

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

POLICY TITLE:	Investment Policy
CLASSIFICATION:	Finance
POLICY NUMBER:	14-01-F
DEPARTMENT COORDINATOR:	Finance
MOTION:	Jim Stenger
DATE APPROVED:	June 27, 2014
APPROVED BY:	Board of Trustees
SUNSET DATE:	2020

PURPOSE: To set forth the nature, purpose and goals for investing NAHU cash reserves in excess of operating requirements on a long-term basis greater than three years.

POLICY: The Board of Trustees delegates to the CFO the responsibility of managing the investment funds, however, the Board of Trustees has ultimate responsibility for the oversight of NAHU assets. The CFO, in consultation with the Finance Committee, oversees the selection of an investment manager and directs the selection, monitoring and reporting requirements necessary to maximize performance of NAHU investments.

PROCEDURE(S):

1. A reputable investment advisor will be used to manage the portfolio. The advisor cannot be a member of NAHU and must be registered with the SEC. The Finance Committee will conduct a review of the advisor every 3-5 years. The selection process should include information regarding
 - Expense ratios
 - Sales charges
 - Division of responsibility
 - Compliance requirements
2. The primary objective of the policy is preservation of the portfolio capital with secondary emphasis on capital appreciation.
3. The following percentages will set the maximum limit for each fund category –
 - Cash & Cash Equivalents 100%
 - Fixed Income 50%
 - Equity 50%

Exceptions to these limits can be presented to the Finance Committee for consideration and presentation to the Board for approval.

4. These funds are of a fiduciary nature and a conservative investment strategy incorporating the concept of diversification within the portfolio will be practiced. No more than 10% of equity assets may be invested in any one issuer nor more than 25% of the equity portfolio in any single industry as defined by the S&P

Index (other than obligations of the U.S. Government, its Agencies or instrumentalities).

5. Additionally, the organization may not:

- Purchase securities on margin
- Make short sales of securities
- Invest in real estate, commodities, or commodities contracts
- Directly invest in options, futures, or other derivative securities

6. Reporting requirements will be as follows:

- Monthly – the CFO will reconcile the investment accounts and update the financial statements accordingly
- Quarterly – The investment manager will provide the Finance Committee a report which includes the following information:
 - ~ Asset allocation
 - ~ Investment performance
 - ~ Evaluation of objectives and benchmarks
 - ~ Future strategies
- Annually – the investment manager will provide the Board of Trustees a report which includes the following information:
 - ~ Asset allocation
 - ~ Investment performance
 - ~ Evaluation of objectives and benchmarks
 - ~ Future strategies

FINANCIAL IMPACT: None