



HUPAC Candidate Budget

At the start of each federal election cycle, NAHU staff will create a proposed annual budget for distribution of HUPAC candidate funds. This proposed budget will be presented to the HUPAC Board prior to their first January meeting of the new election cycle. During their first January meeting of each new election cycle, the HUPAC the BOT shall discuss, make alterations to as appropriate, and approve a candidate fund disbursement budget in final form. This approval authorizes staff to proceed with disbursement activities consistent with the budget. The process is flexible, and the budget may be changed (new candidates approved with dollar amounts, dollar amounts increased or decreased, approved candidates removed, etc.) at any point during the election cycle with BOT approval. During the time between the conclusion of each election cycle and the approval of the budget for the following cycle, staff will operate according to the previously approved budget and submit any needed adjustments or deviations to the board for approval, so that there are no gaps in HUPAC candidate fund disbursements.

In-District Distributions

HUPAC is committed to ensuring balance in the means that HUPAC funds are distributed to candidates. While the majority of fundraisers and distribution opportunities occur in Washington, DC and are handled by NAHU staff, the HUPAC BOT will ensure that a reasonable portion of all HUPAC disbursements are also made by NAHU members at the local level. To achieve this, every six months, the HUPAC board and the NAHU staff will review upcoming races and determine a list of candidates that HUPAC will target for in-district distributions over the next six months. NAHU staff will work with the HUPAC Board, national Legislative Council, and state and local chapters to arrange for in-district check distribution for these candidates, at minimum. Also, other local distribution opportunities will be given due consideration as they occur.

Depending on the wishes of the chapter and HUPAC contributors in the area, the distribution method may be a NAHU member's attendance at an in-district fundraising event, a fundraiser hosted by NAHU members for a candidate in-district, or a check presentation by the chapter directly to the candidate either at a chapter meeting or in a private location. The local chapter will work with the NAHU staff and HUPAC Board to determine the best distribution method on a case-by-case basis. Every effort will be made to involve HUPAC Board members, state and local HUPAC chairs, national Legislative Council members and Capitol Club level donors in the distribution process.

One of the most important issues regarding in-district distributions is that all FEC rules are followed regarding the timeliness of check deliveries. In order to insure FEC compliance, all HUPAC checks for in-district events will be sent to a pre-approved HUPAC donors or NAHU chapter leader for delivery. In order for a check to be delivered to the in-district designee, there must first be a confirmed appointment or event in that district. Once the event has been confirmed the local members will request that the check be mailed from NAHU to the designated contact. The check must be delivered by the local contact to the candidate for elected office within seven days of receipt of the HUPAC check.



HUPAC Distribution Requests

Any NAHU member can make a request for a HUPAC distribution to a candidate running for political office. The request will need to include:

1. Candidate's name
2. Contribution amount requested
3. Details about the political race, including information about primary opponents, if any
4. If the request is for a specific fundraising event, where and when is it held,
4. A summary of why the request is being made
5. An explanation as to who is making the request and the relationship, if any, that the requestor(s) may have to the candidate. In addition, the individual making the request needs to indicate if the request has the support of the local and/or state chapter
6. A completed candidate survey for non-incumbent candidates

Requests should be directed to the NAHU member's Regional HUPAC Chair. In addition, requests may be directed to NAHU staff. The request could also be directed to the NAHU member's local or state chapter leadership who could then forward it to the Regional HUPAC Chair. When staff receives a request for funds they will inform the appropriate regional HUPAC chair in a timely manner, and if a Regional Chair receives a request for funds directly he or she should also inform the relevant NAHU staff right away. If any other HUPAC BOT member receives a request for funds from a NAHU member, he or she will direct the request in a timely fashion to both the NAHU staff and HUPAC Regional Chair.

If the campaign contribution request is for a candidate included in the approved HUPAC budget, the HUPAC Regional Chair and Government Affairs Vice President(s) will discuss the request and make a decision. If the request is for an in-district distribution of funds, the Government Affairs staff would then follow the required procedures for sending HUPAC funds for distribution in-district.

If the campaign contribution request is for a current member of Congress who is not included in the HUPAC budget or for whom budget funds are insufficient to fulfill the request, the request will be brought to the whole HUPAC board for a vote. Discussion and vote on the request can be done on the monthly HUPAC BOT call (second Monday of each month) or by email vote. Email votes require 48 hours notification.

If a request for HUPAC distribution is for a non-incumbent candidate, the request must be accompanied by a completed HUPAC candidate questionnaire in order for the request to receive full consideration. A non-incumbent candidate for political office may request funds from HUPAC by submitting a completed candidate questionnaire to NAHU. A member of the HUPAC BOT, NAHU staff or a NAHU member may reach out to encourage candidates to seek a request for funds. Once the questionnaire has been received, it will be reviewed by NAHU staff and presented to the HUPAC BOT for a vote. A member of the HUPAC BOT must make a motion to distribute funds of a specific amount, which must be seconded, and approved by a full vote of the HUPAC BOT. The Board may also direct whether the funds are to be distributed immediately, or held for a later fundraising opportunity.

When a NAHU member makes a contribution request and that request is not approved by the HUPAC BOT, NAHU staff will be responsible for notifying the NAHU member within 48 hours of the BOT's



decision. The 48 hour period will allow the HUPAC Regional Liaison the option to call or email the member who made the request first, before hearing from the NAHU staff. NAHU staff will copy the relevant regional, state and local HUPAC chairs on any notification sent.

The HUPAC Treasurer shall disburse the funds of HUPAC as approved by the BOT, maintaining proper documentations for such disbursements.

In certain situations campaign contribution requests can be of an immediate or special nature and action may need to be taken outside of the above referenced guidelines. Under these special circumstances, the HUPAC BOT Chair, after consulting with one or more of the Government Affairs Vice Presidents, can authorize a discretionary contribution without HUPAC BOT approval. If this occurs, the entire HUPAC Board must be informed of the emergency distribution by the Chair as soon as possible.

Primary Campaign Distributions

Generally, HUPAC avoids giving to candidates running in contested primaries. However, HUPAC funds may be distributed to candidates running in contested primaries under certain circumstances. Requests for distributions during a primary election must meet HUPAC general campaign distribution request guidelines and the following other requirements:

1. For a sitting member of Congress running for re-election in a primary election, if funds exist for the candidate in the HUPAC budget then funds may be disbursed under normal procedures. If budget funds are not available for an incumbent member of Congress, budget funds can be reallocated and distributed to that candidate only per a vote of the HUPAC board.
2. Funds may be distributed for a candidate running for state or federal political office in a primary election if the candidate is a current member of NAHU. This situation has presented itself in the past and HUPAC has made it clear that we will support our members' efforts to serve as elected officials. Primary distributions to NAHU members are subject to the section of this policy concerning NAHU members who elect to run for office.
3. Funds may be distributed to any non-incumbent candidate who is running unopposed in a primary election following the completion of a NAHU candidate questionnaire and review and a vote of the HUPAC BOT that both approves the candidate and reallocates budget funds to that individual.
4. For candidates running in a contested primary election and the non-incumbent candidate has completed the HUPAC candidate questionnaire, if the request comes from a NAHU member, with support of their local or state president and the Regional HUPAC Chair, the HUPAC BOT will take these special circumstances in to account when voting on a contribution. Distributions to such a candidate may only occur following the completion of a NAHU candidate questionnaire and review and a vote of the HUPAC BOT that both approves the candidate and reallocates budget funds to that individual.

NAHU Members Running for Political Office

HUPAC supports all NAHU members who strive to serve as elected officials. If a candidate running for state or federal political office is a current member of NAHU in good standing and contributor to HUPAC,



then he or she is automatically approved for a contribution of up to \$1000 for both the primary and general elections if it is a federal race. If the NAHU member is a candidate for state office, NAHU will ensure that the appropriate state election laws are reviewed and HUPAC will automatically make a contribution of either \$1000 for both the primary and federal elections, or the maximum amount state law will allow, up to \$1000 for both the primary and general elections. The HUPAC BOT may also at any time vote to increase the amount of HUPAC contributions to NAHU members running for state or federal office on a case-by-case basis.

HUPAC Candidate Questionnaire

In order to fully evaluate non-incumbent candidates for political office, HUPAC will prepare a short candidate questionnaire to query individuals about their views on issues that are important to health insurance agents and brokers. The content of the candidate questionnaire will be reviewed by staff on no less than an annual basis, and the HUPAC board will approve changes on an as-needed basis. The candidate questionnaire will be readily available on the public portion of the HUPAC website and also be distributed annually to state and local chapter leaders for their use with candidates in the field.

In addition to the use of the candidate questionnaire, NAHU staff and the HUPAC BOT will solicit the opinions of state and local chapter leaders about the candidate and use those opinions to help guide disbursement recommendations and decisions.

Distributions to State-Level Candidates

HUPAC's primary disbursement purpose is to benefit candidates for federal office in order to help educate them about NAHU's views and the role and value of professional health insurance agents and brokers. Due to the primary mission of HUPAC being at the federal candidate level, HUPAC has limited resources to contribute to state races such as governor, insurance commissioners, and state legislature races. The HUPAC BOT will only consider giving in state level races where the designated recipient of the contribution is an NAHU and HUPAC member in good standing. This means that they are dues paying member and a current contributor to HUPAC. The HUPAC BOT will also take into consideration the costs and time that will be dedicated to complying with each state campaign finance laws before approving a state level disbursement.

Communications Regarding HUPAC Distributions

If possible each week, the relevant NAHU government affairs staff will meet to discuss upcoming HUPAC donation opportunities, the outcomes of recently attended fundraisers, upcoming HUPAC events, and any other HUPAC related matters. Distribution requests for the coming weeks will be discussed during these meetings, and staff will also determine how NAHU members in the states will be informed of distributions being made to their legislators. In addition, any off-budget distribution opportunities will be discussed and arrangements will be made for the HUPAC board to vote on any potential off-budget distributions. Outcomes of weekly HUPAC meetings will be communicated to the HUPAC board on a regular basis through existing communication channels and the monthly board calls

When distributions of HUPAC funds are made in Washington, DC by NAHU staff, every effort will be made by NAHU staff to inform relevant state and local chapter leaders in a timely fashion that a DC disbursement was made to an elected official from their area and the outcome of the distribution event.



In addition, all NAHU members will be informed of all HUPAC distributions on a quarterly basis through the *State of the HUnion* newsletter. The newsletter will note if the distribution was made in DC or in locally.

HUPAC Event Sponsorship

To create a level playing field that is fair and impartial, HUPAC will not accept any paid sponsorships for special events under the name of a member running for a NAHU elected position. A member who wishes to sponsor a HUPAC related event may do so only under the name of their company or organization of employment. If the candidate's full name is in the company's name, the sponsorship will be prohibited. At no time may the name of the candidate appear on any promotion of the event that is included or in the sponsorship package or created separately by a third party.

HUPAC BOT Members Campaigning for Members Running for NAHU Elected Office

HUPAC board of trustees shall not campaign or promote any specific member that is running for NAHU elected office while working on behalf of HUPAC at the annual Convention booth. The BOT member should remove any sponsorship or endorsement paraphernalia of the candidate while working. Once they leave the booth and are not working for HUPAC they may resume any campaigning for the member.

Email Voting and Discussion

Presentation of a Topic for Informal Consideration: The Chair (or NAHU Staff member) may present a topic or issue for discussion without presenting a motion on which a vote must be taken. He/she may do this electronically by distributing the topic to the entire Board of Trustees, using the agreed upon distribution list maintained by the national office (using a 'request for Delivery Receipt').

The Chair shall set a time limit of no less than 24 hours for the discussion. At the end of this period, he/she may seek to extend the discussion period, refer the issue to a committee or working group, invite a motion from a member of the Board, close the discussion or take other appropriate action.

All Board members are encouraged to participate in the discussion, observing the same rules of order and courtesy, when possible, as apply to formal Board meetings. All contributions to the discussion should be posted to all Board members, again using the national office distribution list.

At the end of the time period for informal consideration, or at any time before, a member of the Board may make a formal motion for action, based on the direction of the discussion up to that point. This may be voted upon electronically, in accordance with the procedures of this policy or may be carried forward to the next Board teleconference or in-person meeting as applicable, if placed on the agenda by the Chair.

Presentation of a Motion for Consideration: All motions to be voted upon electronically shall be submitted in the same form as a motion made during a formally convened Board meeting; the motion shall be in writing (electronic), a second shall be secured and discussion shall be allowed for no less than



24 hours before a vote is taken unless such time period is waived by all members. All further discussion shall again include all members of the Board of Trustees.

At the end of the specified discussion period votes may be cast another 24 hour time period is established for voting by all eligible Board members. Because an electronic vote prevents the assurance of a quorum, 51% of all Board members must vote affirmatively for an electronic motion to pass. In so much, if a 51% majority of votes are cast in the affirmative prior to the end of the 24 hour voting period, the motion can be approved at that time (leaving the vote open for the remaining Board members to cast their vote for the record). Unless otherwise specified by the Chair, Board members shall cast their vote using the approved distribution list to be received by all Board members, and recorded by the Secretary.

At the conclusion of the voting period, the Secretary shall tabulate the votes to ensure that the voting threshold has been met; failure to meet the threshold, regardless of the outcome of the votes cast, shall defeat the motion. The Secretary shall formally announce the results of the vote to the entire Board, and shall record the vote in the minutes of the subsequent formal Board meeting. When formerly announcing the results, the Secretary will list all Board member and their accompanying vote as is used in a Roll Call.

All time periods listed above are suspended (the clock is stopped) during weekends and NAHU observed holidays.

If a motion fails because a significant number of Board members did not cast a vote on the issue within the allotted time period, the Chair may, at his/her sole discretion, extend the voting deadline or add the topic to the next Board meeting. However, he/she may not take both actions (i.e., if the deadline is extended and there are still insufficient votes, the matter may not be carried over to the next Board meeting, except as a newly introduced agenda item).

Inclusion of all Board members is dependent on their access to messages from other Board members. Each Board member shall ensure that his/her correct contact information is on file with the national office. The NAHU CEO/EVP shall establish and maintain an official distribution list with electronic addresses for all Board members.

HUPAC Board Commitment and Travel Reimbursement

To ensure maximum participation and commitment, HUPAC board members must attend 75% of their required monthly conference calls and be present at both the Convention and Capitol Conference board meetings to qualify for full travel reimbursement at annual Capitol Conference and Convention. The current allowable maximums are \$1,700 for Capitol Conference, \$1,500 for Convention and \$1,000 for Regional Travel. The P&P may be waived at the discretion of the HUPAC chair.