



ESSENT HEALTHCARE, INC.

Section: Corporate Compliance
Subject: Reporting to the CEO&CFO

Effective Date: 11/15/04
Revision Date: 05/06/09

Policy #: CC-3
Responsible Party: Corporate Compliance Officer

Review Date: 05/06/09
Revision #: 3

Scope:

This policy applies to the reporting of compliance related matters to the Chief Executive Officer (CEO).

Purpose:

The purpose of this policy is to provide a structured process for the Corporate Compliance Officer (CCO) to report instances of non-compliance to the CEO. The CEO, as senior executive, must be informed of all compliance efforts to ensure support for the program and to ensure that adequate measures are being taken to resolve compliance issues.

Policy:

It is the policy of Essent Healthcare, Inc. to promptly report all violations (and potential violations) to the CEO of the Company. The CCO will notify the CEO of all compliance related complaints and the results of the related investigations on a periodic basis. The CCO will inform the CEO of the results of all audits and investigations prior to presenting the results to the Audit and Compliance Committee of the Board of Directors (ACC-BOD). Urgent matters will be discussed with the CEO immediately upon discovery of credible evidence of misconduct.

Procedure:

1. The CCO shall report to the CEO on a periodic basis.
2. The CCO will immediately notify the CEO upon receiving a legitimate compliance complaint. After completing the preliminary investigation, the CCO will discuss next steps with the CEO.
3. If the preliminary investigation raises the possibility of serious wrongdoing, a formal investigation will be conducted.
4. If the complaint is of the nature that raises the possibility of criminal wrongdoing, the CEO and CCO will decide whether to contact regulatory counsel regarding the matter, and whether to inform the ACC-BOD at that time.
5. If the complaint raises allegations of wrongdoing by any member of senior management, the CCO will notify the ACC-BOD, complete the preliminary investigation, and report directly to the ACC-BOD if the preliminary investigation reveals evidence substantiating the complaint.



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6. The CEO will receive a copy of each investigation report, which will contain a summary of the investigation and its resolution. This copy should be treated as a confidential document, and should be returned to the CCO to be kept in the confidential compliance files. Investigative reports that deal with regulatory issues will be reviewed by regulatory counsel prior to being given to the CEO.
7. The results of periodic compliance audits, and all other presentation materials, will be given to the CEO at least 2 days prior to any presentation to the ACC-BOD to ensure that the CEO is aware of the information and has the opportunity to request clarification prior to the ACC-BOD meeting.
8. The CCO will present a summary of all hotline call activity to the CEO on a periodic basis.
9. The CCO will present a summary of any significant changes made to the compliance program or the Code of Conduct to the CEO on a periodic basis.

References:

HCCA Compliance Manual
OIG Compliance Guidance