

**NATIONAL ASSOCIATION OF HEALTH UNDERWRITERS
POLICY & PROCEDURES**

POLICY TITLE:	Binding Contracts
CLASSIFICATION:	Board
POLICY NUMBER:	92-11-EX
DEPARTMENT COORDINATOR:	Executive
DRAFTED BY:	Arthur C. Jetter, Jr.
DATE SUBMITTED (INITIAL):	June 11, 1992
DATE APPROVED:	May 14, 2007
APPROVED BY:	Board of Trustees
AMENDED:	December 15, 2008
SUNSET:	2013

PURPOSE: To ensure that all obligations undertaken by NAHU are properly reviewed and approved, and to ensure contractual obligations of the Association are reviewed by appointed counsel.

POLICY: Only the Executive Vice President/CEO or the Senior Vice President/CFO of the Association is permitted to sign or otherwise obligate NAHU to any contractual agreements. The BOT members and committee chairs may agree to customary and reasonable expenses which do not require a contract and which have been authorized by the BOT within their respective budgets.

The Executive Vice President is directed to have any contractual obligation of the Association that exceeds twenty thousand dollars (\$20,000) during any time period, any obligation that exceed one year in length, or any NON-standard contract used by the Association reviewed by appointed counsel.

PROCEDURE(S): Upon presentation of a contract obliging NAHU to an operational or financial commitment, NAHU Board, staff or committee chairs shall forward the document to the CEO or CFO, along with an explanation of the product or service being contracted and (as appropriate) the budgetary line item to which the resulting expense will be charged. Obligations that would result in expense charges within or between budgetary line items must be presented to the Board of Trustees before approval.

The CEO or CFO will review the contract, ensure that it does not conflict with existing NAHU obligations or policies and will forward contracts to NAHU legal counsel for review as needed. Counsel's response shall be kept on file at the national office.

If this review raises questions about the appropriateness of signing the contract, the CEO or CFO will contact the submitter for clarification. The above procedures notwithstanding, contractual approval and execution will not be unreasonably withheld by the CEO, CFO or the Board of Trustees.

At the annual budget meeting the CEO / EVP will present those contracts considered "Standard".

FINANCIAL IMPACT: Review of legal matters shall be considered and made part of the annual budget