As adopted by
Board of Directors 1/27/12

BYLAWS

of the

CONNECTICUT HEALTH INSURANCE EXCHANGE

ARTICLE I
DEFINITIONS

1.1 Unless the context shall otherwise require, the following words and terms shall have the following meanings:

"Act" shall mean Public Act No. 11-53 entitled "An Act Establishing a State Health Insurance Exchange," as the same may be amended from time to time, and any and all regulations adopted thereunder.

"Affordable Care Act" means the Patient Protection and Affordable Care Act of 2010.

"Board" means the Board of Directors of the Exchange constituted pursuant to Section 2(b)(1) of the Act.

"Chairperson" shall mean the Chairperson of the Board appointed pursuant to the Act and these Bylaws.

"Chief Executive Officer" shall mean the chief executive officer appointed pursuant to the Act and these Bylaws.

"Exchange" shall mean the Connecticut Health Insurance Exchange, a body politic and corporate, constituting a public instrumentality and political subdivision of the State of Connecticut, created by the Act for the performance of an essential public and governmental function.

"Governor" shall mean the Governor of the State of Connecticut.

"Health Care Provider" shall mean any person that is licensed in Connecticut, or operates or owns a facility or institution in Connecticut, to provide health care or health care professional services in Connecticut, or an officer, employee or agent thereof, acting in the course and scope of such officer's, employee's or agent's employment.

"Health Carrier" means an entity that provides, delivers, pays for, or reimburses the cost of health care services, including an insurer, HMO, fraternal benefit society, hospital or medical service corporation, or other entity subject to Connecticut's insurance laws and regulations or the insurance commissioner's jurisdiction.

"Vice-Chairperson" shall mean the Vice-Chairperson of the Board elected by the Board pursuant to the Act and these Bylaws.

ARTICLE II
GENERAL

2.1 Name of Exchange. The name of the Exchange shall be the "Connecticut Health Insurance Exchange."

2.2 Statement of Purpose. The purpose of the Exchange is to help reduce the number of people without health insurance in the State of Connecticut; to assist individuals and small employers in obtaining health insurance by, among other things, offering easily comparable and understandable information about health insurance options; and to do all acts and things necessary and convenient to carry out the purposes of the Exchange, as provided in the Act, so long as such acts or things do not conflict with the provisions of the Affordable Care Act, regulations adopted thereunder or federal guidance issued pursuant thereto.

2.3 Seal of the Exchange.

(a) The official seal of the Exchange shall be circular in form and shall have inscribed thereon the following words: "Connecticut Health Insurance Exchange" and such additional matter as may be approved from time to time by the Chairperson or Chief Executive Officer of the Exchange.

(b) In the execution on behalf of the Exchange of any instrument, document, writing, notice or paper, it shall not be necessary to affix the official seal of the Exchange thereon, and any such instrument, document, writing, notice or paper, when executed without said seal affixed thereon, shall be of the same force and effect and as binding on the Exchange as if said official seal had been affixed thereon in each instance.

(c) The official seal need not be impressed on any instrument, document, writing, notice or paper, but the same shall be deemed sealed if the official seal or a facsimile thereof is engraved, imprinted or otherwise reproduced thereon.

(d) The Chief Executive Officer, Chairperson or Vice-Chairperson may certify as to the official seal or its facsimile as of any date or with respect to any instrument, document, writing, notice or paper and any such certification shall be conclusive as to the form of said official seal and that any such instrument, document, writing, notice or paper has been duly and properly sealed by the Exchange.

2.4 Office(s) of the Exchange. The office or offices of the Exchange shall be maintained at such place or places within the State of Connecticut as the Board may designate. The Exchange shall not be required to hold any meeting at such office.

ARTICLE III
BOARD OF DIRECTORS

3.1 Management; Number and Tenure.

(a) The affairs of the Exchange shall be managed by the Board.

(b) The Board shall have fourteen (14) members, three (3) of which shall be *ex officio* non-voting members, three (3) of which shall be *ex officio* voting members and eight (8) of which shall be appointed voting members.

(c) The three (3) *ex officio* non-voting members shall be the Insurance Commissioner, the Commissioner of Public Health and the Healthcare Advocate, or their designees.

(d) The three (3) *ex officio* voting members shall be the Commissioner of Social Services, the Special Advisor to the Governor on Healthcare Reform and the Secretary of the Office of Policy and Management, or their designees.

(e) The eight (8) remaining voting members shall be appointed by the Governor or the designated legislative leader as set forth in the table below, shall have the expertise set forth below and shall serve for the initial terms set forth below.

Appointing Authority	Required Expertise	Initial Term
Governor	Individual health insurance coverage	3 years
Governor	Small employer health insurance coverage	2 years
President pro tempore of the Senate	Health care finance	4 years
Speaker of the House of Representatives	Health care benefits plan administration	4 years
Senate majority leader	Health care delivery systems	2 years
House majority leader	Health care economics	1 year
Senate minority leader	Self-employed individuals' health care access issues	3 years
House minority leader	Barriers to individual health care coverage	2 years

Once the initial terms set forth above expire, all subsequent terms shall be four (4) years in length. Members may be reappointed. If an appointing authority fails to make an initial appointment or an appointment to fill a vacancy, the appointed Board members may make such appointment by majority vote. Appointed members may not designate a representative to perform in their absence.

3.2 Qualifications. While serving on the Board, appointed members cannot be employed by, serve as a consultant to, or be affiliated with, or otherwise a representative of, any insurer, insurance producer or broker, Health Care Provider, health care facility or health or medical clinic. While serving on the Board, Board members cannot be a member of, or a board member or employee of, a trade association of insurers, insurance producers or brokers, Health Care Providers, health care facilities, or health or medical clinics. Board members shall not be Health Care Providers unless they receive no compensation as providers and do not have an ownership interest in a professional health care practice.

3.3 Oath. As a condition to qualifying as a member of the Board, each appointee shall, before entering upon such member's duties, take and subscribe the oath or affirmation required under Section 1 of Article Eleventh of the Constitution of the state. A record of each such oath or affirmation shall be filed with the Secretary of State.

3.4 Vacancies. Subject to Section 3.1, any vacancies in appointed positions shall be filled by the appropriate appointing authority for the remainder of the then-current term.

3.5 Removal and Deemed Resignation. Board members may be removed by the appropriate appointing authority for misfeasance, malfeasance or willful neglect of duty. Without limiting the generality of the foregoing, any Board member who fails to attend more than fifty percent (50%) of all Board meetings held during a calendar year will be deemed to have resigned from the Board.

3.6 Surety Bond. Each Board member must execute a $50,000 surety bond or the Chairperson must execute a blanket position bond covering each Board member, the Chief Executive Officer and employees of the Exchange. Each bond must be (i) conditioned on the faithful performance of duties, (ii) written by a surety company authorized to transact business in Connecticut, (iii) approved by the Attorney General of Connecticut and (iv) filed with the Secretary of State of Connecticut. The Exchange must pay the cost of each bond.

3.7 Compensation. Board members shall receive no compensation for their service as Board members, but shall receive actual and necessary expenses incurred in the performance of their official duties.

3.8 Restrictions. A Board member shall not, for one (1) year after serving on the Board, accept a job with any Health Carrier that offers a qualified health benefit plan through the Exchange. Subject to Section 3.2 above, Board members may engage in private employment or in a profession or business, subject to any applicable laws, rules and regulations of the state or federal government regarding official ethics or conflicts of interest.

ARTICLE IV
MEETINGS OF THE BOARD

4.1 Regular Meetings.

(a) Regular meetings of the Board for the transaction of any lawful business of the Exchange shall be held on such dates and at such time and place as shall be designated by the Chairperson in a notice given to the members of the Board prior thereto.

(b) When any regular meeting of the Board falls upon a holiday observed by the Exchange, the meeting of the Board shall be held upon such other day as the Board may previously designate by resolution, and if no such day is designated, said meeting shall be held at the same hour on the business day following said holiday or holidays. Any regular meeting of the Board may be dispensed with by appropriate resolution adopted by the Board at any prior meeting of the Board.

4.2 Special Meetings. The Chairperson may, when he/she deems it expedient, and shall, upon the written request of at least six (6) members of the Board, call a special meeting of the Board for the purpose of transacting any business designated in the notice. Such notice shall be delivered to the usual place of abode of each Board member, so that it is received prior to the special meeting. At such special meetings, no business shall be considered other than as designated in the notice.

4.3 Notice of Meetings. Notices of each meeting of the Board shall be in written or printed form and, except as set forth in Section 4.2, may be given by mailing, facsimile or other delivery to each member of the Board. Email is an acceptable form of notice unless a member does not have an email address on file or specifically requests some other form of notice. Whenever any notice is required to be given by law or by these Bylaws, a waiver thereof in writing signed by the person or persons entitled to said notice, at or prior to the time the meeting convenes, shall be deemed equivalent thereto.

4.4 Quorum and Voting. A minimum of six (6) voting Board members shall be necessary to constitute a quorum for the transaction of business at any meeting of the Board. The vote of a majority of such Board members present at a meeting at which a quorum is present shall be necessary to decide any questions to be voted upon by the Board, unless a greater proportion is required by law or these Bylaws. A Board member who is present at a meeting of the Board or a committee of the Board when corporate action is taken is deemed to have assented to the action taken unless: (1) he/she objects at the beginning of the meeting, or promptly upon arrival, to holding it or transacting business at the meeting; (2) his/her dissent or abstention from the action taken is entered in the minutes of the meeting; or (3) he/she delivers written notice of dissent or abstention to the presiding officer of the meeting before its adjournment or to the Chairperson immediately after adjournment of the meeting. The right of dissent or abstention is not available to a Board member who votes in favor of the action taken.

4.5 Action Without Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting if all Board members with voting rights consent to the action in writing. Action taken under this Section is effective when one or more consents signed by all such Board members are delivered to the Chairperson unless the consents specify a different effective date. Such written consents shall be filed with the records of the meetings of the Board. Such consents shall be treated for all purposes as action taken at a meeting.

4.6 Organization. At each meeting of the Board, the Chairperson, or in his absence the Vice-Chairperson or, in both their absence, a Board member chosen by a majority of the Board members then present shall act as presiding officer, and the Chief Executive Officer, or in his/her absence, a Board member chosen by the presiding officer, shall act as Secretary of the meeting. The Secretary of each meeting shall prepare or cause to be prepared a record of all business transacted by the Board at such meeting. Records of all meetings shall be retained by the Chief Executive Officer.

4.7 Attendance by Teleconference. A Board member may participate in and be considered present at a meeting of the Board or a committee thereof through teleconference, videoconference or similar communications arrangements that permit each Board member to hear and be heard by each other Board member as if present in person.

4.8 Executive Sessions. The Board or any committee thereof may hold an executive session upon the vote of two-thirds (2/3rds) of the Board members thereof present and voting for the purposes and in the manner provided by law.

ARTICLE V
OFFICERS AND EMPLOYEES

5.1 Officers. The officers of the Exchange shall be the Chairperson, the Vice-Chairperson, the Chief Executive Officer and any such other officers, as may be appointed by the Board and not in conflict with law. Each officer other than the Chairperson shall serve at the pleasure of the Board or, in the case of any officer appointed by authority of the Board, by any committee thereof or other officer, at the pleasure of such appointing committee or other officer.

5.2 Chairperson. The Chairperson shall be appointed by the Governor from among the Board members. The Chairperson shall perform the duties imposed by the Act, these Bylaws and/or by resolution of the Board and shall preside at all meetings of the Board. At each meeting the Chairperson shall submit such recommendations and information as the Chairperson may consider appropriate concerning the business, affairs and policies of the Exchange.

5.3 Vice-Chairperson. At such regular or special meeting as the members may designate by resolution, the Board shall annually elect one of its members as Vice-Chairperson. The Vice-Chairperson shall perform the duties of the Chairperson in the absence or incapacity of the Chairperson and in a case of the resignation or death of the Chairperson, shall perform the duties of Chairperson until such time as the Governor shall appoint a new Chairperson. In the absence or incapacity of the Vice-Chairperson, or in case of his/her resignation or death, the

members shall elect from their number an acting Vice-Chairperson, who shall perform the duties of the Vice-Chairperson during the time of such absence or incapacity or until such time as the Board shall elect a new Vice-Chairperson. The Vice-Chairperson shall serve until a successor is elected.

5.4 Chief Executive Officer. The initial Chief Executive Officer shall be appointed by the Governor from one of three (3) nominees presented by the Board. All subsequent Chief Executive Officers shall be appointed by the Board. The Chief Executive Officer shall have such duties and responsibilities as may be determined by the Board, except that the duties and responsibilities of the Chief Executive Officer shall not include those required by the Act or these Bylaws to be performed by the Chairperson or the Vice-Chairperson or otherwise in conflict with law. The Board, by a majority vote, may by resolution delegate to some other person or persons all or part of the above enumerated duties of the Chief Executive Officer and may appoint one or more persons to serve as acting Chief Executive Officer(s) in the event of the absence or incapacity of the Chief Executive Officer.

5.5 Additional Duties. The officers of the Exchange shall perform such other duties and functions as may from time to time be assigned to them by resolution of the Board.

5.6 Additional Personnel. The Exchange may from time to time employ such personnel as it deems necessary to exercise its powers, duties and functions pursuant to the Act and any and all other laws of the State of Connecticut applicable thereto.

5.7 Signing Authority. Unless otherwise determined by the Board, the Chairperson, Vice-Chairperson and the Chief Executive Officer shall have authority to sign all contracts, instruments, deeds or other documents for and on behalf of the Exchange. Other officers and employees of the Exchange shall have such further signature powers as may be specified from time to time by resolution of the Board.

ARTICLE VI
COMMITTEES

6.1 Delegation. The Board may delegate any and all things necessary to carry out the purposes of the Act or these Bylaws to five (5) or more of its members, acting by committee, and, to the extent that powers, duties or functions are not reserved by law to the Board, to any officer or employee of the Exchange as the Board may in its discretion deem competent. Whenever the Board shall delegate any power, duty or function to a committee, including any standing committee, it shall be sufficient authorization for the performance of such duty or function if the same shall be taken by action of the committee in accordance with this Article VI.

6.2 Standing Committees.

(a) The Exchange shall have three (3) standing committees of the Board consisting of an Audit Committee, a Finance Committee and a Human Resources Committee.

(b) The principal functions, responsibilities and areas of cognizance of such standing committees shall be as follows:

(i) in the case of the Audit Committee, to monitor and provide oversight on internal financial and accounting policies and controls, to assure the timeliness and accuracy of all Exchange internal and external reporting, to recommend "best practices" for financial accounting and controls, and to monitor and provide oversight on matters of compliance with legal and ethical requirements;

(ii) in the case of the Finance Committee to recommend and monitor compliance with prudent fiscal policies, procedures and practices, to assure that the Exchange has the financial resources and the financial strategy necessary to carry out its statutory responsibilities and mission, including oversight of the Exchange's budgetary process, asset and liability management, and performance measurement; and

(iii) in the case of the Human Resources Committee, in addition to any other responsibilities that may be assigned by the Board from time to time, to recommend and monitor compliance with polices, programs, procedures and practices for optimal organizational development, including employment policies and practices, employee training, development and evaluation, employee compensation and benefits, and employee separation.

(c) To the extent possible, given the membership of the Board at the time and the objective that each member serve on one of the standing committees, (i) the Audit Committee shall include at least one member who is experienced with generally accepted accounting principles, internal controls, auditing and financial statement analysis, (ii) the Finance Committee shall include at least one member with a financial management background, and (iii) the Human Resources Committee shall include at least one member who is experienced in personnel management.

(d) Regular meetings of each standing committee shall be scheduled quarterly or at such other intervals as may be approved by the Board. Special meetings of a standing committee may be called by its chairperson as necessary.

6.3 Advisory and Ad Hoc Committees. The Board may establish such advisory and ad hoc committees as it deems necessary to accomplish the provisions of the Act and these Bylaws.

6.4 Powers. The Board may delegate to any standing or ad hoc committee such Board powers, duties and functions falling within such committee's area of cognizance as the Board may deem proper.

6.5 Committee Members. Each standing or ad hoc committee shall have at least five (5) members with (i) at least two (2) members who are not *ex officio* members of the Board and (ii) at least one (1) member who is an *ex officio* member of the Board. No more than two (2) members of a standing or ad hoc committee shall be non-voting members of the Board.

6.6 Quorum and Voting. Three (3) voting members of a standing or ad hoc committee shall constitute a quorum, and the vote of a majority of such quorum shall be required for the committee to take formal action.

6.7 Appointment and Removal. Members of committees shall be appointed by and serve at the pleasure of the Board. The Board may remove and replace members of any committee and may fill vacancies on any committee at any time in the discretion of the Board.

ARTICLE VII
FISCAL YEAR

7.1 Fiscal Year. The Fiscal Year of the Exchange shall be established by resolution of the Board.

ARTICLE VIII
AMENDMENT

8.1 Amendment or Repeal. These Bylaws may be repealed or amended or new Bylaws may be adopted by the affirmative vote of a majority of all voting members of the Board at any regular or special meeting of the Board, provided that the notice of such meeting includes notice of the proposed change.