. The Board will have the power, at all times, and exercisable in its discretion, to suspend or alter the timing of payments under the Reinsurance Program.

8. Estimated Program Annual Reporting and Activity Timeline. All reporting, payment and program operations shall be done in accordance with the Implementation Timeline included in the final approved Waiver and its associated Specific Terms and Conditions.

F. Use of Reinsurance Program Funds and Ordering Rules.

1. All Reinsurance Program Funds received by NHHP for the Reinsurance Program will be deposited in the financial account(s) established by the Board and used as follows:

a. First to pay, or to establish reasonable reserves for payment of, administrative and operational expenses of the Reinsurance Program as defined in Section III(F).

b. Second to set aside any Board Approved amounts, if not already accounted for in Section II(F), for the effective management of the Reinsurance Program including possible termination and run-out;

c. Third to make Reinsurance Payments based on included Covered Claims properly submitted to the Reinsurance Program.

2. Payment requests properly submitted to the Reinsurance Program will be paid from the following sources:

a. First from federal funds received pursuant to terms of the Waiver that remain available after payment of, or establishment of reasonable reserves for payment of administrative and operational expenses of the Reinsurance Program.

b. Second from any properly designated Board Approved set aside funds if applicable.

c. Third from the Assessments of Assessable Entities.

d. Fourth from any other available Reinsurance Program Funds.

G. Annual Reinsurance Program Final Payment Calculation and True-Up.

1. NHHP will establish a final payment calculation and, if any payments were made during a benefit year, a payment true-up process with respect to each Benefit Year to make any necessary adjustments in amounts paid to an Eligible Entity with respect to that Benefit Year. Adjustments made during the true-up process may include, but are not limited to:

a. Retroactive reductions or other adjustments in payments to Eligible Entities necessary to prevent a deficit for the Benefit Year.

b. Retroactive increases or other adjustments in payments to Eligible Entities necessary to ensure each claim for reimbursement is reimbursed proportionately.

c. Offsets or adjustments to account for any amounts owed by an Eligible Entity to the Reinsurance Program.

2. The final payment calculation and true-up will occur between August 1 and September 30 following the Benefit Year to which it relates.

3. Any additional payment by an Eligible Entity required as a result of the true-up process must be made no later than 10 days after written notice to the Eligible Entity by the Reinsurance Program.

4. Any additional payment to an Eligible Entity required as a result of the true-up process will be made no later than 10 days after the close of the true-up process.

H. Reporting by Eligible Entities. NHHP may request reports and information from participating Eligible Entities from time to time, as may be necessary for the sound and efficient operation of the Reinsurance Program and to meet federal reporting requirements.

I. Recoveries from Third Parties. As a condition of participation in the Reinsurance Program, the following terms and conditions will apply with respect to any Third-Party Recoveries received by an Eligible Entity during the benefit year reporting period with respect to Covered Claims for which payments were requested under the Reinsurance Program:

1. A "Third-Party Recovery" means any recovery from any source of any amount paid with respect to a Covered Claim, including, without limitation, recovery pursuant to subrogation or reimbursement, recovery of any overpayment or impermissible payment to a health care provider, and recovery of any amount determined to have been paid as a result of fraud or abuse.

2. An Eligible Entity must make a report to the Reinsurance Program within 10 days after receipt of any Third-Party Recovery with respect to a Covered Claim for which a payment (or payments) was (or were) made under the Reinsurance Program.

3. If an interim payment has been made during the benefit year reporting period, NHHP will be entitled to recover on behalf of the Reinsurance Program the full amount of the portion of its Reinsurance Payment (or payments) related to such Third-Party Recovery, up to (but not in excess of) 100% of such Third-Party Recovery, without any offset or reduction for any expenses of recovering such Third-Party Recovery and without regard to whether the Eligible Entity has been made whole. The Reinsurance Program's

right of recovery against such Third-Party Recovery amounts will apply without regard to the "make whole doctrine," the "common fund doctrine," or any other or similar equitable doctrine or principle that might otherwise reduce or limit the Reinsurance Program's right of recovery against such Third Party Recovery amounts, it being the express intent and agreement of the parties that the Reinsurance Program be entitled to recover the full amount of its Reinsurance Payments from any such applicable Third Party Recovery amounts.

4. In view of the foregoing, NHHP will be entitled to first priority subrogation rights with respect to any Third-Party Recoveries received by a health care insurance with respect to a Covered Claim, and to seek enforcement and protection of such rights by appropriate legal proceedings.

5. An Eligible Entity that is required to pay some or all of a Third-Party Recovery to the Reinsurance Program must pay within 10 days after written notice and demand for payment by the Reinsurance Program. The Reinsurance Program will have the right, either in addition to or as an alternative to demanding payment from an Eligible Entity, to offset the Third-Party Recovery for any reason.

6. Once the Final Payment has been made by NHHP for a Benefit Year, any subsequent recoveries that relate to claims for that Benefit Year Payment will NOT be subject to these Section I conditions.

J. Right of Offset. The Reinsurance Program or the Executive Director on its behalf, will be entitled to offset against any amounts otherwise payable to the Eligible Entity under the Reinsurance Program the amount of any Third-Party Recovery or other amounts owed by such insurer to NHHP under the Reinsurance Program.

K. Program Changes.

1. NHHP will propose amendments and other recommendations regarding the Reinsurance Program to the Insurance Commissioner on or before August 1 of the second calendar year preceding the plan year in which these changes would take effect. Any proposed changes will further the mission of making individual health insurance affordable and accessible consistent with Section 1 of the Statute.

2. Assuming no change in program designs are recommended or adopted, on or before March 31 of the calendar year preceding the plan year, NHHP will publish estimated reinsurance parameters and estimated premium savings based on actuarial modeling to facilitate pricing of the required with and without rates that issuers must file.

III-A. WAIVER FUNDING

A. Receipt of Federal Funding. As directed by the Supplemental Order of the Insurance Commissioner dated September 30, 2020 (the "Supplemental Order"), and pursuant to the relinquishment letter to be submitted by the New Hampshire Insurance Department (the "Insurance Department") to the U.S. Department of Health & Human Services and the U.S. Department of the Treasury (the "Departments") requesting that NHHP be the grantee of record under the Waiver (the "Relinquishment Letter"), NHHP as administrator of the Reinsurance Program will take all actions necessary to qualify as the direct recipient of, and to accept and receive, federal funding under the Waiver (collectively the "*Federal Funding*"). The Federal Funding will constitute a portion of the Reinsurance Program Funds, and NHHP will use the Federal Funding only in compliance with the Statute and the Reinsurance Program Plan of Operation. By receiving directly the Federal Funding and serving as the grantee under the Waiver, NHHP will not be assuming any obligations or liability beyond those contemplated by the Statute and this Reinsurance Program Plan of Operation.

B. Adherence to Waiver Terms and Conditions; Collaboration with the Insurance Department. Upon the submission and processing of the Relinquishment Letter, NHHP will become the grantee under the Waiver and subject to the terms and conditions imposed by the Departments and accepted by the Insurance Department on August 11, 2020 in connection with the approval of the Waiver application (the "Waiver Terms and Conditions"). As a public instrumentality and under the terms of the Statute and the direction of the Insurance Department and the Insurance Commissioner as contemplated by the Supplemental Order and this Reinsurance Program Plan of Operation, NHHP will comply with the Waiver Terms and Conditions. The Insurance Department will cooperate with NHHP and provide all support necessary to enable NHHP to comply with the Waiver Terms and Conditions on behalf of the State.

C. Additional Powers of NHHP. Sections III(B) and III(C) of the Reinsurance Program Plan of Operation are amended to include the power and duty of the Board to: (i) serve as grantee under the Waiver; (ii) take all actions necessary to receive directly the Federal Funding; and (iii) comply with the Waiver Terms and Conditions. All costs

and expenses related to the exercise of these powers and duties will be deemed to be administrative expenses related to the Reinsurance Program.

IV. AUDITS

An Eligible Entity may be subject to periodic audits to review any and all information, transactions, or other matters relevant to the insurer's participation in the Reinsurance Program, including, but not limited to, Eligible Claims for which payments were made and information related to assessments of Assessable Entities. Audits of Eligible Entities may include both a baseline audit conducted in connection with commencement of an insurer's participation in the Reinsurance Program and periodic audits throughout the insurer's participation in the Reinsurance Program.

An Eligible Entity may be required to submit an audit report, from a qualified independent auditor, verifying the appropriateness and accuracy of procedures used to identify and submit a claim for Reinsurance Program payment. NHHP will rely on this reporting without separate independent investigation. To meet this Audit requirement, each Reinsurance Program Eligible Entity would:

A. Hire a Certified Public Accountant (CPA) or other party approved by the Board to conduct agreed upon procedures of various items related to Reinsurance Program payments. To be acceptable, the auditor must be independent, in accordance with standards established by the Audit Committee. The agreed upon procedures must be performed in accordance with generally accepted auditing standards as adopted by the membership of the American Institute of Certified Public Accountants.

B. Ensure that the agreed upon procedures shall be conducted in accordance with a uniform agreed upon procedure program (herein after called "Audit Program") for Assessable Entities, as developed by the Board. This Audit Program shall clearly specify all items to be examined. It shall include a certification statement form, to be completed by the auditor, to verify the completion of all prescribed agreed upon procedures as dictated by the Audit Program. Also, details regarding the number and types of records reviewed and any errors found shall be submitted in a written report which accompanies the certification statement. A copy of this report and the certification statement shall be submitted to the Board by the auditor.

C. Conduct an Audit Program that shall include, but not be limited to, detail testing of representative samples of the following items:

1. Reinsurance claims submitted to the Reinsurance Program, in particular:

   a. Eligibility of individuals for which payments are requested;

   b. Proper determination of Covered Claim amounts requested by the Eligible Entity including:

      (1) Verification that the related claim was paid.

      (2) Appropriate adjudication against the proper Essential Health Benefit Plan.

      (3) Proper use of the approved methodology to convert any applicable capitated claims to fee for service basis.

      (4) Properly applied Program claim attachment point and cap;

      (5) Proper application of any recoveries made by the Eligible Entity.

2. Reimbursement requests to the Reinsurance Program have been properly determined considering reimbursement by other parties for the same expenses due to subrogation, coordination of benefits, outside reinsurance or other reimbursement.

3. The frequency of these agreed upon procedures shall be conducted annually. The cost of the performance of the agreed upon procedures of an Eligible Entity shall be borne by that Eligible Entity.

D. Conduct random reviews of provider bills or other records as deemed necessary to verify the accuracy and appropriateness of reinsurance claim submissions.

The Board shall have the right to conduct such additional reviews, inspections, and or agreed upon procedures audits of Eligible Entities as it deems appropriate, and the Eligible Entity agrees to cooperate (and to cause its auditor to cooperate), with the Board's audit. The audit may include:

(a) Audit and inspect Eligible Entity books and records relating to the identification of covered persons eligible for payments under the Reinsurance Program,
(b) Audit and inspect books and records relating to the identification and calculation of the claim amounts designated for payment under the Reinsurance Program by the Eligible Entity.
(c) Audit and inspect Eligible Entity books and records relating to the claim data submission on the EDGE server and the Comprehensive Health Care Information Set ("CHIS") data submitted to the NH Department of Insurance for any applicable benefit years.

V. GENERAL PROVISIONS

A. Amendments to the Reinsurance Program Plan of Operation. This Reinsurance Plan may be amended at any time by proper action of the Board, subject to approval of such amendment by the Insurance Commissioner and the Board.

B. Termination. The Reinsurance Program will continue in existence unless and until it is terminated upon the occurrence of any of the following events:

1. The Insurance Commissioner, either independently or upon the request of NHHP, determines in writing that the Reinsurance Program no longer is serving its intended purpose of stabilizing the individual health insurance market in New Hampshire and encouraging participation in such market by insurers;

2. The terms of the Waiver are altered by the U.S. Department of Health and Human Services and/or the U.S. Treasury in a material manner which impedes the purposes of the Reinsurance Program as determined by the Insurance Commissioner, or the funding under the Waiver is terminated, is not renewed or is reduced to a level which eliminates the benefits of the Reinsurance Program; or

3. There is a change in federal or state law or regulation which prohibits NHHP from continuing to operate the Reinsurance Program.

Upon the occurrence of any of the following events, NHHP will issue a notice to the Assessable Entities informing them of the Reinsurance Program termination and

establishing a revised Assessment schedule and any necessary modifications to the Covered Claims provisions of Sections IV(C) through (E) above to reflect such termination. Upon termination of the Reinsurance Program, the Board will be responsible for the orderly winding up of the Reinsurance Program in accordance with the terms of the final approved Waiver and Specific Terms and Conditions.

C. Interpretation; Waiver. The Board will have discretionary authority to interpret and construe the terms and provisions of this Reinsurance Plan, as amended and in effect from time to time. No failure to enforce, or insist upon strict compliance with, any term or provision of this Reinsurance Plan will be deemed a waiver of such term or provision.

D. Limitation of Liability. The state of New Hampshire will not be liable for any acts or omissions of the Board, the Insurance Commissioner, the Executive Director, or any of their members, employees, agents, or contractors, in connection with the Reinsurance Program.

E. Immunities and Insurance. In conducting the affairs of the Reinsurance Program, the Board and its committees, including the individual directors and committee members, and the NHHP administrators and their employees continue to enjoy the immunities of Sections 3(IV) and 9 of the Statute and the indemnification set forth in the NHHP Bylaws. To the extent not currently in effect, NHHP may acquire and maintain director and officer liability insurance to cover the activities of the Board and its committees under this Reinsurance Plan.

F. Severability of Unenforceable Provisions. If any provision of this Reinsurance Plan is deemed to be invalid, unlawful, or unenforceable, it will be deemed severed from the Reinsurance Plan and will not affect the validity or enforceability of the remaining provisions of the Reinsurance Plan.

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ATTACHMENT 1
MARKET REINSURANCE PROGRAM PARAMETERS SPECIFICATIONS

Regular Assessment Rate:

The Regular Assessment Rate initially will equate to 60 basis points (0.6%) of the prior plan year second lowest cost silver plan premiums (using the rate associated with a 40 year old non-smoker enrollee purchasing a plan on the New Hampshire Marketplace) before the impact of the Reinsurance Program is calculated. For Year 1 of the Reinsurance Program (Benefit/Plan Year 2021), this target will be based on the applicable premium rate for Plan Year 2020 which was public as of September 2019. This premium was $404.60 resulting in a Regular Assessment Rate of $2.43 per member month.

Eligible Claims and Target Payment:

a. The specific attachment point for the 2021 Benefit Year is $60,000 in Covered Claims per covered individual.

b. The annual maximum per claim cap for the 2021 Benefit Year is $400,000 in Covered Claims per covered individual, provided that, if funds exceed submitted claims, this cap may be increased at the discretion of the Insurance Commissioner and the Board.

c. The target percentage for the 2021 Benefit Year is 74%.

Year 1 Summary:

Claim Range	Target Liability
$0-$60,000	100% Eligible Entity
$60,001-$400,000	74% Program; 26% Eligible Entity
$400,001 and beyond	100% Eligible Entity

ATTACHMENT 2

REINSURANCE PROGRAM PAYMENT REQUEST PROCESS AND APPEALS PROCEDURES

A. Each Eligible Entity will submit its EDGE Server Data as required by applicable law or regulation.

B. NHHP will calculate payment allocations for each Eligible Entity participating in the Reinsurance Program using EDGE Server Data (each a "Payment Allocation").

C. On or before August 1, NHHP will make a final payment determination based on the Payment Allocation and make a final payment to each Eligible Entity, subject to the adjustments contemplated under Sections III(E)(3) and III(G) of the Plan of Operation.

D. An Eligible Entity can appeal this final payment determination to the New Hampshire Insurance Commissioner.