

**NH Vaccine Association – Board of Directors Meeting
March 9, 2016 – 1:00 to 4:00 p.m.**

KidsVax Offices

Presiding Officer: Susan Tenney, Chair

I. Attendance. Participating in all or part of the meeting in person (P) were the following individuals:

Directors:

Susan Tenney, Chair – Harvard Pilgrim Health Care (P)
Laura Condon – Public Board Representative (P)
David Fredenburg, M.D. – Healthcare Provider (P)
Colleen Haggerty – DHHS [Personal Representative for
M. Bobinsky] (P)
Everett Lamm, M.D. – Healthcare Provider (P)
Jason Margus – Anthem (T)
David Sky, NHID (P)

Absent:

Elaine Koskela – Cigna
Edward Moran – Public Board Representative

Others:

Mark McCue, Esq. – Hinckley Allen (P)
Larry Hart – Compass Health Analytics, Inc. (T)

Public:

Bjorn Hubbard – United Healthcare (T)

KidsVax®:

Fred L. Potter (P)
Nicole G. Price (P)
Julia G. Walter (T)
Claire Roberge (P)
Terry Mills (P)
Thomas Philbrick – WebEx Monitoring (P)

II. Summary of Actions Taken and/or Recommended

A. Actions Taken (votes adopted)

1. To approve the Board Meeting minutes of December 15, 2015, as amended by Ms. Condon at this meeting.
2. To authorize David Fredenburg, M.D., as Treasurer, to execute on behalf of New Hampshire Vaccine Association the Wealth Management Services Agreement with the Bank of New Hampshire.
3. To approve the following NHVA governance documents as revised to conform to RSA 126-Q, as amended with the changes suggested at this meeting.
 - a. Articles of Agreement
 - b. Bylaws
 - c. Plan of Operation
4. That the Administrator be instructed to continue the practice of segregating late payment interest from investment returns in the regular financial reporting of the New Hampshire Vaccine Association.
5. To approve the Late Payment Policy as recommended by the Audit Committee.
6. To approve the adoption of the NHVA Anti-Trust Policy as presented.
7. To approve the adoption of the NHVA Code of Ethics Policy, as amended at this meeting.

B. Follow-up Task/Action Items

1. KidsVax® will incorporate Attorney McCue's changes to the executive session section in the minutes of December 15, 2015, before posting the approved minutes to the website.
2. Mr. Potter will follow up with the Governor's office to offer information on how other states have gone about finding a self-insured representative.
3. KidsVax® will make all requested revisions to the various documents and will prepare them for submission to the Commissioners for review and approval.

Welcome and Introductions

At approximately 1:00 p.m., a quorum was established, and Chairman Tenney called the meeting to order. Colleen Haggerty attended as the personal representative for Marcella Bobinsky. Chairperson Tenney indicated that the agenda had changed a bit from the prior distribution. These changes reflect resequencing of agenda items. Chairperson Tenney surveyed the Board for additional agenda items.

Consent Calendar

Ms. Condon expressed her concerns regarding the roll call vote taken during executive session at the December 15, 2015, meeting. She requested that the minutes not only reflect her vote in opposition, but also indicate that the Department of Health wanted to abstain and that Elaine Koskela did not remain on the call for the vote. Attorney McCue stated that he would make the requested revisions to the executive session portion of the minutes. KidsVax® will incorporate Attorney McCue's changes to the executive session section in the minutes of December 15, 2015, before posting the approved minutes to the website.

Upon motion duly made by Mr. Sky and seconded by Dr. Lamm, it was unanimously

VOTED: To approve the Board Meeting minutes of December 15, 2015, as amended by Ms. Condon at this meeting.

Ms. Condon asked if the Board would also be approving the minutes of the January 27, 2016, Audit Committee Meeting. It was the sense of the Board that the Audit Committee minutes would be approved by the Audit Committee at its next scheduled meeting. For informational purposes, copies of the January 27, 2016, Audit Committee minutes were distributed during the meeting.

Business Updates

Mr. Potter proposed that the details of the Executive Director report not be reviewed extensively at this meeting to allow sufficient time for work on the governance documents, including the Late Payment Policy and Investment Policy, as recommended by the auditor. As indicated in his report, Mr. Potter advised that NHVA is on track, everything appears to be running smoothly, and the lockbox transition has gone well. In response to the Board's direction regarding more resources and improved timeliness, KidsVax® led a search for additional senior management resources. Mr. Potter indicated he was pleased to welcome Nicole G. Price as the Deputy Executive Director for the NHVA. She plans to meet with the Directors individually as schedules allow. Mr. Potter further advised that KidsVax® has also engaged Larry Hart of Compass Health Analytics, who previously served as a Director on this Board, to serve as both a mentor and analytics expert to Ms. Price as she steps into the position of Deputy ED for NHVA and hopefully prepare to become the ED. Starting with the next meeting, Mr. Hart will sit beside her at NHVA meetings and assist with the specific operations of a vaccine association, and will take the lead on the assessment work once the task force has instructed the Board how they would like the assessment setting worksheet presented.

Mr. Potter advised that it is a good practice for each Director to maintain a personal file in which they have the D&O insurance policy and the annual audit reports. A complete copy of the new D&O insurance policy is provided in the Board packet for review.

Mr. Potter reported that in the course of the January Audit Committee Meeting, Bank of New Hampshire (BNH) made an investment proposal to NHVA in which they matched the favorable rates KidsVax® negotiated in Washington. At that time, Mr. Sky immediately noted that it was a good deal and urged the Board to lock down the offered services. The Audit Committee recommends the Board authorize KidsVax® to retain BNH's investment group and to lock down their three (3) year commitment to NHVA at a fixed fee of .12% of the invested portfolio market value.

Upon motion duly made by Mr. Sky and second by Dr. Lamm, it was unanimously

VOTED: To authorize David Fredenburg, M.D., as Treasurer, to execute on behalf of New Hampshire Vaccine Association the Wealth Management Services Agreement with the Bank of New Hampshire.

Mr. Hart joined the meeting via telephone. He indicated it had been a pleasure to serve on the NHVA Board in the past and looks forward to working with Ms. Price and the Board on the assessment calculations for the upcoming year. Mr. Potter advised for the record that Mr. Hart's fee and Ms. Price's salary is paid entirely by KidsVax® and is not a supplemental cost to the Association. Based on the comments of the Board, KidsVax® realized that the Board was expecting a higher service level, and these steps are intended to be fully responsive to that request.

Mr. Sky provided a brief update on the status of the work undertaken by the Assessment Process Improvement Task Force. The Committee has made significant progress, and Dolores Cooper from the Department of Health & Human Services (DHHS) has been very helpful in this regard. Ms. Cooper is working to obtain additional information for the Committee in preparation for a follow-up meeting. Ms. Condon complimented Mr. Sky for his significant efforts on assessment improvements, noting that he has brought materials to the Committee in a well thought out and well-prepared manner which has assisted in the progress made to date. Ms. Tenney stated her agreement.

Attorney McCue provided a brief oral update of the recent Supreme Court case of Gobeille v. Liberty Mutual Insurance Company. On March 1, 2016, in a 6 to 2 decision, the Supreme Court held that required claims data reporting by self-insured plans under TPAs is preempted by ERISA, the federal law that governs health insurance plans in three areas: 1) any state law that tries to mandate either benefits or choices of who provides those benefits is preempted by federal law; 2) if there is any state law that tries to alter the enforcement remedies under ERISA, those are preempted; and 3) if they affect and burden plan administration or structure, then they are preempted. The court concluded that the very essence of ERISA is to have a national uniform system of administering self-insured plans, and having reporting requirements state-by-state imposed an unfair burden on the administration of those plans. Further discussion ensued.

Ms. Walter joined the meeting via telephone to afford the Board a brief oral update regarding TRICARE. Since last speaking with the Board, some progress has been made with TRICARE directly and in the Senate Armed Services Committee (SASC), which is where KidsVax® is seeking to source the proposed statutory fix. The initial version of the bill will mandate that TRICARE pay both the arrears and go-forward payments into all universal vaccine programs whether on a per capita basis or a dosage based system. It is hoped that this legislation can be written into the 2016-2017 fiscal year National Defense Authorization Act (NDAA). The backup strategy is to have the language in an independent bill if for any presently unforeseen reason NDAA fails to pass this legislation. Further discussion ensued.

Governance Documents

Articles of Agreement. Mr. Potter advised the Board that the redlined governance documents show all revisions suggested by the Board. There are three documents requiring attention; the Articles, the Bylaws, and the Plan of Operation. Mr. Potter urged the Board to move to approval on these documents because the appointment cycle for the payer representatives will be coming up later this year, and there are protocols that KidsVax® will be following if these documents are adopted. NHVA has been operating under a Letter of Understanding, and at a minimum, unless the Board instructs KidsVax® differently, it would propose to operate under the current draft as closely as possible. The Late Payment Policy and Investment Policy, which were thoroughly vetted at several Audit Committee meetings, are now coming to the Board with the Audit Committee's recommendation that those policies be adopted, per the audit point in the management letter, prior to the next audit. It was the sense of the Board to address the documents individually.

There was extensive discussion with respect to Article IX, Distributions at Dissolution, in the Articles of Agreement. Ms. Condon again expressed her concern that Article IX appears to be in conflict with the statute. Further discussion and clarification ensued. It was the sense of the Board to incorporate language into the Plan of Operations affirmation stating that no plan of dissolution will be considered until the liabilities, including the refund obligations of all assessments, are paid, in accordance with 126-Q.

Bylaws. The changes shown are in response to Ms. Condon's comment last fall that this Board cannot remove an appointed member. Mr. Potter reported that he has spoken with the Governor's office. He was told they would like to move forward with the appointment of a self-insured representative, and are willing to entertain assistance with respect to getting another appointee. Mr. Potter will follow up with them to suggest how other states have gone about finding a self-insured representative. Mr. Potter advised that the other change to the Bylaws reflects that a quorum shall be a simple majority of the total number of Directors then appointed or selected without counting any position in which there is a vacancy at the time.

Plan of Operation. Mr. Potter stated that many of the changes in the Plan of Operation are designed to tighten up the defined terms so that the language is used consistently. The calendar has been revised in response to Ms. Condon's reference to the current calendar being out of sync with the old calendar. The changes tie into the new calendar and push the Annual Meeting back to June rather than September so that new Board representatives are available in the fall for the assessment setting work. The article concerning the transitional assessment rule has been removed because the transitional period is over. Mr. Potter expressed that a new provision needs to be included per the Board's earlier conversation regarding Distributions at Dissolution. He suggested including language under Article VIII., Termination, of the Plan of Operation as follows: "Prior to any liquidation and distribution pursuant to the Articles of Agreement, all statutory liabilities under RSA 126-Q will be satisfied in full." Ms. Condon offered further suggested changes to the Exhibit A calendar for clarification and consistency purposes. Chairperson Tenney suggested changing the language from "third Tuesday" of the month to "third week." Mr. Potter also suggested adding the parenthetical phase, "if needed" to the October meeting on Exhibit A.

Upon motion duly made by Dr. Fredenburg, and seconded by Dr. Lamm, it was unanimously

- VOTED: To approve the following NHVA governance documents as revised to conform to RSA 126-Q, as amended with the changes suggested at this meeting.
- a. Articles of Agreement
 - b. Bylaws
 - c. Plan of Operation

Mr. Potter requested that the Board next take up the Late Payment Policy and Investment Policy. They are policies that similarly have some urgency to them as audit precipitated policies. Dr. Fredenburg advised that the Audit Committee revised the Late Payment Policy required by NHVA's 2014/2015 audit to be as simple as possible. Ms. Condon expressed her ongoing concern that NHVA have a provision in the Late Payment Policy that would require the collection of interest monies to be accounted for and reported separate from regular assessment collections. Mr. Potter indicated that this isn't really an accounting policy document but that KidsVax® certainly will follow any accounting policy set by the Board. Administratively it doesn't affect NHVA's costs because KidsVax® is already doing this. It was the sense of the Board that the provision does not belong in the Late Payment Policy.

Upon motion duly made by Ms. Condon and seconded by _____, it was unanimously

- VOTED: That the Administrator be instructed to continue the practice of segregating late payment interest from investment returns in the regular financial reporting of the New Hampshire Vaccine Association.

Upon motion duly made by Mr. Sky and seconded by Dr. Fredenburg, it was unanimously

- VOTED: To approve the Late Payment Policy as recommended by the Audit Committee.

Upon motion duly made by Mr. Sky and seconded by Dr. Lamm, it was unanimously

- VOTED: To approve the Investment Policy as recommended by the Audit Committee.

Mr. Potter indicated that the remaining policies are unchanged. There were two policy additions that Ms. Condon requested when she came on the Board. Under the KidsVax® contract it agreed to bring the Board a complete policy kit which would echo what it would recommend to a not-for-profit under current best practices. That kit would include an Ethics Policy and Joint Venture Policy.

Interrogatories about the existence of a Joint Venture Policy are now on the Form 990, along with the Whistleblower Policy and Record Retention Policy. Attorney McCue advised that an Ethics Policy has become standard and notable more in its absence, but is something that is important to contemplate. The Joint Venture Policy is something that he typically wouldn't think of in an organization such as NHVA. NHVA does not currently file Form 990's, so it does not pose an immediate concern. There was further brief discussion concerning the Anti-Trust Policy. Attorney McCue advised that the Anti-Trust Policy is important and should be adopted. Dr. Lamm noted that the formatting of the headers are inconsistent in the Ethics Policy on page two, Sections V. and VI. Attorney McCue also recommended numbering some of the other headings that don't currently have numbers: Diversity and Evaluation.

Upon motion duly made by Mr. Sky and seconded by Dr. Fredenburg, it was unanimously

VOTED: To approve the adoption of the NHVA Anti-Trust Policy as presented.

Upon motion duly made by Dr. Fredenburg and seconded by Dr. Lamm, it was unanimously

VOTED: To approve the adoption of the NHVA Code of Ethics Policy, with the changes suggested at this meeting.

With respect to all policies, Mr. Potter indicated that per the Board's instruction KidsVax® will include them on the Reference page of the website. With respect to the Plan of Operation, Bylaws, and Articles of Agreement, KidsVax® has to first prepare them and then transmit them to the Commissioners, and await the Insurance Commissioner's approval of the Plan of Operation and the concurrence of the Commissioner of DHHS. Mr. Potter's understanding is that the Board has instructed KidsVax® to pursue those with all due diligence to get them completed. At Mr. Sky's request, the sense of the Board is hereby documented in the minutes: KidsVax® will hold the Joint Venture Policy draft and bring it back for the Board's consideration in the event that NHVA ever starts filing Form 990s.

Public Comment

There was no public comment.

Parking Lot Concerns

There were no concerns brought forward.

Upon motion duly made by Mr. Sky and seconded by Dr. Lamm, it was unanimously

VOTED: To move into Executive Session.

Executive Session [Prepared by outside general counsel, Attorney Mark McCue of Hinckley Allen. KidsVax® representatives were excused.]

The Board of Directors (the "Board") of the New Hampshire Vaccine Association ("NHVA") voted by unanimous roll call vote to enter into executive session at 2:40 p.m. to discuss legal matters with counsel and personnel issues. The Board briefly reviewed the TRICARE situation and proposed federal legislation. The Board then discussed the new personnel at KidsVax®, and expressed its appreciation that the Executive Director was taking action to address concerns previously raised by the Board.

Upon motions by Dr. Fredenburg and seconded by Dr. Lamm, the Board voted to end the executive session and then to adjourn the Board meeting at 2:45 p.m.

Respectfully submitted,

Mark S. McCue

Secretary pro tem

What: New Hampshire Vaccine Association (NHVA) Meeting
Date and Time: Wednesday, March 9, 2016 / 1:00 – 4:00 p.m.
Location: KidsVax® Conference Room, 125 North State Street, Concord, NH
Call-In: **Please register at:**

<https://attendee.gotowebinar.com/register/2857614600118500354>

After registering, you will receive a confirmation email containing information about joining the meeting.

NHVA Agendas are subject to revision up to and including the time of the meeting.

Approx. Time	Topic/[Anticipated Action]	Presented by:
1:00 – 1:05 p.m.	1. Welcome and Introductions a. Survey of Other Matters from Board Members b. Request for identification of individuals on conference phone	S. Tenney
1:05 – 1:10 p.m.	* 2. Consent Calendar Items a. Approval of Board Meeting Minutes (December 15, 2015) b. c.	S. Tenney
1:10 – 1:50 p.m.	* 3. Business Updates * a. Executive Director Report * b. Brief Greeting by Nicole G. Price & Larry Hart * c. Financials – 12/31/15 * d. NHVA D&O Insurance Policy (2016-02-01 – 2017-02-01) * e. Authorize the Proposed Bank of New Hampshire Investment Services Contract f. TRICARE Update	F. Potter N. Price/L. Hart C. Roberge C. Roberge F. Potter J. Walter
1:50 – 2:15 p.m.	4. Other Matters from Board Members a. Assessment Setting Task Force Update b. Gobeille v. Liberty Mutual Insurance Co. Update c.	S. Tenney D. Sky M. McCue
2:15 – 3:15 p.m.	5. Governance Documents (separately indexed) [Note: Current version of all documents have been posted separately with this meeting's calendar entry on www.NHvaccine.org.] a. Final Review and Approval of Revised Governance Documents i. Key Documents: (a) Articles of Agreement (Page 8, 2016-02-08 Governance Document Packet) (b) Bylaws (Page 13, 2016-02-08 Governance Document Packet) (c) Plan of Operation (Page 25, 2016-02-08 Governance Document Packet) ii. Late Payment Policy (Per auditor recommendation) iii. Investment Policy (Per BNH recommendation) iv. Strategy for finalizing all other documents	F. Potter
3:15 – 3:30 p.m.	6. Public Comment (if any)	S. Tenney
3:30 – 3:40 p.m.	7. Parking Lot Questions/Concerns (If time allows) a. b.	S. Tenney
3:40 – 4:00 p.m.	8. Executive Session (Board Members Only) a. With KidsVax.org personnel present b. Without KidsVax.org personnel present 9. [Intentionally Omitted] * 10. Reference Documents * a. Contact Directory * b. Governing Statute * c. 2015/16 Meeting Schedule & Annual Governance Calendar * d. Proposed form of votes for this meeting e. Directions to meeting location	S. Tenney
4:00 p.m.	[Adjourn]	

*Indicates agenda item attached

**NH Vaccine Association – Board of Directors Meeting
December 15, 2015 – 8:30 – 11:30 a.m.
KidsVax Offices
Presiding Officer: Susan Tenney, Chair**

I. Attendance. Participating in all or part of the meeting in person (P) were the following individuals:

Directors:

Susan Tenney, Chair – Harvard Pilgrim Health Care (P)
Laura Condon – Public Board Representative (T)
Colleen Haggerty – DHHS [For M. Bobinsky] (P)
Elaine Koskela – Cigna (T)
Everett Lamm, M.D. – Healthcare Provider (P)
Jason Margus – Anthem (T)
Edward Moran – Public Board Representative (P)
David Sky – NHID (P)

Others:

Mark McCue, Esq. – Hinckley Allen (P)
Dona Murray – Bank of New Hampshire (P)
Kathy Crane – Bank of New Hampshire (P)

Public:

David McKillop – Rath & Young / Merck (P)
Judith Butler – Merck (T)

Absent:

David Fredenburg, M.D. – Healthcare Provider
Marcella Bobinsky – DHHS

KidsVax:

Fred L. Potter (P)
Claire Roberge (P)
Terry Mills (P)
Thomas Philbrick (P)

II. Summary of Actions Taken and/or Recommended

A. Actions Taken (votes adopted)

1. To approve the Board Meeting minutes of the October 6, 2015 as amended by Ms. Condon at this meeting.
2. To ask the Audit Committee to review and revise the Investment and Late Payment Policies as recommended at the Board meeting.
3. To authorize the Executive Director to distribute the VaxFacts_{sm} with the guidance provided by the Board at this meeting.
4. To approve the Annual Report to the legislature as submitted.

B. Follow up Task/Action Items

1. KidsVax will schedule an Audit Committee Meeting to further discuss the Investment and the Late Payment Policies and will invite Ms. Murray and Ms. Crane to join the meeting to discuss the Investment Policy.
2. KidsVax will specifically inform the payers of the ACH functionality now available for payment of assessments.
3. KidsVax will be writing to any residual payers who mail to the KidsVax address next assessment cycle asking them to update the address in their system to the lockbox address.
4. Mr. Potter will write to the commissioners thanking them for getting the TRICARE letter out.

III. Minutes

Welcome and Introductions

At approximately 8:35 a.m., a quorum having been established, Chairman Tenney called the meeting to order. Colleen Haggerty attended as the personal representative for Marcella Bobinsky. Chairman Tenney surveyed the Board for additional agenda items. Mr. Potter indicated that there are two parts to the TRICARE matter; one to be held out of executive session and one expected to be held in executive session due to privileged information. This item was added to the agenda under item number 6, Other Matters from Board Members.

Investment Presentation – Bank of New Hampshire (BNH)

Ms. Murray, an investment officer with Bank of New Hampshire and Ms. Crane, a trust officer and relationship manager with Bank of New Hampshire provided a brief presentation regarding management of NHVA's investments. They reviewed the investment processes for the Board and addressed the Investment Policy from 2005. Ms. Murray indicated that with the guidance of the Investment Policy, BNH works to provide NHVA with liquidity, safety, and some yield. Fixed income is structured to provide the cash flow necessary to meet NHVA's financial obligations. High-grade or government-guaranteed fixed income provides a haven for a portfolio's principal. The yield is secondary to the liquidity and safety and is obtained through a total return approach. There have been some capital losses which occur when a bond is bought at premium. In today's environment, the objective is to get a higher total return yield, including the income payments over the life of the bond, which is a higher yield than a par bond.

Ms. Murray addressed the Board's questions regarding recent booked losses. She explained that some bonds are issued at par, some are issued at a discount, and some at a premium. The objective is, given a certain quality of bond, to try to garnish the most yield possible.

Bonds are purchased to own for the life of the bond, so their objective is to get the highest yield to maturity. This approach will cause, as an accounting matter, some gains and losses to be booked from time-to-time in a given accounting period due to GAAP financial reporting requirements. However, with respect to NHVA investments, it has not yet experienced any loss on any individual investment made when viewed over the entire holding period. Further in-depth discussion and explanation ensued. Ms. Murray indicated her willingness to speak with Board members by telephone should they have additional questions.

It was also noted that the Board's Investment Policy is somewhat outdated. There are specific references to dollar amounts and interest rates that generally should be avoided because the policy should be something that can last through time. Ms. Murray reviewed the policy and has offered some suggested changes to the existing policy. She also commented favorably on the Washington Vaccine Association (WVA) Investment Policy Mr. Potter had offered for consideration by the Board at an appropriate time. Mr. Potter suggested that the task of making a recommendation for an updated Investment Policy be referred to the Audit Committee. Further discussion ensued. Mr. Sky would like the asset investment cash flow information that is provide to BNH to also be provided to the Audit Committee. Ms. Murray and Ms. Crane offered to meet with the Audit Committee to review the Investment Policy in detail to assist with the Committee's development of an updated policy. KidsVax will schedule an Audit Committee Meeting to further discuss the Investment Policy and will invite Ms. Murray and Ms. Crane to join the meeting.

Consent Calendar

Upon motion duly made by Dr. Lamm and seconded by Mr. Sky, it was unanimously

VOTED: To approve the Board Meeting minutes of the October 6, 2015 as amended by Ms. Condon at this meeting.

At the October 6, 2015 Board meeting, the Late Payment Policy was referred to the Audit Committee for further review and revision and requesting a recommendation to the Board. However, the Audit Committee has not met since that time. Therefore, it was the sense of the Board to defer approval of the Late Payment Policy until it is brought to the Audit Committee at its next scheduled meeting. The Late Payment Policy will then be brought to the Board for approval at its next scheduled Board meeting following the Audit Committee's review, revision and recommendation.

Business Updates

Mr. Potter reported that the lockbox setup went remarkably well given the diversity of payers. KidsVax plans to specifically draw payers' attention to the ACH functionality now available. Some of the larger institutions may prefer to pay that way and have everything under more positive control from their perspective. KidsVax will then be writing to any residual payers who mail to the KidsVax address asking them to update the address in their system to the lockbox address. Regardless of where mailed by the payers, all checks will be processed through the lockbox. No NHVA checks will be directly deposited by KidsVax.

Mr. Potter indicated that he reviewed all of the governance documents included in the Board materials packet. There have been no further comments on those documents. In an effort to triage the process, Mr. Potter suggested handling the Articles of Agreement, Bylaws, and Plan of Operation today. The mark-ups reflect all of the comments made to date. There were no further comments after the distributions over the last two weeks. The three governance documents should to be moved forward in the near future.

With respect to the TRICARE matter, Mr. Potter and Ms. Walter spent two productive weeks in Washington, DC. New Hampshire's Insurance and DHHS commissioners have asked New Hampshire's two senators to co-sponsor legislation. The Senators' offices are following up. The staff from the two senators' offices worked collaboratively writing language to a TRICARE provision to be included in the initial committee 2016 draft of the 2016 National Defense Authorization Act. Mr. Potter will write to the commissioners thanking them for getting the letter out. That letter yielded exactly the bipartisan request that both the majority and ranking members of the Senate Armed Services Committee (SASC) requested emerge from the vaccine association states that TRICARE be mandated to pay. Additional details will be discuss during the TRICARE portion of the meeting.

Ms. Condon requested clarification on the quarters being represented in the green box on the Executive Director Report. The data was reviewed and suggestions were proposed to further clarify the reporting periods in the report.

Mrs. Roberge provided a brief overview of the quarterly financials as of 9/30/15. NHVA has a cash balance of \$70,875.73 and short-term investments of \$17,090,319.04. The prepaid expense for D&O insurance is \$1,622.53. For the three months ending 9/30/15 there were fees for administrative services for KidsVax, professional fees for Hinckley Allen, and audit fees for July and August. Bank fees of \$125.00 reflect the monthly fees for NHVA's investment program. Mr. Potter reiterated that the bank fees will be increasing due to the start-up of the lockbox services. Interest income is \$3,021.10 from assessments and \$6,957.73 from investments. There is an unrecognized loss on investments of \$6,130.40 and a recognized loss on investments of \$8,871.85. There was a Board authorized remittance to the State of New Hampshire of \$1.1 Million. The \$19.6 Million in column B is what will be due to the State in June 2016. There were 499,755 child covered lives for the quarter ending 6/30/15.

The NHVA VaxFactsSM was presented and reflects changes intended to be responsive to all Board comments through last week. Mr. Potter reported that Ms. Condon has additional comments that she would like the Board to consider. Chairman Tenney asked Ms. Condon to present her additional concerns. Ms. Condon asked for an explanation of the information being conveyed in paragraph two on page one of the NHVA letter concerning the statement that the assessment rate needed for the year had remained lower than had been anticipated earlier. Mr. Potter indicated that as of 6/30/15, NHVA ended up with assessment rates that turned out to be less than what had been

discussed with the legislature two years prior. Mr. Potter explained that the report is for the fiscal year ending 6/30/15 and all of the notes similarly are for that period and are reported to the legislature for that period as well. Ms. Condon also was concerned with the statement regarding New Hampshire's universal vaccination program continuing to set new records in reducing healthcare costs when vaccine costs are being measured. It can be presumed that it has made changes in other things, but what can be measured as a Board only are the vaccine costs. Her concern is that the Association has gone in a direction of policy on vaccines and she would like the Board to focus more on the numbers rather than the policy. She expressed concern about the VaxFactssm report reflecting a policy position on vaccine efficacy. Following extensive further discussion, it was the sense of the Board to revise the report to address Ms. Condon's concerns with the following revisions to page one of the VaxFactssm Report: 1) Revise the chart sidebar to read, "This chart is reflective of the immediate savings achieved by purchasing vaccines through the CDC state-wide universal purchase program as opposed to what the actual costs would be if these vaccines were obtained on the open market.", 2) Revise the heading of the bottom paragraph to read, "How does the Universal Purchase Program improve childhood immunization?", 3) In the second sentence of the last paragraph, replace the word "life-saving" with the word "recommended", and 4) Remove the last sentence in the last paragraph. It was the sense of the Board that it would be entirely appropriate, from its perspective, for the portion on the second page under Marcella Bobinsky's signature to address the subjects of vaccine efficacy, which are being removed from the first page at Ms. Condon's request.

Upon motion duly made by Mr. Sky and seconded by Dr. Lamm, it was unanimously

VOTED: To authorize the Executive Director to distribute the VaxFactssm with the guidance provided by the Board at this meeting.

Chairman Tenney asked for any comments from Board members with respect to the draft Annual Report to the legislature. After discussion on several specific words, which had been used by Mr. Potter in his draft, the Annual Report was approved as submitted without change.

Governance Documents

It was the sense of the Board that additional time is needed for review of the draft governance documents as submitted. Concern was raised that the Board had requested a full two weeks for review of the documents, but they had only been delivered 10 days in advance of the meeting. Mr. Potter apologized for his delay, noting it had been precipitated by his lost time to care for a family member who sustained accidental injuries in late October. At the request of the Board, a three-hour Board meeting will be scheduled for the middle to end of January. An Audit Committee meeting of the same duration one to two weeks prior to the scheduled Board meeting will be scheduled, with the BNH representatives in attendance. The Investment and Late Payment Policies will be reviewed and the Committee will make its recommendations to be voted on by the Board at its full Board meeting. The Board will come back prepared to discuss and approve the governance documents at that time. It was noted that KidsVax is also polling for the Assessment Process Improvement Task Force meeting date, which should take place prior to the Audit Committee and Board meetings.

Assessment Setting Task Force

Mr. Sky reported that the task force met earlier this month. He will be providing an update to the work group and hopes to bring back a recommendation to the Board for consideration well in advance of the next assessment setting.

TRICARE

Mr. Potter indicated that there are two TRICARE reports to be discussed, one of which is the legislative report which will not be in executive session. There is also the report of interviews with various plaintiff law firms per Mr. Sky's request, which he anticipates the Board would want to receive in executive session.

With respect to the legislature, NHVA's request, as communicated in person by Mr. Potter and Ms. Walter of KidsVax, has been well received. New Hampshire's two senators are working collaboratively through their staff on this. They could not have been more supportive and there is a draft legislation that is now with the legislative counsel assigned to the Senate Armed Services Committee (SASC). That committee's staff has stated that TRICARE oversight is within its legislative jurisdiction. After in-person meetings with Mr. Potter and Ms. Walter, also in Washington, DC, TRICARE itself is saying that they will support the legislative change. This appears to be a significant breakthrough.

Mr. Potter stated he understands that all of the universal purchase states participating in the multi-state effort now are onboard with this approach.

Mr. Potter will be reporting back to the New Hampshire Commissioners thanking them now that there is this clear commitment and will report on the status. We understand that staff for New Hampshire's two U.S. Senators will be willing to collaborate to get this into the SASC Chairman's draft. He is hopeful that it will be in the Chairman's draft on both the Senate and the House bills and the language will be identical. That should mean that this should not see Conference Committee review in the course of the legislative year next year. NHVA has had no expenditures on any of the work that has been undertaken to date. KidsVax time is being paid by Idaho and Washington and the DC lobbyist for this work is being paid by the Washington Vaccine Association. The support of New Hampshire's commissioners was enormously helpful and the fact that it was a joint request reinforced the bipartisan understanding now in process.

Public Comment

There was no public comment.

Executive Session [Prepared by outside general counsel, Attorney Mark McCue of Hinckley Allen. KidsVax representatives were excused.]

The Board of Directors (the "Board") of the New Hampshire Vaccine Association ("NHVA") voted by unanimous roll call vote to enter into executive session to discuss legal matters with counsel at 10:20 a.m.

Mr. Potter outlined for the Board the status of various efforts by legal counsel engaged primarily by the State of Washington to address the procurement of both past and future vaccine assessments against TRICARE. Mr. Potter also relayed the advice of counsel that a legislative amendment was the most likely avenue for the collection of future assessments, but that the collection of past assessments was less likely. In order to enhance the likelihood of passage of this favorable legislation, counsel recommended that additional efforts be undertaken to analyze the existing TRICARE legislation to ensure that all appropriate amendments were made, and to engage in communication efforts designed to educate federal legislators and persuade them to vote in favor of the federal bill. Mr. Potter then responded to questions regarding the expenditures by other states toward these efforts. The Board discussed the amount of past-due TRICARE assessments, the estimated amount of future assessments, and the Board's authority and obligations with respect to the collection of assessments by NHVA.

After further discussion, and upon a motion made by Ms. Tenney and seconded by Mr. Moran, the majority of the Board with one vote by Ms. Condon in opposition:

VOTED: To authorize the NHVA Executive Committee to expend up to \$25,000 in its discretion for contracted services to address past or future assessments owed by TRICARE, provided that NHVA pays no more than 50% of the cost of such services and further provided that legal counsel to NHVA confirms that NHVA has the power and authority to enter into such contracts.

The Board then dismissed Mr. Potter and continued in executive session at 10:50 a.m. to discuss personnel matters. The minutes of this additional executive session have been sealed by a vote of the Board.

Upon motions by Mr. Sky and seconded by Mr. Moran, the Board voted to end the executive session and then to adjourn the Board meeting at 11:10 a.m.

Respectfully submitted,
Mark S. McCue
 Secretary pro tem



c/o KidsVax®, LLC
 P.O. Box 1885 • Concord, NH 03302-1885
 tel 1.855.KidsVax (543.7829)
 fax 1.855.KidsFax (543.7329)
 www.nhvaccine.org

**March 9, 2016
 Executive Director Report**

Self-Reporting Assessment Results

	For the Assessment Quarter Due on 11/15/2015 (As of 02/23/2016)	For the Assessment Quarter Due on 02/15/2016 (As of 02/23/2016)
Applicable Assessment Rate:	\$0.14	\$0.14
Number of carriers who have filed:	75	75
Average monthly child covered lives:	167,184	166,503
Assessment due:		
Assessment Income for quarters:	\$70,217.28	\$69,931.54
Interest dollars collected:	5.44	
Remittance paid to the State of NH in June 2015:		\$12,410,298
Remittance paid to the State of New in September 2015:		\$1,107,625
Cash and Investment as of 12/31/2015:		\$17,222,195.86
Remittance due to State of New Hampshire in June, 2016:		\$19,618,699.00

As documented in the above "green box," NHVA is right on track to complete the assessment collections needed to meet its \$19.6M obligation to the Treasurer of the State of New Hampshire this upcoming June. At the \$9.95 assessment rate set by the Board last fall, the May 15 collection should come in at just under \$5M. No payer has yet availed itself of ACH processing through the strengthened NHVA system, but all of the other aspects of the new lockbox setup are working very well. All of the February 15 payments have been collected. The remaining handful of payers who have failed to pick up the address change, notwithstanding prior notices, are, each one, being contacted directly by telephone in an effort to make sure that 100% of payers have NHVA's new, segregated lockbox address in their system prior to the upcoming May 15 payment due date.

As reported earlier, the Audit Committee took time at its last meeting to review carefully the Investment Policy and Late Payment Policy referred to the Committee by the Board at its last meeting. Bank of New Hampshire (BNH) representatives also had opportunity both to participate in the working session of the Audit Committee reviewing the Investment Policy and to subsequently offer their final "tweaks" to the tentative draft approved by the Audit Committee. These new policies now are, I believe, in suitable form for the Directors. No comments were submitted by Directors on these documents following the latest submission for review several weeks ago. Additionally, the Audit Committee recommends accepting the three-year investment services contract offer tendered to New Hampshire Vaccine Association (NHVA) by BNH investment officials at the Audit Committee Meeting. The proposed contract for those investment services is submitted with the Board Materials.

Similarly, after extensive comment period and multiple iterations over a year ago of the governance documents, it would appear that they now are in final form for adoption. All Director comments have been incorporated in the set presented for this meeting. The only changes from the versions mailed several weeks ago are correction of a typo removing the "I" from the word "in" in one document and updating of the name of the Commissioner for the Department of Health and Human Services (DHHS).

As noted in earlier communications, it is important that NHVA act on key documents (Articles, Bylaws, and Plan of Operation) at this meeting so that the selection of payer representatives can be completed timely in this cycle. The Late Payment Policy and Investment Policy will complete items which should be finished in response to prior Auditor recommendations. With respect to the prior previously approved policies in the notebook, only minor changes are involved for the following policy:

1. Whistleblower Policy

Additionally, I request that the Board offer guidance on the following new policies:

1. NHVA Anti-Trust Policy (This is similar to past statements, but never adopted formally as an NHVA policy.)
2. NHVA Code of Ethics Policy
3. NHVA Joint Venture Policy

Numbers two and three would be part of our law firm's (JustLaw NH) document set for a newly-formed non-for-profit organization. However, NHVA may or may not consider these helpful for its operations going forward. Accordingly, we will be guided by the Board as to whether these are adopted at this meeting or held over for another meeting or simply not pursued for NHVA.

Mr. Sky and the Assessment Process Improvement Task Force have made terrific progress on simplifying the assessment setting worksheet. They also are examining in detail the State's calculations as to both funding projections and vaccine account carry-forward amounts. I anticipate Mr. Sky will provide a verbal update on committee process and then continue to lead through this important work to a final recommendation at a subsequent Board meeting.

Finally, I am extremely pleased to be able to introduce to you at this meeting Nicole G. Price. We appreciate the Board's communication of its sense that KidsVax® needed to give attention to backup for me in my role as Executive Director. Indeed, three hospitalizations over the last year created unanticipated schedule disruptions and strained the resources of our senior management team. After conferring preliminarily with several of you, and also being mindful of the potential benefits of putting a "new face" at the forefront for NHVA's governance interface with KidsVax®, I set out on a search to supplement our team with a talented, mid-career professional with both strong expertise and a good collaborative demeanor to serve as point for NHVA governance activities. This includes coordination of Board meetings and public communications. I had no idea at commencement of that quest that it would lead to someone of the caliber of Nicole, but, as you will see, I am very pleased both that we found her and she has determined that this work presents exactly the kinds of challenges and public service she was seeking in the next stage of her career. We will be seeking to make the rounds to introduce her to you personally, but look forward to making the initial introduction at this meeting with the intent that she will be taking the lead starting in June. Understandably, the only gaps in Nicole's experience are related to the specifics of vaccine funding and, in particular, assessment setting methodologies.

I am equally as pleased to report that Larry Hart of Compass Analytics has entered into a two-year agreement with KidsVax® to provide both mentoring support for Nicole in this new role and whatever assessment setting support (including taking lead for the first assessment setting round with the Task Force's new tool, once adopted) that Nicole may request from time to time. Larry, as many of you know, served on the NHVA Board for a number of years and was one of the founding Directors of the Maine Vaccine Board (MVB). Larry is an extraordinarily talented technician who, like Nicole, marries his professional skills with a collaborative demeanor. I am confident you will be happy to have him serving the NHVA Board during this engagement.

Thank you for your positive comments about the efficacy of the other day-to-day operations of NHVA and, in particular, Claire Roberge and KidsVax®'s IT platform, back office, and bookkeeping operations. I am pleased to report that one of the benefits of the deployment of a lockbox with segregated collection accounts for each of the state vaccine operations (and all amounts completely separated from those of KidsVax® and other organizations we serve), is that we now can proceed with cross-training to afford backup for Claire's work as well. KidsVax® was started over a decade ago with Claire and me as a bit of an avocational undertaking

to serve a public health need in New Hampshire. It since has evolved into a robust team through which each of our state clients enjoys the expertise depth and redundancies made possible by our growth in operations.

I personally remain more than willing to serve NHVA in any way as may be helpful to you or Nicole at any point in time. I will, of course, throughout the orientation and mentoring phase for Nicole remain responsible for the overall quality of operations.

Thank you, once again, for the opportunity to serve with you in this important work.



Fred L. Potter, writing February 29, 2016 for the March 9, 2016 board meeting.



P.S. We are enclosing with this report a copy for all Directors of the newly-issued D&O coverage. This will be retained by KidsVax® in the NHVA records, of course. Nonetheless, best practices suggest that each Director may want to retain copies of each D&O policy and each annual audit report in the Director's personal records.



Contact Fred L. Potter
Telephone 855-556-4101
Cell 603-491-2389
Email FPotter@KidsVax.org
Website www.KidsVax.org

FOR IMMEDIATE RELEASE
March 1, 2016

NICOLE G. PRICE, ESQ. JOINS KIDSVAX® TEAM

Attorney Price to Serve as Deputy Executive Director for the New Hampshire Vaccine Association

Concord, NH, March 1, 2016 – KidsVax® is pleased to announce that Nicole G. Price, Esquire, a rising star professionally, will be joining KidsVax® to serve as Deputy Executive Director for the New Hampshire Vaccine Association and as part of the expanded professional team serving all of KidsVax®-administered state vaccine programs nationwide.

Nicole and her husband, Dr. Emmett G. Price III, a professor at Northeastern University, reside with their two adolescent sons in Framingham, Massachusetts. Nicole was raised in New York and completed her undergraduate degree at the University of Virginia prior to her advanced training at William & Mary Law School. She is admitted to practice in New York and Virginia and also is a member of the Massachusetts Bar Association. Her career since 2007 has been in higher education administration with a focus on diversity and inclusion initiatives. Nicole has a proven track record of providing strategic leadership, developing pipeline initiatives and facilitating organizational culture shifts.

Nicole looks forward to deploying her strong administrative and governance skills to help public health leaders better serve their communities and residents through universal vaccine programs. KidsVax®'s, Managing Member, Fred L. Potter, commented, "We are very pleased to find an individual of such high caliber and depth of experience to join the senior management team at KidsVax®. She steps in at an important time to support the New Hampshire Vaccine Association, which has been the trailblazer in universal vaccine funding since its formation by the New Hampshire Legislature in 2002. Importantly, she will also add critical bench strength to our senior management team as we support other state programs seeking to attain better health outcomes by preserving and enhancing universal vaccine purchase."

KidsVax® is the nation's only professional organization built from the ground up to serve states by providing complete, turn-key administrative services for universal vaccine purchase funding. KidsVax® is the administrator of programs in New Hampshire, Washington, Maine, Vermont, Alaska, and Rhode Island and has been a policy advisor to numerous other states and federal agencies. In 2016, the collaborative work of KidsVax® and the programs it serves is projected to surpass \$600 million of cumulative vaccine funding, with substantial cost savings for payers, improved access to vaccines for children & adults, and reduced burdens on health care providers. Vaccines have become the second most effective public health initiative (next to clean drinking water) of all time.

###

For more information, please contact Fred L. Potter at 855-556-4101 or email at FPotter@KidsVax.org.



New Hampshire Vaccine Association

Statement of Financial Position

December 31, 2015

	A	B
1	ASSETS	
2	Current assets	
3	Cash and cash equivalents	
4	Cash	\$ 110,865.00
5	Short-term investments	17,111,330.86
6	Prepaid expenses	0.04
7	Assessments receivable	266,836.44
8		
9	Total current assets	<u>17,489,032.34</u>
10		
11	Total assets	<u><u>\$ 17,489,032.34</u></u>
12		
13		
14	LIABILITIES AND NET ASSETS	
15	Current liabilities	
16	Accounts payable	-
17	Assessment payable	-
18		
19	Total current liabilities	-
20		
21	Net assets	
22	Unrestricted net assets	250,000.00
23	Temporarily restricted net assets	17,239,032.34
24		
25	Total net assets	17,489,032.34
26		
27	Total liabilities and net assets	<u><u>\$ 17,489,032.34</u></u>

Unaudited - For Management Purposes Only
Prepared by KidsVax, LLC

New Hampshire Vaccine Association
Statement of Activities and Changes in Net Assets

NHVA Board Meeting 2016-03-09 03.c. 2

	A	B	C	D	E
	3 Months Qtr Ending 09/30/15	3 Months Qtr Ending 12/31/15	6 Months Year to Date 12/31/15	Approved Budget	Remaining Budget
1 Unrestricted net assets					
2 Revenue and other support					
3 Net assets released from restrictions					
4 Assets released for operations	\$ 38,876.66	\$ 31,949.28	\$ 70,825.94	\$ 153,199.00	\$ 82,373.06
6 Expenses					
7 Administration expenses					
8 Administrative services					
9 Fixed compensation	27,066.67	27,317.70	54,384.37	106,109.00	51,724.63
10 Variable compensation	-	-	-	11,790.00	11,790.00
11 Professional fees					
12 Professional fees - legal	1,562.50	2,517.50	4,080.00	15,000.00	10,920.00
13 Professional fees - audit	8,500.00	-	8,500.00	10,700.00	2,200.00
14 Total administration expenses	37,129.17	29,835.20	66,964.37	143,599.00	76,634.63
16 Office expenses					
17 Licenses and fees	-	-	-	-	-
18 Bank fees	125.00	491.59	616.59	500.00	(116.59)
19 Public information	-	-	-	1,000.00	1,000.00
20 Website	-	-	-	-	-
21 Total office expenses	125.00	491.59	616.59	1,500.00	883.41
23 Board expenses					
24 Insurance	1,622.49	1,622.49	3,244.98	7,500.00	4,255.02
25 Publications	-	-	-	600.00	600.00
26 Conferences	-	-	-	-	-
27 Board meetings	-	-	-	-	-
28 Total board expenses	1,622.49	1,622.49	3,244.98	8,100.00	4,855.02
30 Total expenses	38,876.66	31,949.28	70,825.94	153,199.00	82,373.06
32 Increase (decrease) in unrestricted net assets	-	-	-	-	-
34 Temporarily restricted net assets					
35 Assessment income	69,966.96	284,144.80	354,111.76		
36 Investment return					
37 Interest Income from late Assessments	3,021.10	52,872.31	55,893.41		
38 Interest Income - Investments	6,957.53	39,344.44	46,301.97		
39 Unrecognized gain / (loss) on investments	(6,130.40)	-	(6,130.40)		
40 Recognized gain/loss on investments	(8,871.85)	(18,196.95)	(27,068.80)		
41 Net assets released from restrictions					
42 Remittance to the State of New Hampshire	(1,107,265.00)	-	(1,107,265.00)	19,618,699.00	18,511,434.00
43 Assets released for operations	(38,876.66)	(31,949.28)	(70,825.94)		
44 Increase in temporarily restricted net assets	(1,081,198.32)	326,215.32	(754,983.00)		
46 Increase (decrease) in net assets	(1,081,198.32)	326,215.32	(754,983.00)		
49 Net assets, beginning of period	18,244,015.34	17,162,817.02	18,244,015.34		
50 Net assets, end of period	\$ 17,162,817.02	\$ 17,489,032.34	\$ 17,489,032.34		
88 Assessment quarter	6/30/2015	9/30/2015			
89 Child covered lives for the quarter	499,755	501,265			
99 Assessment rate per child covered life	0.14	0.14			

Unaudited - For Management Purposes Only - Prepared by KidsVax, LLC



Infantine Insurance

A Division of Cross Insurance

February 24, 2016

New Hampshire Vaccine Association
PO Box 1885
Concord, NH 03302-1885

RE: Directors and Officers Policy #: NY16DOLV02811 Effective: 02/01/2016 - 02/01/2017

Dear Claire:

Enclosed is the renewal of your Directors and Officers policy for the term 2/1/2016 to 2/1/2017.

Please review the policy carefully and contact our office if any changes are required, or if you have any questions or concerns.

Thank you for your continued business.

Sincerely,

Julie Levesque, CPCU, CIC
CL Account Rep
jlevesque@infantine.com

Enclosure





Navigators Insurance Company

One Penn Plaza
New York, NY 10119

NHVA Board Meeting 2016-03-09 03.d. 2

Policy Number: NY16DOLV02811NV

DECLARATIONS

Attached to and forming part of

Not-For-Profit InNAVation Policy

This insurance is effected with

Navigators Insurance Company

**THIS IS A CLAIMS-MADE AND REPORTED POLICY
WITH COSTS OF DEFENSE INCLUDED IN THE LIMIT OF LIABILITY.
PLEASE READ THE ENTIRE POLICY CAREFULLY.**

ITEM 1. **Corporation** (name and address):

New Hampshire Vaccine Association
P.O. Box 1885
Concord, NH 03302

ITEM 2. **Policy Period:**

From: 02/01/2016
To: 02/01/2017
At 12:01 a.m. at the address shown in ITEM 1 above

ITEM 3.A. **Coverage Parts Issued as Part of This Policy:**

- ☒ DIRECTORS AND OFFICERS LIABILITY (INCLUDING ENTITY)
 - ☐ Optional Additional Excess Aggregate Limit of Liability
 - ☒ Optional Excess Benefit Transaction Excise Tax Coverage
- ☐ EMPLOYMENT PRACTICES LIABILITY
 - ☐ Optional Third Party Coverage
 - ☐ Optional Wage and Hour Coverage
 - ☐ Optional HIPAA Violation Coverage
- ☐ FIDUCIARY LIABILITY
 - ☐ Optional Settlement Program Coverage

ITEM 3.B. **Non Liability Coverage Parts Issued as Part of This Policy:**

- ☐ CRIME (if checked, refer to separate Declarations attached to the Crime Coverage Part)
- ☐ KIDNAP, RANSOM & EXTORSION (if checked, refer to separate Declarations attached to the Crime Coverage Part)



Navigators Insurance Company

One Penn Plaza
New York, NY 10119

NHVA Board Meeting 2016-03-09 03.d. 3

Policy Number: NY16DOLV02811NV

ITEM 4. Limits of Liability:

- a. \$1,000,000 maximum aggregate limit of liability for all **Loss**, including **Costs of Defense**, under DIRECTORS AND OFFICERS LIABILITY Coverage Part, if purchased

SUBLIMITS: If a Limit of Liability other than "\$0" is shown below, the following optional coverages are provided subject to the sublimits shown below, which amounts will be part of and not in addition to the Insurer's maximum aggregate Limit of Liability for all **Loss**, including **Costs of Defense**, under this Coverage Part as set forth in Item 4. a. on the Declarations. In the event any other endorsement(s) to this Policy contain any other sublimit(s) and any other sublimit applies to any **Claim** to which the below sublimits apply, the Insurer shall not be liable to pay **Loss**, including **Costs of Defense**, resulting from such **Claim** in excess of the amount of the highest applicable sublimit.

- i. N/A Additional Excess Aggregate Limit of Liability Dedicated for Directors and Officers, if purchased
- ii. \$100,000 maximum aggregate Limit of Liability for all **Loss**, including **Costs of Defense**, for **Excess Benefit Transaction Excise Tax Claims**

- b. N/A maximum aggregate limit of liability for all **Loss**, including **Costs of Defense**, under EMPLOYMENT PRACTICES LIABILITY Coverage Part, if purchased

SUBLIMITS: If a Limit of Liability other than "\$0" is shown below, the following optional coverages are provided subject to the sublimits shown below, which amounts will be part of and not in addition to the Insurer's maximum aggregate Limit of Liability for all **Loss**, including **Costs of Defense**, under this Coverage Part as set forth in Item 4. b. on the Declarations. In the event any other endorsement(s) to this Policy contain any other sublimit(s) and any other sublimit applies to any **Claim** to which the below sublimits apply, the Insurer shall not be liable to pay **Loss**, including **Costs of Defense**, resulting from such **Claim** in excess of the amount of the highest applicable sublimit.

- i. N/A maximum aggregate limit of liability for all **Wage and Hour Claims**
- ii. N/A maximum aggregate Limit of Liability for all **HIPAA Violation Claims**

- c. N/A maximum aggregate limit of liability for all **Loss**, including **Costs of Defense**, under FIDUCIARY LIABILITY Coverage Part, if purchased

SUBLIMITS: If a Limit of Liability other than "\$0" is shown below, the following optional coverages are provided subject to the sublimits shown below, which amounts will be part of and not in addition to the Insurer's maximum aggregate Limit of Liability for all **Loss**, including **Costs of Defense**, under this Coverage Part as set forth in Item 4. c. on the Declarations. In the event any other endorsement(s) to this Policy contain any other sublimit(s) and any other sublimit applies to any **Claim** to which the below sublimits apply, the Insurer shall not be liable to pay **Loss**, including **Costs of Defense**, resulting from such **Claim** in excess of the amount of the highest applicable sublimit

- i. N/A maximum aggregate Limit of Liability for all **Settlement Program Expenditures** under Optional Settlement Program Coverage under FIDUCIARY LIABILITY Coverage Part.
- d. \$1,000,000 maximum aggregate limit of liability for all **Loss**, including **Costs of Defense**, under DIRECTORS AND OFFICERS LIABILITY Coverage Part, if purchased, EMPLOYMENT PRACTICES LIABILITY Coverage Part, if purchased, and FIDUCIARY LIABILITY Coverage Part, if purchased.



Navigators Insurance Company

One Penn Plaza
New York, NY 10119

NHVA Board Meeting 2016-03-09 03.d. 4

Policy Number: NY16DOLV02811NV

ITEM 5. Retentions:

- a. Under DIRECTORS AND OFFICERS LIABILITY Coverage Part, if purchased:
 - (i) \$0 each **Claim** under Insuring Agreement A
 - (ii) \$10,000 each **Claim** under Insuring Agreement B
 - (iii) \$10,000 each **Claim** under Insuring Agreement C
- b. \$0 each **Claim** under EMPLOYMENT PRACTICES LIABILITY Coverage Part, if purchased
- c. each **Claim** under FIDUCIARY LIABILITY Coverage Part, if purchased

ITEM 6. Prior and Pending Date:

- a. Under DIRECTORS AND OFFICERS LIABILITY Coverage Part, if purchased: 01/09/2003
- b. Under EMPLOYMENT PRACTICES LIABILITY Coverage Part, if purchased: Not Applicable
- c. Under FIDUCIARY LIABILITY Coverage Part, if purchased: Not Applicable

ITEM 7. Premium: \$5,954.00

ITEM 8. Optional Discovery Period Premium: \$4,465.50

ITEM 9. Waiver of Recourse Premium: N/A

ITEM 10. Forms and Endorsements Attached at Issuance:

New Hampshire Amendatory Endorsement NAV-NFP-300-NH (06/10)
Sublimit Endorsement for Excess Benefit Transaction Excise Tax NAV-NFP-36 (05/11)
Anti Trust Claims Exclusion Endorsement NAV-NFP-04 (06/10)
Medical & Healthcare Services Exclusion NAV-NFP-11 (06/10)
OFAC Endorsement NAV-ML-002 (11/12)
Policyholder Disclosure Notice of Terrorism



Navigators Insurance Company

One Penn Plaza
New York, NY 10119

NHVA Board Meeting 2016-03-09 03.d. 5

Policy Number: NY16DOLV02811NV

In Witness Whereof, the issuing Company has caused this policy to be signed officially below and countersigned on the Declarations page by a duly authorized representative of said Company.

Emily Miner

[Emily Miner]

Secretary

Stanley Galanski

[Stanley Galanski]

President

Navigators Insurance Company

GENERAL TERMS AND CONDITIONS

**THIS IS A CLAIMS-MADE AND REPORTED POLICY
WITH COSTS OF DEFENSE INCLUDED IN THE LIMIT OF LIABILITY.
PLEASE READ THE ENTIRE POLICY CAREFULLY.**

In consideration of the payment of the premium and in reliance upon all statements made and information furnished to the insurance company shown in the Declarations (the "Insurer"), including the statements made in the **Proposal Form**, and subject to all terms, conditions and limitations of this Policy, the **Insureds** and the Insurer agree:

Section I. Defense Obligations

- A. The Insurer will have the right and duty to defend any **Claim** against any **Insured** covered under this Policy, even if the allegations in such **Claim** are groundless, false or fraudulent. The Insurer will give consideration to the **Insureds'** preference for defense counsel, but the final decision regarding the appointment of defense counsel will rest with the Insurer. The **Insureds** will have the right, at their own expense, to associate with the Insurer in the defense of any **Claim** and the negotiation of any settlement thereof.
- B. **Costs of Defense** will be part of, and not in addition to, all applicable Limits of Liability set forth in ITEM 4 of the Declarations, and the Insurer's payment of **Costs of Defense** will reduce, and may exhaust, such Limit or Limits of Liability.

Section II. Definitions

- A. "**Anniversary Date**" will mean that date and time that is exactly one (1) year after the inception date of this Policy as set forth in ITEM 2 of the Declarations, and each successive date and time that is exactly one (1) year after the previous **Anniversary Date**.
- B. "**Automatic Discovery Period**" will mean the period of thirty (30) days after the end of the **Policy Period** that may be available in accordance with Section III. Discovery – Extensions, part A.1.
- C. "**Claim**" will have, with respect to the coverage afforded in each Coverage Part attached to and forming a part of this Policy, the meaning given to that term in such Coverage Part.
- D. "**Company**" will mean the **Corporation** and any **Subsidiary**.
- E. "**Corporation**" will mean the entity named in ITEM 1 of the Declarations.
- F. "**Costs of Defense**" will mean reasonable and necessary legal fees, costs and expenses incurred in the investigation, defense or appeal of any **Claim**, including the costs of an appeal bond, attachment bond or similar bond; provided, however, that the Insurer will have no obligation to apply for or furnish any such bond.
- G. "**Discovery Period**" will mean **Automatic Discovery Period** and **Optional Discovery Period**.

- H. **"Domestic Partner"** will mean any person qualifying as a domestic partner under the provisions of any applicable federal, state, or local law or under the provisions of any formal program established by the **Company**.
- I. **"Executive Officer"** shall mean any past, present or future President, Chief Executive Officer or Chief Financial Officer of the **Company**.
- J. **"Financial Insolvency"** will mean any entity included within the term **"Company"** becoming a debtor in possession, or the appointment of a receiver, conservator, liquidator, trustee, rehabilitator or similar official to control, supervise, manage or liquidate such entity.
- K. **"Foreign Jurisdiction"** means any jurisdiction, other than the United States or any of its territories or possessions.
- L. **"Insured"** will have, with respect to the coverage afforded in each Coverage Part attached to and forming a part of this Policy, the meaning given to that term in such Coverage Part.
- M. **"Insured Person"** will have, with respect to the coverage afforded in each Coverage Part attached to and forming a part of this Policy, the meaning given to that term in such Coverage Part.
- N. **"Loss"** will mean compensatory damages, punitive or exemplary damages, the multiple portion of any multiplied damage award, settlements and **Costs of Defense**; provided, however, that **Loss** will not include salaries, wages, overhead or benefit expenses associated with any **Insured**, criminal or civil fines or penalties imposed by law, taxes, or any matter which may be deemed uninsurable under the law pursuant to which this Policy shall be construed. It is understood and agreed that the enforceability of the foregoing coverage shall be governed by such applicable law which most favors coverage for punitive or exemplary damages or the multiple portion of any multiplied damage award.
- O. **"Nonprofit Entity"** will mean any entity which is exempt from taxation under Sections 501c(3) – (10), 501c(19), 501d or 509a(1) – (3) of the Internal Revenue code of 1986, as amended, or any rule or regulation promulgated thereunder.
- P. **"Optional Discovery Period"** will mean the period of twelve (12) months after the end of the **Policy Period** that may be available for purchase in accordance with Section III. Discovery – Extensions, part A.2.
- Q. **"Policy Period"** will mean the period from the inception date of this Policy to the expiration date of this Policy as set forth in ITEM 2 of the Declarations, or to its earlier termination if applicable.
- R. **"Policy Year"** will mean
 - 1. the period from the inception date of this Policy as set forth in ITEM 2 of the Declarations to the first **Anniversary Date**, or the earlier termination of this Policy; or
 - 2. within the **Policy Period**, the period from an **Anniversary Date** to the next successive **Anniversary Date**, or the earlier termination of this Policy.
- S. **"Pollutants"** will mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

T. **"Proposal Form"** will mean:

1. the application or proposal form attached to and forming part of this Policy, together with any materials submitted therewith; and
2. any applications or proposal forms submitted in connection with any policy in an uninterrupted series of policies issued by the Insurer of which this Policy is a renewal or replacement, together with any materials submitted therewith;

all of which will be retained on file by the Insurer and will be deemed to be physically attached to and form part of this Policy.

U. **"Related Wrongful Acts"** will mean **Wrongful Acts** which are logically or causally connected by reason of any common or related fact, circumstance, situation, transaction, event or decision.

V. **"Subsidiary"** will mean, subject to section VIII, G of these General Terms and Conditions, any **Nonprofit Entity** during any time in which the **Corporation** owns directly or through one or more subsidiaries, or controls the right to appoint, elect or designate more than fifty percent of such entity's Directors or Trustees.

W. **"Wrongful Act"** will have, with respect to the coverage afforded in each Coverage Part attached to and forming a part of this Policy, the meaning given to that term in such Coverage Part.

Section III. Discovery – Coverage Extensions

A. In the event this Policy is not renewed for any reason, and the total premium for this Policy has been paid in full:

1. the **Insureds** will be provided with an automatic extension of the coverage provided by this Policy with respect to any **Claim** first made against any **Insured** and reported to the Insurer during the period of thirty (30) days after the end of the **Policy Period** (the **Automatic Discovery Period**), but only with respect to **Wrongful Acts** committed or attempted, or allegedly committed or attempted, before the end of the **Policy Period**. The provision of the **Discovery Period** will not in any way increase any Limit of Liability, or create a separate or additional Limit of Liability, applicable to any Coverage Part or to this Policy as a whole, and the Limits of Liability with respect to **Claims** made during the **Automatic Discovery Period** will be part of, and not in addition to, the applicable Limit or Limits of Liability as set forth in ITEM 4 of the Declarations.
2. the **Insureds** will have the right, upon payment of seventy five percent (75%) of the annual premium, (or if the **Policy Period** is other than annual, seventy five percent (75%) of the annualized premium), to an extension of the coverage provided by this Policy with respect to any **Claim** first made against any **Insured** and reported to the Insurer during the **Optional Discovery Period**, but only with respect to **Wrongful Acts** committed or attempted, or allegedly committed or attempted, before the end of the **Policy Period**. As a condition precedent to the right to purchase the **Optional Discovery Period**, the total premium for this Policy must have been paid, and a written request, together with full payment of the appropriate premium for the **Optional Discovery Period**, must be provided to the Insurer no later than thirty (30) days after the end of the **Policy Period**. The premium for the **Optional Discovery Period** is fully earned at its inception. The purchase of the **Optional Discovery Period** will not in any way increase any Limit of Liability, or create a separate or additional Limit of Liability, applicable to any Coverage Part or to this Policy as a whole, and the Limits of Liability with respect to **Claims** made during the **Optional Discovery Period** will be part of, and not in addition to, the applicable Limit or Limits of Liability as set forth in ITEM 4 of the Declarations.

- B. In the event of the death, incapacity or bankruptcy of any **Insured Person**, a **Claim** against such **Insured Person's** estate, heirs, legal representatives or assigns for a **Wrongful Act** committed or attempted, or allegedly committed or attempted, by such **Insured Person** will be deemed to be a **Claim** against such **Insured Person**. No extension of coverage will be available under this Section III.B for any **Loss** for which any estate, heirs, legal representatives or assigns of an **Insured Person** may be liable by reason of his or her own actual or alleged acts, errors, omissions, misstatements, misleading statements or breaches of duty.
- C. Subject to all other terms, conditions and limitations of and endorsements to this Policy, the coverage provided under this Policy to **Insured Persons** will be extended also to apply to the lawful spouses or **Domestic Partners** of the **Insured Persons**; provided, that the extension of coverage afforded under this Section III.C will apply only to the extent any such spouse or **Domestic Partner** is a party to a **Claim** solely in his or her capacity as a spouse or **Domestic Partner** of an **Insured Person** and such **Claim** seeks damages recoverable from marital community property, property jointly held by an **Insured Person** and his or her spouse or **Domestic Partner**, or property transferred from an **Insured Person** to his or her spouse or **Domestic Partner**. No extension of coverage will be available under this Section III.C for any **Loss** for which any spouse or **Domestic Partner** of an **Insured Person** may be liable by reason of his or her own actual or alleged acts, errors, omissions, misstatements, misleading statements or breaches of duty.

Section IV. Limit of Liability

- A. With respect to each Coverage Part, the Insurer will be liable to pay one hundred percent (100%) of **Loss** in excess of the applicable retention amount set forth in ITEM 5 of the Declarations, up to the Limit of Liability applicable to such Coverage Part as set forth in ITEM 4 of the Declarations.
- B. The Insurer's maximum aggregate Limit of Liability per **policy year** under this Policy for all **Loss** will be the amount set forth in ITEM 4.d of the Declarations, regardless of the number of **Insureds**, the number of **Claims**, the number of Coverage Parts, the time of payment or the Coverage Part or Coverage Parts under which such **Loss** is paid.
- C. If the Insurer's maximum aggregate Limit of Liability per **policy year** with respect to any **Claim** is or has been exhausted by the payment of **Loss**, all obligations of the Insurer in connection with such **Claim** will be completely fulfilled and exhausted, and the Insurer will have no obligation to make any further payments of **Loss** or to advance any **Costs of Defense** in connection with such **Claim** or to defend or continue to defend such **Claim**. If the Insurer's maximum aggregate Limit of Liability per **policy year** under this Policy is exhausted by the payment of **Loss**, all obligations of the Insurer under this Policy for the **policy year** will be completely fulfilled and exhausted, and the Insurer will thereafter have no obligation to make any further payments of **Loss**, to advance any **Costs of Defense** or to defend or continue to defend any **Claim**; under such circumstances, the entire **policy year** premium for this Policy will be deemed to have been fully earned.

Section V. Retention

- A. One retention shall apply to each and every **Claim**. If a **Claim** gives rise to coverage under more than one Coverage Part, the retention applicable to **Loss** under each such Coverage Part will be applied separately to that **Loss** payable under such Coverage Part; provided,

however, that the sum of all such retentions will not exceed the largest single retention applicable to such **Claim** under any applicable Coverage Part. The retention amount will be borne by the **Insureds** uninsured at their own risk.

- B. No retention will apply to **Loss** incurred by any **Insured Person** for which the **Company** is neither required nor permitted to provide advancement or indemnification, or for which the **Company** is required or permitted to provide advancement or indemnification but is unable to do so solely by reason of its **Financial Insolvency**.
- C. If, prior to institution of arbitration proceedings or service of suit or within 60 days of the institution of such proceedings or service of suit, the insurer and the **Company** agree to use a process of non-binding intervention by a neutral third party to resolve any **Claim** reported to the insurer, and if such **Claim** is resolved through such process, the insurer will reduce the applicable retention by fifty percent or ten thousand dollars (\$10,000), whichever is less.

Section VI. Allocation, Costs of Defense and Settlements

- A. If a **Claim** made against any **Insured** includes both covered and uncovered matters, or is made against any **Insured** and others, the **Insureds** and the Insurer recognize that there must be an allocation between **Loss** and uninsured damages, settlement amounts and other liabilities in connection with such **Claim**. The **Insureds** and the Insurer will use their best efforts to agree upon a fair and proper allocation. If no agreement can be reached, the Insurer will advance **Costs of Defense** based on what it believes is a fair and proper allocation until such time as the issue can be resolved.
- B. The **Insureds** may not incur **Costs of Defense**, or admit liability, offer to settle, or agree to any settlement in connection with any **Claim** without the express prior written consent of the Insurer, which consent shall not be unreasonably withheld. The Insurer will not be liable for any admission, assumption or stipulation of liability, settlement or **Costs of Defense** to which it has not consented.

Section VII. Notice

- A. As a condition precedent to their rights under this Policy in connection with any **Claim**, the **Insureds** must give the Insurer written notice of such **Claim** as soon as practicable after such **Claim** is made, but in no event later than sixty (60) days after the end of the **Policy Period**, or during any applicable **Discovery Period**. Subject to the foregoing, written notice of a **Claim** will be deemed to have been given as soon as practicable if such notice is given not later than sixty (60) days after the Chairman of the Board of Directors, President, Chief Executive Officer, Chief Financial Officer, General Counsel, or Risk Manager of the **Company** first becomes aware of such **Claim**.
- B. If, during the **Policy Period** or **Discovery Period**, any **Insured** first becomes aware of any circumstances which may reasonably be expected to give rise to a **Claim** being made against an **Insured** and the **Insured** gives written notice to the Insurer of:
 1. the circumstances;
 2. the **Wrongful Act** allegations anticipated; and
 3. the reasons for anticipating such a **Claim**;

with full particulars as to the dates, persons and entities involved, then a **Claim** which is subsequently made against such **Insured** and reported to the Insurer alleging, arising out of, based upon or attributable to such circumstances or alleging any **Wrongful Act** which is the same as or related to any **Wrongful Act** alleged or contained in such circumstances, shall be considered made at the time the Insurer received such written notice.

- C. Written notice to the Insurer under Sections VII.A and B above must be given to:

Navigators Insurance Company
One Penn Plaza
New York, NY 10119
ATTN: Navigators Pro Claims Department

or by email: navproclaims@navg.com

Section VIII. General Conditions

A. **Worldwide Coverage**

The coverage provided by this Policy will apply to **Claims** made, and to **Wrongful Acts** committed or attempted or allegedly committed or attempted, anywhere in the world.

B. **Interrelationship of Claims**

All **Claims** involving the same **Wrongful Act** or **Related Wrongful Acts** of one or more **Insureds** will be considered a single **Claim**, and will be deemed to have been made on the earlier of the following dates: (1) the earliest date on which any such **Claim** was first made; or (2) the earliest date on which any such **Wrongful Act** or **Related Wrongful Act** was reported under this Policy or any other policy providing similar coverage.

C. **Advancement and Indemnification**

The certificate of incorporation, charter or other organizational documents of each entity included within the term "**Company**," including by-laws and resolutions, will be deemed to require advancement and indemnification of **Loss** to the **Insured Persons** to the fullest extent permitted by law.

D. **Other Insurance**

All **Loss** payable under this Policy will be specifically excess of, and will not contribute with, any other valid and collectible insurance, including but not limited to any other insurance under which there is a duty to defend, unless such other insurance is specifically excess of this Policy. This Policy will not be subject to the terms of any other insurance policy or program.

E. **Cancellation or Non-Renewal**

1. This Policy may be cancelled by the **Corporation** at any time by written notice to the Insurer. Upon cancellation, the Insurer shall retain the customary short rate portion of the premium. Return or tender of any unearned premium will not be a condition of cancellation. This Policy may be cancelled by the Insurer only for non-payment of premium;
2. The Insurer will not be required to renew this Policy. If the Insurer elects not to renew this Policy, the Insurer will provide the **Corporation** with no less than thirty (30) days advance notice thereof. An offer by the Insurer to renew on different terms will not constitute non-renewal.

F. Representations and Severability

It is agreed by the **Insureds** that the particulars and statements contained in the **Proposal Form** and any information provided therewith (which shall be on file with the Insurer and be deemed attached hereto as if physically attached hereto) are the basis of this Policy and are to be considered as incorporated in and constituting a part of this Policy. It is further agreed by the **Insureds** that the statements in the **Proposal Forms** or in any information provided therewith are their representations, that they are material and that this Policy is issued in reliance upon the truth of such representations; provided, in the event that the **Proposal Form** contains misrepresentations made with the actual intent to deceive, or contains misrepresentations which materially affect either the acceptance of the risk or the hazard assumed by Underwriters under this Policy, this Policy shall be void and have no effect whatsoever with respect to those **Insureds** who made or had knowledge of such misrepresentations. Knowledge of any matter which may give rise to a **Claim** or any misrepresentation made by an **Executive Officer** shall be imputed to the **Company**, but will not be imputed to any **Insured Person** who had no knowledge of the matter which may give rise to a claim or the misrepresentation.

G. Changes in Exposure

1. If, during the **Policy Period**, the **Company** acquires the assets of another **Nonprofit Entity** or acquires a **Subsidiary** or any other **Nonprofit Entity**, by merger, consolidation or otherwise, the coverage afforded under this Policy will be available for **Loss** resulting from **Claims** made during the **Policy Period** or, if purchased, the **Discovery Period**, against any such entity or any **Insured Persons** thereof for **Wrongful Acts** committed or attempted, or allegedly committed or attempted, by them after the effective date and time of such acquisition. If, however, such assets or the assets of the **Nonprofit Entity** so acquired exceed thirty-five percent (35%) of the total assets of the **Company** as of the date of the most recently audited financial statements of the **Company** or the number of employees of the entity so acquired exceeds thirty-five percent (35%) of the number of the **Company's** employees as of the date of the most recently audited financial statements of the **Company**, such coverage will be available only for ninety (90) days after the effective date and time of such acquisition or until the end of the **Policy Period**, whichever is earlier, unless written notice of such acquisition is given to the Insurer, together with such additional information as the Insurer may request, and the Insurer agrees by written endorsement to this Policy to provide such additional coverage on such terms, conditions and limitations, and for such additional premium, as the Insurer may require. If, however, this Policy contains a Fiduciary Liability Coverage Part, this Section VIII.G.1 will not apply to or operate to extend coverage under such Coverage Part unless the Insurer so agrees by written endorsement to such Coverage Part;
2. If, during the **Policy Period**, any entity ceases to be a **Subsidiary**, the coverage afforded under this Policy in respect of such entity and any **Insureds** thereof by reason of their service with or relationship to such entity will continue to apply to **Claims** made during the **Policy Period** or, if purchased, the **Discovery Period**, against them for **Wrongful Acts** committed or attempted, or allegedly committed or attempted, by them before such entity ceases to be a **Subsidiary**, but such coverage will cease with respect to **Claims** against any such entity or any such **Insureds** for **Wrongful Acts** committed or attempted, or allegedly committed or attempted, by them after such entity ceases to be a **Subsidiary**;
3. If, during the **Policy Period**, a transaction occurs wherein another person, entity, or group of affiliated persons and/or entities gains control of the **Corporation** through the ownership of more than fifty percent (50%) of the voting stock of the **Corporation**, or the **Corporation** merges into another entity or consolidates with another entity such that the

3. **Corporation** is not the surviving entity, the coverage afforded under this Policy will continue to apply to **Claims** made during the **Policy Period** or, if purchased, the **Discovery Period**, against any **Insured for Wrongful Acts** committed or attempted, or allegedly committed or attempted, before the effective date of such transaction, but coverage will cease with respect to **Claims** against the **Insureds for Wrongful Acts** committed or attempted, or allegedly committed or attempted, thereafter. Under such circumstances, the **Insureds** may no longer cancel the Policy and the entire premium for this Policy will be deemed to have been fully earned as of the effective date of such transaction;
4. If, during the **Policy Period**, the **Company's** or any **Subsidiary's** tax status changes from exempt to nonexempt status, the coverage afforded under this Policy in respect of the entity to which such change applies, and any **Insureds** thereof by reason of their service with or relationship to such entity will cease to apply 90 days after such change occurs unless and until:
 - a. written notice of such change is given to the Insurer, together with such additional information as the Insurer may request; and
 - b. the Insurer agrees in writing to provide such additional coverage on such terms, conditions and limitations, and for such additional premium, as the Insurer may require.

H. **Assistance, Cooperation and Subrogation**

1. The **Insureds** agree to provide the Insurer with all information, assistance and cooperation that the Insurer may reasonably request, and to do nothing which would in any way increase the Insurer's exposure under this Policy or prejudice the Insurer's actual or potential rights of recovery;
2. In the event of a **Claim**, the **Insureds** shall, as soon as practicable, furnish the Insurer with copies of reports, investigations, pleadings and other papers in connection therewith;
3. In the event of any payment under this Policy, the Insurer will be subrogated to all of the **Insureds'** rights of recovery and the **Insureds** will execute all papers required and do everything that may be necessary to secure such rights, including the execution of such documents as may be necessary to enable the Insurer to effectively bring suit in the name of any **Insured**.

I. **Assignment**

Assignment of interest under this Policy will not bind the Insurer until its consent is endorsed hereon.

J. **Conformity to Statute**

Any terms of this Policy which are in conflict with the terms of any applicable laws are hereby amended to conform to such laws.

K. **No Action Against the Insurer**

1. No action shall be taken against the Insurer unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Policy, and until the **Insureds'** obligation to pay shall have been finally determined by an adjudication against the **Insureds** or by written agreement of the **Insureds**, the claimant or claimants and the Insurer;

2. No person or organization shall have any right under this Policy to join the Insurer as a party to any **Claim** against the **Insureds**; nor may the Insurer be impleaded by any **Insured** or such **Insured's** legal representative in any such **Claim**.

L. Corporation Represents Insureds

By acceptance of this Policy, the **Corporation** is designated to act on behalf of the **Insureds** for all purposes under this Policy, including but not limited to the giving and receiving of all notices and correspondence, the cancellation or non-renewal of this Policy, the payment of premiums, and the receipt of any return premiums that may be due under this Policy.

M. Bankruptcy or Insolvency

No bankruptcy or insolvency of any **Insured** will relieve the Insurer of any of its obligations under this Policy.

N. Application of Coverage Parts

All Coverage Parts are subject to these GENERAL TERMS AND CONDITIONS. Except as stated in these GENERAL TERMS AND CONDITIONS or unless specifically stated otherwise in any Coverage Part or endorsement, the provisions of each Coverage Part will apply only to that Coverage Part and will in no way limit, increase or affect the coverage afforded under any other Coverage Part. If any provision in these GENERAL TERMS AND CONDITIONS is inconsistent or in conflict with the terms and conditions of any Coverage Part, the terms and conditions of that Coverage Part will control for the purposes thereof.

O. OFAC Disclosure

The Office of Foreign Assets Control ("OFAC") administers and enforces U.S. sanctions policy, based on Presidential declarations of "national emergency." OFAC has identified and listed numerous foreign agents, front organizations, terrorists, terrorist organizations and narcotics traffickers as "Specially Designated Nationals and Blocked Persons"; this list can be located on the website for the United States Department of the Treasury (www.treas.gov/ofac). In accordance with OFAC regulations, if it is determined that any **Insured**, or any person or entity claiming the benefits of this insurance, has violated U.S. sanctions law or is a Specially Designated Nationals and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance will be immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments or premium refunds may be made without authorization from OFAC. Other limitations on premiums and payment may also apply.

P. Headings

The headings of the various sections of this Policy are intended for reference only and are not to form part of the terms and conditions of coverage.

Q. Entire Agreement

By acceptance of this Policy, the **Insureds** agree that this Policy (including the Declarations, the **Proposal Form** and the Coverage Parts specified in ITEM 3 of the Declarations), and any written endorsements attached hereto constitute the entire agreement between the parties relating to this insurance. The terms, conditions and limitations of this Policy can be waived or changed only by written endorsement.

DIRECTORS AND OFFICERS LIABILITY COVERAGE PART

THIS IS A CLAIMS-MADE AND REPORTED POLICY WITH COSTS OF DEFENSE INCLUDED IN THE LIMIT OF LIABILITY. PLEASE READ THE ENTIRE POLICY CAREFULLY.

In consideration of the payment of the premium and in reliance upon all statements made and information furnished to the insurance company shown in the Declarations (the "Insurer"), including the statements made in the **Proposal Form**, and subject to all terms, conditions and limitations of this Policy, the **Insureds** and the Insurer agree:

Section I. Insuring Agreements

Provided that a **Claim** is first made against an **Insured** during the **Policy Period** or the **Discovery Period**, if purchased, and further that such **Claim** is reported to the Insurer in accordance with Section VII. Notice of the GENERAL TERMS AND CONDITIONS:

- A. The Insurer will pay to or on behalf of the **Insured Persons** all **Loss** which the **Insured Persons** are legally obligated to pay as a result of a **Claim** against the **Insured Persons** for a **Wrongful Act** by the **Insured Persons**, except for **Loss** which the **Company** actually pays as advancement or indemnification.
- B. The Insurer will pay to or on behalf of the **Company** all **Loss** which the **Insured Persons** are legally obligated to pay as a result of a **Claim** against the **Insured Persons** for a **Wrongful Act** by the **Insured Persons**, but only to the extent the **Company** is required or permitted by law to pay such **Loss** to or on behalf of the **Insured Persons** as advancement or indemnification.
- C. The Insurer will pay to or on behalf of the **Company** all **Loss** which the **Company** is legally obligated to pay as a result of a **Claim** for a **Wrongful Act** by the **Company**.

Section II. Definitions

- A. **"Claim" will mean:**
 - 1. a written demand for monetary or non-monetary relief made against any **Insured**;
 - 2. any written request for any **Insured** to toll or waive any potentially applicable statute of limitations;
 - 3. a civil, criminal, administrative or arbitration proceeding brought against any **Insured** seeking monetary or non-monetary relief and commenced by the service of a complaint or similar pleading, the return of an indictment or criminal information, or the receipt or filing of notice of charges or similar document;
 - 4. an administrative or regulatory investigation of an **Insured Person** which is commenced by the filing or issuance of a notice of charges, formal investigative order or similar document specifically identifying in writing such **Insured Person** as a person against whom a **Claim**, as defined in parts 1 – 3 of this definition, may be brought; or
 - 5. an extradition order or similar document filed against any **Insured**.
- B. **"Employee" will mean:**
 - 1. any individual whom the **Company** compensates by wages, salary and/or commissions and whose labor or service is directed by the **Company**, whether such individual performs such labor or service on a full-time, part-time, seasonal or temporary basis;
 - 2. any individual who performs labor or services for the **Company** as a volunteer; and

3. any individual who is leased or loaned to the **Company** to perform labor or service for the **Company**, but only if the **Company** provides indemnification to such individual in the same manner and to the same extent as to its other **Employees**.
- C. For purposes of this Coverage Part, the term “**Insured**” will mean the **Company** and all **Insured Persons**.
- D. For purposes of this Coverage Part, the term “**Insured Person**” will mean:
1. any past, present or future duly elected or appointed director, officer, trustee or member of the board of managers or any committee of the **Company**;
 2. any executive of the **Company** located outside of the United States of America who holds a position with respect to the **Company** equivalent to any position described in Sections II.B.1 or II.B.2 above; or
 3. any **Employee**.
- E. For purposes of this Coverage Part, the term “**Loss**” will include pre-and post-judgment interest. “**Loss**” shall not include:
1. any portion of damages, judgments or settlements arising out of any **Claim** alleging that the **Company** paid an inadequate price or consideration for the purchase of the **Company’s** securities;
 2. any costs or fees incurred by the **Company** to comply with an order for injunctive or other non-monetary relief, or to comply with an agreement to provide such relief, or any costs or fees awarded in connection with such compliance or agreement;
 3. any amount not indemnified by the **Company** for which an **Insured** is absolved from payment by reason of any covenant, agreement or court order;
 4. any amount incurred by an **Insured** in the defense of investigation of any action, proceeding or demand that is not then a **Claim** even if (a) such amount also benefits the defense of a covered **Claim**, or (b) such action, proceeding or demand subsequently gives rise to a **Claim**;
 5. any amount allocated to non-covered loss.
- With respect to any **Claim** arising out of any Public or Private Offering of Securities of the **Company**, the Insurer shall not assert that the portion of any settlement and/or **Costs of Defense** of that **Claim** which relates to any alleged violations of Section 11 or 12 of the Securities Act of 1933, as amended, constitutes uninsurable loss and shall treat that portion of such settlement and/or **Cost of Defense** as constituting **Loss** under the Policy.
- F. “**Outside Capacity**” will mean service by an **Insured Person** as a director, officer, trustee, regent, governor or equivalent executive of an **Outside Entity**, but only if such service is with the knowledge and consent of, or at the request of, the **Company**.
- G. “**Outside Entity**” will mean any **Nonprofit Entity** other than the **Company**.
- H. “**Personal Injury**” will mean false arrest, wrongful detention or imprisonment, malicious prosecution, defamation including libel, slander, publication of material in violation of a person’s right of privacy, invasion of privacy or wrongful entry or eviction.
- I. “**Publishers Liability**” shall mean infringement of copyright, trademark, trade name, trade dress, service mark, unauthorized use of title, plagiarism or misappropriation of ideas, but only with respect to materials that are in connection with and a regular part of the **Insured’s** own publications. “**Publishers Liability**” does not mean infringement or misappropriation of patents or trade secrets.

- J. For purposes of this Coverage Part, the term "**Wrongful Act**" will mean:
1. any actual or alleged act, omission, error, misstatement, misleading statement, neglect or breach of duty, including any actual or alleged **Personal Injury** or **Publishers Liability**, by any **Insured Person** in his or her capacity as such with the **Company**;
 2. any matter claimed against any **Insured Person** solely by reason of his or her status with the **Company**;
 3. any actual or alleged act, omission, error, misstatement, misleading statement, neglect or breach of duty by any **Insured Person** in his or her **Outside Capacity**; or
 4. any actual or alleged act, omission, error, misstatement, misleading statement, neglect or breach of duty by the **Company**.
- K. "**Securities Laws**" will mean the Securities Act of 1933, Securities Exchange Act of 1934, Investment Company Act of 1940, any state "blue sky" securities law, or any other federal, state or local securities law or any amendments thereto or any rules or regulations promulgated thereunder or any other provision of statutory or common law used to impose liability in connection with the offer to sell or purchase, or the sale or purchase, of securities.

Section III. Exclusions

The Insurer will not be liable under this Coverage Part to make any payment of any **Loss** in connection with any **Claim** made against any **Insured**:

- A. brought about or contributed to by:
1. the gaining by any **Insured** of any profit, advantage or remuneration to which such **Insured** was not legally entitled; or
 2. the deliberately fraudulent or criminal acts of any **Insured**;
- provided, however: (i) this exclusion shall only apply if it is finally adjudicated such conduct in fact occurred; (ii) this exclusion shall not apply to coverage provided under INSURING AGREEMENT B;
- B. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any **Wrongful Act** or **Related Wrongful Act** or any fact, circumstance or situation which has been the subject of any notice given under any other policy of which this Coverage Part is a renewal or replacement;
- C. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any prior and/or pending civil, criminal, administrative or investigative proceeding involving the **Company**, any **Insured** as of the Prior and Pending Date stated in ITEM 6 of the Declarations, or any individual or related fact, circumstance or situation underlying or alleged in such proceeding;
- D. based upon or arising out of:
1. bodily injury, sickness, disease, mental anguish, emotional distress or death of any person, loss of consortium; or
 2. damage to, destruction or loss of use of any property, including the loss of use property not damaged or destroyed;
- E. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged violation of the Employee Retirement Income Security Act of 1974, as amended, or any rules or regulations promulgated thereunder;
- F. for any actual or alleged act, omission, error, misstatement, misleading statement, neglect or breach of duty by

any **Insured Person** in his or her capacity as an **Employee**, director, officer, trustee, regent, governor or equivalent executive of any entity other than the **Company** or an **Outside Entity**, even if directed or requested by the **Company** to serve in such capacity;

- G. for any **Wrongful Act** of any **Insured Person** in his or her **Outside Capacity** with respect to any **Outside Entity**, if such **Claim** is brought by or on behalf of the **Outside Entity** or any **Employee**, director, officer, trustee, regent, governor or equivalent executive thereof;
- H. by or on behalf of any **Insured** or any security holder of the **Company**; provided, however, that this exclusion shall not apply to any **Claim**:
 - 1. brought by any **Insured** where such **Claim** is in the form of a cross-claim or third party claim for contribution or indemnity which is part of and results directly from a **Claim** which is not otherwise excluded by the terms of this Coverage Part; or
 - 2. brought by any security holder of the **Company**, whether directly or derivatively, if the security holder bringing such **Claim** is acting totally independently of, and without the solicitation, assistance, active participation or intervention of, the **Company** or any **Insured Person**;
 - 3. brought in any bankruptcy proceeding by or against any entity included within the term "**Company**" by any creditors committee, examiner, trustee, receiver, liquidator or rehabilitator appointed with respect to such entity;
 - 4. brought by any **Insured Person** who has neither served in such capacity nor as consultant to any entity included within the term "**Company**" for at least three (3) years prior to such **Claim** having been first made;
 - 5. brought by any **Insured Person** of any entity included within the term "**Company**" formed and operating outside the United States of America or any of its territories or possessions against such **Company** or any **Insured Person** thereof, if such **Claim** is brought and maintained outside the United States of America, Canada or any other common law jurisdiction; or
 - 6. arises out of, is based upon, or is attributable to any whistleblower activity, including but not limited to any such activity protected under the Sarbanes-Oxley Act of 2002, the False Claims Act, or any similar federal, state, local or foreign law or statute;
- I. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving:
 - 1. actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **Pollutants** or radiation;
 - 2. any loss, cost or expense arising out of any:
 - a. Request, demand, order or statutory or regulatory requirement that any **Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, **Pollutants**; or
 - b. **Claim** or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, **Pollutants**;
- J. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any initial public offering of the **Company's** securities or any registration statement or prospectus related thereto;
- K. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving the actual or alleged violation of any **Securities Laws**; provided, however, that this exclusion will not

apply to the extent that such **Claim** is based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving the **Company's** offer or sale of debt securities of the **Company** in a transaction that is (or in a series of transactions that are) exempt from registration under the Securities Act of 1933, as amended, and under the rules and regulations promulgated thereunder;

- L. for any **Wrongful Act** of any **Subsidiary** or the **Insured Persons** of such **Subsidiary** or any entity that merges with the **Company** or the **Insured Persons** of such entity that merges with the **Company** occurring:
 - 1. prior to the date such entity became a **Subsidiary** or was merged with the **Company**;
 - 2. subsequent to the date such entity became a **Subsidiary** or was merged with the **Company** which together with a **Wrongful Act** occurring prior to the date such entity became a **Subsidiary** or was merged with the **Company**, would constitute **Related Wrongful Acts**; or
 - 3. subsequent to the date the **Corporation** ceased to own, directly or indirectly, more than fifty percent (50%) of the voting stock of such **Subsidiary**;
- M. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any liability under any contract or agreement; provided, however, that this exclusion will not apply to the extent the **Company** would have been liable in the absence of such contract or agreement;
- N. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged:
 - 1. employment-related **Wrongful Act**;
 - 2. discrimination against or harassment of any person or entity that is not an **Insured**;
- O. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged infringement or misappropriation of patent or trade secret;
- P. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged unintentional violation of any common law or any federal, state or local statutory law concerning political campaign contributions, including the Federal Election Campaign Act of 1971, as amended, and Chapters 95 and 96 of the Internal Revenue Code of 1986, and amendments thereto.

For the purpose of determining the applicability of the foregoing exclusions, no **Wrongful Act** of any **Insured Person** shall be imputed to any other **Insured Person**, and only the **Wrongful Acts** of any president, chief executive officer or chief financial officer of the **Company** shall be imputed to the **Company**.

Section IV. Claims Against Insured Persons for Wrongful Acts in Their Outside Capacity

- A. In the event a **Claim** is made against an **Insured Person** for **Wrongful Acts** in his or her **Outside Capacity** with respect to any **Outside Entity**, the coverage afforded under this Coverage Part in respect of such **Claim** will be specifically excess of, and will not contribute with, any insurance available to such **Insured Person** from such **Outside Entity** and any advancement or indemnification such **Outside Entity** is required or permitted to make to such **Insured Person**. If the Insurer shall have issued any policy or policies of insurance to such **Outside Entity**, payment by the Insurer under any such policy in respect of such **Claim** will reduce and may therefore exhaust, by the amount of such payment, the Insurer's Limit of Liability available under this Coverage Part for such **Claim**.
- B. For purposes of this Section IV, the certificate of incorporation, charter or other organizational documents of each **Outside Entity**, including by-laws and resolutions, will be deemed to require advancement and indemnification of **Loss** to such **Outside Entity's** directors, officers, trustees, regents, governors and equivalent executives to the fullest extent permitted by law.

Section V. Additional Excess Aggregate Limit of Liability

- A. Notwithstanding anything in this Policy or this Coverage Part to the contrary, the Additional Excess Aggregate

Limit of Liability dedicated for Directors and Officers will be an additional Excess Limit of Liability in an aggregate amount not to exceed the amount stated in Item 4.a.i of the Declarations, which amount is in addition to and not part of the Limits of Liability stated in Item 4.a. of the Declarations.

In the event the Additional Excess Aggregate Limit of Liability dedicated for Directors and Officers is exhausted by payment of **Loss**, or has been tendered to or on behalf of Directors and Officers, then any and all obligations of the Insurer hereunder shall be deemed to be completely fulfilled and extinguished.

- B. No coverage shall be provided by Section V of this Coverage Part for the first **Claim** made for which coverage is provided under this Coverage Part. This Additional Excess Aggregate Limit of Liability dedicated for Directors and Officers is available solely for **Loss** resulting from any subsequent **Claim** that is covered under INSURING AGREEMENT A of this Coverage Part. The first **Claim** made for which coverage is provided under this Coverage Part shall be determined by the chronological time such **Claim** was made regardless of when coverage is acknowledged by the Insurer.
- C. The Additional Excess Aggregate Limit of Liability dedicated for Directors and Officers shall be excess of any insurance available to pay **Loss** for such **Claims**, including this Policy and all insurance that is specifically excess to this Policy. Such excess insurance must be completely exhausted by payment of loss, damages or costs of defense, as those terms are defined by such excess insurance, before the Insurer shall have any obligation to make any payment on account of the Additional Excess Aggregate Limit of Liability dedicated for Directors and Officers.
- D. For purposes of this provision only, Directors and Officers shall only mean:
 - 1. any past, present or future duly elected or appointed director, officer, trustee or member of the board of managers or any committee of the **Company**;
 - 2. any executive of the **Company** located outside of the United States of America who holds a position with respect to the **Company** equivalent to any position described in Sections V.D.1 above.

Section VI. Waiver of Retention under Certain Circumstances

- A. No retention will apply under this Coverage Part to **Loss** incurred by the **Insured Persons** if advancement or indemnification of such **Loss** by the **Company** is neither required nor permitted under applicable law or, if advancement or indemnification of such **Loss** by the **Company** is required or permitted under applicable law, such advancement or indemnification is not made solely by reason of the **Company's Financial Insolvency**.
- B. If, in connection with any **Claim**, a final adjudication, with prejudice, pursuant to a trial, motion to dismiss or motion for summary judgment or a complete and final settlement, with prejudice, establishes that no **Insured** is liable for any **Loss** in connection with such **Claim**, no retention will apply to **Costs of Defense** incurred in connection with such **Claim** and, subject to all other terms, conditions and limitations of this Policy applicable to this Coverage Part, the Insurer will reimburse the **Insureds** for any covered **Costs of Defense** paid by them in connection with such **Claim**.

Section VII. Order of Payments

- A. **Loss** covered under this Coverage Part will be paid by the Insurer in the following order:
 - 1. first, the Insurer will pay such **Loss** covered under INSURING AGREEMENT A of this Coverage Part;
 - 2. with respect to whatever amount of the Insurer's Limit of Liability under this Coverage Part remains after the payment of **Loss** covered under INSURING AGREEMENT A of this Coverage Part, the Insurer will then pay such **Loss** covered under INSURING AGREEMENT B of this Coverage Part; and
 - 3. with respect to whatever amount of the Insurer's Limit of Liability under this Coverage Part remains after the payment of **Loss** covered under INSURING AGREEMENTS A and B of this Coverage Part, the Insurer will then pay such **Loss** covered under INSURING AGREEMENT C of this Coverage Part; and

4. with respect to whatever amount of the Insurer's Limit of Liability under this Coverage Part remains after the payment of **Loss** covered under INSURING AGREEMENTS A, B and C of this Coverage Part, the Insurer will then pay such other **Loss** covered under this Coverage Part.
- B. Nothing in this Section VII is intended, nor shall it be construed, to increase the Insurer's maximum aggregate Limit of Liability applicable to **Loss** under this Coverage Part.

This endorsement, effective 12:01 am, 02/01/2016 forms part of

Policy number: NY16DOLV02811NV

Issued to: New Hampshire Vaccine Association

By: Navigators Insurance Company

NEW HAMPSHIRE AMENDATORY ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

- I. **Section III., Discovery –Coverage Extensions** of the General Terms and Conditions is deleted in its entirety and replaced with the following:

- A. If the Insurer or the **Corporation** cancels or terminates this Policy for any reason, including nonpayment of premium, the Insurer will provide at no additional charge an automatic sixty (60) day **Discovery Period**. The Limit of Liability for the automatic **Discovery Period** shall be part of, and not in addition to the Limit of Liability for the **Policy Period**. The Insurer shall send the **Corporation** and the agent, written notice on the date of termination advising the **Corporation** of the automatic **Discovery Period** and the availability of, the premium for, and the importance of purchasing the optional **Discovery Period**.

Upon expiration of the automatic **Discovery Period**, the **Corporation** shall have the right, upon payment of one hundred percent (100%) of the annual premium, (or if the **Policy Period** is other than annual, one hundred percent (100%) of the annualized premium), to an extension of the coverage provided by this Policy with respect to any **Claim** first made against any **Insured** during the period of twelve (12) months after the end of the **Policy Period**, but only with respect to any **Wrongful Act** committed or alleged to have been committed before the end of the **Policy Period**. This twelve (12) month period shall be referred to in this Policy as the optional **Discovery Period**.

- B. As a condition precedent to the right to purchase the optional **Discovery Period**, the total premium for this Policy must have been paid, and a written request together with payment of the appropriate premium for the optional **Discovery Period** must be provided to the Insurer no later than thirty (30) days after the end of the **Policy Period**.
- C. The fact that the coverage provided by this Policy may be extended by virtue of the purchase of the optional **Discovery Period** shall not in any way increase the Limit of Liability stated in Item 3 of the Declarations. For purposes of the Limit of Liability, the optional **Discovery Period** is considered to be part of, and not in addition to, the **Policy Period**.
- D. Once paid, the optional **Discovery Period** may not be cancelled.

- II. **Section VIII., General Conditions, E. Cancellation or Nonrenewal** of the General Terms and Conditions is deleted in its entirety and replaced with the following:

E. **Cancellation or Nonrenewal**

- (1) This Policy may be cancelled by the **Corporation** at any time by written notice or surrender of this Policy to the Insurer, stating when thereafter the cancellation shall be effective. Upon cancellation by the **Corporation**, the Insurer shall retain the customary short rate proportion of the premium earned hereon. The **Insurer** will refund any unearned premium within thirty (30) days.
- (2) This Policy may also be cancelled, with or without the return by tender of the unearned premium, by or on behalf of the Insurer by delivering to the **Corporation** named in the Policy or by sending to the **Corporation**, written notice stating when the cancellation shall be effective. The Insurer shall refund any unearned premium pro rata.
- (3) Notice of cancellation by the Insurer shall be provided to the **Corporation's** last known address at least

This endorsement, effective 12:01 am, 02/01/2016 forms part of

Policy number: NY16DOLV02811NV

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By: Navigators Insurance Company

sixty (60) days before cancellation is to be effective, except for nonpayment of premium or substantial increase in the risk insured in which case written notice will be provided ten (10) days prior to cancellation. The reason or reasons for cancellation by the Insurer will accompany or be included in the notice. The earned premium will be calculated on a pro rata basis. The Insurer will refund any unearned premium on or before thirty (30) days after the effective date of cancellation.

- (4) If this Policy has been in effect for sixty (60) days or more, or if this Policy is a renewal, the Insurer will not cancel this Policy unless cancellation is based on one or more of the following reasons:
 - (a) nonpayment of premium;
 - (b) fraud or material misrepresentation affecting the Policy or in the presentation of a **Claim** under the Policy;
 - (c) failure of the Insured to comply with the terms or conditions of this Policy; or
 - (d) substantial increase in the risk insured, provided that cancellation for this reason will be effective only after prior approval of the New Hampshire Commissioner of Insurance.
- (5) Notice of cancellation mailed to the **Corporation** will be by certified mail (except that notice of cancellation may be by certified mail or certificate of mailing if cancellation is for nonpayment of premium). If notice is mailed, proof of mailing will be sufficient proof of notice.
- (6) The Insurer may choose not to renew this Policy, or to condition renewal with an increase in premium of more than twenty-five percent (25%) of the current Policy's premium, by delivering or mailing written notice to the **Corporation** at the address shown on the Policy. The Insurer will provide written notice of nonrenewal or such conditional renewal at least sixty (60) days prior to the expiration of the Policy Period. The Insurer will not be required to provide notice of nonrenewal if the Insurer has manifested a willingness to renew or if the **Corporation** has failed to pay any advance premium required by the Insurer for renewal. Renewal of the Policy will not constitute a waiver or estoppel with respect to grounds for cancellation that existed before the effective date of such renewal.
- (7) If the Insurer has received the necessary information to issue a renewal policy, the Insurer will confirm in writing their intention to renew, and the premium at which the Policy is to be renewed. Notice of such renewal will be provided to the **Corporation** at least thirty (30) days prior to the expiration of the Policy Period. In the event the Insurer fails to provide such notice to the **Corporation**, the Policy will be continued until thirty (30) days after delivering or mailing such confirmation. The premium for any such continuation of the Policy Period will be calculated pro rata based on the premium for the expiring Policy or rates since approved by the New Hampshire Commissioner of Insurance. Notwithstanding the foregoing, the Insurer will not be required to provide confirmation of their offer to renew where the **Corporation** has accepted the renewal policy.
- (8) For the purpose of this Policy, notice of cancellation or nonrenewal given to the **Corporation** shown in the Declarations shall be deemed to be notice to all Insureds hereunder.

All other terms and conditions of this Policy remain unchanged.

This endorsement, effective 12:01 am, 02/01/2016 forms part of

Policy number: NY16DOLV02811NV

Issued to: New Hampshire Vaccine Association

By: Navigators Insurance Company

SUBMIT ENDORSEMENT FOR EXCESS BENEFIT TRANSACTION EXCISE TAX CLAIMS

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

In consideration of the premium paid for this policy, it is agreed that under the Directors & Officers Liability Coverage Part, Section II. Definitions is hereby amended as follows:

1. The following definition is added:

"Excess Benefit Transaction Excise Tax Claim" means any **Claim** based upon, arising out of, related to, directly or indirectly resulting from, or in any way involving any excise tax imposed by the Internal Revenue Service, pursuant to Section 4958(a)(2) of the Internal Revenue Code, 26 U.S.C. 4958(a)(2), on an **Insured Person** as a result of such Insured Person's participation in an excess benefit transaction as defined in Section 4958(c) of the Internal Revenue Code, 26 U.S.C. 4958(c)

2. Subsection E. definition of **"Loss"** is hereby deleted in its entirety and replaced by the following:

E. For purposes of this Coverage Part, the term **"Loss"** will include pre-and post-judgment interest and any **"Excess Benefit Transaction Excise Tax Claim"**. **"Loss"** shall not include:

1. any portion of damages, judgments or settlements arising out of any **Claim** alleging that the **Company** paid an inadequate price or consideration for the purchase of the **Company's** securities;
2. any costs or fees incurred by the **Company** to comply with an order for injunctive or other non-monetary relief, or to comply with an agreement to provide such relief, or any costs or fees awarded in connection with such compliance or agreement;
3. any amount not indemnified by the **Company** for which an **Insured** is absolved from payment by reason of any covenant, agreement or court order;
4. any amount incurred by an **Insured** in the defense of investigation of any action, proceeding or demand that is not then a **Claim** even if (a) such amount also benefits the defense of a covered **Claim**, or (b) such action, proceeding or demand subsequently gives rise to a **Claim**;
5. any amount allocated to non-covered loss.

With respect to any **Claim** arising out of any Public or Private Offering of Securities of the **Company**, the Insurer shall not assert that the portion of any settlement and/or **Costs of Defense** of that **Claim** which relates to any alleged violations of Section 11 or 12 of the Securities Act of 1933, as amended, constitutes uninsurable loss and shall treat that portion of such settlement and/or **Cost of Defense** as constituting **Loss** under the Policy.

All other terms and conditions of this Policy remain unchanged.

This endorsement, effective 12:01 am, 02/01/2016 forms part of

Policy number: NY16DOLV02811NV

Issued to: New Hampshire Vaccine Association

By: Navigators Insurance Company

ANTI-TRUST CLAIMS EXCLUSION ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Applicable to all Coverage Parts, the following exclusion is added:

In consideration of the premium paid for this policy, it is agreed that the Insurer will not be liable to make any payment of any **Loss** in connection with any **Claim** made against any **Insured** based upon, arising out of, directly or indirectly resulting from, or in any way involving any actual or alleged price fixing, restraint of trade, monopolization, unfair trade practices or violation of the Federal Trade Commission Act, the Sherman Anti-Trust Act, the Clayton Act, or any other statute or law regulating anti-trust, monopoly, price fixing, price discrimination, predatory pricing or activities in restraint of trade.

All other terms and conditions of this Policy remain unchanged.

This endorsement, effective 12:01 am, 02/01/2016 forms part of

Policy number: NY16DOLV02811NV

Issued to: New Hampshire Vaccine Association

By: Navigators Insurance Company

MEDICAL & HEALTHCARE SERVICES MALPRACTICE EXCLUSION ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Applicable to all Coverage Parts, the following exclusion is added:

In consideration of the premium paid for this policy, it is agreed that the Insurer will not be liable to make any payment of any **Loss** in connection with any **Claim** made against any **Insured** based upon, arising out of, relating to, directly or indirectly resulting from, or in any way involving any actual or alleged:

- A. medical malpractice; or
- B. provision of or failure to provide any medical or healthcare services.

All other terms and conditions of this Policy remain unchanged.

OFAC ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

U.S. ECONOMIC AND TRADE SANCTIONS LIMITATIONS CLAUSE

No insurer shall be deemed to provide cover and no insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that insurer to any sanction, prohibition or restriction under the trade or economic sanctions, laws or regulations of the United States of America.

The United States of America trade or economic sanctions, laws or regulations shall include, but not be limited to, those sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control (OFAC).

All other terms, conditions and exclusions of this Policy remain unchanged.

**POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM
INSURANCE COVERAGE**

Coverage for acts of terrorism is included in your policy. You are hereby notified that under the Terrorism Risk Insurance Act, as amended in 2015, the definition of act of terrorism has changed. As defined in Section 102(1) of the Act: The term “act of terrorism” means any act that is certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers’ liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

The portion of your annual premium that is attributable to coverage for acts of terrorism is \$0.00 , and does not include any charges for the portion of losses covered by the United States government under the Act.

YOU SHOULD ALSO KNOW THAT UNDER THE TERRORISM RISK INSURANCE ACT, AS AMENDED, ANY LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM UNDER YOUR POLICY COVERAGE MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT AND MAY BE SUBJECT TO A \$100 BILLION CAP THAT MAY REDUCE YOUR COVERAGE. THE PORTION OF YOUR PREMIUM ATTRIBUTABLE TO SUCH COVERAGE IS SHOWN ABOVE.

If you have any questions about this notice, please contact your agent or Broker.



Memo

To: New Hampshire Vaccine Association: Audit Committee and Board

From: Dona G. Murray, VP Investment Officer

Date: January 2016

Re: Wealth Management Services


I wanted to first thank the Board and Audit Committee for the time and consideration they have given Kathy Crane and myself on behalf of the bank. We have had a great relationship managing the NHVA assets according to policy and are pleased to have had the opportunity to suggest some changes that will raise your current Investment Policy Statement (IPS) to current standards. Policies are often written or amended to incorporate current economic themes, and it is prudent to review them annually. In fact, it is often a part of the bylaws by which many organizations operate. As a manager, we often work with Boards or Committees to make sure that this responsibility is accomplished and part of their Minutes. It also serves as a great opportunity to speak about the account and what is happening on a broader level in the market.

Kathy and I brought an Investment Policy Statement to the recent Audit Committee meeting. It is currently used by another organization with a mandate similar to your own, and they operate in another state. We reviewed the document thoroughly and believe it will work well to replace the current NHVA IPS after some modification. I will speak with Fred again to confirm any recommended changes prior to its submission to the Board.

I've included the guaranteed fee schedule we spoke about at the Audit Committee meeting. As there was no agreement in place and this type of short-term investment is outside of our normal fee schedule, we believe it is a way to fairly compensate BNH in line with similar type management fees. Please feel free to contact us if you have questions or comments.

We want to thank you for the years we have had the pleasure of working with you and to let you know that we look forward to a continuing relationship ahead.

Bank of New Hampshire Wealth Management Services commits to a fee of .12% of the invested portfolio market value (i.e., excluding cash and assets held in a money market account) for investment management services provided to New Hampshire Vaccine Association. This fee agreement is guaranteed for 36 months.



Cydney Shapleigh-Johnson, CTFA
Executive Vice President
Chief Wealth Management Officer

1-28-16
Date

As requested, here is an example of a 0.12% fee calculated on \$8,000,000 in assets.

0.12% (or 0.0012) times \$8,000,000 = \$9,600.

Please note that 0.12% is equal to 0.0012 and may also be referred to as 12 basis points

BOARD OF DIRECTORS

Insurer Representatives [RSA 126-Q:3, III.(a)]

Jason Margus, F.S.A., M.A.A.A.
Anthem Blue Cross & Blue Shield
1155 Elm Street, Suite 200
Manchester, NH 03101-1505

Telephone: 603-541-2021
E-mail: Jason.margus@anthem.com

Elaine Koskela
Senior Contract Manager
CIGNA Health Care
Two College Park
Hooksett, NH 03106

Telephone: 603-268-7193
E-mail: Elaine.Koskela@Cigna.com

Susan Tenney
Manager, Network Contracting
Harvard Pilgrim Health Care-NE
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Telephone: 603-656-9594
Facsimile: 603-656-9565
E-mail: Susan_Tenney@hphc.org

Healthcare Provider Representatives [RSA 126-Q:3, III.(b)]

Everett J. Lamm, M.D., F.A.A.P.
11 Autumn Lane
Stratham, NH 03885

Telephone: 603-918-0156 (Cell)
Facsimile:
E-mail: ejlamm@aap.net

David Fredenburg, M.D.
27 Hazelwood Road
Hudson, NH 03051

Telephone: 603-598-0996
Cell: 603-321-6664
E-mail: fredenburg.david@gmail.com

Governmental Representatives [RSA 126-Q:3, III.(c)&(d)]

David Sky, F.S.A., M.A.A.A.
Life, Accident and Health Actuary
New Hampshire Insurance Department
21 South Fruit Street, Suite 14
Concord, NH 03301

Telephone: 603-271-7973 x239
Facsimile: 603-271-1406
E-mail: David.Sky@ins.nh.gov

Marcella J. Bobinsky, MPH
Chief, Bureau of Public Health Systems
Policy and Performance Division of
Public Health Services
New Hampshire Department of Health and Human Services
29 Hazen Drive
Concord, NH 03301-6504

Telephone: 603-271-4110
E-mail: mbobinsky@dhhs.state.nh.us

Representatives of Self-Insured Entities [RSA 126-Q:3, III.(e)]

[Currently vacant]
(Appointed by the Governor and Council)

Members of the Public [RSA 126-Q:3, III.(f)&(g)]

Edward P. Moran
Former State Legislator
19 Ministerial Road
Bedford, NH 03110
(Appointed by the Speaker of the House)

Telephone: 603-472-5912 x2016
E-mail: edpmoran@gmail.com

Laura Condon
12 Brick Mill Road
Bedford, NH 03110
(Appointed by the President of the Senate)

Telephone: 603-471-0787
E-mail: vaxchoicenh@gmail.com

NEW HAMPSHIRE GOVERNMENTAL AUTHORITIES

NH Department of Health & Human Services

Jeffrey A. Meyers, Commissioner
NH Dept. of Health & Human Services
129 Pleasant Street
Concord, NH 03301

Telephone: 603-271-4331
Facsimile: 603-271-4912
Assistant: Kathleen Henderson 603-271-4334
E-mail: kHenderson@dhhs.state.nh.us

NH Insurance Department

Roger A. Sevigny, Commissioner
New Hampshire Insurance Department
21 South Fruit Street, Suite 14
Concord, NH 03301-2430

Telephone: 603-271-2261
Facsimile: 603-271-7851
E-mail:
Assistant: Sandy Barlow 603-271-7973 x 202

KidsVax®

Fred L. Potter
P.O. Box 1885
Concord, NH 03302-1885

Telephone: 855-556-4101 (Direct Line)
Facsimile: 855-556-4101 (Direct Fax)
E-mail: FPotter@KidsVax.org

Nicole G. Price, Esquire
P.O. Box 1885
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BOARD GOVERNANCE ROLES

Officers

Chair: Susan Tenney
Vice-Chair: David Sky
Treasurer: David Fredenburg, M.D.
Secretary: Elaine Koskela

Finance/Audit Committee

David Fredenburg, M.D. – Chairman
Susan Tenney – Vice-Chair
David Sky
Laura Condon
Jason Margus
Everett Lamm, M.D.

Legislative Task Force

Susan Tenney
David Sky (or his designee)
Ms. Bobinsky
Ms. Koskela
Everett Lamm, M.D.
Fred Potter (provide assessment administrator assistance)
Mark McCue, Esq. (provide legal counsel)

Governance Committee

David Sky – Chairman
Susan Tenney
Laura Condon
Fred Potter (provide assessment administrator assistance)
Mark McCue, Esq. (provide legal counsel)

Assessment Process Improvement Task Force

David Sky – Chairman
Susan Tenney
Jason Margus
Laura Condon
Dolores Cooper, DHHS Finance Representative

updated RSA 126-Q

**N.H. RSA 126-Q:1—Q:9
NEW HAMPSHIRE VACCINE ASSOCIATION**

[N.H. RSA 126-Q as amended by HB664 (2013 legislative session)]

126-Q:1 Definitions.

In this chapter:

- I. “Assessable coverage” means:
 - (a) Health coverage as defined in RSA 420-G:2, IX;
 - (b) Stop loss coverage that conforms with RSA 415-H:3, or other group excess loss insurance purchased against the risk that any particular claim, or total liability, will exceed a specified dollar amount; or
 - (c) Group health plan, as defined by 42 U.S.C. 300gg-91(a).
- II. “Assessable entity” means any:
 - (a) Health maintenance organization, as defined by RSA 420-B:1, VI.
 - (b) Third party administrator, as defined by RSA 402-H:1, I.
 - (c) Entity providing administrator services and required to register with the insurance commissioner under RSA 402-H:11-a or RSA 402-H:11-b.
 - (d) Insurance company licensed pursuant to RSA 401:1, IV.
 - (e) Health service corporation, as defined by RSA 420-A:1, III.
- III. “Assessable lives” means all children under 19 years of age residing in the state who have assessable coverage written or administered by an assessable entity, with the exception of children whose vaccines are paid for under the federal Vaccines for Children program, established under 42 U.S.C. section 1396s.
- IV. “Assessment” means the assessable entity’s liability with respect to childhood vaccines determined in accordance with this chapter. For purposes of rate setting and medical loss ratio calculations, all association assessments are considered pharmaceutical or medical benefit costs and not regulatory costs. In the event of any insolvency or similar proceeding affecting any payer, assessments shall be included in the highest priority of obligations to be paid by or on behalf of such payer.
- V. “Association” means the New Hampshire vaccine association.
- VI. “Board” means the board of directors of the New Hampshire vaccine association.
- VII. “Commissioner” means the commissioner of the department of health and human services.
- VIII. “Estimated vaccine cost” means the estimated cost to the state over the course of a state fiscal year of the purchase, distribution, and administration of vaccines purchased at the federal discount rate by the department of health and human services.
- IX. “Provider” means a person licensed by this state to provide health care services to persons or a partnership or corporation made up of those persons.
- X. “Total non-federal program cost” means the estimated vaccine cost less the amount of federal revenue available to the state for the purchase, distribution, and administration of vaccines.

updated RSA 126-Q

- XI. “Vaccine” means any preparations of killed microorganisms, living attenuated organisms, or living fully virulent organisms that are approved by the federal Food and Drug Administration and recommended by the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention and have been authorized by the commissioner of the department of health and human services for administration to children of the state of New Hampshire under the age of 19 years for the purposes of producing or artificially increasing immunity to particular life-threatening and disabling diseases.

126-Q:2 Creation of Association.

There is hereby created a nonprofit corporation to be known as the New Hampshire vaccine association. The association is formed to assess assessable entities for the cost of vaccines provided to certain children in New Hampshire.

126-Q:3 Powers and Duties

- I. The New Hampshire vaccine association shall be comprised of all assessable entities.
- II. The New Hampshire vaccine association shall be a not-for-profit, voluntary corporation under RSA 292 and shall possess all general powers of a not-for-profit corporation.
- III. The board of directors shall include:
 - (a) Three representatives selected from the assessable entities currently writing, maintaining child, or administering assessable coverage through a voting process where votes are based on assessable lives. The plan of operation shall provide details for this selection process.
 - (b) Two health care provider representatives appointed by the commissioner.
 - (c) The commissioner of the department of health and human services, who shall serve as an ex-officio member.
 - (d) The commissioner of the department of insurance who shall serve as an ex-officio member.
 - (e) One member appointed by the governor and council who shall represent self-insured entities.
 - (f) One public member appointed by the speaker of the house of representatives.
 - (g) One public member appointed by the president of the senate.
- IV. The directors' terms and appointments shall be specified in the plan of operation adopted by the New Hampshire vaccine association.
- V. The board of directors of the association shall:
 - (a) Prepare and adopt articles of association and bylaws.
 - (b) Prepare and adopt a plan of operation.

updated RSA 126-Q

- (c) Submit the plan of operation to the commissioner of insurance for approval after the consultation with the commissioner.
- (d) Conduct all activities in accordance with the approved plan of operation.
- (e) On an annual basis, no later than November 1 of each year, establish the amount of the assessment for the succeeding year.
- (f) Enter into contracts as necessary or proper to collect and disburse the assessment.
- (g) Enter into contracts as necessary or proper to administer the plan of operation.
- (h) Sue or be sued, including taking any legal action necessary or proper for the recovery of any assessment for, on behalf of, or against members of the association or other participating person.
- (i) Appoint from among its directors, committees as necessary to provide technical assistance in the operation of the association, including the hiring of independent consultants as necessary.
- (j) Determine an assessment amount and collect payments from assessed entities in accordance with RSA 126-Q:4.
- (k) Submit an annual report to the commissioner of insurance, in a manner and form determined by the commissioner, listing the association membership base, providing a count of assessable lives by assessable entity, identifying changes in assessable lives by assessable entity, describing the collection of assessments, listing payment delinquencies, and containing such other related information as the commissioner may require.
- (l) Allow each assessable entity up to 45 days after the closing of each calendar quarter to report its assessable lives and remit its corresponding assessment amount as calculated pursuant to RSA 126-Q:4.
- (m) Collect assessments from assessable entities as calculated under RSA 126-Q:4 and deposit said assessments less the association's administrative costs annually and reserves with the state treasurer to the credit of the vaccine purchase fund established pursuant to RSA 141-C:17-a. At the written request of the association following a majority vote of the board of directors, any funds forwarded to the state treasurer for the vaccine purchase fund remaining unexpended for childhood vaccines, shall promptly be returned to the association.
- (n) Be authorized to enter into one or more agreements with other applicable authorities in surrounding states to reduce the risk of duplicate assessments and to assure availability of vaccines for children who are residents of this state but who receive vaccination services in other states. Any costs relating to any such agreement shall be considered additional vaccine costs of the program for purposes of determining the association's assessments.
- (o) Adopt procedures by which affiliated assessable entities calculate their assessment on an aggregate basis and procedures to ensure that no assessable life is counted more than once. Unless otherwise determined by the board, the assessable entity responsible for the payment of the

updated RSA 126-Q

provider's administrative costs for childhood vaccines shall be the entity responsible for reporting assessable lives and payment of the corresponding assessment.

- (p) Submit an annual report regarding the association's activities, its financial reports, and any newly-approved vaccines adopted by the department of health and human services to the president of the senate, the speaker of the house of representatives, and the governor.
- (q) Perform any other functions as may be necessary or proper to carry out the plan of operation.

126-Q:4 Assessment Determination.

- I. The board shall determine an assessment for each assessable entity in accordance with this section, except that no assessment shall be made based on children excluded from assessable lives whose vaccines are paid for under the federal Vaccines for Children program, established under 42 U.S.C. section 1396s. An assessment determination made pursuant to this section is a pharmaceutical cost and not a regulatory cost for purposes of calculating the carrier's medical loss ratio.
- II. In determining the assessment amount, the board shall:
 - (a) Estimate the total non-federal program cost for the succeeding year;
 - (b) Add its anticipated operating costs for the succeeding year and such additional working capital reserves as may be established by the board from time to time;
 - (c) Add a reserve of up to 10 percent of the anticipated cost under subparagraph (a) for unanticipated costs associated with providing vaccines to children covered; and
 - (d) Subtract the amount of any unexpended assessments collected in the preceding year along with any unexpended interest accrued to the fund during the preceding year.
- III. The board shall include in its plan of operations, details regarding the timing for assessment collections, and the form and format assessable entities shall use to calculate assessments.
- IV. The board shall include in its plan of operation details regarding payment due dates, grace periods, late payment fees, interest, and other details regarding the collection of assessments.
- V. The board may determine an interim assessment for new vaccines or unanticipated shortfalls in the association's ability to meet childhood vaccine funding needs. The board shall calculate the interim assessment in accordance with paragraph II, and the interim assessment is payable the calendar quarter that begins no less than 30 days following the establishment of the federal contract price. The board shall not impose more than one interim assessment per year, except in the case of a public health emergency declared in accordance with state or federal law.
- VI. In the event that the association discontinues operation for any reason, any unexpended assessments, including unexpended funds from prior assessments in

updated RSA 126-Q

the state vaccine purchase fund, shall be refunded to payees in proportion to the respective assessment payments by payees over the most recent 8 quarters prior to discontinuation of association operations.

updated RSA 126-Q

126-Q:5 Powers and Duties.

In addition to the duties and powers enumerated elsewhere in this chapter:

- I. The commissioner of insurance shall, after notice from the association, issue a show cause order to any assessable entity that fails to comply with the association's plan of operation. In addition to late fees and other penalties imposed by the association, assessable entities may, after a finding of just cause, be subject to a minimum fine of \$5,000, a maximum fine of 25 percent of the total amount of delinquent assessments, and licensure suspension.
- I-a. The insurance commissioner shall annually review the assessment report required under RSA 126-Q:3, V(k) to ensure that all assessable entities are participating in the association and that all assessable entities have accurately reported assessable lives. The association shall remedy any problem identified by the commissioner with respect to assessable entities and assessable lives.
- II. The commissioner and the commissioner of insurance may adopt rules, pursuant to RSA 541-A, as necessary to carry out the purposes of this chapter.

126-Q:6. Examinations and Annual Reports

The board of directors shall submit to the commissioner, no later than 120 days after the close of the association's fiscal year, a financial report in a form approved by the commissioner.

126-Q:7. Exemption From Taxes

The association shall be exempt from payment of all fees and all taxes levied by this state or any of its subdivisions, except taxes levied on real property.

126-Q:8. Immunity From Liability

There shall be no liability on the part of and no cause of action of any nature shall arise against any association member or its agents or employees, the association or its agents or employees, members of the board of directors, or the commissioner or the commissioner's representatives, for any action or omission by them in the performance of their powers and duties under this chapter.

126-Q:9. Severability of Chapter

If any provisions of this chapter or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the chapter which can be given effect without the invalid provisions or applications, and to this end the provisions of this chapter are severable.

Meeting Schedule – 2016

March 2016			
Audit Committee Meeting Board of Directors Meeting	Tuesday, March 9, 2016	KidsVax®, LLC Concord	8:30 – 9:15 a.m. 9:30 – 11:30 a.m.
June 2016			
Audit Committee Meeting Board of Directors Meeting	Tuesday, June 21, 2016	KidsVax®, LLC Concord	8:30 – 9:15 a.m. 9:30 – 11:30 a.m.
September 2016			
Audit Committee Meeting Annual Board of Directors Meeting	Tuesday, September 27, 2016	KidsVax®, LLC Concord	8:30 – 9:15 a.m. 9:30 – 11:30 a.m.
October 2016			
Board Conference Call [90 minutes]	Tuesday, October 11, 2016	Teleconference & In-Person at KidsVax®	8:30 – 10:00 a.m.
December 2016			
Audit Committee Meeting Board of Directors Meeting	Tuesday, December 20, 2016	KidsVax®, LLC Concord	8:30 – 9:15 a.m. 9:30 – 11:30 a.m.



NHVA 2016 Calendar: Year at a Glance

Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Publish Q2 Quarterly Financial Report Annual Report to the Governor, Senate President & Speaker of the House Audit Committee Meeting	Quarterly Assessment		Publish Q3 Quarterly Financial Report	Quarterly Assessment Annual Report to Comm. of Insurance	Audit Committee Meeting Annual Board Meeting		Quarterly Assessment Publish Q4/FYE Annual Financial Report	Draft VaxFacts Audit Committee Meeting Board Meeting to Set Assessment Rates	Publish Q1 Quarterly Financial Report Possible Conference Call (TBD) Submit to Comm. Financial reports from FYE Notify Payers of New Rate as of 1/1/17	Quarterly Assessment	Audit Committee Meeting Board Meeting



NHVA 2016 Quarterly Meeting Calendar

First Quarter

January	February	March
<p>Publish Q2 Quarterly Financial Report</p> <p>Annual Report – Governor, Senate President & Speaker of the House</p> <ol style="list-style-type: none"> 1. Association activities 2. Financial reports 3. Newly offered vaccines <p>Jan 27: Audit Committee Meeting</p> <p>[For Future Years: New Assessment Rate Effective January 1.]</p> <p>Other Activities</p>	<p>Feb 15: Quarterly Assessment</p> <p>Other Activities</p>	<p>Mar 9: Board Meeting</p> <ol style="list-style-type: none"> 1. Review 2016 calendar dates <p>Other Activities</p>

Second Quarter

April	May	June
<p>Publish Q3 Quarterly Financial Report</p>	<p>May 15: Quarterly Assessment</p> <p>Annual Report to Commissioner of Insurance</p> <ol style="list-style-type: none"> 1. Association membership base 2. Count of assessable lives by assessable entity 3. List of payment delinquencies 	<p>Jun 21: Annual Meeting of Members</p> <ol style="list-style-type: none"> 1. Report on Proxy Submissions 2. Count and Certify Votes for 3 representatives of Assessable Entities under HB664 3. Adjourn Annual Meeting <p>Jun 21: Annual Board Meeting</p> <ol style="list-style-type: none"> 1. Review collection results 2. Recommend next year's expense budget 3. Select Directors for term beginning September 1 4. Elect Officers & Appoint Committees 5. Review Report of Administrator for year's operations 6. Review Discharge of Director Duties
<p>Other Activities</p>	<p>Other Activities</p> <ol style="list-style-type: none"> 1. Work with auditor on FYE 06/30/2016 audit. 	<p>Other Activities</p>

Third Quarter

July	August	September
	August 15: Quarterly Assessment Publish Q4/FYE Financial Report	Sep 27: Audit Committee Meeting with outside auditor <ol style="list-style-type: none"> Review audit report Executive Session Sep 27: Board Meeting <ol style="list-style-type: none"> Accept audit report & authorize release of prior year's financials Work on assessment for 2016-2017 Executive Session (Administrator's personnel excused)
Other Activities <ol style="list-style-type: none"> Work on FYE 06/30/2016 audit. 	Other Activities	Other Activities <ol style="list-style-type: none"> Draft annual report in condensed "VaxFacts" format

Fourth Quarter

October	November	December
<p>Publish Q1 Quarterly Financial Report</p> <ol style="list-style-type: none"> 1. Submit to Commissioner the financial reports from fiscal year end <p>October 11: Conference call</p> <ol style="list-style-type: none"> 1. Review Fiscal Year Cost Savings Analysis 2. Finalize New Assessment Rate Effective 01/01/17 <p>Other Activities</p> <ol style="list-style-type: none"> 1. Notify payers of new rate effective January 1. 	<p>November 15: Quarterly Assessment</p> <p>Other Activities</p>	<p>Dec 20: Board Meeting</p> <ol style="list-style-type: none"> 1. 2. <p>Other Activities</p> <ol style="list-style-type: none"> 1. Work on Annual Report for Governor, Senate President & Speaker of the House



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March 9, 2016
Proposed Form of Votes

The following are suggested forms of votes only. They are intended to be an aid to facilitate work by individual directors. All board policy and the final form of votes is exclusively the province of the Board acting collectively as a Board of Directors.

Items under Agenda Section 2:

VOTED: To approve the Board Meeting minutes of the December 15, 2015 meeting.

[To approve the Board Meeting minutes of the December 15, 2015 meeting with the changes suggested at this meeting.]

Items under Agenda Section 3:

VOTED: To authorize David Fredenburg, M.D., as Treasurer, to execute on behalf of New Hampshire Vaccine Association the Wealth Management Services Agreement with the Bank of New Hampshire.

[To authorize David Fredenburg, M.D., as Treasurer, to execute on behalf of New Hampshire Vaccine Association the Wealth Management Services Agreement with the Bank of New Hampshire with the changes suggested at this meeting.]

Items under Agenda Section 4:

VOTED: To approve the Late Payment Policy as recommended by the Audit Committee.

[To approve the Late Payment Policy as recommended by the Audit Committee with the changes suggested at this meeting.]

VOTED: To approve the Investment Policy as recommended by the Audit Committee.

[To approve the Investment Policy as recommended by the Audit Committee with the changes suggested at this meeting.]

VOTED: To approve the following NHVA governance documents as revised to conform to RSA 126-Q, as amended.

1. Articles of Agreement
2. Bylaws
3. Plan of Operation

[To approve the following NHVA governance documents as revised to conform to RSA 126-Q, as amended with the changes suggested at the meeting.]

VOTED: To approve the following new NHVA policies.

1. NHVA Anti-Trust Policy
2. NHVA Code of Ethics Policy
3. NHVA Joint Venture Policy

[To approve the following new NHVA policies with the changes suggested at the meeting.]



DIRECTIONS TO KIDSVAX®

125 North State Street [at the corner of North State Street and Franklin Street], Concord, NH
Please call (603) 491-8044 or (855) 556-4103 with questions.

From the North:

- Take I-93 South.
- Merge onto US-202 W via Exit 15W toward US-3/North Main Street/Downtown.
- Turn left at the traffic lights onto North Main Street/US-3/US-202 W.
- Take the first right onto Franklin Street (Friendly's Restaurant is on the corner).
- At the rotary on Franklin and North State Streets, proceed half way around the rotary onto Franklin Street.
- Take the first right into the parking lot. KidVax® is located in the yellow Victorian house on the corner of Franklin and North State Streets.

From the South:

- Take I-93 North.
- Merge onto US-202 W via Exit 15W toward US-3/North Main Street/Downtown.
- Turn left at the traffic lights onto North Main Street/US-3/US-202 W.
- Take the first right onto Franklin Street (Friendly's Restaurant is on the corner).
- At the rotary on Franklin and North State Streets, proceed half way around the rotary onto Franklin Street.
- Take the first right into the parking lot. KidVax® is located in the yellow Victorian house on the corner of Franklin and North State Streets.

Please click here for further details: <http://mapq.st/1DAoTFC>

