THIRD AMENDMENT
To
AMENDED AND RESTATED PLAN OF OPERATION AND TERMINATION
Of
NEW HAMPSHIRE HEALTH PLAN

(Reinsurance Program Plan of Operation)

This THIRD AMENDMENT TO AMENDED AND RESTATED PLAN OF OPERATION AND TERMINATION (the "*Third Amendment*") is adopted by the Board of Directors (the "*Board*") of the **New Hampshire Individual Health Plan Benefit Association, doing business as "*New Hampshire Health Plan*"** ("*NHHP*"), and is being submitted to the New Hampshire Insurance Commissioner (the "*Insurance Commissioner*") for approval.

Factual Background:

A. On March 11, 2020, the NHHP Board of Directors adopted a Second Amendment to its Amended and Restated Plan of Operation and Termination (the "*Current Restated Plan*") pursuant to an Order of the Insurance Commissioner, dated February 25, 2020 (the "*Initial Order*"), requiring NHHP to develop a plan of operation for a reinsurance risk-sharing mechanism pursuant to RSA 404-G:12, as amended. The Second Amendment established the operational details for NHHP's implementation of the reinsurance risk-sharing mechanism, known as the New Hampshire Reinsurance Program (the "*Reinsurance Program Plan of Operation*").

B. Pursuant to the Initial Order, the NHHP Board recommendation and RSA 420-N:6-a, the Commissioner submitted on behalf of the State of New Hampshire (the "*State*") an application for a so-called State Relief and Empowerment Waiver under Section 1332 of the federal Affordable Care Act. The U.S. Department of Health & Human Services and the U.S. Department of the Treasury (the "*Departments*") approved the 1332 Waiver application, subject to certain terms and conditions (the "*Waiver Terms and Conditions*").

C. In the process of preparing the Reinsurance Program Plan of Operation, the Waiver application and the acceptance of the Federal Funding and the Waiver Terms and Conditions, it has been determined that the estimated reinsurance parameters and estimated premium savings should be published by NHHP on or before March 31 of the preceding year, and not by February 1 as contemplated by the Initial Order.

D. The federal support of the Reinsurance Program under the 1332 Waiver will be issued in the form of grant monies (collectively the "Federal Funding"). The Commissioner and NHHP have determined that it will be most effective and efficient for the Federal Funding to be distributed directly to NHHP as Administrator of the Reinsurance Program, and for NHHP to be subject to the Waiver Terms and Conditions. The New Hampshire Insurance Department expects to submit to the Departments a relinquishment letter requesting that NHHP be named the grantee under the 1332 Waiver.

E. The Commissioner has issued a Supplemental Order, dated September 30, 2020 (the "*Supplemental Order*"), directing NHHP to adopt and submit to him for approval an amendment to the Reinsurance Program Plan of Operation to: (i) reflect NHHP's receipt of the Federal Funding and to state the commitment of each of NHHP and the New Hampshire Insurance Department to work cooperatively in complying with the Waiver Terms and Conditions; and (ii) change the deadline for publishing the estimated reinsurance parameters and estimated premium savings of the Reinsurance Program to March 31 of the preceding year.

F. Therefore, the NHHP Board has approved this Third Amendment to the Current Restated Plan to implement the Supplemental Order.

Terms of Third Amendment:

NHHP adopts the following Third Amendment to its Current Restated Plan:

1. Defined Terms. Any capitalized terms used but not defined in this Third Amendment will have the meaning ascribed to them by the Current Restated Plan or the Statute, as applicable. From and after the effective date of this Third Amendment, the term "Restated Plan" will mean the Current Restated Plan as amended by this Third Amendment. The term "Stabilization Program Plan of Operations" is hereby replaced by the term "Reinsurance Program Plan of Operation" wherever it appears in the Restated Plan.

2. 1332 Waiver Amendments. Section II-A of the Current Restated Plan, also known as the Reinsurance Program Plan of Operation, is amended by adding the following new Section III-A immediately following the existing Section III:

III-A. WAIVER FUNDING

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

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

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

powers and duties will be deemed to be administrative expenses related to the Stabilization Program.

3. Timing of Estimated Reinsurance Percentage. Section IV of the Reinsurance Program Plan of Operation is amended by adding the following new subsection K at the end thereof:

K. Program Changes

1. NHHP will propose amendments and other recommendations regarding the Stabilization Program to the Insurance Commissioner on or before August 1 of the second calendar year preceding the plan year in which these changes would take effect. Any proposed changes will further the mission of making individual health insurance affordable and accessible consistent with RSA 404-G:1.

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

4. Reaffirmation of Remaining Terms of Restated Plan. The remaining terms of the Restated Plan which are not affected by this Third Amendment remain in full force and effect.

5. Effective Date. This Third Amendment will become effective upon its approval by the New Hampshire Insurance Commissioner (the "*Effective Date*").

APPROVAL OF NEW HAMPSHIRE INSURANCE COMMISSIONER

The foregoing Third Amendment to the Amended and Restated Plan of Operation and Termination adopted by the Board of Directors of the New Hampshire Individual Health Plan Benefit Association, d/b/a New Hampshire Health Plan, is hereby approved.

DATE: October 20, 2020

Christopher R. Nicolopoulos, Commissioner